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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangert
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

June 10, 1992

Permit Binder

Mr. Vernal Mortensen, Executive Vice President
Coastal States Energy Company
Southern Utah Fuel Company
175 East 400 South
Salt Lake City, Utah 84111

Dear Mr. Mortensen:

Re: Five-Year Permit Renewal, Coastal States Energy Company, Convulsion Canyon Mine, ACT/041/002, Folder #3, Sevier County, Utah

Enclosed is a renewed permanent program mining permit for the Convulsion Canyon Mine. The expiration date for this permit is May 20, 1997, five years from the expiration date of your most recent permit. Also, enclosed is a copy of the State's Decision Document for the permit renewal and a Division Order requiring correction of outstanding deficiencies in your MRP.

Please note that two (2) copies of the permit are included. Please read the permit to be sure you understand the requirements of the permit and conditions, then have both copies signed and return one to the Division.

Thank you for your cooperation during the permitting process.

Best regards,


Dianne R. Nielson
Director

Enclosures

cc: P. Rutledge, OSM
R. Hagen, OSM
L. Braxton, DOGM
B-Team
SUFCPERM.REN

**UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT**

**For
PERMIT RENEWAL**

Coastal States Energy Company
Convulsion Canyon Mine
ACT/041/002
Sevier County, Utah

May 20, 1992

CONTENTS

- * Administrative Overview
- * Location Map
- * Permitting Chronology
- * Mine Plan Information Form
- * Findings
- * Affidavit of Publication
- * List of Technical Deficiencies Identified During Renewal Review
- * Letters of Concurrence and Consultation
 - U. S. Forest Service, April 24, 1992
 - Division of Water Rights, April 14, 1992
 - Memo from Joseph C. Helfrich, May 20, 1992
 - AVS Clearinghouse Recommendation, May 12, 1992
 - Memo from Wayne Western, May 20, 1992
- * Renewed Permit with Division Order

ADMINISTRATIVE OVERVIEW

Coastal States Energy Company
Convulsion Canyon Mine
Five Year Permit Renewal
ACT/041/002
Sevier County, Utah

May 20, 1992

BACKGROUND

Coastal States Energy Company has made application to the Division of Oil, Gas and Mining for a five-year permit renewal for the Convulsion Canyon Mine. This renewal encompasses the same permit area and disturbance as currently approved in the May 1987 permit and subsequent August 1988 and December 1989 revisions.

The Convulsion Canyon Mine is located approximately 30 miles east of Salina, Utah, with the surface facilities and access portal on U. S. Forest Service land in East Spring Canyon, within Section 12, Township 22 South, Range 4 East, Salt Lake baseline and Meridian. The mine commenced operation in 1941, mining Federally-owned coal. The original mine plan was submitted to the U. S. Geological Survey (USGS) and the Utah Division of Oil Gas and Mining (DOGGM) in 1977. Additional information was submitted, and the mine plan was approved by DOGGM pursuant to the Utah Mined Land Reclamation Act on September 14, 1977. The USGS approved the plan on February 3, 1978. In October of 1979, Sufco submitted additional information to comply with the regulations of the newly implemented Surface Mining Control and Reclamation Act of 1977. The Office of Surface Mining (OSM) sent an Apparent Completeness Review (ACR) to the applicant in May 1980, which Sufco responded to in November 1980. A joint ACR was prepared by DOGGM and OSM and sent to the applicant in June of 1981. The applicant responded to the review and submitted baseline data on a new Federal Lease (U-47080) in September 1981. DOGGM submitted requests for additional completeness and technical information in March and June of 1983 to which the operator responded in April and July of 1983. The Mine plan application was declared complete on July 18, 1983. A permanent program permit was issued to the Coastal States Energy Company on May 19, 1987, consisting of five federal leases (U-28297, U-062353, U-0149084, SL-062583, U-47080) and one fee lease for a total of 7,355 acres.

The need for a waste rock disposal site was soon apparent. Coastal States applied for a disposal site located on a 40-acre tract of private land located approximately 6 miles west of the Convulsion Canyon Mine portals. The waste rock site was approved on August 26, 1988, bringing the revised permit area to a total of 7395 acres.

On July 3, 1989, an application was made to add another federal lease known as the Quitcupah lease to the permit area. Approval for the new lease was obtained and a revised permit was issued effective December 21, 1989. This new lease brought the total permit area to 17,301 acres.

At this time, Coastal States Energy Company proposes to renew the permit for an additional 5 year term.

ISSUES

The U. S. Forest Service, as a surface land owner, has been involved in the review of the updated MRP and has raised several issues during the renewal process. The Utah Division of Water Rights has also provided comments. These comments have been incorporated into the Division's review of the MRP and Coastal States will be required to address all outstanding issues by Division Order.

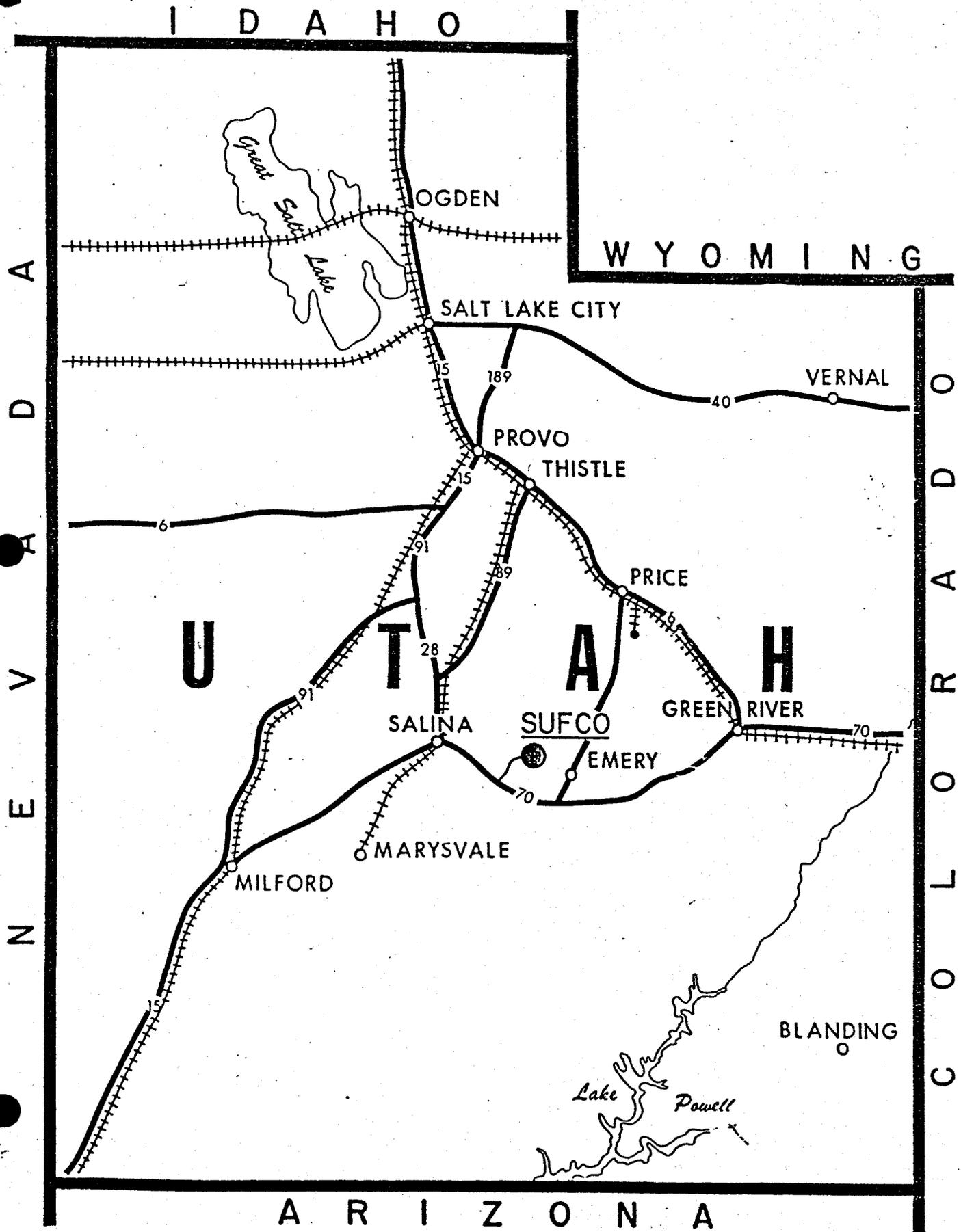
ANALYSIS

No additional permit area or new surface disturbance is being approved with this permit renewal. No significant changes have occurred since the approval of the last permit revision on December 21, 1989. Therefore, it is DOGM's opinion that the mining and reclamation practices and procedures which were approved in the May 19, 1987 permit, the August 26, 1988 and December 21, 1989 revisions are acceptable during the next five-year renewal period.

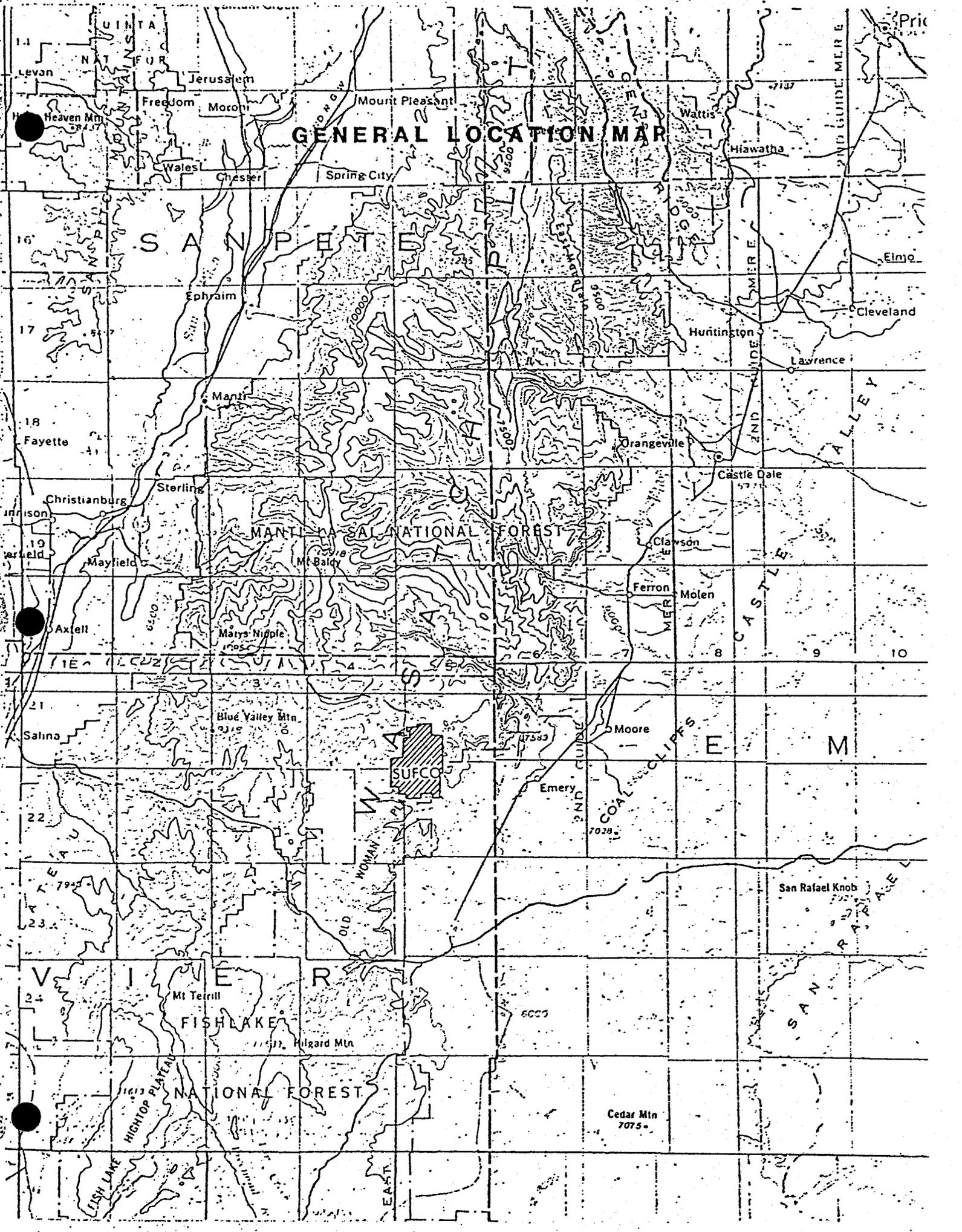
RECOMMENDATION

Coastal States Energy Company has demonstrated that mining of the Convulsion Canyon Mine can be done in conformance with the Surface Mining Control and Reclamation Act and the corresponding Utah Act and performance standards. Approval for permit renewal is recommended based on the newly submitted MRP, a review of the current permit including all conditions, amendments and revisions approved to date; and conformance with criteria for approval of permit renewal applications (R645-303-230 thru 235) (see attached Permit Renewal Findings document). All issues raised during the review process, which are pertinent to the term of the renewal, have been resolved or will be attached as conditions to permit approval by Division Order. No other issues were raised during the public comment period.

GENERAL LOCATION MAP
SUFCO MINE AREA



GENERAL LOCATION MAP



PERMITTING CHRONOLOGY

Coastal States Energy Company
Convulsion Canyon Mine
Permit Renewal
ACT/041/002
Sevier County, Utah

May 20, 1992

- 12/31/91 Coastal States Energy Company submits application for permit renewal which includes a new MRP designed around the R614 (R645) regulations.
- 01/15/92 DOGM determines plan complete and submits copies of new MRP to other agencies for their review.
- 01/15/92 Coastal publishes notice of a complete application for permit renewal in the
02/5/92 Richfield Reaper.
- 03/06/92 Public comment period ends with no comments received.
- 05/20/92 DOGM issues Decision Document and renewed state permit.

MINE PLAN INFORMATION

Mine Name: Convulsion Canyon Mine State ID: ACT/041/002
 Operator: Coastal States Energy Company County: Sevier
 Controlled By: Coastal Corporation Contact Person(s): Vernal Mortensen
 Telephone: (801) 596-7111 Position: Senior Vice President
 Mining Method: Longwall & Room and Pillar

Federal Lease No(s): U-28297, U-062453, U-0149084, SL-062583, U-47080, U-63214
 Legal Description(s): U-63214: T. 21 S., R. 4 E., Sec. 12: E1/2SE1/4; Sec. 13: E1/2NE1/4, S1/2; Sec. 14: E1/2SW1/4, SE1/4; Sec. 23: E1/2, E1/2W1/2; Sec. 24: All; Sec. 25: All; T. 21 S., R. 5 E., Sec. 15: W1/2; Sec. 16 through 21: All; Sec. 22: W1/2; Sec. 26: W1/2NW1/4SW1/4, SW1/4SW1/4; Sec. 27: All; Sec. 28: N1/2, N1/2SW1/4, SE1/4SW1/4, SE1/4; Sec. 29: E1/2NE1/4, NE1/4SE1/4; Sec. 30: lot 1, N1/2NE1/4; Sec. 33: Lots 2-4, NE1/4, E1/2NW1/4, NE1/4SW1/4, N1/2SE1/4, SW1/4SE1/4; Sec. 34: All; Sec. 35: Lots 1, 2, W1/2NW1/4, N1/2SW1/4; T. 22 S., R. 5 E., Sec. 3: Lots 1-4, S1/2N1/2, NE1/4SW1/4, S1/2 SW1/4, N1/2SE1/4, SW1/4SE1/4; Sec. 4: Lots 1, 2, S1/2NE1/4, SE1/4SE1/4; Sec. 9: NE1/4NE1/4; Sec. 10: W1/2NE1/4, NW1/4, N1/2SW1/4
SL-062583: T. 21 S., R. 4 E., Sec. 36: S1/2; T. 21 S., R. 5E., Sec. 31: all; T. 22 S., R. 4 E., Sec. 1: Lots 1-4 incl. S1/2N1/2, S1/2; Sec. 12: NW1/4; T. 22 S., R. 5 E., Sec. 6: all; Sec. 7: N1/2NE1/4, E1/2NW1/4
U-28297: T. 21 S., R. 5 E., Sec. 32: Lots 1-4, N1/2S1/2; Sec. 33: lot 1, NW1/4SW1/4; T. 22S., R. 5E., Sec. 4: lot 4, SW1/4NW1/4, W1/2SW1/4; Sec. 5: all; Sec. 7: S1/2NE1/4, E1/2SW1/4, SE1/4; Sec. 8: all; Sec. 17: NE1/4, N1/2NW1/4; Sec. 18: NE1/4, E1/2NW1/4
U-062453: T. 21 S., R. 5 E., Sec.28: SW1/4SW1/4; Sec. 29: SE1/4SE1/4; Sec. 32: N1/2; Sec. 33: W1/2NW1/4
U-0149084: T. 22 S., R. 4 E., Sec. 12: NE1/4, N1/2SE1/4
U-47080: T. 21 S., R. 4 E., Sec. 25: all; Sec. 36: N1/2; T. 21 S., R. 5 E., Sec. 30: lots 2-4, W1/2SE1/4

State Lease No.(s) N/A
 Legal Description(s): _____

Other Leases (identify): Coastal State Fee
 Description(s): T. 21 S., R. 5 E., Sec. 29: W1/2, W1/2SE1/4, W1/2NE1/4, Sec. 30: E1/2SE1/4, N1/2NE1/4

Ownership Data:

	<u>Existing</u> <u>Permit Area</u>	<u>Proposed</u> <u>Permit Area</u>	<u>Total Life</u> <u>Of Mine Area</u>
Surface Resources (acres):			
Federal	<u>16,621</u>	_____	<u>16,621</u>
State	_____	_____	_____
Private	<u>680</u>	_____	<u>680</u>
Other	_____	_____	_____
TOTAL	<u>17,301</u>	_____	<u>17,301</u>

<u>Coal Ownership (acres):</u>	<u>Existing Permit Area</u>	<u>Proposed Permit Area</u>	<u>Total Life Of Mine Area</u>
Federal	<u>16,621</u>	<u> </u>	<u>16,621</u>
State	<u> </u>	<u> </u>	<u> </u>
Private	<u>640</u>	<u> </u>	<u>640</u>
Other	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>17,261</u>	<u> </u>	<u>17,261</u>

<u>Coal Resource Data</u>	<u>Total Reserves (Tons)</u>	<u>Total Recoverable Reserves (Tons)</u>
Federal	<u>172,000,000 tons</u>	<u>86,000,000 tons</u>
State	<u> </u>	<u> </u>
Private	<u> </u>	<u> </u>
Other	<u> </u>	<u> </u>
TOTAL (Life of Mine)	<u>172,000,000 tons</u>	<u>86,000,000 tons</u>

<u>Recoverable Reserve Data</u>	<u>Name</u>	<u>Thickness</u>	<u>Depth</u>
Seam	<u>Upper Hiawatha</u>	<u>13 ft. (ave.)</u>	<u>1,300-1,500 ft.</u>
Seam	<u>Lower Hiawatha</u>	<u>12 ft. (ave.)</u>	<u>1,200-1,270 ft.</u>
Seam	<u> </u>	<u> </u>	<u> </u>
Seam	<u> </u>	<u> </u>	<u> </u>
Seam	<u> </u>	<u> </u>	<u> </u>
Seam	<u> </u>	<u> </u>	<u> </u>

Mine Life: 50 years

First Coal Produced: 1941

Termination of Mining: Dec. 2023

Horizontal Extent of Mine
Workings (life of Mine): 17,258 acres

Vertical Extent of Mine
Workings (Life of Mine): Surface to 2000 ft.

Average Annual Production: 3 million tons

Percent Recovery: 50%

Date Projected Annual Rate Reached: 1981

Reserves Recovered by: Longwall Mining

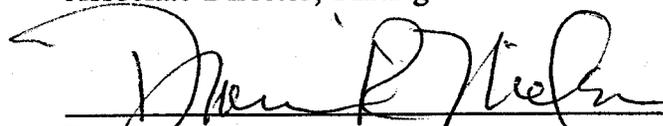
PERMIT RENEWAL FINDINGS

Coastal States Energy Company
Convulsion Canyon Mine
ACT/041/002
Sevier County, Utah
May 20, 1992

1. The permit renewal term will not exceed the original permit term of five years (R645-303-234).
2. The terms and conditions of the existing permit are being satisfactorily met (R645-303-233.110).
3. The present underground coal mining activities are in compliance with the environmental protection standards of the Act and the Utah State Program (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program (R645-303-233.130).
5. The Operator has provided evidence of having liability insurance (R645-303-233.140).
6. The Operator's current reclamation surety, which will remain in full effect for the additional permit period, is considered adequate for processing this renewal. No additional surface disturbances are approved with this renewal (R645-303-233.150). In conjunction with this renewal the Division has reevaluated the bond amount as provided for in R645-301-830.400 and a new bond estimate has been calculated. The permittee is required to adjust the bond amount according to the schedule set forth in the Division Order accompanying this Decision Document.
7. The Operator has submitted all updated information as required by the Division at this time (R645-233.160). A technical deficiency review has been conducted and remaining technical deficiencies are the subject of a Division Order requiring their correction.


Permit Supervisor


Associate Director, Mining


Director

AFFIDAVIT OF PUBLICATION

County of Sevier, State of Utah, ss.

I, SHERRIE OKERLUND, being first duly sworn, depose and say I am the Legal Secretary of THE RICHFIELD REAPER, a weekly paper having a bona fide circulation of more than 200 subscribers in the State of Utah, published every Wednesday at Richfield, Sevier County, Utah.

That the notice FILED APPLICATION FOR COAL MINING PERMIT RENEWAL a copy of which is attached hereto, was published in said paper for FOUR consecutive issues, the first publication having been made in the issue of the 15 day of JANUARY 1992, and the last publication in the issue of the 5 day of FEBRUARY 1992, the said notice was published in the regular and entire issue of every number of said paper

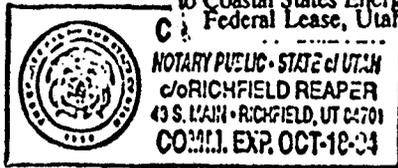
and publication, and that the same was proper and not in a supplement.

Sherrie Okerlund

Subscribed and sworn to before me
1992.

Cheryl M. ...

My Residence is Richfield, Sevier County,
My Commission Expires October 18, 1994



26370

Issued to Southern Utah Fuel Co. Date of Issuance, 6/01/66; Utah - 062453, Heiner Coal Company, Southern Utah Fuel Co. Equipment Rental Service, 3/01/62; SL - 062583, Lorenzo R. Hansen, 9/11/41; Utah - 28297, Coastal States Energy Co., 1/01/79; Utah - 47080, Coastal States Energy Co., 10/01/81; Utah - 63214, Coastal States Energy Co., 7/01/89.

The legal description of the above listed coal leases are:

Federal Coal Lease Serial Utah-0149084, T. 22 S., R. 4 E., SL Meridian, Utah, Sec. 12: NE-1/4 and N-1/2 SE-1/4; containing 240 acres;

Federal Coal Lease Serial SL-062583, T. 21 S., R. 4 E., SL Meridian, Utah, Sec. 35: S-1/2; T. 21 S., R. 5 E., SL Meridian, Utah, Sec. 31: All; T. 22 S., R. 4 E., SL Meridian, Utah, Sec. 1: Lots 1 to 4 incl., S-1/2 N-1/2, S-1/2; Sec. 12: NW 1/4; T. 22 S., R. 5 E., SL Meridian, Utah, Sec. 6: All; Sec. 7: N-1/2 NE-1/4, E-1/2 NW-1/4; containing 2202.77 acres;

Federal Coal Lease Serial Utah-062453, T. 21 S., R. 5 E., SL Meridian, Utah, Sec. 28: SW-1/4 SW-1/4; Sec. 29: SE-1/4 SE-1/4; Sec. 32: N-1/2; Sec. 33: W-1/2 NW-1/4; containing 480.00 acres;

Federal Coal Lease Serial Utah-028297, T. 21 S., R. 5 E., SL Meridian, Utah, Sec. 32: Lots 1, 4, N-1/2 S-1/2; Sec. 33: Lot 1, NW-1/4 SW-1/4; T. 22 S., R. 5 E., SL Meridian, Utah, Sec. 4: Lot 4, SW-1/4 NW-1/4, W-1/2 SW-1/4; Sec. 5: All; Sec. 7: S-1/2 NE-1/4, E-1/2 SW-1/4, SB 1/4; Sec. 8: All; Sec. 17: NE-1/4, N-1/2 NW-1/4; Sec. 18: NE-1/4, E-1/2 NW-1/4; containing 531.98 acres;

Federal Coal Lease Serial Utah-47080, T. 21 S., R. 4 E., SL Meridian, Utah, Sec. 25: All; Sec. 36: N-1/2; T. 21 S., R. 5 E., SL Meridian, Utah, Sec. 30: Lots 2, 4, W-1/2 SE-1/4; containing 1158.05 acres;

Federal Coal Lease Serial Utah-63214, T. 21 S., R. 4 E., SL Meridian, Utah, Sec. 12: E-1/2 SE-1/4; Sec. 13: E-1/2 NE-1/4, S-1/2; Sec. 14: E-1/2 SW-1/4, SE-1/4; Sec. 23: E-1/2, E-1/2 W-1/2; Sec. 24: All; T. 21 S., R. 5 E., SL Meridian, Utah, Sec. 15: W-1/2; Secs. 16-21: All; Sec. 22: W-1/2; Sec. 26: W-1/2 NW-1/4 SW-1/4, SW-1/4 SW-1/4; Sec. 27: All; Sec. 28: N-1/2, N-1/2 SW-1/4, SE-1/4 SW-1/4, SE-1/4; Sec. 29: E-1/2 NE-1/4, NE-1/4 SE-1/4; Sec. 30: Lot 1, N-1/2 NE-1/4; Sec. 33: Lots 2-4, NE-1/4, E-1/2 NW-1/4, NE-1/4 SW-1/4, N-1/2 SE-1/4; Sec. 14: All; Sec. 35: Lots 1, 4, W-1/2 NW-1/4, N-1/2 SW-1/4; T. 22 S., R. 5 E., SL Meridian, Utah, Sec. 3: Lots 1-4, S-1/2 N-1/2 NE-1/4 SW-1/4, S-1/2 SW-1/4, N-1/2 SE-1/4, SW-1/4 SE-1/4; Sec. 4: Lots 1, 2, S-1/2 NE-1/4, SE-1/4 SE-1/4;

Sec. 9: NE-1/4 NE-1/4; Sec. 10: W-1/2 NE-1/4, NW-1/4 N-1/2 SW-1/4 containing 9905.46 acres.

The legal description of the coal lands owned in fee by the Applicant for which mining is proposed is:

T. 21 S., R. 5 E., SL Meridian, Utah, Sec. 28: SW-1/4 NW-1/4, W-1/2 NE-1/4, W-1/2 SE-1/4; Sec. 30: S-1/2 NE-1/4, E-1/2 SE-1/4; containing 640 acres.

After filing, copies of the permit application will be available for inspection at the following locations: Utah Division of Oil, Gas, & Mining, 335 West North Temple, 3 Triad Center, Suite 350, Salt Lake City, Utah; Sevier County Courthouse, Richfield, Utah; and Coastal States Energy Company, 175 East 400 South, Suite 800, Salt Lake City, Utah.

Written comments, objections, or requests for informal conferences on the application may be addressed within 30 days of the last publication date to the Utah Division of Oil, Gas, & Mining, 335 West North Temple, 3 Triad Center, Salt Lake City, Utah 84180, with copies to Coastal States Energy Company, 175 East 400 South, Suite 800, Salt Lake City, Utah 84111.

Published in The Richfield Reaper Jan. 15, 22, 29 and Feb. 5, 1992.

SOUTHERN

NET

FEDERAL
(April 1987)

Permit Number ACT/041/002, May 20, 1992

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

This permit, ACT/041/002, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGGM) to:

Coastal States Energy Company
175 East 400 South, Suite 800
Salt Lake City, Utah 84111
(801) 596-7111

for the Convulsion Canyon Mine. Coastal States Energy Company is the lessee of federal coal leases SL-062583, U-062453, U-0149084, U-28297 U-47080 and U-63214, and the lessee of certain fee-owned parcels. A performance bond is filed with the DOGM in the amount of \$1,172,000.00, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSMRE). DOGM must receive a copy of this permit signed and dated by the permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 PERMIT AREA - The permittee is authorized to conduct underground coal mining activities on the following described lands (as shown on the maps appended as Attachments B and C) within the permit area at the Convulsion Canyon Mine, situated in the state of Utah, Sevier County, and located:

Township 21 South, Range 4 East, SLBM

Section 12: E1/2 SE1/4
Section 13: E1/2 NE1/4, S1/2
Section 14: E1/2 SW1/4, SE1/4
Section 23: E1/2, E1/2 W1/2
Section 24: All
Section 25: All
Section 36: All

Township 21 South, Range 5 East, SLBM

Section 15: W1/2
Section 16
thru 21: All
Section 22: W1/2
Section 26: W1/2 NW1/4 SW1/4, SW1/4 SW1/4
Section 27
thru 34: All
Section 35: Lots 1, 2, W1/2 NW1/4, N1/2 SW1/4

Township 22 South, Range 4 East, SLBM

Section 1: All
Section 12: N 1/2, N 1/2 SE 1/4, portion of NE 1/4 SW 1/4
Section 18: NW 1/4 NE 1/4

Township 22 South, Range 5 East, SLBM

Section 3: Lots 1-4, S1/2 N1/2, NE1/4 SW1/4, S1/2 SW1/4,
N1/2 SE1/4, SW1/4 SE1/4
Section 4: Lots 1, 2, S1/2 NE1/4, SE1/4 SE1/4, W 1/2 W 1/2
Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 9: NE1/4 NE1/4
Section 10: W1/2 NE1/4, NW1/4, N1/2 SW1/4
Section 17: NE 1/4, N 1/2 NW 1/4
Section 18: N 1/2

This legal description is for the permit area (as shown on Attachments B and C) of the Convulsion Canyon Mine. The permittee is authorized to conduct underground coal mining activities connected with mining on the foregoing described property subject to the conditions of the leases, the approved mining plan, including all conditions and all other applicable conditions, laws and regulations.

Sec. 3 PERMIT TERM - This revised permit becomes effective on May 20, 1992 and expires on May 19, 1997.

- Sec. 4 **ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and R645-303.
- Sec. 5 **RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- A. have the rights of entry provided for in 30 CFR 840.12, R645-400-110, 30 CFR 842.13 and R645-400-220; and,
 - B. be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100, R645-400-200 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.
- Sec. 6 **SCOPE OF OPERATIONS** - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.
- Sec. 7 **ENVIRONMENTAL IMPACTS** - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:
- A. accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
 - B. immediate implementation of measures necessary to comply; and
 - C. warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.
- Sec. 8 **DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 9 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:

- A. in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- B. utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 10 AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec. 11 COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq.) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

Sec. 12 PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 13 CULTURAL RESOURCES - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.

Sec. 14 APPEALS - The permittee shall have the right to appeal as provided for under R645-300.

Sec. 15 SPECIAL CONDITIONS - In addition to the general obligations and/or requirements set out in the leases, the federal mining plan approval, and this permit, the permittee shall comply with the Division Order appended hereto as Attachment A and the Special Permit Stipulation, appended hereto as Attachment A-1.

The above conditions (Secs. 1-15) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: _____



Date: _____

5/20/92

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of the Permittee

Date: _____

ATTACHMENT A

**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING**

PERMITTEE

**Mr. Vernal Mortensen
Senior Vice President
Coastal States Energy Company
175 East 400 South, Suite 800
Salt Lake City, Utah 84111**

**Convulsion Canyon Mine
Sevier County**

**Permit Number ACT/041/002
Division Order # 92A**

**DIVISION ORDER AND FINDINGS
of
PERMIT DEFICIENCY**

PURSUANT to R645-303-212, the DIVISION hereby ORDERS the PERMITTEE, Coastal States Energy Company to make the permit changes enumerated in the FINDINGS OF PERMIT DEFICIENCY in order to be in compliance with the State Coal Program. These Findings of Permit Deficiency are to be remedied in accordance with the requirements of R645-303-220.

FINDINGS OF PERMIT DEFICIENCY

Based on a review of Coastal States Energy Company's Mining and Reclamation Plan submitted on December 31, 1991 and correspondence from reviewing agencies, a number of deficiencies have been determined. They are enumerated below.

- 1) Coastal States Energy Company must adequately address all outstanding issues discussed in the Division's Technical Deficiency Review dated May 20, 1992.

- 2) Coastal States Energy Company must adequately address the concerns identified in the April 14, 1992 letter to the Division from the Utah Division of Water Rights.
- 3) Coastal States Energy Company must adequately address the concerns identified in the April 24, 1992 letter to the Division from the U. S. Forest Service Manti-LaSal National Forest.
- 4) Coastal State Energy Company is required to increase the reclamation bond amount for the Convulsion Canyon Mine to \$2,356,000.00 pursuant to R645-301-830.400 and in accordance with the Division's bond evaluation provided by Wayne Western's memo, dated May 20, 1992.

ORDER

It is hereby ORDERED that Coastal States Energy Company make the requisite permit changes in accordance with R645-303-220 and submit a complete application for permit change, addressing the FINDINGS OF PERMIT DEFICIENCY by no later than September 8, 1992 for Items 1-3 and by no later than July 10, 1992 for Item 4.

So ORDERED, this 20th day of May, 1992, by the Division of Oil, Gas and Mining.

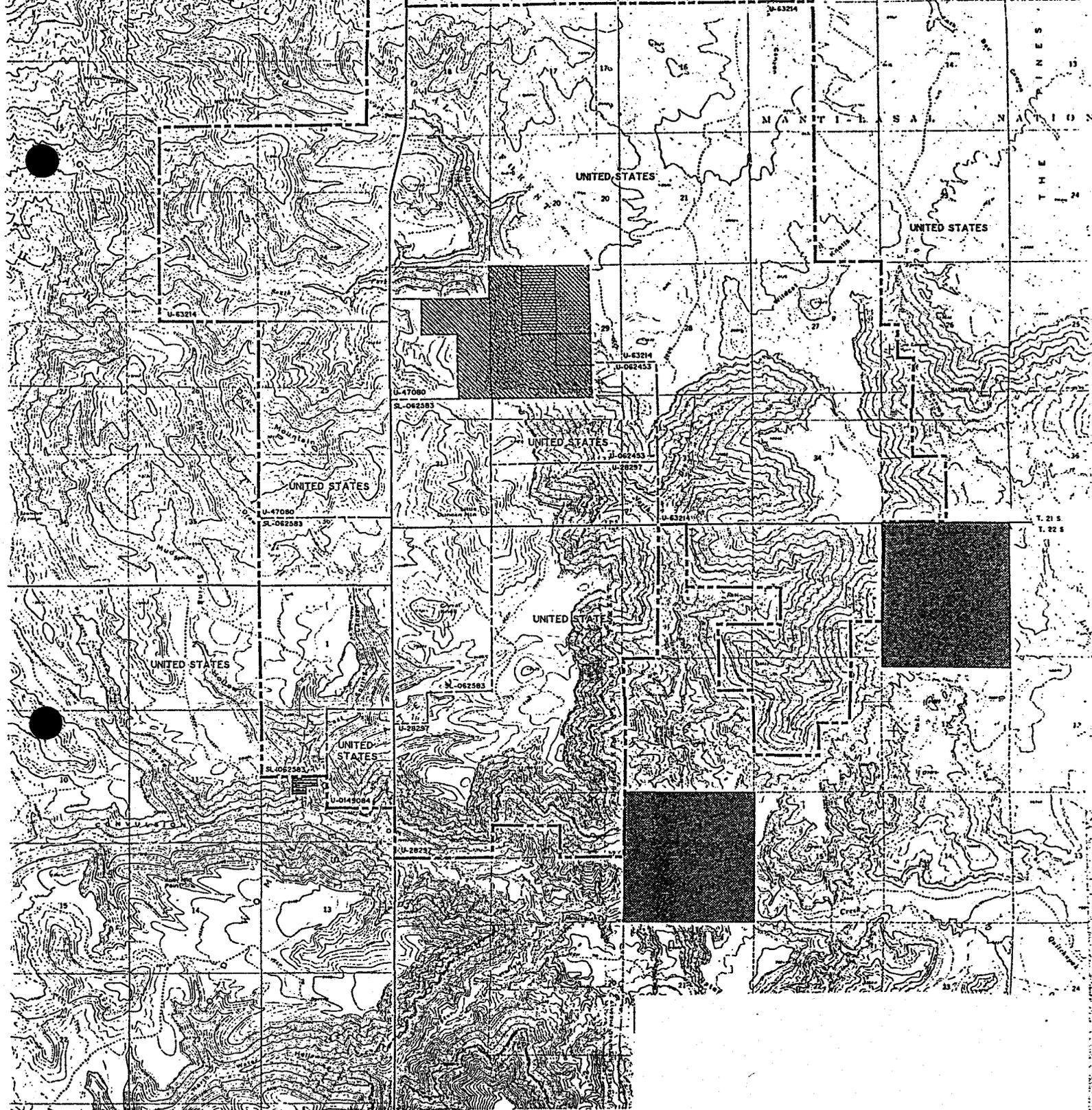


Dianne R. Nielson, Director
Division of Oil, Gas and Mining

ATTACHMENT A-1

Special Permit Stipulation

Mr. William S. Hudgins, Jr., Board of Director for Virginia Iron, Coal and Coke Company, is negotiating with Charles Gault, OSM Solicitor, regarding the settlement of, and/or payment of, outstanding violations. Within fourteen (14) days of completion of those negotiations, Coastal States Energy Company shall provide DOGM with written verification of payment or settlement agreement of the Virginia Iron, Coal and Coke Company and Turner Coal Company, Incorporated outstanding violations referenced in the May 20, 1992 510(c) Compliance Review from Joseph C. Helfrich.



000 1,800,000 900,000 R. 4 E. R. 5 E. 2,700,000 10,000
 2,000,000 900,000 2,700,000 10,000

SURFACE PROPERTY OWNERSHIP

	COASTAL STATES ENERGY COMPANY
	STATE OF UTAH
	U.S.F.S. SPECIAL USE AREA
	NEAL MORTENSEN ET AL.
	NEAL MORTENSEN
	ROGER E. NELSEN ET AL.

MINERALS OWNERSHIP

	COASTAL STATES ENERGY COMPANY
	STATE OF UTAH

EXPLANATION

	SUFCO PROPERTY BOUNDARY
	SUFCO LEASE BOUNDARIES
	STATE PLANE COORDINATES
	MINE COORDINATES

attachment "B"

NOTE: ALL OTHER AREAS ON OR ADJACENT TO SUFCO PROPERTY ARE OWNED BY THE UNITED STATES (BOTH SURFACE AND MINERAL).

MARLIN
SORENSEN, JR.

MAURICE &
THERRESA
RASMUSSEN

4-164-13
40.00 AC.

LEON P. &
VIRGINIA
CHRISTENSEN

SOUTHERN
UTAH FUEL
COMPANY

4-167-3
40.00 AC.

HOWARD W. &
JANET NIELSEN

4-167-6
40.00 AC.

ACORD LAKES

MOUNT AIR
OAKS CORP.

4-167-5
160.00 AC.

RECORDED
JAN 20 1988

DIVISION OF
OIL, GAS & MINING

4-167-16
57.98 AC.

T22S, R4E

SOUTHERN UTAH FUEL CO.
MINE NUMBER ONE

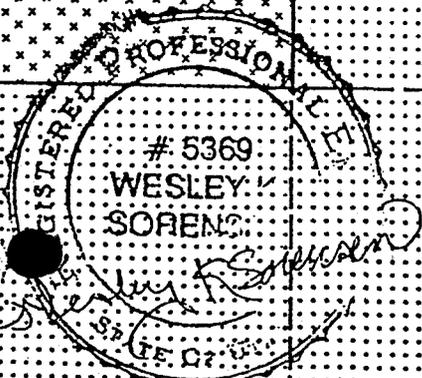
UNDERGROUND DEVELOPMENT
WASTE DISPOSAL SITE
PROPERTY OWNERS

DATE
JULY 23, 1987

SCALE
NOT TO SCALE

DRAWN BY

DRAWING NO. MAP I



**COASTAL STATES ENERGY COMPANY
SOUTHERN UTAH FUEL COMPANY
CONVULSION CANYON MINE
MAY 20, 1992**

**TECHNICAL DEFICIENCY REVIEW
PERMIT RENEWAL**

R645-301-120. Permit Application Format and Contents.

Deficiencies:

1. Provide legible Water Quality data for Appendix H-A, page 1, located in Appendix 7-2 Hydrometrics reports Volume 9; and provide legible Plates H-I, H-II, and H-III located in the 1981 Supplement on a map of adequate scale. Compiled well elevation data must include the month sampled on presented graphs.

R645-301-121.200. Be clear and concise; and

Deficiencies:

1. SUFCO must modify the text of page 5-15 to reflect the accurate location of the Quitcupah ventilation entry.

R645-301-140. Maps and Plans

Deficiencies:

1. SUFCO must revise or modify Plates 5.1 to provide information on the above ground disturbance prior to 1977; Plates 5.2A and/or 5.2B to indicate areas of contemporaneous reclamation mentioned on page 3-41 and 3-46 of the MRP; and Plate 5.3 to accurately portray the disturbed area boundary.

R645-301-222. Soil Survey.

Deficiencies:

1. SUFCO must revise Plate 2-1 to show the soil sampling locations within and immediately adjacent to the disturbed area: define spoil slopes, rubble slopes, native soils, and rock outcrops; and revise Plate 3-1 to portray the locations of the vegetation and soil sampling sites as described in the text of Appendix 2-2:

include all information required on USGS maps, such as contour intervals, roads, trails, streams, Township and Range, etc.

2. SUFCO must identify within Chapter 2 of the MRP which supporting documentation from Appendix 2-2 and 2-3 applies to the soil sample locations described on the revised Plate 2-1.

R645-301-224. Substitute Topsoil.

Deficiencies:

1. SUFCO must identify contemporaneously reclaimed areas which will be redisturbed for substitute topsoil on a map and in the plan and distinguish these areas as interim revegetation/substitute topsoil storage.
2. SUFCO must provide within the text of the MRP: a) an evaluation of the soils which are presently within the pad, which have potential for substitute topsoil use and which are the best available material within the fill for cover; b) a commitment in Chapter 2 of the MRP to test all proposed substitute topsoil material at the time of final reclamation according to Table 6 of UDOGM's 1988 "Guidelines for the Management of Overburden and Topsoil," and including the analysis of sulfate and chloride concentrations prior to utilizing any pad fill for substitute topsoil; c) an outline of the number of tests to be conducted based on the volume or tonnage of substitute topsoil to be utilized during final reclamation.
3. SUFCO must correct the first statement made in Section 2.24 to indicate that substitute topsoil will be selected from pad fill and contemporaneously revegetated slopes, and correct the last statement of Section 2.3.2.7 to indicate that importation of substitute topsoil may be required depending upon revegetation success according to the standards of R645-301-356.

R645-301-230. Operation Plan.

Deficiencies:

1. SUFCO must indicate in the text of the MRP: a) an average depth which will

be salvaged from proposed disturbances or indicate that a that a topsoil survey will be conducted prior to new disturbance (page 4-10); b) that minor disturbances where SUFCO does not anticipate topsoil removal will meet with prior UDOGM approval (Section 2.3.2.4); c) that salvaged and stored topsoil will not be moved without prior approval from the Division Section 2.3.4.3; d) that the A, B & C or A & AC & C horizons will be collectively segregated from the proposed disturbed area and stockpiled (Section 2.3.2.5 on page 2-13).

2. SUFCO must indicate in the text of the MRP the volume of topsoil presently stored at the mine facilities and subsoil stored in the substation binwalls intended for final reclamation cover material.

R645-301-240. Reclamation Plan.

Deficiencies:

1. SUFCO must commit to ripping the subsoil to an 18-24 inch depth and applying substitute topsoil cover depths of 12 inches on slopes less than or equal to 2h:1v; and ripping to a depth of 12 inches and applying substitute topsoil cover depths of 8 inches on slopes greater than 2h:1v up to the angle of repose, 1.5h:1v.
2. SUFCO must commit to applying an amendment (such as alfalfa hay at a rate of 3 T/ac) and a complete (N, P, K) fertilizer to the topsoiled slopes prior to scarifying to a depth of 6 inches; as well as gouging with a track hoe all slopes less than 2h:1v after topsoiling and prior to seeding.
3. SUFCO must provide the Division with cut and fill volumes derived from Plate 5-3 Post Reclamation Surface Configuration and Plate 5-4 Post-Reclamation Cross-Sections submitted with the MRP or revise Plates 5-3 and 5-4 to show cross-sections from which reported cut and fill volumes were calculated; and provide within the MRP a supporting discussion of the angle of repose for the spoil slopes to which topsoil will be applied.

R645-301-321. Vegetation Information

Deficiencies:

1. The plan must clarify if the information from vegetation sampling site 13 is to

be used as a reference area, to validate similarity to a reference area, or if the baseline data method is to be used for the riparian area by the pond.

2. The plan must contain productivity information for the riparian reference area and adequate information to predict the potential for reestablishing vegetation in riparian areas. This should consist of, minimally, productivity estimates, woody species density, and vegetative cover by species measured by methods contained in the "Vegetation Information Guidelines Appendix A".
3. The plan must include a map which shows locations and boundaries of reference areas which will be used in determining revegetation success. Plates 5-2A and 5-2B are suggested.

R645-301-322. Fish and Wildlife Information

Deficiencies:

1. The plan must contain a plan for monitoring known raptor nests.
2. The plan must clarify the commitment for future monitoring of biological aquatic resources.
3. The application must identify whether or not there are crucial periods of deer and elk use at the waste rock site and what steps the Operator will take to protect wildlife during critical periods.

R645-301-330. Operation Plan

Deficiencies:

1. SUFCO must include a plan for monitoring effects of underground mining on vegetation within the permit area to satisfy the requirements of federal leases. Color infrared photography is recommended.
2. The Applicant must present a plan to mitigate loss of wildlife habitats lost due to disruption of surface and ground water by subsidence. Water rights that may be used for this should be identified, but, more importantly, appropriate

agencies, such as the Division of Wildlife Resources and Division of Water Rights should be involved at this time in identifying possible problems and planning the mitigation.

3. The Applicant must develop an impact avoidance or mitigation plan for the protection of raptor nests that could be affected by subsidence.

R645-301-341. Revegetation

Deficiencies:

1. The plan must adequately address the revegetation requirements for final reclamation at the breakout areas.

R645-301-341.210. Species and Quantities of Seeds and Seedlings

Deficiencies:

1. The unit for the quantity of seed to be planted at the portal area needs to be further specified, i.e. pounds of pure live seed per acre.
2. Pinyon and juniper must be replaced in the tree and shrub seedling planting mix by other more desirable species. Saskatoon serviceberry, Gambel oak and curleaf mountain mahogany are recommended.

R645-301-341.220. Seeding and Planting Methods

Deficiencies:

1. Hydromulch must not be mixed with seed in hydroseeding operations except that a small amount could be used for the hydroseeding equipment operator to determine where seed had been broadcast. Fertilizer must not be mixed in the slurry.

R645-301-341.230. Mulching Techniques

Deficiencies:

1. The amount of straw mulch to be used at the waste rock site needs to be increased to 1.5 to 2 tons per acre unless the Applicant can demonstrate that using a lower quantity is adequate.
2. Unless the Applicant demonstrates that hydromulch is at least as effective in controlling erosion and assisting in establishing seedlings, the mulching method for the portal site needs to be changed to 1.5 to 2 tons per acre of straw or hay anchored through netting or using a chemical tackifier.
3. The commitment to use erosion matting on unstable slopes needs to be included in Chapter 3.

R645-301-341.250. Success Determination Measures.

Deficiencies:

1. If the "Vegetation Information Guidelines" are included in the plan, the most recent edition must be used.
2. If the plan is to give a level of confidence for determining revegetation success, the confidence interval specified in R645-301-356.120 must be used.
3. The plan must include the woody species density standards for success, 20,000 stems per acre for the waste rock site and 1000 trees and shrubs per acre for the mine site, that have been obtained through consultation with Wildlife Resources.

R645-301-341.300. Revegetation Feasibility Demonstration.

Deficiencies:

1. SUFCO must provide a schedule for establishing revegetation test plots to demonstrate the suitability of substitute topsoil and final revegetation

techniques at the mine site.

R645-301-342. Fish and Wildlife.

Deficiencies:

1. SUFCO must provide a discussion of enhancement measures that will be used during reclamation and the postmining phase of operations or a statement explaining why enhancement is not practicable.

R645-301-411. Land Use Environmental Description.

Deficiencies:

1. The plan must contain a description of the land use classification, if any, under local law of the permit and adjacent areas.

R645-301-412. Reclamation Plan.

Deficiencies:

1. The plan must contain a copy of comments concerning the proposed postmining land use from the legal and equitable owners of record of the surface of the permit area.
2. The Applicant must adequately address the requirements of R645-301-270 if approval of an alternative land use for retained highwalls is sought. To obtain approval without meeting the requirements for an alternative land use, the plan must demonstrate that retained highwalls replace cliffs eliminated due to mining activities or that the highwalls were created prior to SMCRA.

**R645-301-500. Engineering.
R645-301-512. Certification.**

Deficiencies:

1. The Applicant must provide the Division with cut and fill volumes derived from Plate 5-3 Post Reclamation Surface Configuration and Plate 5-4 Post-

Reclamation Cross Section submitted with the MRP or revise Plates 5-3 and 5-4 to show cross-sections from which reported cut and fill volumes were calculated.

R645-301-514.300. Impoundments.

Deficiencies:

1. The Applicant needs to cite the R645 rules, instead of R614.

R645-301-521.100. Cross-Sections and Maps

Deficiencies:

1. The Applicant needs to show the location of all openings to abandoned and active workings, and the location of electrical transmission lines and pipelines.

R645-301-522. Coal Recovery

Deficiencies:

1. The Applicant will submit his resource recovery protection plan as an appendix to the permit application.

R645-301-525. Subsidence.

Deficiencies:

1. The Permittee shall mark and identify the two experimental room-and-pillar extraction areas on an appropriate map and that map shall be referenced in the PAP narrative.

R645-301-525.100. Subsidence Control Plan.

Deficiencies:

1. The Applicant needs to address R645-301-525.160 by describing the measures that will be taken to mitigate or remedy any subsidence related material damage to the land or structures.
2. The Applicant will commit to submit a copy of the subsidence survey in his annual report.

R645-301-525.140. Monitoring

Deficiencies:

1. The locations of the subsidence monitoring points shall be shown on Plate 5-10 as indicated in the PAP.

R645-310-525.200. Subsidence Control

Deficiencies:

1. The Applicant needs to submit a report to the Division explaining why some support pillars failed and what steps have been taken in pillar design and construction to prevent future failure.

R645-301-526. Mine Structures and Facilities

Deficiencies:

1. The Applicant will include the location of existing structure in the text as required by R645-301-526.111.
2. The Applicant will provide plans or photographs of the structures and their current conditions as required by R645-301-526.112

3. The beginning and completion dates for the existing structure must be given as required by R645-301-526.113

R645-301-527.100. Roads

Deficiencies:

1. The Applicant must classify the roads in the mine complex as either primary or ancillary and what their post mining status will be.
2. The Applicant must submit certified designs of the roads in the mine complex.

R645-310-527.200. The plan must include a detailed description of each road, conveyor,..

Deficiencies:

1. The Applicant must describe each road and conveyor in the mine complex.
2. The Applicant must describe how the roads in the mine complex will be maintained.

R645-301-531. General Operational Design Criteria and Plans

Deficiencies:

1. The Applicant will provide additional information on the potential effects of subsidence from past workings on all structures.

R645-301-533. Impoundments

Deficiencies:

1. The Applicant will demonstrate to the Division that all the impoundment are stable in the event of a rapid drawdown.

R645-301-553.620. Approval is obtained from the Division for incomplete elimination of highwalls in previously mined areas in accordance with R645-301-553.500;

Deficiencies:

1. SUFCO must provide a surface map with the highwall retention request of Appendix 5-2 to outline surface disturbance previous to the 1977 SMCRA regulations prior to receiving Division approval of this practice.

R645-301-553.100. Disturbed Area Backfilling and Grading.

Deficiencies:

1. SUFCO must provide a surface map with the highwall retention request of Appendix 5-2 to outline surface disturbance previous to the 1977 SMCRA regulations prior to receiving Division approval of this practice.
2. The Applicant must supply the Division with information on which the highwalls are to remain, when they were created and the justification for their retention.
3. The Applicant needs to provide the Division with an alternative reclamation plan that does not involve the retention of highwall.
4. The Applicant will commit to cover all foundations and asphalt with a minimum of four feet of cover.

R645-301-600. Geology.
R645-301-621. Geology within the proposed permit and adjacent areas.

Deficiencies:

1. The geology of the permit and adjacent areas is found in two different parts of the PAP. The Permittee shall cross-reference Volume 2, Chapter 6 with Volume 3, Part 2.

R645-301-722.400 Cross-Sections and Maps

Deficiencies:

1. Provide the depth of the wells identified in Table 4.7.1-1, page 4-10 volume 3.
2. Provide the locations of all water rights identified on an applicable map. Include those identified at the Waste Rock Disposal site.

R645-301-724. Baseline Information.

Deficiencies:

1. Provide a discussion of groundwater seasonal quantity and quality for the waste rock site using information obtained from baseline and operational data.

R645-301-724.600. Survey of Renewable Resource Lands.

Deficiencies:

1. Provide a survey showing the extent of recharge zones within the permit and adjacent area.
2. Discuss the potential of subsidence to cause material damage or diminution of reasonably foreseeable use of aquifers or areas for the recharge of aquifers, for surface waters as it relates to the recharge zones, include specific discussions of the Blackhawk aquifer as it relates to available information. Include pertinent information gathered by the U.S.G.S. Water Resources Investigations report 90-4084.

R645-301-728. Probable Hydrologic Consequences (PHC) Determination.

Deficiencies:

1. The Operator will provide a sampling and de-watering plan for the materials removed from the sediment pond.

R645-301-731.200. Water Monitoring.

Deficiencies:

The Applicant has made changes to the water monitoring plan within the renewal application. Approval of this revised monitoring plan is not recommended until additional information is submitted. I suggest the Operator set up a meeting to further discuss the monitoring requirements if the information requested is not clear. **The Operator must continue to monitor according to the previously approved monitoring plan until approval is granted.**

The Applicant must complete the following items:

1. Provide a map and table summarizing present and past monitoring points and, identify periods of monitoring for each monitoring point.
2. Continue to monitor under the previously approved monitoring plan until approval for a monitoring plan amendment is granted by the Division.
3. Submit a monitoring plan amendment which;
 - a. Justifies the proposed changes in Water monitoring parameters for reclamation and operational parameters based on the PHC, baseline and operational data, construction periods, and requirements for bond release.
 - b. Provides sampling for Boron and Selenium in the waste rock site water monitoring plan.
 - c. Briefly describes how the monitoring plan addresses each "potential" hydrologic impact and how the data will be used to determine impact/no impact.
 - d. Provides a method for in mine sampling that accounts for significant mine water inflows, quantity and quality changes.
 - e. Provides a monitoring plan that can identify the potential impacts of quantity and quality of water due to mining on the North Fork of Quitcupah within the permit area.

R645-301-760. Reclamation, General Requirements.

Deficiencies:

1. Provide for complete fill of culverts proposed to be retained rather than removed. Provide the location on the reclamation map and include cover requirements and details of the fill process as required to meet engineering backfilling standards and prevent piping.
2. Justify why the Sediment Pond can not be retained during reclamation.
3. Describe how the Operator will minimize sediment movement off site during construction activities.

R645-301-765. Permanent Casing and Sealing of Wells.

Deficiencies:

1. The Permittee shall describe the method used to seal the abandoned boreholes. If they have not been sealed, the Permittee shall prepare a plan and commit to a schedule to seal them or shall demonstrate that they are pre-SMCRA boreholes and are not required to be sealed.

United States
Department of
Agriculture

Forest
Service

Manti-La Sal
National Forest

599 West Price River Dr.
Price, Utah 84501

Reply to: 2820

Date: April 24, 1992

Daron Haddock, Permit Supervisor
Utah Division of Oil, Gas, and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RECEIVED

APR 27 1992

DIVISION OF
OIL GAS & MINING

RE: Mining and Reclamation Plan (5 year renewal), SUFCO Mine, January, 1992 -
Forest Service Review as the Federal Land Management Agency under 30 CFR
Subchapter D

Dear Mr. Haddock:

The minerals staffs of both the Fishlake and Manti-La Sal National Forests have reviewed the SUFCO Mining and Reclamation Plan (MRP). In general, the resource information provided in the plan is dated. New information was acquired for the Quitchupah lease tract that has applicability for the entire permit area. The plan should be revised to include the most up-to-date information available, as discussed below. Note that incorporation of monitoring data as an extension of baseline data is required by lease stipulation.

The following specific items must be resolved before we can consent to approval of the MRP:

Item 1, Chapter 3, page 3-30:

3.3.3, third paragraph. SUFCO will propose an exhaust fan for the 4 East Portal in Quitchupah Canyon. This should be proposed as a Mine Plan Amendment and removed from this MRP 5-year renewal, or should be restated to specify that future plans call for the exhaust fan and that a Mine Plan Amendment will be submitted to the surface management agency for consent before installation.

Item 2, Chapter 5, page 5-20:

Fifth paragraph. In addition to sealing pillars, SUFCO agreed for the Quitchupah Lease Tract to backfill entries under streams, if required by the regulator authority. Backfilling will provide support, which is a critical consideration in addition to sealing. The previous agreement to backfilling should be added to this MRP.

Item 3, Chapter 5, plate 5-7:

This map shows three longwall panels extending beyond the escarpment of the Castlegate Sandstone. Mining beyond the 15 degree angle of draw from the top of the Castlegate Sandstone escarpment can not be approved until a site specific environmental analysis is completed addressing each location.

Item 4, Chapter 3, Biology:

Vegetative monitoring is required by lease stipulation. Include a plan to monitor the effects of subsidence on vegetation. Evaluation of vegetative trends using color infrared air photos taken in 5 year intervals is an acceptable method.

Item 5, Chapter 7, page 7-9:

The second paragraph states that the low water level in the aquifer is not the result of mining activities. Data are needed to support this statement.

Item 6, Appendix 2-2, page 37:

Standard for successful revegetation is 90% of the vegetative ground cover of the immediately surrounding areas, and include no noxious weeds. This is from 30 CFR 817.111 and 817.116.

The following items must also be addressed:

Item 7, Chapter 1, page 1-9:

The current address for the Fishlake National Forest is 115 East 900 North. The current address for the Manti-La Sal National Forest is 599 West Price River Drive.

Item 8, Chapter 1, page 1-11:

Correct addresses, as for page 1-9.

Item 9, Chapter 2, page 2-2:

2.20, first line: add "at the southern end of the Wasatch Plateau."

Item 10, Chapter 3, page 3-18:

Species of High Federal and State Interest. Add information about sage grouse. The Utah Division of Wildlife Resources considers sage grouse as a high interest species and has spent a lot of money reintroducing sage grouse into the Quitchupah area. The Forest Service has built guzzlers to provide a continuous supply of water for the grouse.

Item 11, Chapter 3, page 3-20:

The status of the Lynx is not included in the chart. Indicate the current status.

Item 12, Chapter 4, page 4-2:

This vegetation data should be updated to include the Quitchupah lease tract.

Item 13, Chapter 4, page 4-6:

Cultural and Historic Resources Information. Provide documentation of concurrence on this work by the State Historic Preservation Officer (SHPO).

Item 14, Chapter 4, page 4-8:

Last paragraph. Update the management goals with those in the current Land and Resource Management Plans of the Fishlake and Manti-La Sal National Forests.

Item 15, Chapter 5, page 5-13 (Buffer Zone Markers):

Box Canyon is also a perennial stream, as stated in 5-20. It should also be marked prior to mining.

Item 16, Appendix 1-1:

Why are the standard stipulations for the Hawk's Nest Mine in Gunnison Co., Colorado in here?

Item 17, Appendix 3-2, page 11:

80 meters is not greater than 600 feet.

Item 18, Appendix 3-3:

This needs to be updated. It was done in 1980. It should be expanded to include the information on new lease areas.

Item 19, Appendix 3-3, page 10:

Table 1. Add common names, in addition to the Latin names.

Item 20, Appendix 3-3, page 11:

There is no Felis rufus; it is Lynx rufus.

Item 21, Appendix 3-3, page 33:

The mule deer population may no longer be on the increase. Need to update this section.

Item 22, Appendix 3-3, page 44:

Update the information on subsidence impacts to include new lease areas.

Item 23, Appendix 3-3, page 46:

Update the section on noise. There is now an exhaust fan planned for the 4 East Portal in Quitcupah Canyon (same as Item 1).

Item 24, Appendix 3-3, page 50:

Exception No. 1. Need to expand to include the Manti-La Sal National Forest.

Item 25, Appendix 3-3, page 55:

Top of page. There is now an exhaust fan planned for Quitcupah Canyon. Update the noise impacts (same as Item 1).

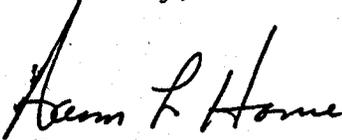
Item 26, Appendix 5-4, 1990 Subsidence Report:
Introduction. Where are Maps 1 and 2?

Item 27, Appendix 7-2:

Update this section. There is nothing on the Quitchupah lease tract.

If there are any questions, please contact us at (801) 637-2817.

Sincerely,



For
GEORGE A. MORRIS
Forest Supervisor
Manti-La Sal National Forest

cc:
D-2
P.Kilbourne
Fishlake NF



STATE OF UTAH
NATURAL RESOURCES
Water Rights

041/002 #2
Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Robert L. Morgan, State Engineer

Southeastern Area • 453 S. Carbon Avenue • P.O. Box 718 • Price, UT 84501-0718 • 801-637-1303

April 14, 1992

RECEIVED

APR 16 1992

DIVISION OF
OIL GAS & MINING

Division of Oil, Gas & Mining
Attn: Daron Haddock, Permit Supervisor
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Permit Renewal Application
Southern Utah Fuel Company (SUFCO)
Convulsion Canyon Mine

Dear Daron:

The above referenced mine permit application has been reviewed. The comments listed below, address concerns or requirements of this office.

1) Page 3-31, discusses the enhancement or maintenance of wildlife habitat which may include development of springs or other water sources. As indicated in the text, any anticipated changes or developments to water sources should be coordinated with this office.

2) Pages 3-38, 3-47 and Appendices 2-2 & 2-3 discuss supplemental irrigation which may be used during reclamation. In the event that irrigation is required, it will be necessary to file additional paper work with this office to accommodate such uses.

3) Page 3-39 and Plate 3-3 identify a wildlife guzzler in the NE4NE4 Section 28, T21S, R5E, SLB&M. Upon review of office files, a water right could not be identified for this development. Since the use is considered consumptive, an Application to Appropriate Water should be filed with this office by SUFCO or the land managing agency.

4) The mine plan identifies three sedimentation ponds within the permit area. The underground waste disposal site pond has been approved pursuant to the requirements set forth by Section 73-5A-202 of the Utah Code. However, Form R-69, has not been completed for the remaining two structures. Therefore, a form should be completed for each existing facility and be submitted to this office.

Division of Oil, Gas & Mining
April 14, 1992
Page 2

5) Several sections of the mine plan (Chapter 7, Appendices 3-2, 3-3, 7-2) discuss the possible effects of mining induced subsidence upon the area water resources. Due to the natural sealing effect of swelling shales, impacts related to subsidence are expected to be minimal. However, it should be noted that any loss or diminution of flow from any source should be considered significant. In the event that replacement or mitigation is required, proposals should be coordinated with this office.

I appreciate the opportunity to review SUFCO's mine plans. Should you have any questions regarding the foregoing comments, please feel free to contact me.

Sincerely,

William A. Warmack

William A. Warmack
Assistant Regional Engineer

cc: Southern Utah Fuel Company
Attn: Mr. Ken Payne, Manager
P.O. Box P
Salina, Utah 84654

WAW/mjk



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangert
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

May 20, 1992

TO: Daron R. Haddock, Permit Supervisor 

FROM: Joseph C. Helfrich, Regulatory Program Coordinator 

RE: Compliance Review for Section 510(c) Findings, Southern Utah Fuel Company, Convulsion Canyon Mine, ACT/041/002, Folder #5, Sevier County, Utah

As of the writing of this letter, two affiliates of Southern Utah Fuel Company, by ownership and control (Virginia Iron Coal & Coke Company and Turner Coal Company, Inc.), have outstanding violations which have not been corrected in terms of civil penalty payments. I have provided two attached computer printouts.

Virginia Iron, Coal & Coke Company violations

Type	RP	Number	Date
AML	080833	4404871:03:U:910630	910630
AML	080833	4404871:03:U:910930	910930
CMIS	080833	C90-132-126-7:463.00	900821

Turner Coal Company violations

Type	RP	Number	Date
AML	078145	4405240:01:S:790930	790930
AML	078145	4405240:01:S:791231	791231
AML	078145	4405240:01:S:800331	800331
CMIS	078145	C81-1-18-4:3780.00	810624
CMIS	078145	N81-1-18-2:3780.00	810219
FORF	078145	3036:O:VA	810619

Mr. William S. Hudgins, Jr., Board of Directors for Virginia Iron Coal & Coke Company, is negotiating with Charles Gault, OSM solicitor, regarding the

Page 2
510(c)
ACT/041/002
May 20, 1992

settlement of and/or payment of the above referenced outstanding violations. Within 14 days of completion of negotiation, Southern Utah Fuel Company shall provide DOGM with written verification of payment or settlement agreement of the referenced violations. Based upon these findings, it is recommended that the permit for Southern Utah Fuel company's Convulsion Canyon Mine be conditioned upon the outcome of negotiations between William S. Hudgins, Jr., Virginia Iron Coal & Coke Company, and Charles Gault, OSM solicitor.

jbe
A:\510(C)

DATE: 12 MAY 92

APPLICANT VIOLATOR SYSTEM
APPLICATION EVALUATION REPORT

TIME: 12:06:05

STATE: UT

APPNO: ACT041002

SEQNO: 0

PAGE: 1

APPLICANT'S ENTITY ID: 060111

APPLICANT'S NAME : COASTAL STATES ENERGY CO

SYSTEM RECOMMENDATION IS BASED ON ENTITY OFT

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*****  
*  
* SYSTEM RECOMMENDATION : DENY *  
* PREVIOUS SYSTEM RECOMMENDATION: ISSUE *  
* OSMRE RECOMMENDATION : ISSUE(890911) *  
*  
*****
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F2/PROCEED F3/QUIT F4/MAIN F6/REPORT F9/V.VIOL F10/V.OFT

DATE: 12 MAY 92

APPLICANT VIOLATOR SYSTEM
APPLICATION EVALUATION REPORT

TIME: 12:06:53

STATE: UT

APPNO: ACT041002

SEQNO: 0

PAGE: 1 OF 1

APPLICANT'S ENTITY ID: 060111

APPLICANT'S NAME : COASTAL STATES ENERGY CO

VTYPE	RP	VIOLNO	VDATE
AML	080833	4404871:03:U:910630	910630
AML	080833	4404871:03:U:910930	910930
CMIS	080833	C90-132-126-7:463.00	900821

TO VIEW VIOLATIONS OR OFT, SELECT WITH A "V" AND PRESS AN FKEY
F2/PROCEED F3/QUIT F4/MAIN F7/FORW F8/BACK F9/V.VIOL INFO F10/V.VOFT

=====

VIOLATOR NAME: VIRGINIA IRON COAL & COKE CO
ADDRESS: PO BOX 1871
CITY/STATE/ZIP: ROANOKE, VA 24008
ENTITYID: 080833

OPERATOR NAME: BULLION HOLLOW ENTERPRISES
ADDRESS: RT 1 BOX 1090
CITY/STATE/ZIP: WISE, VA 02429-3000
PERMITTEE NAME: VIRGINIA IRON COAL & COKE
ADDRESS: PO DRAWER C
CITY/STATE/ZIP: COEBURN, VA 02423-0000

MSHA ID SEQUENCE TYPE
4404871 03 U

PERMIT NUMBER DEL. DATE
910630

CONTACT NAME: STEVE COLE
PHONE: (703) 328-3464
MINE NAME: #23
ADJT. AMT. DUE: \$4,170.72

BILL STATUS YEAR/QTR
01 91/2

BANKRUPT AMT DUE
\$0.00

=====

F3/QUIT F7/FORWARD F8/BACKWARD

=====

VIOLATOR NAME: VIRGINIA IRON COAL & COKE CO
ADDRESS: PO BOX 1871
CITY/STATE/ZIP: ROANOKE, VA 24008
ENTITYID: 080833

OPERATOR NAME: BULLION HOLLOW ENTERPRISES
ADDRESS: RT 1 BOX 1090
CITY/STATE/ZIP: WISE, VA 02429-3000
PERMITTEE NAME: VIRGINIA IRON COAL & COKE
ADDRESS: PO DRAWER C
CITY/STATE/ZIP: COEBURN, VA 02423-0000

MSHA ID SEQUENCE TYPE
4404871 03 U

PERMIT NUMBER DEL. DATE
910930

CONTACT NAME: STEVE COLE
PHONE: (703) 328-3464
MINE NAME: #23
ADJT. AMT. DUE: \$11,543.57

BILL STATUS YEAR/QTR
01 91/3

BANKRUPT AMT DUE
\$0.00

=====

F3/QUIT F7/FORWARD F8/BACKWARD

=====
CITATION NO.: C90-132-126-7 STATUS: A ISSUE DATE: 08/21/90
COMPANY NAME: VIRGINIA IRON COAL + COKE CO
COMPANY INDEX NUMBER: 463.00 MSHA ID: 4405374 STATE MINE: VA
PERMIT NUMBER:
AMOUNT DUE: \$45,000.00 PARKER CASE INDICATOR: P
HOLD DATE(1): 02/19/88 HOLD CODE(1): S
HOLD DATE(2): HOLD CODE(2):
PAYMENT PLAN DATE:
ABATEMENT DATE: ABATEMENT PLAN DATE:
ABATEMENT PLAN ADHERENCE: ABATEMENT PLAN ADHERENCE DATE:
PAYMENT PLAN ADHERENCE : PAYMENT PLAN ADHERENCE DATE :
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F3/QUIT F7/FORWARD F8/BACKWARD

=====
VIOLATOR NAME: VIRGINIA IRON COAL & COKE CO
ADDRESS: PO BOX 1871
CITY/STATE/ZIP: ROANOKE, VA 24008
ENTITYID: 080833
=====

OPERATOR NAME: BULLION HOLLOW ENTERPRISES	MSHA ID	SEQUENCE	TYPE
ADDRESS: RT 1 BOX 1090	4404871	03	U
CITY/STATE/ZIP: WISE, VA 02429-3000			
PERMITTEE NAME: VIRGINIA IRON COAL & COKE	PERMIT NUMBER	DEL. DATE	
ADDRESS: PO DRAWER C		910630	
CITY/STATE/ZIP: COEBURN, VA 02423-0000			

CONTACT NAME: STEVE COLE	BILL STATUS	YEAR/QTR
PHONE: (703) 328-3464	01	91/2
MINE NAME: #23	BANKRUPT AMT DUE	
ADJT. AMT. DUE: \$4,170.72	\$0.00	

F3/QUIT F7/FORWARD F8/BACKWARD

=====

VIOLATOR NAME: VIRGINIA IRON COAL & COKE CO
ADDRESS: PO BOX 1871
CITY/STATE/ZIP: ROANOKE, VA 24008
ENTITYID: 080833

OPERATOR NAME: BULLION HOLLOW ENTERPRISES
ADDRESS: RT 1 BOX 1090
CITY/STATE/ZIP: WISE, VA 02429-3000
PERMITTEE NAME: VIRGINIA IRON COAL & COKE
ADDRESS: PO DRAWER C
CITY/STATE/ZIP: COEBURN, VA 02423-0000

MSHA ID SEQUENCE TYPE
4404871 03 U

PERMIT NUMBER DEL. DATE
910930

CONTACT NAME: STEVE COLE
PHONE: (703) 328-3464
MINE NAME: #23
ADJT. AMT. DUE: \$11,543.57

BILL STATUS YEAR/QTR
01 91/3
BANKRUPT AMT DUE
\$0.00

=====

F3/QUIT F7/FORWARD F8/BACKWARD

=====

CITATION NO.: C90-132-126-7 STATUS: A ISSUE DATE: 08/21/90
COMPANY NAME: VIRGINIA IRON COAL + COKE CO

COMPANY INDEX NUMBER: 463.00 MSHA ID: 4405374 STATE MINE: VA

PERMIT NUMBER:
AMOUNT DUE: \$45,000.00 PARKER CASE INDICATOR: P

HOLD DATE(1): 02/19/88 HOLD CODE(1): S
HOLD DATE(2): HOLD CODE(2):
PAYMENT PLAN DATE:
ABATEMENT DATE: ABATEMENT PLAN DATE:
ABATEMENT PLAN ADHERENCE: ABATEMENT PLAN ADHERENCE DATE:
PAYMENT PLAN ADHERENCE : PAYMENT PLAN ADHERENCE DATE :

=====

F3/QUIT F7/FORWARD F8/BACKWARD

DATE: 12 MAY 92

APPLICANT VIOLATOR SYSTEM
APPLICATION EVALUATION REPORT

TIME: 12:16:57

STATE: UT

APPNO:

SEQNO:

PAGE: 1

APPLICANT'S ENTITY ID: 078145

APPLICANT'S NAME : TURNER COAL CO INC

SYSTEM RECOMMENDATION IS BASED ON ENTITY OFT

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*
* SYSTEM RECOMMENDATION           :          DENY          *
* PREVIOUS SYSTEM RECOMMENDATION:  DENY(920501)          *
*
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*
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THERE ARE ASSOCIATIONS IN THIS OFT ON HOLD. CHECK !

F2/PROCEED F3/QUIT F4/MAIN F6/REPORT F9/V.VIOL F10/V.OFT

FOR: 078145 (TURNER COAL CO INC)
PO BOX 3036, ROANOKE, VA, 24015

PAGE: 1 OF 1

ENTITY	DESCRIPTION	SOURCE	BDATE	XDATE	%OWN
067070	COMPANY - PRESIDENT (TURNER, WILLIAM P)	AVSFI	790424		
067071	COMPANY - SECRETARY (POWELL, MARION)	AVSFI	790607		
067071	COMPANY - TREASURER (POWELL, MARION)	AVSFI	790607		
080833	MINERAL OWNER (VIRGINIA IRON COAL & COKE CO)	HOLD1	791213		

4 CONTROLLING ENTITIES EXIST.
PRESS F2 TO DISPLAY "ENTITIES CONTROLLED BY"
F3/QUIT F4/MAIN MENU F7/FORWARD F8/BACKWARD

DATE: 12 MAY 92

APPLICANT VIOLATOR SYSTEM
APPLICATION EVALUATION REPORT

TIME: 12:18:45

STATE: UT

APPNO:

SEQNO:

PAGE: 1 OF 1

APPLICANT'S ENTITY ID: 078145

APPLICANT'S NAME : TURNER COAL CO INC

VTTYPE	RP	VIOLNO	VDATE
AML	078145	4405240:01:S:790930	790930
AML	078145	4405240:01:S:791231	791231
AML	078145	4405240:01:S:800331	800331
CMIS	078145	081-1-18-4:3780.00	810624
CMIS	078145	N81-1-18-2:3780.00	810219
FORF	078145	3036:0:VA	810619

=====

VIOLATOR NAME: TURNER COAL CO INC
ADDRESS: PO BOX 3036
CITY/STATE/ZIP: ROANOKE, VA 24015
ENTITYID: 078145

OPERATOR NAME: TURNER COAL CO INC
ADDRESS: PO BOX 3036
CITY/STATE/ZIP: ROANOKE, VA 02401-5000
PERMITTEE NAME:
ADDRESS:
CITY/STATE/ZIP:

MSHA ID SEQUENCE TYPE
4405240 01 S

PERMIT NUMBER DEL. DATE
790930

CONTACT NAME:
PHONE:
MINE NAME: #1 MINE
ADJT. AMT. DUE: \$13,028.72

BILL STATUS YEAR/QTR
10 79/3
BANKRUPT AMT DUE
\$0.00

=====

F3/QUIT F7/FORWARD F8/BACKWARD

=====

VIOLATOR NAME: TURNER COAL CO INC
ADDRESS: PO BOX 3036
CITY/STATE/ZIP: ROANOKE, VA 24015
ENTITYID: 078145

OPERATOR NAME: TURNER COAL CO INC
ADDRESS: PO BOX 3036
CITY/STATE/ZIP: ROANOKE, VA 02401-5000
PERMITTEE NAME:
ADDRESS:
CITY/STATE/ZIP:

MSHA ID SEQUENCE TYPE
4405240 01 S

PERMIT NUMBER DEL. DATE
791231

CONTACT NAME:
PHONE:
MINE NAME: #1 MINE
ADJT. AMT. DUE: \$23,555.13

BILL STATUS YEAR/QTR
10 79/4
BANKRUPT AMT DUE
\$0.00

=====

F3/QUIT F7/FORWARD F8/BACKWARD

=====

VIOLATOR NAME: TURNER COAL CO INC
ADDRESS: PO BOX 3036
CITY/STATE/ZIP: ROANOKE, VA 24015
ENTITYID: 078145

OPERATOR NAME: TURNER COAL CO INC
ADDRESS: PO BOX 3036
CITY/STATE/ZIP: ROANOKE, VA 02401-5000
PERMITTEE NAME:
ADDRESS:
CITY/STATE/ZIP:

MSHA ID SEQUENCE TYPE
4405240 01 S

PERMIT NUMBER DEL. DATE
800331

CONTACT NAME:
PHONE:
MINE NAME: #1 MINE
ADJT. AMT. DUE: \$5,579.62

BILL STATUS YEAR/QTR
10 80/1
BANKRUPT AMT DUE
\$0.00

=====

F3/QUIT F7/FORWARD F8/BACKWARD

=====

CITATION NO.: C81-1-18-4 STATUS: A ISSUE DATE: 06/24/81
COMPANY NAME: TURNER COAL CO INC

COMPANY INDEX NUMBER: 3780.00 MSHA ID: 4405240 STATE MINE: VA

PERMIT NUMBER: 1300781
AMOUNT DUE: \$22,500.00 PARKER CASE INDICATOR: P

HOLD DATE(1): HOLD CODE(1):
HOLD DATE(2): HOLD CODE(2):
PAYMENT PLAN DATE:
ABATEMENT DATE: ABATEMENT PLAN DATE:
ABATEMENT PLAN ADHERENCE: ABATEMENT PLAN ADHERENCE DATE:
PAYMENT PLAN ADHERENCE : PAYMENT PLAN ADHERENCE DATE :

=====

F3/QUIT F7/FORWARD F8/BACKWARD

DATE: 12 MAY 92

APPLICANT VIOLATOR SYSTEM
CITATION QUERY

TIME: 12:20:16

PAGE: 5 OF 6

CITATION NO.: N81-1-18-2 STATUS: A ISSUE DATE: 02/19/81
COMPANY NAME: TURNER COAL CO INC

COMPANY INDEX NUMBER: 3780.00 MSHA ID: 4405240 STATE MINE: VA

PERMIT NUMBER: 1300781
AMOUNT DUE: \$2,200.00 PARKER CASE INDICATOR:

HOLD DATE(1): HOLD CODE(1):
HOLD DATE(2): HOLD CODE(2):
PAYMENT PLAN DATE:
ABATEMENT DATE: ABATEMENT PLAN DATE:
ABATEMENT PLAN ADHERENCE: ABATEMENT PLAN ADHERENCE DATE:
PAYMENT PLAN ADHERENCE : PAYMENT PLAN ADHERENCE DATE :

F3/QUIT F7/FORWARD F8/BACKWARD

DATE: 12 MAY 92

APPLICANT VIOLATOR SYSTEM
BOND FORFEITURE QUERY

TIME: 12:20:28

PAGE: 6 OF 6

PERMIT NUMBER: 3036 APPLICATION NUMBER: 3036
STATE CODE: VA SEQNO: 0
FILE LOCATION:
MINE SITE STATUS:
ISSUE DATE: 06/15/79 EXPIRATION DATE : 06/15/81
BOND STATUS: F BOND STATUS DATE: 06/19/81
MSHA ID: BOND AMOUNT: \$0.00
TOTAL ACRES: 0.00000

PERMITTEE NAME: TURNER COAL CO INC
BUSINESS ALIAS:
EIN/SSN:
STREET ADDRESS: PO BOX 3036 STATE: VA
CITY: ROANOKE
ZIP: 24015 PHONE: (703) 343-1388

F3/QUIT F7/FORWARD F8/BAC



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

TO: Daron Haddock, Permit Supervisor

FROM: Wayne H. Western, Reclamation Engineer *WHW*

DATE: May 20, 1992

RE: SUFCO's Bond Estimate, Southern Utah Fuel Company, Convulsion Canyon Mine, ACT/041/002, Folder #2, Sevier County, Utah

The Operator failed to provide the Division with any reclamation cost estimates in his 1992 Mine and Reclamation Plan. The Operator's only statement about reclamation cost is, "The estimated cost to reclaim the SUFCO Mine surface facilities is provided in Appendix 5-9." Appendix 5-9 consists solely of a reclamation cost study, performed by Randy Harden of the Division, for the waste rock disposal site.

I reviewed the reclamation cost estimates that were submitted to the Division in 1985. The 1985 estimates were based on reclamation plans for which very little engineering work had been done and are currently outdated.

I updated parts of SUFCO's 1985 estimates using costs from Means and Blue Book. I also increased the contingency amount from 10% to 25% and added a 5% engineering fee due to the lack of design details. The 25% contingency fee represents estimated cost for activities that will occur during reclamation, but were not identified by the Operator.

My reclamation cost estimate is \$2,356,000, which is a \$1,260,000 increase. If the Operator wants the Division to adjust the bond then he must supply a detailed reclamation cost estimate.

Attached is a copy of my cost estimates. Please contact me if you have any questions.

SUFCBOND.MEM

A. Concrete

Foundation Demolition	950 yd ³ @ 85 yd ³	\$ 80,750
Disposal	950 yd ³ @ 9.15 yd ³	\$ 8,693
Subtotal		<u>\$ 89,443</u>

B Building Removal

Shop	220,000 ft ³ @ .261 ft ³	57,200
Warehouse	135,000 ft ³ @ .261 ft ³	35,100
Office	140,000 ft ³ @ .261 ft ³	46,800
Garage	7,290 ft ³ @ .261 ft ³	2,412
Storage shed	40,000 ft ³ @ .261 ft ³	10,400
Other structures	75,000 ft ³ @ .261 ft ³	19,500
		<u>171,412.</u>
Removal of all structures (assume 20% of volume)	4,984 yd ³ @ 9.15 yd ³	44,689
Subtotal		<u>\$ 216,101</u>

C Coal Handling Structure Removal

Coal Handling Structure Removal	50,000 ft ³ @ .26 ft ³	\$ 13,000
Removal (assume 20% of volume)	370 yd ³ @ 9.15 yd ³	3,386
Subtotal		<u>\$ 16,386</u>

D Asphalt Removal (assume 6" thick)

Demolition	1700 yd ³ @ 5.60 yd ³	\$ 9520
Removal	283 yd ³ @ 9.15 yd ³	\$ 2589
Subtotal		<u>\$ 12,109</u>

F Backfilling & Grading
 $169,479 \text{ yd}^3 @ 20.1 \text{ yd}^3$ \$340,653

F Riprap and Drop Structures \$457,759

G Portal Sealing
 $9-18' \times 9' @ \$3,800$ \$34,200

H Repping \$6,400

I Topsoil Redistribution \$37,600

J Fertilization \$400/acre $\times 20.89$ \$8,352

K Seeding \$1600/acre $\times 20.89$ \$33,408

L Seedling Costs \$2200/acre $\times 20.89$ \$45,436

M Moisture Retention \$1100/acre $\times 20.89$ \$22,968

N Monitoring & Maintenance

1. Hydrology - \$4,200/year $\times 10$ years \$42,000

2. Vegetation \$1,000/year $\times 10$ years 10,000

3. Erosion \$1,100/day $\times 3$ days $\times 10$ years 33,000

O Waste Rock Site - 39,430

Total Estimate \$1,647,166

25% contingency 411,792

5% engineering 82,358

Subtotal \$2,141,316

Escalation 1.93% for 5 years 214,132

Total Bond \$2,355,448

1. Drop Structures

Estimate per structure

3' x 3' Gabions - 52 cy / structure @ 41/cy \$ 4732
3' x 3/4' Root wattle 372 sq @ \$25 sq² \$ 9300
Filter Blanket - 250 sq² @ 200 sq² \$ 500
\$ 14,532

Total 32 Drop Structures Required @ \$ 14,532 \$ 465,024

2. Riprap Channel Lining

Estimate per linear yard

Overall riprap width - 62 feet

Riprap Depth 1.5 feet

Volume of riprap per linear yard = 6.89 cy / yd.

Total channel length is 1600 feet, less 160 feet in rock outcrop, less 1060 feet for the 32 drop structures; leaving 380 feet of re-ripping lined channel or 127 yards.

Unit cost for machine placed riprap in channel to a depth of 18 inches is \$30/cy

Cost for riprap lining of channel

127 yd x 6.89 cy / yd x \$30 / cy \$ 17,500

Estimated cost for sand and filter material placement is \$2/cy

380' x 62' x \$2 / cy / 9' sq \$ 5,235

Total cost for re-ripping lined channel \$ 22,735

Total cost for Re-ripping \$ 487,759

FEDERAL
(April 1987)

Permit Number ACT/041/002, May 20, 1992

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

This permit, ACT/041/002, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOG M) to:

Coastal States Energy Company
175 East 400 South, Suite 800
Salt Lake City, Utah 84111
(801) 596-7111

for the Convulsion Canyon Mine. Coastal States Energy Company is the lessee of federal coal leases SL-062583, U-062453, U-0149084, U-28297 U-47080 and U-63214, and the lessee of certain fee-owned parcels. A performance bond is filed with the DOGM in the amount of \$1,172,000.00, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSMRE). DOGM must receive a copy of this permit signed and dated by the permittee.

- Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.
- Sec. 2 PERMIT AREA - The permittee is authorized to conduct underground coal mining activities on the following described lands (as shown on the maps appended as Attachments B and C) within the permit area at the Convulsion Canyon Mine, situated in the state of Utah, Sevier County, and located:

Township 21 South, Range 4 East, SLBM

Section 12: E1/2 SE1/4
Section 13: E1/2 NE1/4, S1/2
Section 14: E1/2 SW1/4, SE1/4
Section 23: E1/2, E1/2 W1/2
Section 24: All
Section 25: All
Section 36: All

Township 21 South, Range 5 East, SLBM

Section 15: W1/2
Section 16
thru 21: All
Section 22: W1/2
Section 26: W1/2 NW1/4 SW1/4, SW1/4 SW1/4
Section 27
thru 34: All
Section 35: Lots 1, 2, W1/2 NW1/4, N1/2 SW1/4

Township 22 South, Range 4 East, SLBM

Section 1: All
Section 12: N 1/2, N 1/2 SE 1/4, portion of NE 1/4 SW 1/4
Section 18: NW 1/4 NE 1/4

Township 22 South, Range 5 East, SLBM

Section 3: Lots 1-4, S1/2 N1/2, NE1/4 SW1/4, S1/2 SW1/4,
N1/2 SE1/4, SW1/4 SE1/4
Section 4: Lots 1, 2, S1/2 NE1/4, SE1/4 SE1/4, W 1/2 W 1/2
Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 9: NE1/4 NE1/4
Section 10: W1/2 NE1/4, NW1/4, N1/2 SW1/4
Section 17: NE 1/4, N 1/2 NW 1/4
Section 18: N 1/2

This legal description is for the permit area (as shown on Attachments B and C) of the Convulsion Canyon Mine. The permittee is authorized to conduct underground coal mining activities connected with mining on the foregoing described property subject to the conditions of the leases, the approved mining plan, including all conditions and all other applicable conditions, laws and regulations.

Sec. 3 PERMIT TERM - This revised permit becomes effective on May 20, 1992 and expires on May 19, 1997.

- Sec. 4 **ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and R645-303.
- Sec. 5 **RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- A. have the rights of entry provided for in 30 CFR 840.12, R645-400-110, 30 CFR 842.13 and R645-400-220; and,
 - B. be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100, R645-400-200 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.
- Sec. 6 **SCOPE OF OPERATIONS** - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.
- Sec. 7 **ENVIRONMENTAL IMPACTS** - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:
- A. accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
 - B. immediate implementation of measures necessary to comply; and
 - C. warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.
- Sec. 8 **DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

- Sec. 9 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:
- A. in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
 - B. utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 10 AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 11 COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.
- Sec. 12 PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 13 CULTURAL RESOURCES - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.
- Sec. 14 APPEALS - The permittee shall have the right to appeal as provided for under R645-300.
- Sec. 15 SPECIAL CONDITIONS - In addition to the general obligations and/or requirements set out in the leases, the federal mining plan approval, and this permit, the permittee shall comply with the Division Order appended hereto as Attachment A and the Special Permit Stipulation, appended hereto as Attachment A-1.

The above conditions (Secs. 1-15) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: 

Date: 5/20/92

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of the Permittee

Date: _____

ATTACHMENT A

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

PERMITTEE

Mr. Vernal Mortensen
Senior Vice President
Coastal States Energy Company
175 East 400 South, Suite 800
Salt Lake City, Utah 84111

Convulsion Canyon Mine
Sevier County

Permit Number ACT/041/002
Division Order # 92A

DIVISION ORDER AND FINDINGS
of
PERMIT DEFICIENCY

PURSUANT to R645-303-212, the DIVISION hereby ORDERS the PERMITTEE, Coastal States Energy Company to make the permit changes enumerated in the FINDINGS OF PERMIT DEFICIENCY in order to be in compliance with the State Coal Program. These Findings of Permit Deficiency are to be remedied in accordance with the requirements of R645-303-220.

FINDINGS OF PERMIT DEFICIENCY

Based on a review of Coastal States Energy Company's Mining and Reclamation Plan submitted on December 31, 1991 and correspondence from reviewing agencies, a number of deficiencies have been determined. They are enumerated below.

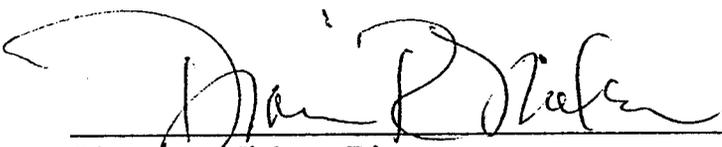
- 1) Coastal States Energy Company must adequately address all outstanding issues discussed in the Division's Technical Deficiency Review dated May 20, 1992.

- 2) Coastal States Energy Company must adequately address the concerns identified in the April 14, 1992 letter to the Division from the Utah Division of Water Rights.
- 3) Coastal States Energy Company must adequately address the concerns identified in the April 24, 1992 letter to the Division from the U. S. Forest Service Manti-LaSal National Forest.
- 4) Coastal State Energy Company is required to increase the reclamation bond amount for the Convulsion Canyon Mine to \$2,356,000.00 pursuant to R645-301-830.400 and in accordance with the Division's bond evaluation provided by Wayne Western's memo, dated May 20, 1992.

ORDER

It is hereby ORDERED that Coastal States Energy Company make the requisite permit changes in accordance with R645-303-220 and submit a complete application for permit change, addressing the FINDINGS OF PERMIT DEFICIENCY by no later than September 8, 1992 for Items 1-3 and by no later than July 10, 1992 for Item 4.

So ORDERED, this 20th day of May, 1992, by the Division of Oil, Gas and Mining.

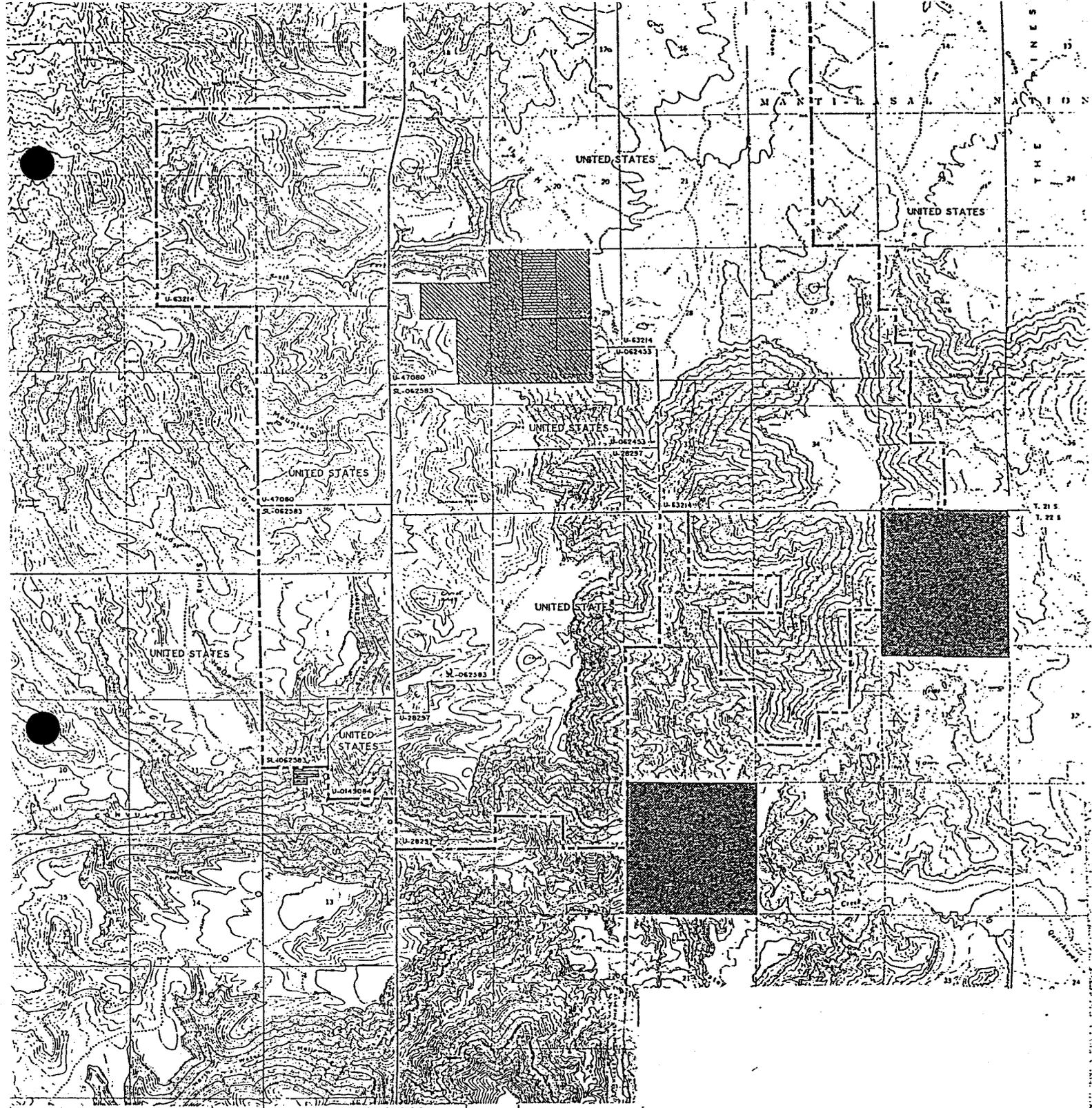


Dianne R. Nielson, Director
Division of Oil, Gas and Mining

ATTACHMENT A-1

Special Permit Stipulation

Mr. William S. Hudgins, Jr., Board of Director for Virginia Iron, Coal and Coke Company, is negotiating with Charles Gault, OSM Solicitor, regarding the settlement of, and/or payment of, outstanding violations. Within fourteen (14) days of completion of those negotiations, Coastal States Energy Company shall provide DOGM with written verification of payment or settlement agreement of the Virginia Iron, Coal and Coke Company and Turner Coal Company, Incorporated outstanding violations referenced in the May 20, 1992 510(c) Compliance Review from Joseph C. Helfrich.



EXPLANATION

<p><u>SURFACE PROPERTY OWNERSHIP</u></p> <ul style="list-style-type: none"> COASTAL STATES ENERGY COMPANY STATE OF UTAH U.S.F.S. SPECIAL USE AREA NEAL MORTENSEN ET AL. NEAL MORTENSEN ROGER E. NELSEN ET AL. 	<p><u>MINERALS OWNERSHIP</u></p> <ul style="list-style-type: none"> COASTAL STATES ENERGY COMPANY STATE OF UTAH 	<ul style="list-style-type: none"> SUFCO PROPERTY BOUNDARY SUFCO LEASE BOUNDARIES STATE PLANE COORDINATES MINE COORDINATES
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attachment "B"

NOTE: ALL OTHER AREAS ON OR ADJACENT TO SUFCO PROPERTY ARE OWNED BY THE

MARLIN
SORENSEN, JR.

MAURICE &
THERRESA
RASMUSSEN

4-164-13
40.00 AC.

LEON P. &
VIRGINIA
CHRISTENSEN

SOUTHERN
UTAH FUEL
COMPANY

4-167-3
40.00 AC.

HOWARD W. &
JANET NIELSEN

4-167-6
40.00 AC.

ACORD LAKES

FISHLAKE
NATIONAL
FOREST

MOUNT AIR
OAKS CORP.

4-167-5
160.00 AC.

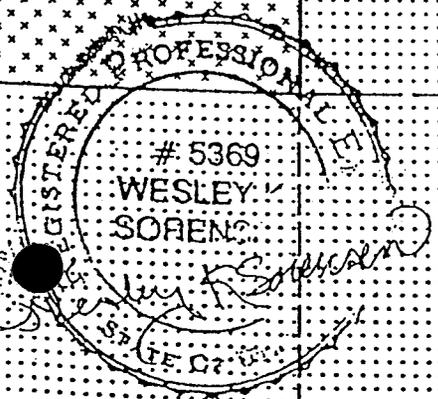
4-167-16
57.98 AC.

DIVISION OF
OIL, GAS & MINING

T22S, R4E

8

RECORDED
JAN 20 1988



SOUTHERN UTAH FUEL CO. MINE NUMBER ONE	
UNDERGROUND DEVELOPMENT WASTE DISPOSAL SITE PROPERTY OWNERS	
DATE JULY 23, 1987	SCALE NOT TO SCALE
DRAWN BY ?	DRAWING NO. MAP I