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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

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

Dear Mr. Payne;

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

The Division has completed a review of Coastal's application for permit renewal for the Convulsion Canyon Mine received December 31, 1991. The results of this review are contained in the enclosed document. There appears to be a number of technical problems with your Mining and Reclamation Plan that still need to be addressed.

Please review the enclosed document carefully. You will be required to correct the deficiencies by Division Order in conjunction with your permit renewal. If you have any questions or concerns please contact me or the appropriate member of my staff.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock".

Daron R. Haddock  
Permit Supervisor

Enclosure

cc: Demczak, PFO  
TECHDEFI.SUF



# State of Utah

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

June 10, 1992

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 (DOG M) in 1977. Additional information was submitted, and the mine plan was approved by DOGM 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 DOGM 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. DOGM 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 Quitchupah 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.

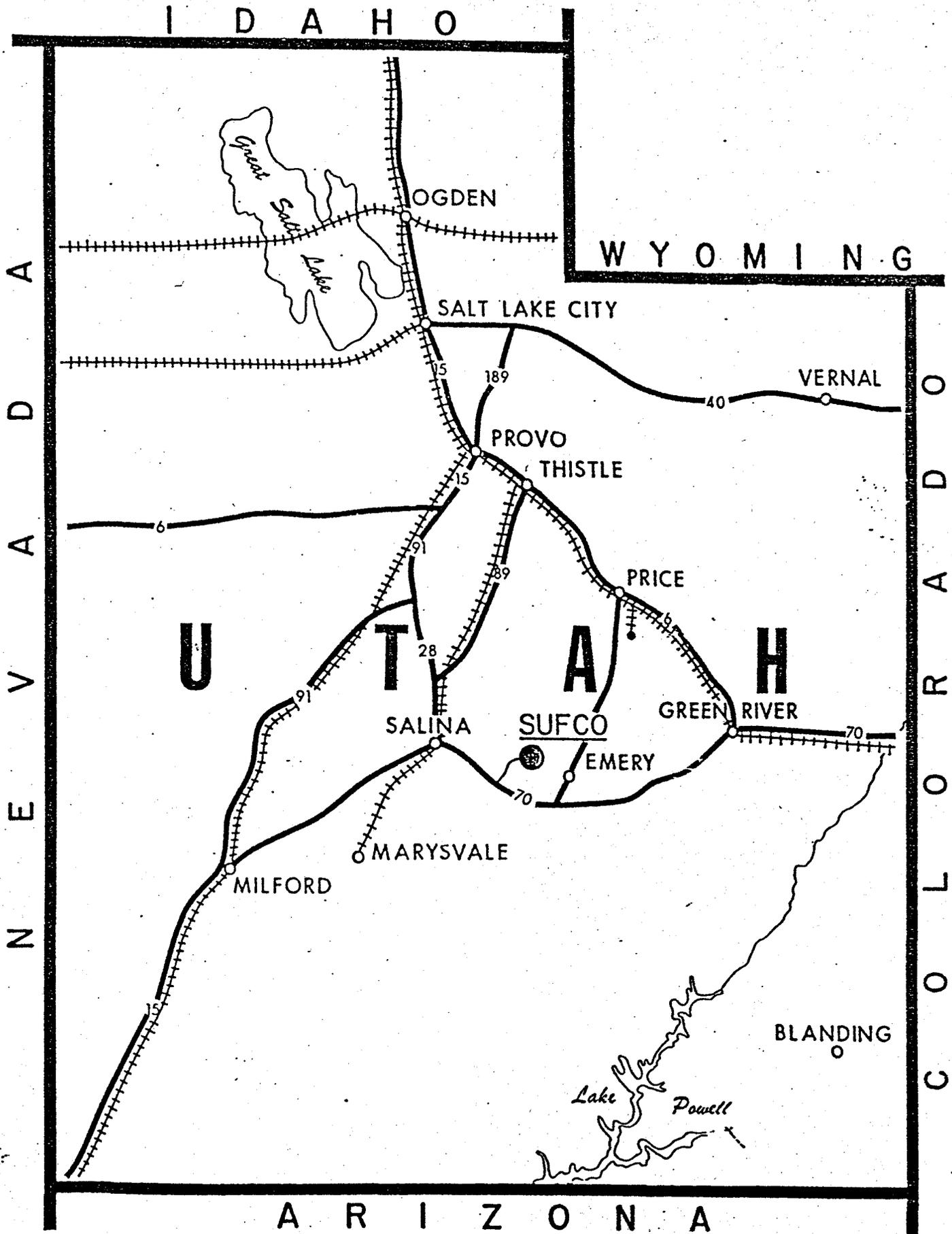
### ANALYSIS

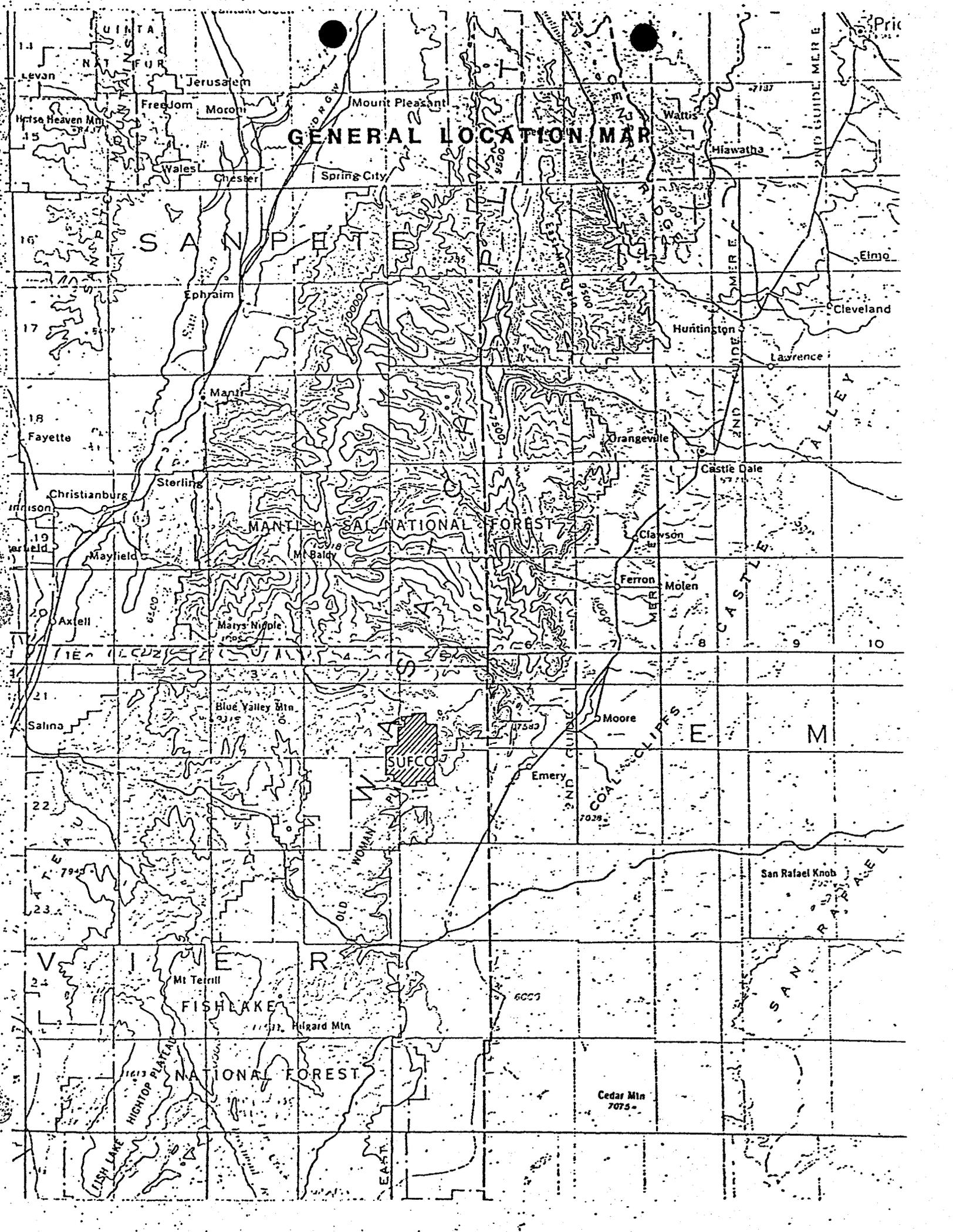
No additional permit area or new surface disturbance is being approved with this permit renewal. No significant changes have occurred since the approval of the last permit revision on December 21, 1989. Therefore, it is DOGM's opinion that the mining and reclamation practices and procedures which were 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  
SUFACO MINE AREA





# GENERAL LOCATION MAP

SAN RAFAEL

MANTI NATIONAL FOREST

FISHLAKE

NATIONAL FOREST

SUFCO

Cedar Min  
7075-

## 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>Surface Resources (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>680</u>	<u>                    </u>	<u>680</u>
Other	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL</b>	<u>17,301</u>	<u>                    </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%

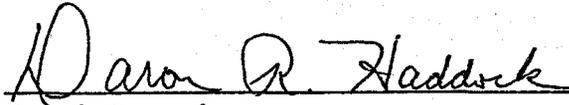
Date Projected Annual Rate Reached: 1981

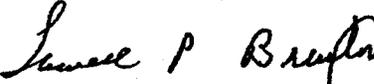
Reserves Recovered by: Longwall Mining

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*

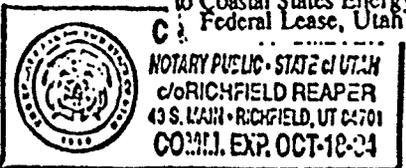
Subscribed and sworn to before me

1992.

*Charles 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, Helner 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., S1 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., S1 Meridian, Utah, Sec. 36; S-1/2; T. 21 S., R. 5 E., S1 Meridian, Utah, Sec. 31; All; T. 22 S., R. 4 E., S1 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., S1 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., S1 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., S1 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., S1 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, SE-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., S1 Meridian, Utah, Sec. 25; All; Sec. 26; N-1/2; T. 21 S., R. 5 E., S1 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., S1 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., S1 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. 34; All; Sec. 35; Lots 1, 2, W-1/2 NW-1/4, N-1/2 SW-1/4; T. 22 S., R. 5 E., S1 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;

SOUTHERN  
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. See lands. 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., S1 Meridian, Utah, Sec. 29; 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, 355 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.

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 (DOGM) 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: \_\_\_\_\_

*Don R. Nielsen*  
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

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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

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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.

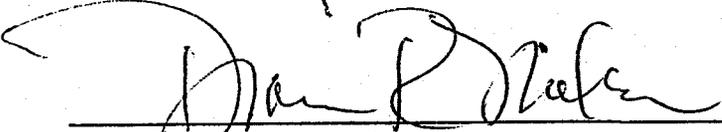
- 1) Coastal States Energy Company must adequately address all outstanding issues discussed in the Division's Technical Deficiency Review dated May 20, 1992.

- 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.

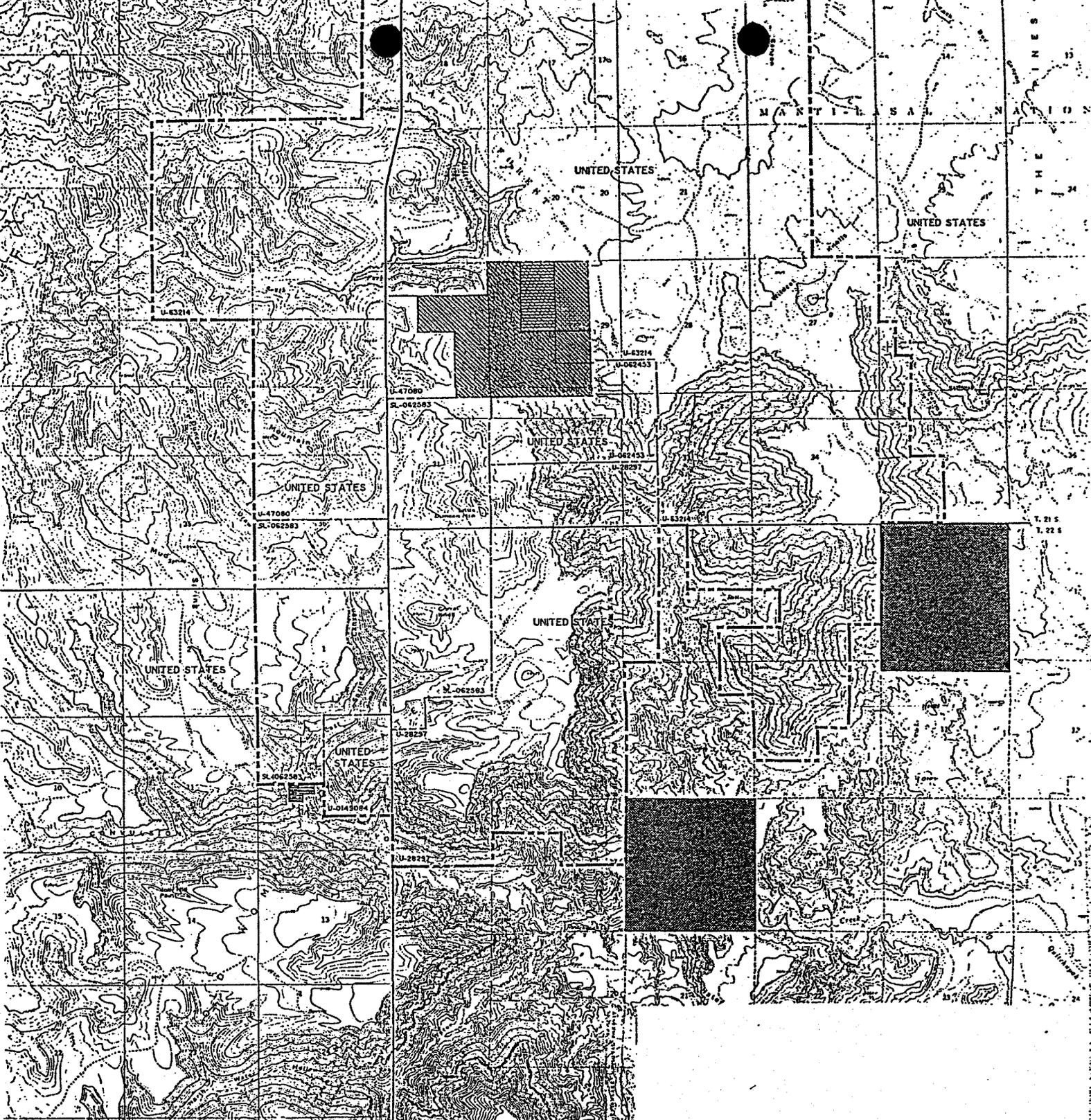
So ORDERED, this 20th day of May, 1992, by the Division of Oil, Gas and Mining.

  
\_\_\_\_\_  
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.



**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

FISHLAKE  
NATIONAL  
FOREST

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.

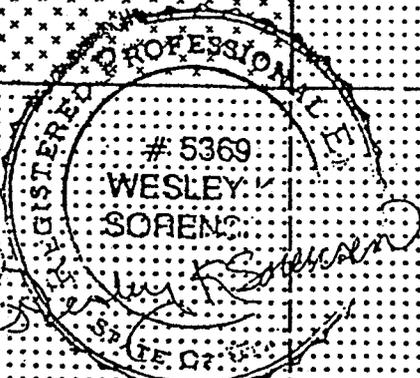
4-167-5  
160.00 AC.

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