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State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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*Folder # 5*

September 23, 1991

Mr. Robert H. Graham, President  
American Coal Co-Op, Incorporated  
3159 South 3075 East  
Salt Lake City, Utah 84109

Dear Mr. Graham:

Re: Boyer Mine, ACT/043/008, Summit County, Utah

I am writing as a follow-up to our meeting of September 4, 1991, and your subsequent conversations with Daron Haddock regarding steps necessary to reactivate the above-referenced mining and reclamation permit, prior to initiation of mining.

As noted in the meeting, the Division of Oil, Gas and Mining (Division) revoked the Mining and Reclamation permit, on August 4, 1989, due to the operator's inability to comply with the terms of the permit. Since the permit has been canceled, it is not possible to transfer this permit from Summit Coal Company to your company.

Upon permit revocation, the Division began bond forfeiture proceedings that included sale of the collateral bond (Blonquist) property with the Division being in position to collect the first \$100,900 resulting from such sale. This action by the Division effectively precludes use of the Blonquist property as a collateral bond in any future permitting action for the Boyer Mine.

When the Division has acquired the \$100,900 bond, the Division will proceed to reclaim the Boyer Mine in accordance with the approved Mining and Reclamation Plan (MRP) originally submitted by Summit Coal.

You may apply for a permit on portions of or all of the site that constituted the permit area held by Summit Coal Company, and their MRP may serve as a reference or guide for compiling your MRP. However, as we discussed in our meeting, there are deficiencies in Summit Coal's MRP that must be addressed prior to initiation of permitting activities. The most noteworthy of these deficiencies is the lack of a waste rock disposal area. A new permit will not be issued without a waste rock site and plan (which will probably also require the collection of baseline data) being part of the permit application package.

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Should you wish to proceed with a permit application, you should submit a complete application package to the Division of Oil, Gas and Mining to formally activate the permitting process. When you do this, the Division will initiate a review of the application, and will notify you of any deficiencies that may be in the application.

Please note that the existing bond amount is considered to be inadequate due to the current site conditions, and readjustment of the bond amount may be necessary for permit approval.

If you are diligently pursuing permit approval, have posted adequate reclamation bond, and have submitted proof of adequate liability insurance to the Division, the Division will suspend its reclamation efforts for the Boyer Mine, and will refund any excess bond amounts to Summit Coal Company.

In the meantime, prior to acquisition of an approved Mining and Reclamation Plan for this mine from the Division of Oil, Gas and Mining, no coal mining activities can be allowed at the old Boyer Mine.

I hope this helps establish the Division's position on this matter. Should you need additional information, please feel free to contact Daron Haddock or me.

Sincerely,



Lowell P. Braxton  
Associate Director, Mining

vb  
cc: D. Haddock  
P. Burton  
R. Harden  
BOYERGRM