

Section 2.01 GENERAL REQUIREMENTS

2.01.1 Scope

This section establishes the minimum general requirements for continued operation of the coal mining activities of the New Elk Mine by Basin Resources, Inc. (BRI). The objectives of this Section are to ensure that all applications for permits and that all surface mining and reclamation operations are conducted under permits issued in accordance with the requirements of the Rules associated with Title 34, Article 33, of the Colorado Revised Statutes of the Colorado Surface Mining Reclamation Act.

2.01.2 General Requirements for Existing Operations

Basin Resources is filing permit revisions as part of the midterm permit review process. Basin Resources filed for Succession of Operator on May 4, 1992. This action was taken to record the change in Corporate name from Wyoming Fuel Company to Basin Resources, Inc.

Wyoming Fuel Company (WFC) filed the application for a permit renewal for operations at its New Elk Mine located near Weston, Colorado. This application complied with all applicable provisions of Rules 2 and 4 of the regulations.

CF&I Steel Corporation filed that application for a permit to continue operations at the Allen Mine. WFC purchased the Allen Mine subsequent to this filing. WFC changed the name to the New Elk Mine. CF&I transferred all permit rights to WFC in January, 1984. Transference information is provided in Exhibit 1, Permit Transference Information.

2.01.3 General Requirements for Permits for All Surface Mining and Reclamation Operations

Basin Resources is operating the New Elk Mine under Permit No. C-012-81 issued by the Colorado Mined Land Reclamation Division. Operation of the New Elk Mine is expected to continue operations through the remaining permit term.

2.01.4 Permit Requirements for New Surface Coal Mining and Reclamation Operations

This section is not applicable to the underground operation which Basin Resources currently has at the New Elk Mine.

2.01.5 Permit Term

Basin Resources plans to continue operations under a permit issued by the Colorado Mined Land Reclamation Division for a term of five (5) years. As the operation continues through the term of the permit, additional renewal and revisions, where required, will be made to continue mining at the New Elk Mine. The current five year permit term was issued on January 24, 1989 and will expire on January 25, 1994.

2.01.6 Permit Fees

The permit fee of \$2,500 was enclosed with the original application by CF&I Steel Corporation on February 3, 1981 to cover the anticipated cost of reviewing, administering, and enforcing the anticipated permit issued under this application.