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June 24, 1986

*Rick E.*

Land Quality Division of the Environmental  
Quality Department  
Herschler Building, 122 West 25th Street  
Cheyenne, Wyoming 82002

Subject: Receipt of Public Notice pursuant to W.S. 35-11-  
406(j) regarding mining permit application and  
objections to the proposed mining operations.

Gentlemen:

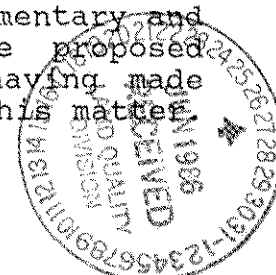
*TFJ 1 2/279*

Davis Oil Company owns or possesses interest (primarily  
in the form of Oil and Gas leases) on lands in the vicinity  
of the proposed Dry Fork Mine. Davis has recently received  
notice of application having been made for a mining permit  
covering an extensive area.

Davis objects to the issuance of such a permit, without  
the inclusion of language which recognizes the existing  
rights of the owners of oil and gas leaseholds and interests  
to explore and develop their interest and to occupy the  
surface to do so. Davis believes it appropriate that mining  
operators be required to include in their plans a proposed  
method of addressing conflicts which arise when operators of  
oil, gas, and coal seek to develop the same lands in close  
proximity to each other. Such proposal should require the  
coal operators to act in good faith to resolve such  
conflicts by mutual agreement and cooperation, if possible.

In any event, your approval of such permits should be  
subject to and recognize the valid existing rights of those  
holding leases, or minerals, in the subject lands being  
permitted and their right to make use of the surface to  
develop the oil and gas and to gain access to their  
leaseholds.


Thank you for the opportunity to provide commentary and  
objective business consideration regarding the proposed  
matters. Davis Oil Company appreciates your having made  
available the opportunity to voice our views in this matter.



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Should you believe any further discussion of this matter to be of benefit, please don't hesitate to contact me at a time of your convenience.

Respectfully,

  
Kevin M. Myles

KMM/dm

cc: Davis Oil Company

