

NEVADA ELECTRIC INVESTMENT COMPANY

P.O. BOX 230
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CEP/015/007

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**DIVISION OF OIL
GAS & MINING**

December 5, 1985

Utah Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
Attn: Dianne Nielson, Director

SUBJECT: Application for Post-Mining Land Use: Wild Horse Ridge

Dear Ms. Nielson:

Nevada Electric Investment Company (NEICO) controls certain fee and federal coal lands and owns fee surface rights on lands known as Wild Horse Ridge within the coal fields of central Utah. These lands were optioned and subleased to Beaver Creek Coal Company (BCCC) who subsequently constructed an exploration road on these fee lands. NEICO is submitting this letter of application to propose an alternative post-mining land use for lands affected by this exploration road.

BACKGROUND

On June 27, 1985, NEICO indicated in a letter to you that it did not wish to pursue the mine permit application package (PAP) previously submitted by BCCC (CEP/015007) regarding the Wild Horse Ridge property. NEICO also indicated that it desired to have the exploration road, constructed in 1982 and 1983 by BCCC, preserved as a private access road on and to its property. This continued use of the road would follow stabilization actions undertaken by BCCC to bring the road into a condition where environmental resources of the area are reasonably protected. This road was constructed as a Class III exploration road but, because it was intended to act as a pioneer alignment for the proposed mine access road, the grades and drainage design meet the Division's Class II road standards. BCCC stated in its Exploration Plan that in the event that the mine was not developed it would reclaim the road according to the restoration standards for Class III roads (UMC 817.176).

It has been the written position of the Division (December 6, 1984 letter to BCCC) that applicable UMC rules pertaining to Class III road maintenance and restoration be adhered to by a responsible party and that if the present PAP is withdrawn, the road will be restored during the next applicable season. BCCC has indicated its intention to eventually withdraw the PAP resulting in the Division's letter of September 12, 1985 finding that BCCC must reclaim the road by November 30, 1985 (date subsequently corrected to December 16, 1985).

Based upon our review of the existing statute and regulations and from discussions with the Division staff, it is apparent that the following course of action would mutually meet the objectives of all the parties involved:

NEICO would submit a letter requesting the post-mining land use of the road be changed from that of an exploration road to a private access road. This letter would need to address the relevant portions of the Division's rules for changes in post-mining land uses.

If NEICO's letter of application were approved, the approval would be contingent upon BCCC repairing the road as necessary to stabilize the road and attain the Division's maintenance standards for Class III exploration roads.

APPLICATION

The balance of this letter is NEICO's application for a change in the post-mining land use.

UMC 817.133 (b) Determining pre-mining use of the land. (Previously determined pre-mining land use)

The road is located primarily on a north-facing slope across from the existing Co-Op Mine. Prior to the construction of the road, the property was inaccessible except on foot. The soils of the disturbed area are mapped as Glenburg Variant, Very Stony, Sandy Loam on 3-10% slopes, and Rock Outcrop, Sunup Complex on 30-60% slopes (Wild Horse Ridge Mine PAP). The present vegetation is dominated by pinyon pine, Utah juniper, White fir, Douglas fir, cliffrose and galleta with cottonwood and River birch, occurring in the narrow riparian habitat of the canyon bottom. Elevation is 4,300 to 6,300 feet. The average annual precipitation is 12 to 14 inches. None of the property has been used for crops or pastureland. The area has been used as rangeland but the soil capabilities are in Classes VII and VIII which indicate severe limitations that make the area suitable only to limited grazing and wildlife. The timber of the area is too sparse to be of any commercial value compared to other areas with better access.

The stream that flows through the canyon bottom is ephemeral and surface water quality monitoring done by BCCC prior to the construction of the exploration road indicates that the typical flow is very high in TDS, exceeding the agricultural limits, and consistently exceeds in the aquatic limits for copper, zinc and mercury. Wildlife in the area seems to prefer springs above the canyon bottom as the main source of water because of the higher quality water at the springs.

The bottom of the canyon is aesthetically pleasing and has the potential for recreational attraction for hiking, skiing and snowmobiling which, though unauthorized, could occur at the present time. This use would be limited only to the area of the canyon accessed by the road because of the steep slopes above the road that rise for another 1,700 feet to the top of the plateau.

The conclusions that can be derived regarding the pre-mining land use of the area disturbed by the road is that the property has moderate wildlife and recreational value.

UMC 817.133 (c) Proposed alternative land use.

Under the existing restoration rules for class III roads, the road would have to be regraded to approximate natural contour, all drainage crossings opened up, and the disturbed area revegetated. NEICO, being the landowner of the area disturbed, intends to have the culverts and road grade left in passable condition with the road surface and side slopes revegetated and stabilized to the degree necessary to prevent excess erosion and siltation. This will be accomplished by changing the post-mining land use of the area disturbed by the road from wildlife habitat to that of a private access road.

UMC 817.133 (c) (1) Compatibility with adjacent land uses.

The continued use of the road as a private access road will be very compatible with the adjacent land uses. The road itself will be stabilized to minimize erosion and also be compatible with the indigenous wildlife. The limited use of the road for NEICO use only will be assured by the construction of a durable locked gate at the road's lower end. Thus wildlife will not be expected to shun the road except for the few times that NEICO vehicles would be present. The purpose of the road will be to provide vehicular access for inspection of the property.

UMC 817.133 (c) (2) Feasibility of the alternative land use.

The present condition of the road is totally acceptable for use as an access road but additional actions may be necessary to provide for the stabilization of the disturbed surfaces through revegetation, waterbars or other methods. The present operator of the road, BCCC, shall be responsible for the final stabilization of the road to the degree acceptable to the Division and in concert with the proposed alternative land use. Following the Division's acceptance of the road stabilization work, responsibility for continued maintenance shall be with NEICO.

UMC 817.133 (c) (3) Necessary public facilities.

The continued use of the road will be solely for the private benefit of NEICO and its assignees. No public facilities are required.

UMC 817.133 (c) (4) Financing for the attainment and maintenance of the land use.

The stabilization actions required to attain the appropriate initial condition for the private access road will be the responsibility of BCCC. BCCC is considered to be financially capable to perform the work needed. The continued maintenance of the road will be the responsibility of NEICO which is financially capable to perform such work.

UMC 817.133 (c) (5) Supervision of design work.

BCCC will be responsible for stabilizing the exploration road to conform to the appropriate Division standards for adequate land stability, drainage, vegetation cover, and aesthetic design.

UMC 817.133 (c) (6) Prevention of hazards to public health, safety and water quantity or quality.

The proposed continued use of the road should not pose a hazard to public health or safety because the road will be off-limits to the public and, in any event, would be the equal of other public ways and roads in the surrounding region. The limited use of the road surface by vehicles should not materially increase the degree of water impacts which would be expected if the road were entirely reclaimed.

UMC 817.133 (c) (7) Prevention of unreasonable delays in reclamation.

The proposed alternative land use will replace the complete reclamation of the road. Measures required to adequately stabilize the disturbed areas to meet the appropriate environmental protection goals of the Division will be the responsibility of BCCC and will not be delayed by NEICO in any way.

UMC 817.133 (c) (8) Approval of measures to prevent or mitigate adverse effects on fish, wildlife, and related environmental values.

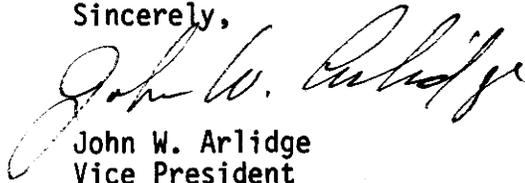
The proposed alternative land use should not materially reduce the mitigation measures that were approved by the Division and other agencies when the exploration notice was approved in 1983. The degree of additional impacts on the environment from the infrequent use of the stabilized road vs. complete reclamation will be negligible.

UMC 817.133 (c) (9) Cropland use.

Cropland use of the property is not being proposed.

Should you require additional information concerning this application, please contact me at your earliest convenience.

Sincerely,



John W. Arlidge
Vice President

cc: L. Braxton
J.A. Herickoff
G.E. Vaninetti
B.W. Buck
D.W. Guy
E.L. Pratt

JA/km