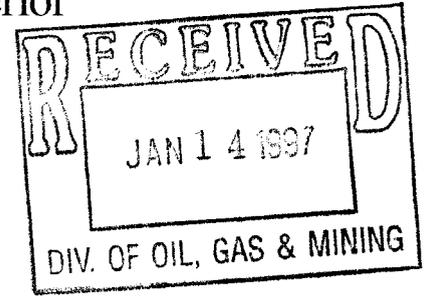




United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



IN REPLY REFER TO

3431
UTU-75535
(UT-930)

JAN 10 1997

CERTIFIED MAIL--Return Receipt Requested

PacifiCorp
c/o Interwest Mining Company
One Utah Center, Suite 2000
Salt Lake City, Utah 84140-2000

Re: **Coal Severance Approval for Underground Accessway Special-Use Permit
Dated December 26, 1996, Trail Mountain Mine, Emery County Utah**

Dear Mr. Child:

ACT/015/009 #3

COAL SEVERANCE APPROVAL

Background- The Bureau of Land Management (BLM) Utah State Office, received your Underground Accessway Special-Use Permit approved by the Manti-LaSal National Forest dated December 26, 1996 (enclosed). This permit provides for the underground accessways which provide transportation access for development of Federal coal lease UTU 64375 underground mining activities. This special use permit has been given a BLM serial number UTU-75535, and any future correspondence or payment due to BLM in conjunction with this permit should reference this BLM serial number.

Approval- As stated in the Underground Accessway Special-Use Permit (BLM serial number UTU-75535), the BLM will make a decision on the approval on the severance of the coal. In accordance with 43 CFR 3432, this letter hereby grants PacifiCorp approval for severance and removal of coal in connection with this permit. The coal is to be removed and sold under the terms and conditions as listed below.

Stipulation of Approval- The map that is attached to the Underground Accessway Special-Use Permit will act as the mining plan to sever the coal from the resource. Any changes to the mining plan must be submitted in advance to BLM for approval. If a coal lease/modification is issued on the lands described under the permit, this mining plan will be in effect until a Resource Recovery and Protection Plan approval is granted by BLM as per 43 CFR 3482.2 (a)(2).

Terms and Conditions of the Sale-

1. As required by 43 CFR 3431.2(a), coal to be removed in connection with the special-use permit issued by the U. S. Forest Service will be at the fair market value determined by the Bureau of Land Management. The BLM has determined this value to be \$1.85 per ton of coal removed. Since the

special-use permit will terminate with issuance of a lease modification and subsequent approval to mine, the amount of coal to be removed has not been estimated.

Payment of the fair market value of the coal shall be made to the Bureau of Land Management, Utah State Office, P.O. Box 45155, Salt Lake City, Utah 84145-0155. The company will indicate the payment is for case file number UTU-75535.

Since coal to be removed on the special-use permit is likely to be only for a short period and not a large quantity, after the lease modification is issued and approvals received, BLM will calculate the amount of coal removed under the special-use permit based on volumetric calculations and provide one bill to the company. Payment shall be due within 30 days of receipt of the billing statement at the address indicated above.

2. In accordance with 43 CFR 3431.2 (b) this approval will be pursuant to all requirements under Federal coal lease UTU-64375 as stated in the original lease and its stipulations. Acceptance of this approval will allow the bond for Federal coal lease UTU-64375 to cover all liabilities for conservation of the coal deposit to include but not limited to the fair market value of the coal being severed under this special-use permit.

3. All terms and conditions of the special use permit will be adhered to.

National Environmental Policy Act- This has been complied with under U.S. D A, U.S. Forest Service, Manti-LaSal National Forest, U.S. DOI, Bureau of Land Management, Environmental Assessment for the Underground Accessway and undermining escarpment, Trail Mountain Mine, March 1996.

Appeal Rights- You have 30 days to appeal this approval to the Board of Land Appeals, Office of the Secretary, in accordance with the regulation at 43 CFR Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office within 30 days following the date of this approval. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 (58 FR 4939, January 19, 1993) for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and the petition for a stay must also be submitted to the Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

For further information, contact Mr. Stan Perkes, (801) 539-4036.

Sincerely,

/S/ G. William Lamb

State Director

Enclosure

FS DecisionLetter Dated December 26, 1996
Form 1842-1

bcc: Price Office
Utah Division of Oil, Gas, and Mining (Attn. Darron Haddock)
Files - UTU-75535
Chron
Accounts
UT-930, SPerkes

SPerkes:jt:01/10/97
ROWAPP