



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

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

January 13, 1997

To: File

From: Pamela Grubaugh-Littig, Permit Supervisor 

Re: Incidental Boundary Change, Trail Mountain Mine, PacifiCorp, ACT/015/009-96J, Folder #3, Emery County, Utah

Synopsis

An application for an incidental boundary change was submitted to the Division on December 20, 1996. This application for 133.2 acres modifies Federal Coal Lease UTU-64375. On December 11, 1996, PacifiCorp requested the Utah State Office of the Bureau of Land Management modify this lease.

The proposal would enable the applicant to mine an additional 490,000 tons of coal from the approximately 38.17 acres out of the 133.2 acres of the lease modification area. The applicant contends that if this coal is not mined at this time, it will be bypassed and there is no other viable or potential operation that could logically mine the area.

The applicant stated that the subsurface disturbance is approximately 2,000 acres. The additional subsurface area (38.17 acres) proposed to be mined is less than 2% of the current area disturbed by mining.

On January 8, 1997, OSM documented that this proposal would not constitute a mining plan modification because the proposed change in the location or amount of coal to be mined is a result of an incidental boundary change as authorized in 30 CFR 746.18 (d)(3)(ii).

The Bureau of Land Management (BLM) Utah State Office, received the Underground Accessway Special Use Permit approved by the Manti-LaSal National Forest dated December 26, 1996. This permit provides for the underground accessways which provides transportation access for development of Federal Coal Lease UTU-64375 underground mining activities.

On December 17, 1996, Janette Kaiser Forest Supervisor of the Manti-La Sal National Forest decided to consent of modification of this federal coal lease U-64375

Incidental Boundary Change
Trail Mountain Mine
ACT/015/009-96J
Page 2

by the Bureau of Land Management and to make a corresponding non-significant amendment of the Manti-LaSal National Forest Land and Resource Management Plan, 1986 (Forest Plan) (attached). This decision was based on the Environmental Assessment conducted to evaluate the original lease tract for leasing (Environmental Assessment for Beaver Creek Coal Company Coal Lease Application UTU-64375, 1990) and supplemental environmental analyses. No new issues were identified during the public scoping process. This decision may be implemented on or after February 8, 1997.

Findings

This permitting action was determined not to require a mining plan modification (see letter from OSM, dated January 8, 1997) and could therefore, be approved by the Division.

This incidental boundary changed can be approved for development only as per the BLM letter dated January 10, 1997 (attached.)

Longwall mining is condition upon the implementation of the lease modification and approved R2P2. The permit for the Trail Mountain Mine must be revised to include the revised acreage of lease UTU-64375.

Attachments

cc: Bill Malencik, PFO



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

Copy Karen, Pam,

JAN 10 1997 Fax Bill. @

ACT/015/009TR3 PFO

IN REPLY REFER TO
3431
UTU-75535
(UT-930)

CERTIFIED MAIL--Return Receipt Requested

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

Post-It™ brand fax transmittal memo 7671		# of pages ▶ 3
To <i>DARRIN HADLOCK</i>	From <i>STAN PERKS</i>	
Co.	Co. <i>BLM</i>	
Dept.	Phone #	
Fax # <i>359-3940</i>	Fax # <i>539-4200</i>	

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

Dear Mr. Child:

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

88. Sun Advocate, Price, Utah -- Tuesday, December 17, 1996

LEGAL NOTICE
Decision Notice
for
Modification of Federal Coal Lease U-64375
USDA Forest Service, Intermountain Region (R-4)
Manti-La Sal National Forest
Ferron/Price Ranger District
Emery County, Utah

On December 17, 1996 Janette S. Kaiser, Forest Supervisor of the Manti-La Sal National Forest, decided to consent to modification of Federal Coal Lease U-64375 by the Bureau of Land Management and to make a corresponding non-significant amendment to the Manti-La Sal National Forest Land and Resource Management Plan, 1986 (Forest Plan). The lease is held by PacifiCorp and is currently included in the permit area for the Trail Mountain Mine. The lease modification will add 133.2 acres of National Forest System lands to the current lease along the southwest corner. The purpose is to recover an additional 490,000 tons of recoverable coal reserves that would otherwise not be mined.

The lease modification contains the following lands:

T. 18 S., R. 6 E., SLM, Emery County, Utah

Section 3: Lot 3, E 1/2 of Lot 6, Lot 7,

NE 1/4 SW 1/4 NE 1/4, NW 1/4 SE 1/4 NE 1, S 1/2 SE 1/4 NE 1/4

This decision was based on the Environmental Assessment conducted to evaluate the original lease tract for leasing (Environmental Assessment for Beaver Creek Coal Company Coal Lease Application UTU-64375, 1990) and supplemental environmental analyses. No new issues were identified during the public scoping process.

Copies of the Decision Notice and Finding of No Significant Impact and the associated Environmental Assessments are available upon request from Manti La Sal National Forest, 599 West Price River Drive, Price, Utah 84501. Any questions or requests can be directed to Carter Reed, Forest Geologist at the above address or by telephone (801) 637-2817.

This decision may be implemented on or after February 8, 1997.

Appeal Rights and Process

This decision is subject to appeal under 36 CFR Part 215. Permit holders who may be affected by this decision have the choice to appeal under 36 CFR 215 or 36 CFR 251. Decisions regarding the Forest Plan may be appealed under 36 CFR 215 or 36 CFR 217.

This decision is subject to administrative review by the Regional Forester pursuant to the above regulations. Any written appeal must be postmarked or received by the Appeal Deciding Officer, Dale N. Bosworth, Regional Forester - Intermountain Region, 324 25th Street, Ogden, UT 84401 on or before January 31, 1997. Appeals must meet the content requirements described in the Code of Federal Regulations, including a statement of reasons for the appeal. We request that you concurrently send a copy of the Notice of Appeal to: Janette S. Kaiser, Forest Supervisor, Manti-La Sal National Forest, 599 West Price River Drive, Price, Utah, 84501.

Published in the Sun Advocate December 17, 1996.

FS-2700-4c (7/96)
OMB No. 0596-0092

U. S. DEPARTMENT OF AGRICULTURE Forest Service UNDERGROUND ACCESSWAY SPECIAL-USE PERMIT Act of October 21, 1976 (PL 94-579); 36 CFR 251.50, et seq	Holder No.	Issue Date	Expir. Date
	4 0 0 1-3 0	--/--/--	--/--/--
	Type Site	Authority	Auth. Type
	7 5 3	6 7 6	- 2 0 -
	Region/Forest/District	State/County	
	0 4/ 1 0/ 0 3	4 9/ 0 1 5	
	Cong. Dist.	Latitude	Longitude
	--	-- -- --	-- -- --

PacificCorp - c/o Scott M. Childs - Interwest Mining Company, One Utah Center, Suite 2000, 201 South Main Street, Salt Lake City, Utah 84140-0020.

(hereafter called the Permittee) is hereby authorized to use National Forest lands for the construction, reconstruction, maintenance, and use of underground accessways within the Manti-La Sal National Forest for the following purposes:

Underground accessways to provide transportation access for development of Federal Coal Lease activities. Access includes coal transport systems (i.e., conveyor belts); transport of equipment and personnel; and associated utilities such as water, electrical, power, telephone, air, etc.

This permit is not authorized to sever the coal resources within the authorized accessways. As per 43 CFR 3431.2(b). The severance of coal shall be approved by the Bureau of Land Management. Removal of coal shall be subject to the Surface Mining Control and Reclamation Act of 1977 and authorized by the Utah Division of Oil, Gas, and Mining and be included in the Mining and Reclamation Plan for the Trail Mountain Mine.

The lands covered by this permit are located in the County of Emery, State of Utah and are described as follows:

<u>Section 3</u>	<u>Acres</u>
Lot 3	33.2
E 1/2 of Lot 6	20.0
Lot 7	40.0
NE 1/4 SW 1/4 NE 1/4	10.0
NW 1/4 SE 1/4 NE 1/4	10.00
S 1/2 SE 1/4 NE 1/4	<u>20.00</u>
	133.20 Total Acreage

See map for location and details.

This permit covers a right-of-way 11,500 feet long, and 70 feet wide, containing approximately 18.6 acres, and is located under the ground according to the survey line, figures, measurements, widths, and other references shown on the map or plat attached hereto and made a part hereof.

This permit is made subject to the following terms, provisions, and conditions:

1. This permit is subject to all existing easements and valid rights existing on this date.
2. The Permittee in exercising the privileges granted by this permit shall comply with all applicable State and Federal laws, Executive Orders, and Federal rules and regulations, and shall comply with all State standards for public health and safety, environmental protection, and siting construction, operation, maintenance of or for rights-of-way for similar purposes if those standards are more stringent than applicable Federal standards.
3. The Permittee shall dispose of no coal except as authorized by the Bureau of Land Management and/or the Utah Division of Oil, Gas, and Mining.
4. Permittee shall indemnify the United States for any and all injury, loss, or damage, including fire suppression costs the United States may suffer as a result of claims, demands, losses, or judgments caused by the Permittee's use or occupancy under this permit.

In addition, the holder shall be held liable for all injury, loss, or damage, including, but not limited to fire suppression costs, directly or indirectly resulting from or caused by the holder's use and occupancy of the area covered by the permit, regardless of whether the holder is negligent, provided that the maximum liability without fault shall not exceed \$1,000,000 for any one occurrence and provided further that the holder shall not be liable when such injury, loss, or damage results from a negligent act of the United States, or a third party not involving the facilities of of the holder.

Liability for injury, loss, or damage, including fire suppression costs, in excess of the specified maximum, shall be determined by Federal and State laws governing ordinary negligence. (F-21)

5. Permittee shall pay annually in advance a sum determined by the Forest Service to be the fair market value for the accessways authorized as described on the face of this permit. Payment does not include the fair market value of coal removed in connection with this permit. Any such payment for the coal resource must be made directly to the Bureau of Land Management (BLM), and in accordance with BLM's regulations and policy.

The initial payment to the Forest Service for the accessways authorized by this permit is set at \$ - 0 - for the remainder of the calendar year. Payments for each subsequent calendar year shall be the amount of \$ 126.67 adjusted using the Implicit Price Deflator-Gross National Product index (IPD-GNP), or other factor selected by the Forest Service, to reflect more nearly the current fairmarket value of the use. At intervals to be determined by certain changes in the indexes used to establish the linear rights-of-way fee schedule, the fee shall be reviewed and adjusted as necessary to assure that it is commensurate with the value of the rights and privileges authorized. Failure of the Permittee to pay the annual payment, late charges, or other fees or charges shall cause the permit to terminate.

6. The Permittee shall pay an interest charge on any fee amount not paid by the payment due date.

Interest shall be assessed using the most current rate prescribed by the United States Department of Treasury Financial Manual (TFM-6-8020). Interest shall accrue from the date the fee payment was due. In addition, certain processing and handling administrative costs may be assessed in the event the account becomes delinquent and added to the amounts due.

A penalty of 6 percent per year shall be assessed on any fee amount overdue in excess of 90 days from the due date of the first billing.

Payments will be credited on the date received by the designated collection officer or deposit location. If the due date(s) for any of the above payments or fee calculation statements fall on a nonworkday, the charges shall not apply until the close of business of the next workday.

7. All development of the underground accessways shall be in accordance with plans, specifications, and written stipulations as described in the approved Mining and Reclamation Plan and Mine Permit issued by the Utah Division of Oil, Gas, and Mining.

8. The Permittee shall repair fully all damage to National Forest roads and trails caused by the exercise of the privileges granted by this permit.

9. The United States may use the underground accessways without cost for all purposes deemed necessary or desirable in connection with the protection and administration of the lands or resources of the United States, .

10. The Forest Service retains the right to occupy and use the accessways and to issue or grant rights-of-way for land uses, upon, over, under, and through the permitted area provided that the occupancy and use do not interfere unreasonably with the rights granted herein.

11. Unless sooner terminated in accordance with the provisions of the permit, or revoked by the Regional Forester, this permit shall expire and terminate upon relinquishment of the associated Federal (BLM) Coal Leases(s).

12. This permit may be terminated or suspended upon breach of any of the conditions herein, or revoked at the discretion of the Regional Forester.

13. Upon termination or revocation of this special-use authorization, the Permittee shall remove within a reasonable time any authorized structures and improvements within the authorized accessways and shall restore the site to a condition satisfactory to the authorized officer, unless otherwise waived in writing or in the authorization. If the Permittee fails to remove the structures or improvements within a reasonable period, as determined by the authorized officer, they shall become the property of the United States, but this does not relieve the Permittee from liability for the removal and site restoration costs.

14. The holder has full responsibility to comply with all mitigation measures identified in the Mitigation and Monitoring Plan attached hereto to, and made a part hereof, this permit.

15. (B-2) - During the performance of this authorization, the holder agrees that:

1. The holder and employees shall not discriminate by segregation or otherwise against any person on the basis of race, color, or national origin by curtailing or refusing to furnish accommodations.

2. Title VI attaches coverage to the holder's employment practices if discrimination in employment impeded the delivery of services and benefits to people on the basis of their race, color, or national origin.

3. The holder shall include and require compliance with this nondiscrimination provision in any subcontract made with respect to the operations under this authorization.

16. (B-26) - Holder shall take all measures necessary to protect the health and safety of all persons affected by its activities performed in connection with the construction, operation, maintenance, or termination of the right-of-way, and shall promptly abate as completely as possible any physical or mechanical procedure, activity, event, or condition, existing or occurring at any time: (1) that is susceptible to abatement by the holder, (2) which arises out of, or could adversely affect the construction, operation, maintenance, or termination of all or any part of the underground access, and (3) that causes or threatens to cause: (a) a hazard to the safety of workers or to public health or safety, or (b) serious and irreparable harm or damage to the environment (including but not limited to areas of vegetation or timber, fish or other wildlife populations, or their habitats, or any other natural resource). Holder shall immediately notify the authorized officer of all serious accidents which occur in connection with such activities.

17. (D-18) - The holder agrees to take all necessary precautions to avoid damage to property and resources of the United States and will, independently and upon request of the Forest Service, prevent and suppress fires on or near lands occupied, or to be occupied, under this permit, and to pay and indemnify the United States for any and all injury, loss, or damage, including but not limited to fire suppression costs, the United States may suffer as a result of claims, demands, losses, or judgments caused by the holder's use or occupancy to the maximum extent possible in accordance with State laws, ordinances, regulations, and rules.

18. (X-17) - If, prior to or during excavation work, items of archaeological, paleontological, or historic value are reported or discovered, or an unknown deposit of such items is disturbed, the holder will immediately cease excavation in the area so affected. Holder will then notify the Forest Service and will not resume excavation until written approval is given by the authorized officer.

If it deems it necessary or desirable, the Forest Service may require the holder to have performed recovery, excavation, and preservation of the site and its artifacts at the holder's expense. At the option of the Forest Service, this authorization may be terminated at no liability by the United States when such termination is deemed necessary or desirable to preserve or protect archaeological, paleontological, or historic sites and artifacts.

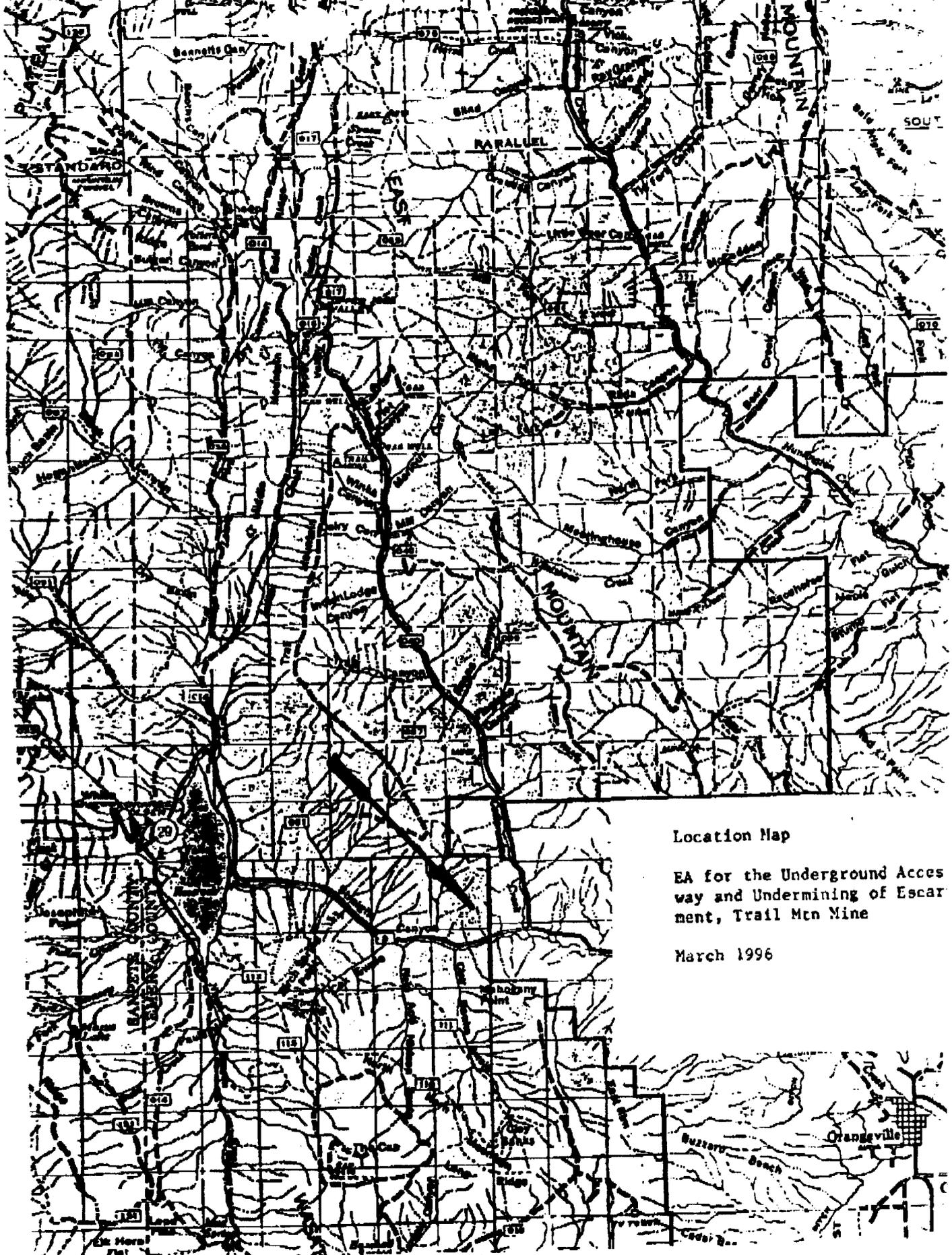
19. (X-74) - This permit confers no right to the use of water by the holder.

20. (X-96) - Appeal of any provisions of this authorization or any requirements thereof shall be subject to the appeal regulations at 36 CFR 251, Subpart C (54 FR 3362, January 23, 1989), or revisions thereto.

In Witness Whereof, the parties hereto have caused this permit to be duly executed on the 26 day of DECEMBER, 1996.

Permitted
By [Signature]
name
Title VICE PRESIDENT
PacifiCorp

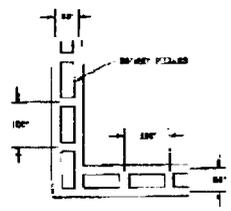
USDA Forest Service
by [Signature]
JANETTE S. KAISER
Title Forest Supervisor
Manti La Sal National Forest



Location Map

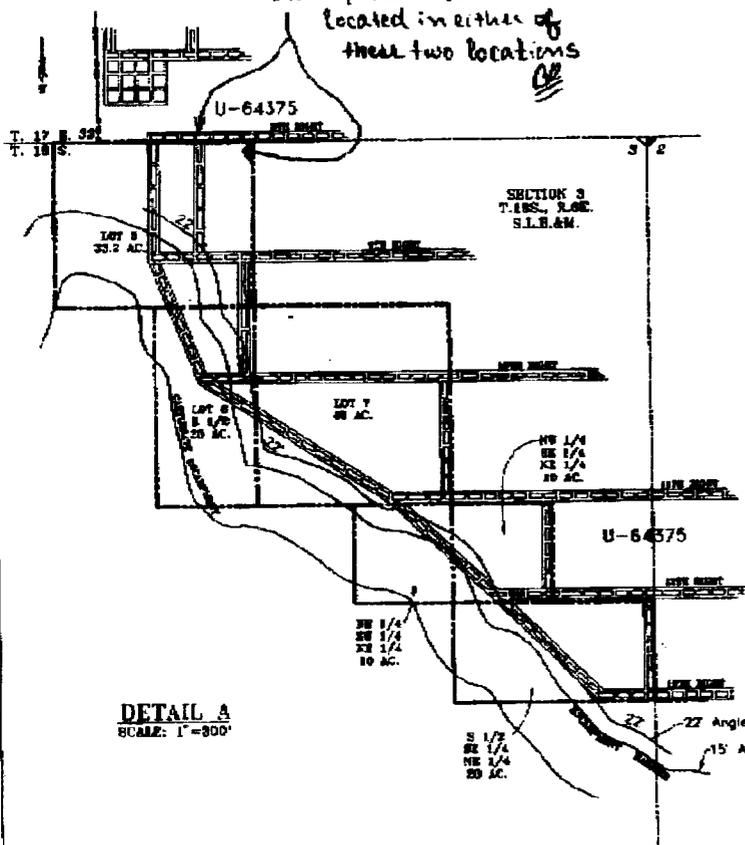
EA for the Underground Acces way and Undermining of Escar ment, Trail Mtn Mine

March 1996

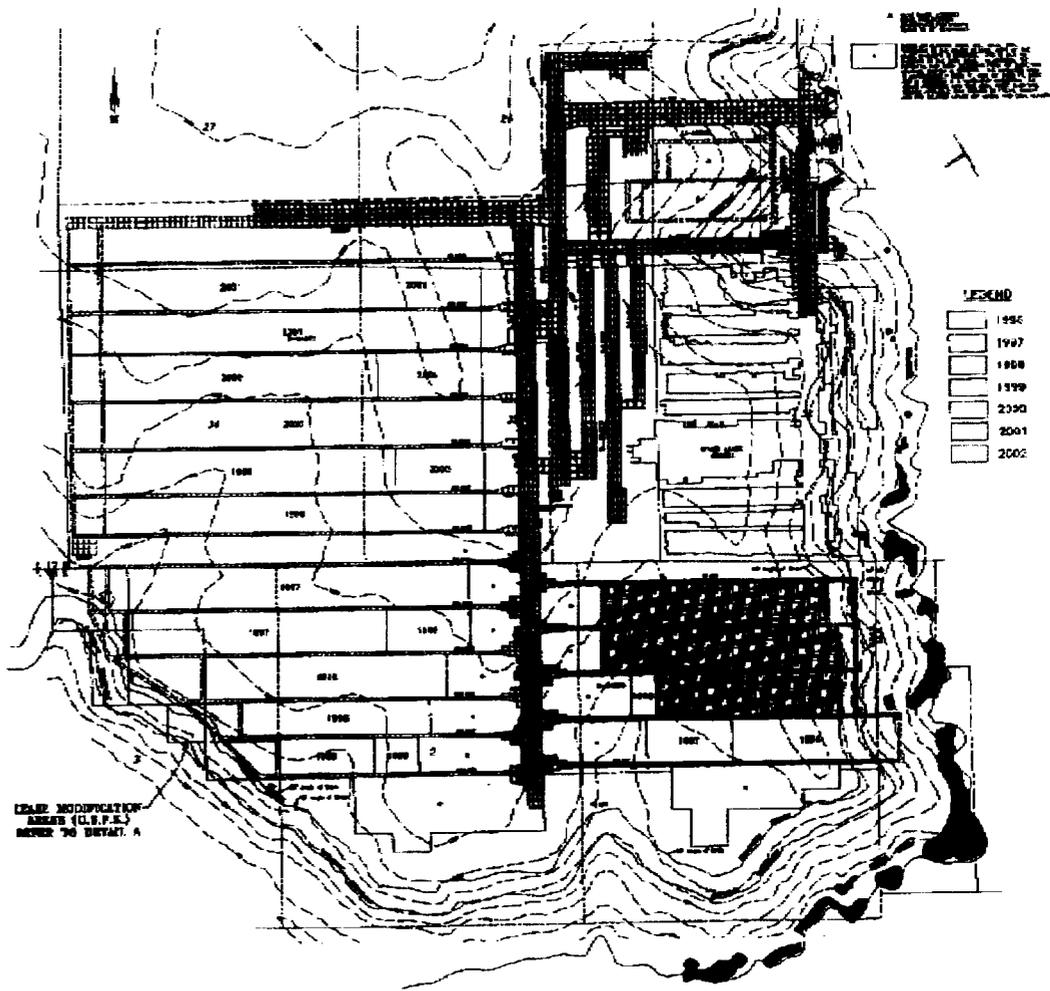


TYPICAL PILLAR DETAIL
SCALE: 1"=10'

Startup room could be located in either of these two locations



DETAIL A
SCALE: 1"=300'



GENERAL LOCATION MAP
SCALE: 1"=300'

EVIDENCE OF PROPOSED LEASE MODIFICATION

SURFACE: DEPARTMENT OF AGRICULTURE
UNITED STATES FOREST SERVICE
MANU-LARAL NATIONAL FOREST

SUBSURFACE: DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTE: PRODUCTION MEMBERS OF THE SURFACE SURVEY, PILLAR, AND PROPOSED FOR DELISTION FROM THE DEPARTMENTAL RECORDS SHALL BE TO THE SURFACE CONTRACT.

DATE FORWARDS CANCELED TO 10/1/96

ENERGY WEST MORRIS COMPANY OPERATIONS	
TRAIL MOUNTAIN MINE LEASE MODIFICATION LEASE D-64375	
PROJECT NO.	CM-10998-TM
DATE	12-16-96
BY	J. A. G. S.