



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

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
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Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

Green Binder

August 12, 1997

Chuck Semborski, Environmental Supervisor
Energy West
P.O. Box 310
Huntington, Utah 84528

Re: Revised Permit--Relinquishment of State Lease ML-22603, PacifiCorp, Trail Mountain Mine, ACT/015/009, Folder #3, Emery County, Utah

Dear Mr. Semborski:

I am enclosing the revised state permit for the Trail Mountain Mine, which was revised due to the relinquishment of State Lease ML-22603 in Section 36 of T17S, R6E.

Please have both permits signed and return one to the Division.

Yours very truly,

A handwritten signature in black ink, appearing to read 'James W. Carter', written over a large, stylized circular flourish.

James W. Carter
Director

tt
Enclosure

cc: Ranvir Singh, OSM-WRCC
Janette S. Kaiser, US Forest Service, w/o
Richard Manus, BLM, w/o
Price Field Office, w/o

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FEDERAL

PERMIT
ACT/015/009

August 12, 1997

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801
(801) 538-5340

This permit, ACT/015/009, is issued for the State of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

PacifiCorp
P.O. Box 1005
Huntington, Utah 84528
(801) 653-2312

for the Trail Mountain Mine. PacifiCorp is the lessee of federal coal leases U-49332, U-082996, and UTU-64375, and the owner/lessee of certain fee-owned parcels. A Surety Bond is filed with the Division in the amount of \$1,000,000, payable to the State of Utah, Division of Oil, Gas and Mining, and the Office of Surface Mining, Reclamation and Enforcement (OSM). The Division must receive a copy of this permit signed and dated by the permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 PERMIT AREA - The permittee is authorized to conduct underground coal mining activities on the following described lands within the permit area at the Trail Mountain Mine, situated in the State of Utah, Emery County, and located:

Township 17 South, Range 6 East, SLM

- Section 25: S1/2 NW1/4, W1/2 SW1/4, W1/2 E1/2 SW1/4, SW1/4 SE1/4, E1/2 E1/2 SW1/4; Begin at the point of SW corner of NW1/4 SE1/4, thence North 160 Rods, thence East 44 Rods to center of Cottonwood Creek, Southward along creek to a point 76 Rods east of the beginning, thence West 76 Rods to the Point of Beginning.
- Section 26: SE1/4 NE1/4, E1/2 SW1/4 NE1/4, E1/2 SE1/4, E1/2 W1/2 SE1/4, S1/2 SW1/4, W1/2 SW1/4 SE1/4;

Section 27: S1/2 S1/2;
Section 34: All; and
Section 35: All.

Township 18 South, Range 6 East, SLM

Section 1: Lots 1-8, S1/2 N1/2, E1/2 NE1/4 SW1/4, E1/2 NW1/4 NE1/4 SW1/4, N1/2 NW1/4 NE1/4 SE1/4, N1/2 NW1/4 SE1/4;
Section 2: Lots 1-8, S1/2 N1/2, N1/2 NE1/4 SW1/4, N1/2 SW1/4 NE1/4 SW1/4, SE1/4 NE1/4 SW1/4, NW1/4 NE1/4 SE1/4, N1/2 SW1/4 NE1/4 SE1/4, N1/2 NW1/4 SE1/4, N1/2 S1/2 NW1/4 SE1/4; and
Section 3: Lots 1, 2, 3, 6 (E1/2), 7, and 8, and NW1/4 SE1/4 NE1/4, NE1/4 SW1/4 NE1/4, S1/2 SE1/4 NE1/4, NE1/4 SE1/4 NE1/4.

Township 18 South, Range 7 East, SLM

Section 6: Lots 4-7, W1/2 SE1/4 NW1/4, W1/2 E1/2 SW1/4.

This legal description is for the permit area of the Trail Mountain Mine which is approximately 3,540 acres. The permittee is authorized to conduct underground coal mining activities and related surface activities on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

- Sec. 3 COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4 PERMIT TERM** - This permit expires on February 21, 2000.
- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the prior written approval of the Division Director. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13{e} and R645-303-300.
- Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives

of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

- (a) have the rights of entry provided for in 30 CFR 840.12, R645-400-220, 30 CFR 842.13 and R645-400-110;
- (b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by the private person.

Sec. 7 SCOPE OF OPERATIONS - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 ENVIRONMENTAL IMPACTS - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

- (a) Any accelerated or additional monitoring necessary to determine the nature and extent of noncompliance and the results of the noncompliance;
- (b) immediate implementation of measures necessary to comply; and
- (c) warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:

- (a) in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- (b) utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 11 EXISTING STRUCTURES - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

Sec. 12 RECLAMATION FEE PAYMENTS - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.

Sec. 13 AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec. 14 COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

Sec. 15 PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

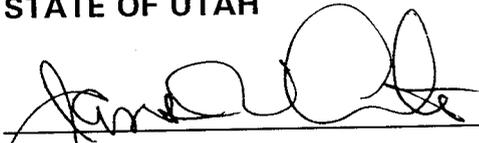
Sec. 16 CULTURAL RESOURCES - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.

Sec. 17 APPEALS - The permittee shall have the right to appeal as provided for under R645-300-200.

Sec. 18 SPECIAL CONDITIONS - There are special conditions associated with this permit, as described in Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By:  _____
Date: August 12, 1997

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of the Permittee

Date: _____

ATTACHMENT A

Special Conditions

1. R645-301-731.200 Water Monitoring The applicant must monitor quality and quantity of the Star Point aquifer at a point where the flow in the aquifer leaves the permit area. The most likely place to develop this monitoring site is in the area near DH-5 (Figure 6-4). The applicant will be required to develop a well to monitor aquifer parameters, seasonal fluctuation, mining influence and hydrologic tests. This information is requested in accordance with the requirements for water monitoring regulations R645-301-731.200 through R645-301-731.215.
2. Before extending entries to the west beyond the location of hole TMX-6, the operator must drill horizontal holes to determine if significant water could be encountered in the Starpoint/Blackhawk aquifer. If significant water is encountered in the horizontal holes, the operator must stop the advance and notify the Regulatory Authority.
3. PacifiCorp must notify the Division within 14 days of the decisions of the appeals of outstanding cessation order 94-020-370-002, 1 of 1.