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

Michael O. Leavitt
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355 West North Temple
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January 13, 1997

Chuck Semborski
Environmental Supervisor
Energy West/PacifiCorp
P.O. Box 310
Huntington, UT 84528

Re: Approval of Incidental Boundary Change, Trail Mountain Mine, PacifiCorp, ACT/015/~~018~~ 009-96J, Folder #3, Emery County, Utah

Dear Mr. Semborski:

The incidental boundary change submitted December 20, 1996 for modification of lease UTU-64375 is approved for development only. Longwall mining is conditioned for this lease modification upon the implementation of the underground access right-of-way decision by the Forest Service. Please sign both permits that include this incidental boundary change and return one to the Division.

Additionally, please submit seven copies of this permit change in a form that can be incorporated into the mining and reclamation plan by February 10,1997. If you have any questions, please call Daron Haddock or Pamela Grubaugh-Littig.

Yours very truly,

James W. Carter
Director

Enclosure
cc: Mary Ann Wright
Pamela Grubaugh-Littig
Daron Haddock
Joe Helfrich
Bill Malencik, PFO

FEDERAL

PERMIT
ACT/015/009

January 13, 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, State Mineral Lease ML-22603 , 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;
Section 35: Lots 1, 2, 3 and 4, S1/2NE1/4, SE1/4, SW1/4, S1/2 NW1/4; and
Section 36: 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 Portions NE1/4SE1/4NE1/4, NE1/4SW1/4NE1/4, S1/2SE1/4NE1/4.

Township 18 South, Range 7 East, SLM

Section 6: Lots 4-7, W1/2 SE1/4 NW1/4, S1/2 E1/2 SW1/4.

This legal description is for the permit area of the Trail Mountain Mine which is approximately 4,178.2 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: Jan 13, 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: _____

A:\PERMIT.TM9

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.

4. Mining within the incidental boundary change (ACT/015/009-96J) is approved for development mining only. Approval of longwall mining in the incidental boundary change is conditioned upon approvals by other federal agencies.

Applicant Evaluation Applicant Violator System 10-Jan-1997 14:49:32

State : UT Permit No : ACT015009 Appl No : ACT015009
Applicant : 108521(PACIFICORP) Seqno : 2

SYSTEM RECOMMENDATION IS BASED ON ENTITY OFT

SYSTEM RECOMMENDATION : COND ISSUE 01/10/97
PREVIOUS SYSTEM RECOMMENDATION : COND ISSUE 04/26/95

Records retrieved : 1

ST	PERMIT	RP ID	SEQ	VTYPE	VIOLNO	VIOLDATE
CO	NONE	108521	0	CMIS	C94-020-370-002	09/15/94

RCM_MNT(F7) PERMIT/APPL(F8) REPORTS(F9)
PRV_SCR(F3) VIOL(F4) EVOFT(F5) VOFT(F6) CHOICES(F10)
■ avsdg 15 00

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avsdg 15:00