

October 14, 1999

Utah Coal Program  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

Attn: Pam Grubaugh-Littig

Re: **Permit Renewal for the PacifiCorp, Trail Mountain Mine, ACT/015/009, #2**  
Emery County, Utah

*Jopy, Pam, Aaron, Wayne*  
*(4 pages)*

PacifiCorp, by and through its wholly-owned subsidiary, Energy West Mining Company ("Energy West") as mine operator, hereby submits an application for permit renewal for the Trail Mountain Mine. The current permit term expires February 21, 2000. Said application conforms to the requirements set forth in R645-300-120 and R645-303-230 of the State of Utah R645- Coal Mining Rules and Regulations, revised May 1, 1998.

As required in R645-303-232.250 and R645-301-830.300, PacifiCorp is revising the MRP to extend the Means Historical Cost Index to the year 2005. The appropriate table is enclosed with this application. Also enclosed with this application is a proposed public notice, certificate of liability insurance, and evidence of a performance bond in effect for the operation as required by R645-300-232.

The updated officer and NOV lists for the Trail Mountain Mine MRP have been conditionally approved (September 2, 1999) pending the merger between PacifiCorp and Scottish Power. As the merger becomes effective, the said material will be incorporated into the MRP.

In renewing the Trail Mountain permit, the Division should consider the special conditions in Attachment A. Three conditions exist in the current permit. They include 1) monitoring the Star Point aquifer by developing a well, 2) horizontally drill ahead of mining before extending west of TMX-6 to determine if water would be encountered, and 3) notifying the Division of the decision by the administrative judge in the IBLA hearing of cessation order 94-020-370-002.

The water well for special condition #1, named TM-3, is located in Straight Canyon (SW1/4 NW1/4 Sec. 3 T.18 S. R. 6 E.) near the area of DH-5. This well was completed in September, 1993 and is currently being monitored monthly. TM-3 is included in the Trail Mountain MRP (see Appendices Volume, Appendix 7-1 and 7-14) as part of the

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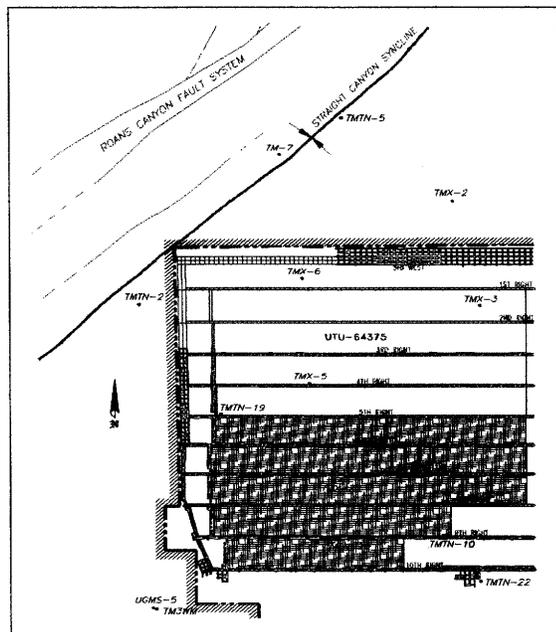
Trail Mountain Mine:  
(435) 748-2140

Fax (435) 748-5125

hydrologic monitoring program at Energy West. Groundwater level information is reported in the quarterly and annual water reports. Stipulation #3 should, therefore, be removed from the Trail Mountain permit.

Special condition 2 was established because the area was believed to be heavily faulted by the Roans Canyon Graben Fault system. The fault system parallels the Straight Canyon Syncline that trends from the northeast to the southwest. Bedrock located northwest of the syncline axis generally dips towards the southeast, whereas bedrock located southeast of the syncline axis dips toward the northwest. Dip of the rocks throughout the area is gentle, rarely exceeding 6°. The concern was that mining operations might influence or interfere with the natural flow of groundwater found within the syncline. Fracturing of the impermeable layers within the faults could possibly dewater the aquifer. In-mine horizontal drilling ahead of mining operations was thought to be necessary in order to locate any water from the Starpoint/Blackhawk groundwater system.

At the commencement of mining operations in Federal Coal Lease UTU-64375 (Mountain Coal Company - 1989), the Roans Canyon Graben Fault had been projected by the government agencies to intersect the Trail Mountain Mine through the northwest corner of the lease. Since that time, PacifiCorp initiated extensive exploration programs including geologic mapping, surface drilling programs, resistivity I.P. studies to analyze structural characteristics of Trail Mountain. In addition to the geologic and geophysical studies, PacifiCorp has mined a majority of the reserves within Lease UTU-64375, including a series of longwall panels to the southwest of drill hole TMX-6. Interception of groundwater has been consistent with projections in the probable hydrologic consequence section of the MRP.



Resistivity-I.P. studies have been utilized for many years to map out subsurface occurrence of groundwater or mineralization. Because groundwater within the Wasatch Plateau tends to be concentrated along fractures, Resistivity-I.P. surveys can effectively identify fractures, including faults. Studies conducted by Energy West, spanning from 1993 through 1996, delineated the traces of the Roans Canyon and the Mill Canyon faults much further west than previous projections.

Energy West maintains that developing west past drill hole TMX-6 is not likely to interfere with or should not allow significant interception of groundwater from the Roans Canyon Graben Fault area. Based on the current mine plan, 3rd West Mains will not be developed beyond the

present location. Development and full extraction mining will occur approximately two hundred (200) feet south of TMX-6 and will be approximately three thousand (3000) feet from the projected trace of the Roans Canyon fault zone. The geomorphic structure of the Trail Mountain area is situated in such a way that groundwater flow occurs from northeast and naturally flows southwest, away from the lease boundary.

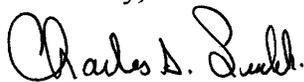
PacifiCorp suggest condition #2 be modified to be consistent with the approved Deer Creek MRP which states:

Condition: ✓ *"If during entry development, sustained quantities of groundwater are encountered which are greater than 5 gpm from a single source in an individual entry, and which continue after operational activities progress beyond the area of groundwater production, PacifiCorp must monitor these flows for quality and quantity under the approved monitoring plan".*  
In addition to the standard plan described above, if mining encounters significant quantities of groundwater which issues from a fault zone, PacifiCorp will; quantify the volume, sample for water quality according to the approved monitoring plan (baseline parameters for two year period), conduct isotopic sampling using a systematic approach (phase 1: tritium analysis, phase 2: depending the results of the tritium sampling, perform carbon age dating). Parameters analyzed are those listed in the "DOGM Guidelines for Groundwater Water Quality"

In the case of special condition #3, the decision was made by the Interior Board of Land Appeal (IBLA) to terminate the federal violation concerning the Hunter Preparation Plant permitting. PacifiCorp notified the Division within 14 days of the judge's decision as specified in Attachment A. Therefore, stipulation #3 should be removed from the Trail Mountain permit.

At the Division's determination of completeness, please stamp the revised reclamation cost table so it can be included in the renewed MRP. Enclosed are three (3) copies of this renewal application. If you have any questions or concerns regarding this application, please contact myself at 435-687-4720 or Dennis Oakley at 435-687-4825.

Sincerely,



Chuck Semborski  
Geology/Permitting Supervisor

Encl

Cc: Blake Webster  
Carl Pollastro  
File

