



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

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September 5, 2002

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

Re: Midterm Review, PacifiCorp, Trail Mountain Mine, C/015/009-MT02, Outgoing File

Dear Mr. Semborski:

The above-referenced Midterm Review has been reviewed. There are deficiencies that must be adequately addressed prior to approval. A copy of our Technical Analysis is enclosed for your information. In order for us to continue to process your application, please respond to these deficiencies by October 18, 2002.

If you have any questions, please call me at (801) 538-5325 or Jim Smith at (801) 538-5262.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock".

Daron R. Haddock
Permit Supervisor

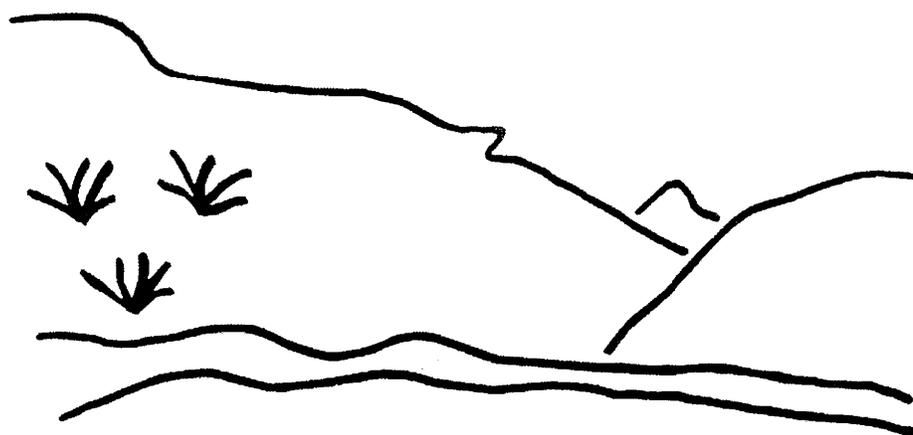
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Enclosure

cc: Price Field Office

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Trail Mountain Mine
Midterm Review
C/015/009-MT02
Technical Analysis
August 29, 2002

TECHNICAL ANALYSIS

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The Division regulates the Surface Mining Control and Reclamation Act of 1977(SMCRA). When mines submit a Permit Application Package or an amendment to their Mining and Reclamation Plan, the Division reviews the proposal for conformance to the R645-Coal Mining Rules. This Technical Analysis is such a review. Regardless of these analyses, the permittee must comply with the minimum regulatory requirements as established by SMCRA.

Readers of this document must be aware that the regulatory requirements are included by reference. A complete and current copy of these regulations and a copy of the Technical Analysis and Findings Review Guide can be found at <http://ogm.utah.gov/coal>

This Technical Analysis (TA) is written as part of the permit review process. It documents the Findings that the Division has made to date regarding the application for a permit and is the basis for permitting decisions with regard to the application. The TA is broken down into logical section headings which comprise the necessary components of an application. Each section is analyzed and specific findings are then provided which indicate whether or not the application is in compliance with the requirements.

Often the first technical review of an application finds that the application contains some deficiencies. The deficiencies are discussed in the body of the TA and are identified by a regulatory reference which describes the minimum requirements. In this Technical Analysis we have summarized the deficiencies at the beginning of the document to aid in responding to them. Once all of the deficiencies have been adequately addressed, the TA will be considered final for the permitting action.

It may be that not every topic or regulatory requirement is discussed in this version of the TA. Generally only those sections are analyzed that pertain to a particular permitting action. TA's may have been completed previously and the revised information has not altered the original findings. Those sections that are not discussed in this document are generally considered to be in compliance.

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TECHNICAL ANALYSIS

INTRODUCTION

INTRODUCTION

In a letter dated June 17, 2002, the Division notified Chuck Semborski, Energy West Environmental Supervisor, of the mid-term review. On August 8, 2002, Pete Hess, the inspector assigned to this mine, along with Daron Haddock, Jim Smith, Wayne Western, and Joe Helfrich of the Division conducted a mid-term inspection. Dennis Oakley represented the operator, Energy West, a subsidiary of PacifiCorp. Photos taken during this inspection are currently located at O:/015009.tmt/Images/08082002.

The midterm review for the Trail Mountain Mine was initiated by way of Division correspondence to Chuck Semborski, Environmental Supervisor on June 17, 2002. The following items were chosen for review:

1. An AVS check to ensure that Ownership and Control information is current and correct.
2. A review of the plan to ensure that the requirements of all permit conditions, division orders, notice of violation abatement plans, and permittee-initiated plan changes are appropriately incorporated into the plan document.
3. A review of the applicable portions of the permit to ensure that the plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.
4. A review of the bond to ensure that it is in order and that the cost estimate is accurate and is escalated to the appropriate year dollars.

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INTRODUCTION

GENERAL CONTENTS

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

The ownership and control information is provided for in chapter one of the MRP. An update to that information has been provided as an amendment, (00A), and response to the Cottonwood Midterm. There are changes in the corporate structure that do not include end dates for individuals who have left their respective companies. Upon receipt of this information the Division will update the MRP and the AVS.

Findings:

Prior to approval the permittee must provide the following in accordance with:

R645-301-112, The updated ownership and control information, (end dates for individuals who have left their respective companies), needs to be provided to the Division.

VIOLATION INFORMATION

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132; R645-301-113

Analysis:

There are no outstanding notices of violation abatement plans for the Trail Mountain Mine facility. There have been no coal mining and reclamation operations in the name of Nevada Electric Investment Company neither revoked or suspended nor has there been a performance bond forfeited in the five years preceding this review.

Findings:

The Trail Mountain Mine facility has met the regulatory requirements for this portion (item #2) of the midterm review.

SPECIAL CONDITIONS OR STIPULATIONS TO THE PERMIT APPROVAL

Regulatory References: 30 CFR773.17; R645-300-140; R645-300-145.

Analysis:

The permit was renewed on February 21, 2000 and expires February 21, 2005. One stipulation is attached to the permit. The stipulation requires water-monitoring data to be submitted electronically into the Division's Water Quality Database. The data entry has been completed as required.

Findings:

There are no special conditions or stipulations attached to the current permit. The permittee-initiated plan changes have been incorporated into the plan document. The Trail Mountain Mine facility has met the regulatory requirements for this portion (item#2) of the midterm review.

OPERATION PLAN

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 773.17, 774.13, 784.14, 784.16, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-300-140, -300-141, -300-142, -300-143, -300-144, -300-145, -300-146, -300-147, -300-147, -300-148, -301-512, -301-514, -301-521, -301-531, -301-532, -301-533, -301-536, -301-542, -301-720, -301-731, -301-732, -301-733, -301-742, -301-743, -301-750, -301-761, -301-764.

Analysis:

General

One of the purposes of the mid-term review is to review applicable portions of the permit to ensure that the plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.

During routine quarterly inspections and the mid-term inspection, Mr. Pete Hess of the Division has found several discrepancies between the way one ASCA is portrayed in the MRP and its actual construction and location at the minesite. The Permittee has submitted amendment C/025/009-AM02A to correct the MRP. Although there are discrepancies in the depiction of this ASCA in the MRP, the mid-term review and inspection have found that the plan contains commitments for application BTCA and that BTCA is being used to prevent additional contributions of suspended solids to stream flows outside of the permit area.

Siltation Structures: Sedimentation Ponds

The sedimentation pond is designed for full containment of runoff from the disturbed area. The main stream channel and tributaries are diverted beneath the mine pad through by-pass culverts. The sedimentation pond as-built drawings are certified by a PE, and there have been no reported problems with operation of the pond. Parameters and methods used in the design are not in the MRP so they cannot be reviewed.

Siltation Structures: Other Treatment Facilities

There are two alternate sediment control areas (ASCAs) at the Trail Mountain Mine. One is at the north (upstream) end of the mine yard, where Cottonwood Creek is diverted into a bypass culvert. The other is just south of the sedimentation pond, at the outlet for the pond.

North ASCA

The north ASCA is just outside the perimeter fence of the parking area, on the outslope of the berm that separates the parking area from the undisturbed area and Cottonwood Creek. Silt fence is the designed sediment control for this small ASCA.

During recent inspections it has been noted that although the silt fence is in need of maintenance, it has not been breached. There has been no evidence of erosion or sedimentation or that sediment has reached the stream.

The permittee desires to remove the silt fence in order to reduce maintenance. The August 8, 2002 mid-term inspection report notes that, based on visual evidence, the silt fence is no longer needed. The ASCA is rocky but well vegetated, and the rock and vegetation, mainly grass, appear to be providing most, if not all, of the sediment control. The inspection report includes a recommendation that the permittee submit an amendment to the MRP for removal of this silt fence.

South ASCA

At the south ASCA, straw bales were placed adjacent to the stream to trap sediment that might be washed from the outslope of the sedimentation pond. During the quarterly inspection on June 7, 2002, the straw bales at the south ASCA were found to be old, weathered, and falling apart, and there were large gaps between the straw bales: the same conditions were observed during the August 8, 2002 mid-term inspection. There was no sedimentation behind, between or in front of the bales, no signs of erosion, and no evidence of additional sediment or contributions of suspended solids to the stream at this location. It is evident that the bales are not capable of trapping sediment or preventing erosion in their current condition. Vegetation is well established upgradient of the ASCA and a large percentage of the area is covered by rock, and it is vegetation, rock, and litter that are controlling sedimentation and erosion.

The description of this ASCA on page 38 (Chapter 7) and the design shown on Plates 3-1 and 7-5 in the MRP do not match what has been seen at the site during inspections. The straw bales described in the previous paragraph are downstream of and outside of the ASCA as it is shown on Plates 3-1 and 7-5. The Permittee has submitted an amendment to the MRP (C/025/009-AM02A) to more accurately portray this ASCA in the MRP. This proposed amendment includes removal of the straw bales, with the existing vegetation, rock, and litter providing sediment and erosion control.

Siltation Structures: Exemptions

There are no small area exemptions at the Trail Mountain Mine.

OPERATION PLAN

Findings:

Although there are discrepancies in the depiction of one ASCA in the MRP, the mid-term review and inspection have found that BTCA is being used to prevent additional contributions of suspended solids to stream flows outside of the permit area. The noted discrepancies are being addressed in an amendment that is currently being reviewed by the Division for technical adequacy.

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OPERATION PLAN

RECLAMATION PLAN

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond Amount

The current bond amount for the Trail Mountain Mine is \$1,000,000 in 1999 dollars. The current reclamation cost estimate for the site is \$1,091,611 in 2002 dollars.

During the midterm review, the Division evaluated the bond. Because the bond was in 1999 dollars, the Division concluded that the bond should be escalated for five years to insure that there is adequate bond to reclaim the site in the event of bond forfeiture.

The estimated reclamation cost in 2007 dollars is \$1,254,000. Because the cost estimate in 2007 dollars exceeds the current bond by 5 percent, the Division is requiring that the bond amount be increased to \$1,254,000.

Findings:

The bond amount is not sufficient to ensure reclamation in the event of bond forfeiture. The Permittee must provide additional bond in accordance with:

R645-301-830.200, The Permittee will post a bond for \$1,254,00 (2007 dollars) for the reclamation of the Trail Mountain Mine.

Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$480,993.00	
Subtotal Backfilling and Grading	\$341,838.00	
Subtotal Revegetation	\$38,061.00	
Direct Costs	\$860,892.00	

Indirect Costs

Mob/Demob	\$86,089.00	10.0%
Contingency	\$43,045.00	5.0%
Engineering Redesign	\$21,522.00	2.5%
Main Office Expense	\$58,541.00	6.8%
Project Mainagement Fee	\$21,522.00	2.5%
Subtotal Indirect Costs	\$230,719.00	26.8%

Total Cost	\$1,091,611.00	
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Escalation factor		0.0282
Number of years (2002 + 5)		5
Escalation	\$162,846.00	

Reclamation Cost Escalated	\$1,254,457.00	
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Dollar Year 2007		
Bond Amount (rounded to nearest \$1,000)	\$1,254,000.00	