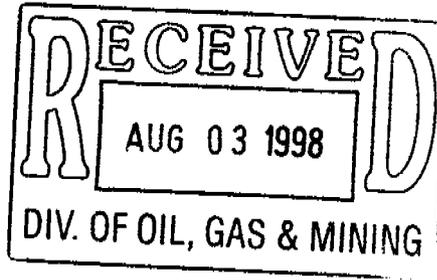


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One Utah Center, Suite 2000
Salt Lake City, Utah 84140-0020
(801) 220-4616 • FAX (801) 220-4725



A Subsidiary of PacifiCorp

July 29, 1998

Rodger C. Fry
Exploration Administrator
(801) 220-4610
FAX (801) 220-4578

Department of Environmental Quality
Division of Water Quality
288 North 1460 West
P. O. Box 144870
Salt Lake City, UT 84114-4870

Gentlemen:

Enclosed are the monthly discharge reports for the Deer Creek, Des-Bee-Dove, Trail Mountain, and Wilberg mines and the Hunter Coal Preparation and Blending Facility for the month of June 1998.

Copy Ken, routed to NWA
FAX PFI
ACT/015/009 #2
ACT/015/012 #2 Copy
ACT/015/018 #2 Copy
ACT/015/019

Please be advised that Trail Mountain Mine, UPDES permit number UTG040003-002, exceeded the Total Dissolved Solids (TDS) effluent limitations. Non-compliance occurred on the Trail Mountain Mine discharge 002. The discharge was sampled June 29, 1998. The analysis report was received on July 16, 1998. Non-compliance was caused by discharging a surplus of intercepted water from the underground mining operations. The maximum lbs/day TDS was calculated at 2792. The TDS in units of mg/L was only 824, which is an acceptable level according to secondary water quality standards. As you are aware, PacifiCorp has requested that the Trail Mountain UPDES permit be converted from a General to a Site Specific/Individual permit to allow for water intercepted in the mine to be discharged based on the Total Dissolved Solids instead of the current tonnage limit. On April 24, 1998 PacifiCorp submitted additional information requested by Mr. Steve McNeal, permitting administrator, from its most recent UPDES application renewal.

Copy

In addition, the Trail Mountain Mine exceeded its Total Iron effluent limitations of the same sample mentioned above. The Total Iron was found to be 1.6 mg/L, exceeding the current effluent limitation of 1.0 mg/L. Dennis Oakley from Energy West Mining contacted Mr. McNeal when the exceedance was acknowledged. Mr. McNeal instructed him to include the exceedance with the monthly report.

Trail

The Cottonwood/Wilberg Mine UT-0022896-003 has also exceeded effluent limitations on Total Suspended Solids (TSS) and Total Iron. The TSS exceedance occurred the week prior to the cleaning of the north pond. The north pond is used to extend the retention time of runoff water before it enters the south pond. The south pond discharges into Grimes Wash. Total Iron exceedance (1.2 mg/L reported value, 1.0 permit limitation) was a direct function of the elevated suspended solids.

Cottonwood Wilberg

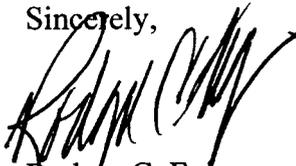
Department of Environmental Quality

July 29, 1998

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If you have any questions, please feel free to call Dennis Oakley at 687-4825 or Chuck Semborski at 687-4720.

Sincerely,



Rodger C. Fry
Exploration Administrator

RCF/DCO/sh

Enclosures

cc: United States Environmental Protection Agency, with enclosures

Region VIII
Denver Place
999 18th Street, Suite 500
Denver, CO 80202-2405

Utah State Division of Oil, Gas and Mining, without Hunter reports

Coal Regulatory Program
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

C. Semborski, with enclosures

D. Oakley "

T. Lloyd "

K. Fleck "

J. B. Webster, without enclosures

C. Pollastro "