

C/015/017 Incoming

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February 29, 2012

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DIV. OF OIL, GAS & MINING

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

Subject: **Response to Deficiencies for the Des Bee Dove Mine, Mid-Term Review, PacifiCorp, Des Bee Dove Mine, C015/0017, Task ID #3982, Emery County, Utah**

PacifiCorp, by and through its wholly-owned subsidiary, Energy West Mining Company ("Energy West") as mine operator, hereby submits responses to the deficiencies of the Des Bee Dove Mine Mid-Term Review.

Energy West received the Deficiency List document on January 31, 2012. The Division determined that there were deficiencies that needed to be addressed as part of the Mid-Term Review in order for the MRP to comply with the R645 Coal Mining Rules. During a recent Mid-Term Review for the Cottonwood/Wilberg Mine (Task ID#3940), there were similar, if not identical, deficiencies identified for correction. As these deficiencies have been previously been addressed in the reply to the Cottonwood/Wilberg Mine review, they have been noted in the attached Deficiency Response Document.

Energy West has updated the required information and has included eight (8) copies for review. The C1/C2 forms are included with this submittal. If you have any questions or concerns regarding this document, please contact myself at (435) 687-4712 or Dennis Oakley at (801) 220-4607.

Sincerely,

Dennis Oakley
for Kenneth Fleck

Geology and Environmental Affairs Manager

Enclosure: Response to Deficiency List
C1/C2 Forms
Amended Volume 1, Introduction Section

Cc: File

The following responses to deficiencies are formatted as found in the Deficiency List document. They are broken down into logical section headings similar to the R645 regulations. In each section, the regulation number along with the associated deficiency is followed by the permittee's italicized response.

R645-301-632 and 642: Volume 8 of the MRP does not contain a subsidence monitoring plan as specified in the above regulation. If there is a subsidence monitoring plan currently in place but addressed under a different section of the MRP, please provide a reference to the plan in this section as well as a reference to the subsidence monitoring point map. If subsidence monitoring has/is currently occurring at the site, then this should also be referenced/discussed in this section.
(AA)

The noted Volume 8 was assembled in the early 80's to discuss the general geology of East Mountain. This information was separate out into one volume since the overall geology was consistent for each of the three owned mines; Wilberg, Deer Creek, and Des Bee Dove mines. Subsidence, however, was unique for each of these mines because of the different mining methods utilized. Deer Creek and Wilberg conducted longwall mining. Des Bee Dove conducted room and pillar mining. Each of the mines distinct MRP's contained the detailed information required by Utah Coal Regulations R645-301-600.

The Des Bee Dove Mine subsidence monitoring plan is located in Volume 5, Appendix XIII. This plan has been in place since 1980. Five areas within the original Des Bee Dove permit area were monitored for subsidence. The mine was sealed in 1987 and final reclamation performed in 2003. In 2000, Energy West submitted an amendment to the Division which included a summary of the subsidence monitoring within and around this original Des Bee Dove mine permit area. The summary notes that all subsidence has stabilized and has been stable for many years. Monitoring of these areas was discontinued, however, aerial photography was to continue in case of the unlikely event monitoring of these areas would again be required.

During this same time period, Energy West relinquished the federal leases relating to the Des Bee Dove mine and reduced the area covered by the permit to the disturbed area only. The only mining historically conducted beneath the boundaries of the current permit area was 1st mining, except for a small corner of a pillar section (First East) that was second mined prior to 1972 (the year Utah Power and Light acquired the mine). There have been no surface impacts reported from this area.

The stated Subsidence Monitoring Plan in Appendix XIII is referenced in the Table of Contents of Volume 1. The appendix includes the recent subsidence summary document, the historic subsidence monitoring plan, and a map that locates the survey control point used for a conventional survey of the site for subsidence.

Noting the current disposition of Des Bee Dove Mine in its final years of reclamation responsibility, Energy West believes that all required information for subsidence is included within the MRP and no other information is required.

R645-301-800: The Permittee must post an additional \$41,000 bond to effectively sustain the permit through 2016. The MRP must be updated to reflect updated bond costs. (PH)

The reclaimed area of the Des Bee Dove Mine site is in its 9th year following final reclamation. There remain no facilities, no sediment ponds, no fences or gates. During the late summer/early fall field season of 2012, Energy West will begin its 1st year of the final 2 years of vegetation monitoring. The reclamation has progressed well with respect to ground stability and revegetation. The only repairs to the reclamation work to date have been to the cattle trail that switch-backs through the site. Repairs were minor. Damage was done by the cattle which allowed overland flow to channel down the trail.

In 2007, Year 4 Vegetation Monitoring showed that most monitored locations achieved or exceeded performance standards for vegetation establishment. Refer to the 2007 Annual Report, Appendix B. In this report, Mt. Nebo Scientific reported that for cover, “most of the reclaimed areas have met or exceeded the total living cover of the reference area standard”; and for woody species density, “all reclaimed areas exceeded ... the total density of the reference area”; and diversity. “the reclaimed areas had greater diversity than that of the reference area”. Since 2007, these areas have steadily improved.

The current surety held for the Des Bee Dove Mine site is \$667,994.00. The previous reclamation bond liability was \$1,113,324.00 and reduced 60% to its current amount in 2007 following the approval for Phase I Bond Release by the Division. This amount is meant to cover the costs for revegetation activities. Noting that the vegetation is fully established and the site is substantially stable, it is of the Permittee’s opinion that there is sufficient funding left in the surety bond to cover any miscellaneous cost coverage that may be required by the Division in the unlikely case that PacifiCorp would default on the conditions of the bond and fall into forfeiture. Any projected increase in costs due to inflation, etc., should be compensated for by continued improvement in vegetation growth and restoration. Further additions to the bond amount are unnecessary.

R645-301-731.220: The Permittee must submit updated Volume 9 Appendix A. Specifically, references to UPDES sampling of the reclaimed sedimentation pond for which a UPDES permit no longer exists. (KH)

All references to Des Bee Dove sediment pond sampling requirements were removed as part of the Cottonwood/Wilberg Mid-Term Review process. See Appendix A attachments in the response document for Task ID # 3940 dated January 31, 2012.

R645-301-728: On page 129 of the Mining Method section the Permittee states “Des-Bee-Dove area permit has been and will be mined utilizing continuous miners exclusively” this language shall be updated to indicate mining has been completed. (KH)

The Mining and Reclamation Plan of the historic Des Bee Dove Mine has been in place for many years. All mining activities have been completed and the entire mine site has undergone final reclamation. The final area to be reclaimed, the sediment pond area, was completed in 2006. The mine site is in its 9th year of reclamation responsibility. The approved MRP does not reflect the actual present conditions of the reclaimed mine and its former operations.

In order to eliminate future permit discrepancies and deficiencies, the Permittee suggests the following “qualifier” be inserted into the Introduction Section to ensure that any reviewer of the MRP is informed up front of the actual current conditions of the mine site.

Suggested Insert:

The information found in the following pages and volumes may not reflect the current conditions of the Des Bee Dove Mine operations, but will remain as historic information. All mining activities at the Des Bee Dove Mine were completed in 1987. Final reclamation of the last area (sedimentation pond) of the Des Bee Dove Mine was completed in 2006. Phase I bond release was approved in 2007. The Permittee no longer monitors for water quality, soils, air quality, or subsidence. Vegetation monitoring is the last and only parameter left to monitor at the Des Bee Dove Mine. The 10 year responsibility period will conclude in 2013. If monitoring shows that revegetation has met the stated performance standards, the Permittee will apply for Phase III bond release of the entire reclaimed mine site.

R645-301-112.330: The following information must be addressed:

PPW Holdings LLC

1. The following individuals show a Begin Date of 5/18/06 in the MRP. However, the AVS database shows these same individuals with a Begin Date of 3/15/06.
 - a. Steven R. Evans, Vice President
 - b. Wayne F. Irmiter, Vice President
 - c. Mitchell F. Ludwin, Vice President
 - d. James C. Galt, Assistant Treasurer

This discrepancy should be addressed by either correcting the MRP or providing a Secretary's Certificate to correct the AVS.

PacifiCorp

1. The AVS shows **Mark C. Moench as a Vice President and General Counsel with a Begin Date of 2/01/10**. This information is not in the MRP. This discrepancy should be addressed by either correcting the MRP or providing a Secretary's Certificate to remove this information from the AVS. (AN)

Appendix A of the Legal and Financial Volume has been updated with all the current and past officers and directors and their respective positions. This update occurred as part of the Cottonwood/Wilberg Mid-Term Review process. See Appendix A attachments in the response document for Task ID # 3940 dated January 31, 2012.

PacifiCorp, Energy West Mining Company

C/015/0017

Response to Deficiencies for
the Des Bee Dove Mine, Mid-
Term Review, Task ID #3982

Volume 1, Introduction:

Replace Entire Section (redline/Strikeout copy)

The information found in the following pages and volumes may not reflect the current conditions of the Des Bee Dove Mine operations, but will remain as historic information. Final reclamation of the last area (sedimentation pond) of the Des Bee Dove Mine was completed in 2006. Phase I bond release was accepted in 2007. The Permittee no longer monitors for water quality, soils, air quality, or subsidence. Vegetation monitoring is the last and only parameter left to monitor at the Des Bee Dove Mine. The 10 year responsibility period will conclude in 2013. If monitoring shows that revegetation has met the stated performance standards, the Permittee will apply for Phase III bond release of the entire mine site.

Introduction

PacifiCorp owns and leases certain fee coal lands, together with assigned federal and state coal leases, and controls approximately 25,000 acres of contiguous minable property located in Emery County, Utah.

Geography, the area is known as East Mountain, a large, relatively flat plateau, containing two mineable coal seams.

Mining began as early as 1898 in the unnamed canyon where the Des Bee Dove Mine is

Des-Bee-Dove Mine

located. The original mine workings, called the Griffith Mine, were limited in extent due to the rugged terrain and poor access. The Griffith workings were purchased in 1936 by two men, Edwards and Broderick, who fashioned a crude access road and mine until 1938.

Castle Valley Fuel Company purchased the Edwards and Broderick property in 1938. The LDS Church purchased coal lands adjacent to Castle Valley Fuel Company in 1938 and began their operations in that year.

The Church Mine operated under contract to a Mr. Killian of Orangeville until it was closed in 1943 due to World War II. Castle Valley Fuel Company continued to operate until 1947. The LDS Church purchased Castle Valley Fuel's operation in 1947 and combined operations to form Deseret Coal Company, a church welfare project. Deseret Coal Company continued operations until Utah Power & Light Company acquired it in 1972.

During mine operations, mining could take place from one or more of three main portals; Deseret, Beehive and Little Dove. Hence the name Des Bee Dove Mine. Mine personnel and coal handling facilities were combined to service all three portals. Location of the mine permit boundary is shown on Figure 1.

Two minable seams exist in the Des Bee Dove Mine area. Hiawatha (lower) Seam was mined through Deseret portal. Blind Canyon (upper) Seam was mined through Beehive and Little Dove portals.

On February 6th, 1987 the Des Bee Dove Mine was temporarily idled. On February 26, 1997, PacifiCorp submitted a Notice of Intent to reclaim the Des-Bee-Dove Mine. In

Des-Bee-Dove Mine

1998, the Division accepted Phase III bond release on the haul road (93.18 acres). This area was transferred to the Emery County road system. In 1999 PacifiCorp initiated final reclamation ~~in~~ using a multi-faceted approach. The following list outlines the projects completed or scheduled:

Reclamation Completed or Scheduled Projects

- ✓ Surface Facility Demolition Project: Initiated and completed in the fall of 1999.
- ✓ Maple Gulch Remote Portals: Final reclamation completed in July 2000.
- ✓ Pumphouse Area: Final Reclamation completed in the fall of 2000.
- ✓ Tipple Valley Fill Removal Project: Excavation initiated in March 2001, project completed May 2001.
- ✓ Phase 1 Reclamation - Little Dove/Beehive Area: Completed May 2002.
- ✓ Phase 2 Reclamation - Deseret and Tipple Area: Completed June 2003.
- ✓ Phase 3 Reclamation - Sediment Pond: ~~Scheduled for 2005~~ Completed January 2006.

In February 2007, Phase I bond release was accepted by the Division for the Phase 1 Area, Phase 2 Area, and the Pumphouse Area. In April of 2007, Phase III bond release was accepted by the Division for a portion (0.9 acres) of the Phase 2 Area and the Pumphouse Area. In September, 2009, Phase I bond release was accepted by the Division for the remote portals; Deseret Mine Portal and Beehive Mine Portal, and the Phase 3 Area (sediment pond).

Des-Bee-Dove Mine

Organization of the **Historic** Mining Permit Application

The following volumes contain PacifiCorp's **historic** permit application for underground coal mining operations at the Des-Bee-Dove Coal Mine. The application is organized into a set of separate volumes as follows:

Volume 1

Introduction

Table of Contents

Part 1 - Legal , Financial, Compliance Information (refer to supplemental volume entitled "Supplemental Volume, Legal and Financial Information")

Part 2 - Environmental Resources

Volume 2

Part 3 - Mining Operation Plan (~~Historical Information~~)

Part 4 - Reclamation Plan (~~Historical Information~~)

Reclamation Plan Revised in Separate Projects/Phases:

Remote Portals: Maple Gulch Area (refer to Volume 2 Part 4 Appendix IX)

Pumphouse Area (refer to Volume 5 Appendix IV)

Phase 1 Little Dove/Beehive Mine Area (refer to separate binder Appendix XIV)

Phase 2 Deseret Mine, Bathhouse Area and Access Road (refer to separate binder Appendix XV)

Phase 3 Sediment Pond and Access Road (refer to separate binder Appendix XVI)

Des-Bee-Dove Mine

Volume 3

Maps and Drawings

Volume 4

Maps and Drawings

Volume 5

Appendices

- I Coal Lithologic Logs
- II Field Data for the Vegetation Reference Areas
- III Stability Analysis - Sedimentation Pond and Haul Road
- IV Pumphouse Reclamation Plan
- V Underground Development Waste Plan
- VI Blasting Plan
- VII Sedimentation Pond Criteria and Calculations
- VIII Sedimentation Pond Construction Drawings
- IX Photographs of Existing Facilities
- X Deseret Waste Dump Stability Analysis
- XI Slope Stability Analysis - Bathhouse Fill
- XII Hydrologic Procedures and Calculations for the Sedimentation and Surface Drainage Collection System
- XIII Subsidence Monitoring Plan
- XIV Supplemental Information (Permit Area Reduction October 2000)
Phase 1 Little Dove/Beehive Mine Area (refer to separate binder Appendix XIV)
- XV Supplemental Information (Permit Area Reduction October 2000)
Phase 2 Deseret Mine, Bathhouse Area and Access Road (refer to separate binder Appendix XV)

Des-Bee-Dove Mine

XVI Phase 3 Sediment Pond and Access Road (refer to separate binder Appendix XVI)

Volume 6

Appendices Continued

XVII Sedimentation Pond Access Road Plans and Written Text

XVIII Haul Road Reclamation Study

Volume 8

Geology Section (C/015/017,
C/015/018, C/015/019)

Volume 9

Hydrologic Section (C/015/017,
C/015/018, C/015/019)

Certification

State of Utah _____)

:_____ss.

County of Salt Lake _____)

~~Except as otherwise indicated thereon, all maps, plans, and cross sections submitted with this application have been prepared under the supervision of John Christensen, a registered Professional Engineer of the State of Utah, who, to the best of his knowledge, hereby certifies to the correctness thereof.~~

John Christensen, P.E.
Professional Engineer
No. 165651