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EXHIBIT F

*cc / R. Braxton
DRN*

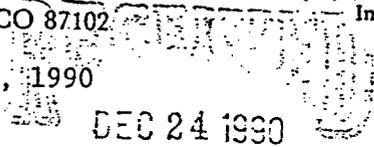
United States Department of the Interior



OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT
SUITE 310
625 SILVER AVENUE, S.W.
ALBUQUERQUE, NEW MEXICO 87102

T. Mitchell
In Reply Refer To:

December 20, 1990



Division of
Oil, Gas & Mining

CERTIFIED MAIL- RETURN RECEIPT REQUESTED
P 965 799 350

Dr. Dianne R. Nielson, Director
Division of Oil, Gas and Mining
Department of Natural Resources
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, UT 84180-1203

Re: Ten-Day Notice (TDN) 90-02-244-6 (TV-1)

Dear Dr. Nielson:

The following is a written finding, in accordance with 30 CFR 842.11, regarding the Division of Oil, Gas and Mining's (DOGM) response to the above referenced TDN.

On November 28, 1990, the Albuquerque Field Office (AFO) conducted a random sample inspection of the Deer Creek Mine. AFO inspectors were accompanied by a DOGM inspector. The inspection resulted in the issuance of the TDN referenced above for an alleged violation of the Utah regulations. The TDN was hand-delivered to DOGM on November 30, 1990, thereby setting the response due date of December 10, 1990. The written response, dated December 7, 1990, was received in AFO on December 11, 1990. AFO will, therefore, consider this a timely response.

The TDN was issued for "Failure to obtain prior written approval in accordance with R614-303-300 before transferring, assigning, or sale of rights granted by permit," Section R614-303-310. The TDN references the transfer, assignment, and sale of rights from the Utah Power & Light Company (UP&L) to Pacificorp for the Deer Creek Mine.

DOGM has indicated that the permit transfer is being undertaken as of the writing of its response to this TDN. Notification was sent on

Dr. Dianne R. Nielson

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October 16, 1990, to DOGM indicating that the Deer Creek Mine would be operated by Pacificorp on October 1, 1990. Following that, a transfer application was submitted to DOGM on November 20, 1990, from Pacificorp. Deficiencies noted in the application were identified and sent to the applicant on November 28, 1990. That being the case, DOGM believes that they have shown good cause for not taking action on the alleged violation.

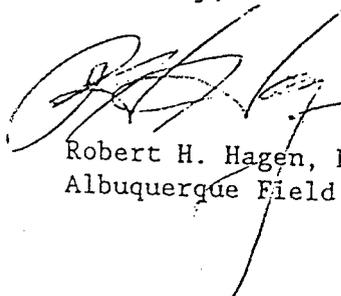
AFO recognizes the present attempt to transfer the rights of UP&L to Pacificorp but would also note that DOGM became aware of the merger on January 9, 1989. At that time, all outstanding shares of capital stock of Pacificorp Maine and UP&L were converted into shares of capital stock of Pacificorp Oregon. Notwithstanding the dates of the merger or the present effort by UP&L to transfer its mining permit to Pacificorp, AFO cannot agree with DOGM's position on this matter. Pacificorp is obligated to notify DOGM of its intent to assume those rights and to have them approved in full prior to the transfer, assignment, or sale of the rights granted by the permit. In addition, Energy West Mining Company replaced UP&L on October 1, 1990, as the operator of the Deer Creek Mine.

Therefore, in consideration of the above, OSM finds that DOGM has failed to take appropriate action to cause the violation to be corrected or shown good cause for such failure. A violation of Utah's program exists. DOGM is aware of the violation through an inspection carried out during the enforcement of Utah's approved program. DOGM's failure to address the violation in accordance with the requirements of Utah's program constitutes an arbitrary and capricious action. Therefore, OSM finds MLRD's response to violation 1 of 1 of the TDN to be inappropriate.

If you disagree with this finding, you may request an informal review in accordance with 30 CFR 842.11(b)(1)(iii)(A). The request may be filed at this office or with the Deputy Director, Office of Surface Mining Reclamation and Enforcement, 1951 Constitution Avenue, NW, Washington, DC 20240. Your request must be received within 5 days of receipt of this letter. A Federal inspection may be conducted after the 5-day appeal time has elapsed, unless an informal review is requested.

If you wish to discuss the matter further, please contact me or Steve Rathbun at (505) 766-1486.

Sincerely,



Robert H. Hagen, Director
Albuquerque Field Office