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Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

February 15, 1991

Mr. Blake Webster
Permitting Administrator
PacifiCorp Electric Operations
Fuel Resources
324 South State Street
P.O. Box 26128
Salt Lake City, Utah 84126-0128

Dear ~~Mr. Webster~~ Blake:

Re: Permit Transfer Approval, PacifiCorp Electric Operations, Deer Creek Mine, ACT/015/018, Folder #3, Emery County, Utah

PacifiCorp Electric Operations has met all of the requirements in accordance with R614-303-300 of the Utah Coal Program, including the 510(c) clearance for both PacifiCorp Electric Operations, the permittee, and Energy West Mining Company, the operator. The transfer of the permit for the Deer Creek Mine from Utah Power and Light Company to PacifiCorp Electric Operations is hereby approved.

Enclosed are two copies of the permanent program permit that incorporate the change in the permittee's name. Please sign both copies and return one copy to the Division.

Thank you for your continued cooperation.

Best regards,

Dianne

Dianne R. Nielson
Director

PGL/jbe
Enclosures
cc: R. Hagen, OSMRE
L. Braxton, DOGM
P. Grubaugh-Littig, DOGM
AT015017.01

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FINDINGS
Permit Transfer
Deer Creek Mine
ACT/015/018
Successor: PacifiCorp Electric Operations

1. All procedures for public participation required by the Act, and the approved Utah State Program have been complied with (R614-300-120).

2. The permit application is accurate and complete and all requirements of the Surface Mining Control and Reclamation Act (the "Act"), and the approved Utah State Program have been complied with (R614-300-133.100).

3. The proposed permit area is:

   (a) Not within an area under study for designated lands unsuitable for underground coal mining operations (R614-300-133.210);

   (b) not included within an area designated unsuitable for underground coal mining operations (R614-300-133.220); and

   (c) not on any lands subject to the prohibitions or limitations of 30 CFR 761.11{a} (national parks, etc.), 761.11{f} (public buildings, etc.) and 761.11{g} (cemeteries).

4. Assessment of the probable cumulative impacts of all anticipated coal mining and reclamation operations on the hydrologic balance has made an assessment of the probable cumulative impacts of all anticipated coal mining and reclamation operations on the hydrologic balance in the cumulative impact area and has determined that the proposed operation has been designed to prevent material damage to the hydrologic balance outside the permit area has been made by the Division. The permit application has been designed to prevent damage to the hydrologic balance in the proposed permit area (R614-300-133.400 and UCA 40-10-11{2}(c}). The Probable Hydrologic Consequence is being updated per Division Order dated December 24, 1990.

5. The operation would not affect the continued existence of any threatened or endangered species or result in the destruction or adverse modification of their critical habitats as determined under the Endangered Species Act of 1973 (16 U.S.C. 1531 et.seq.) (R614-300-133.500).

6. The Division's issuance of a permit is in compliance with the National Historic Preservation Act and implementing regulations (36 CFR 800) and (R614-300-133.600).

7. The successor has demonstrated that reclamation as required by the State Program can be accomplished according to information given in the permit application.

8. The successor has demonstrated that any existing structure will comply with the applicable performance standards of R614-301 and R614-302. (R614-300-133.720)

9. The successor has paid all reclamation fees from previous and existing coal mining and reclamation operations as required by 30 CFR Part 870. A 510{c} report has been run on the Applicant Violator System (AVS), which shows that: prior violations of applicable laws and regulations have been corrected; PacifiCorp Electric Operations is not delinquent in payment of fees for the Abandoned Mine Reclamation Fund; and the successor does not control and has not controlled mining operations with a demonstrated pattern of wilful violations of the Act of such nature, duration, and with such resulting irreparable damage to the environment as to indicate an intent not to comply with the provisions of the Act [R614-300-132 (OSMRE Relatedness Report dated February 15, 1991)].

10. The successor has satisfied the applicable requirements of R614-302.

11. The successor has filed a reclamation performance bond in the amount of $1,724,000 made payable to the Division of Oil, Gas and Mining, and the Office of Surface Mining, Reclamation and Enforcement (OSM).

Pamela Grubaugh-Littig
Permit Supervisor

James P Braxton
Associate Director, Mining

Dianne R. Nielson
Director

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FEDERAL

PERMIT
Permit Number ACT/015/018

February 15, 1991

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

This permit, ACT/015/018, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

PacifiCorp Electric Operations
324 South State Street
P.O. Box 26128
Salt Lake City, Utah 84126-0128

for the Deer Creek Mine. A Surety Bond is filed with the Division in the amount of $1,724,000, payable to the State of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSM). The Division must receive a copy of this permit signed and dated by the permittee.

Sec. 1 **STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 **PERMIT AREA** - The permittee is authorized to conduct underground coal mining activities on the following described lands within the permit area at the Deer Creek Mine, situated in the state of Utah, Emery County:

The area to be mined is contained on the USGS 7.5-minute "Red Point", "Rilda" and "Mahogany Point" quadrangle maps. The approximately 14,500 acres contained in the current permit area involve all or part of the following federal and fee coal leases:

Lease No. SL-064607-064621
Issued to Clara Howard Miller 10/4/46
<u>Township 17 South, Range 7 East, SLM, Utah</u>
Containing 613.92 acres
Section 2: Lots 2, 5, 6, 7, 10, 11 and 12 and SW1/4
Section 3: SE1/4 SE1/4
Section 10: NE1/4

Lease No. SL-064900
Issued to Cyrus Wilberg 2/3/45
Township 17 South, Range 7 East, SLM, Utah
Containing 160 acres
Section 22: SE1/4 SW1/4, SW1/4 SE1/4, NE1/4 SW1/4, NW1/4 SE1/4

Lease No. U-1358
Issued to Castle Valley Mining Co. 8/1/67
Township 17 South, Range 7 East, SLM, Utah
Containing 320 acres
Section 22: S1/2 NW1/4, W1/2 SW1/4, E1/2 SE1/4
Section 27: E1/2 NE1/4

Lease No. SL-070645, U-02292
Issued to Clara Howard Miller 4/1/52
Township 17 South, Range 7 East, SLM, Utah
Containing 2560 acres
Section 4: SW1/4 SE1/4, S1/2 SW1/4
Section 5: SE1/4 SW1/4, S1/2 SE1/4
Section 8: E1/2, E1/2 W1/2
Section 9: All
Section 10: W1/2
Section 15: N1/2
Section 16: N1/2
Section 17: NE1/4, E1/2 NW1/4

Lease No. U-084923
Issued to Malcolm N. McKinnon 8/1/64
Township 17 South, Range 7 East, SLM, Utah
Containing 2252.42 acres
Section 4: Lots 2, 3, 4, 5, 6, 7, 10, 11, 12, NW1/4 SE1/4, N1/2 SW1/4
Section 5: Lots 1 thru 12, N1/2 S1/2, SW1/4 SW1/4
Section 6: Lots 1 thru 11, SE1/4
Section 7: Lots 1 thru 4, E1/2
Section 8: W1/2 W1/2
Section 18: Lots 1 and 2, N1/2
Section 17: W1/2 NW1/4

Lease No. U-084924
Issued to Malcolm N. McKinnon 8/1/64
Township 17 South, Range 6 East, SLM, Utah
Containing 1211.48 acres
Section 1: Lots 1, 2, 3, S1/2 NE1/4, SE1/4 NW1/4, E1/2 SW1/4, SE1/4
Section 12: E1/2, E1/2 W1/2
Section 13: NE1/4, E1/2 NW1/4

Lease No. U-083066
Issued to Cooperative Security Corp. 3/1/62
Township 17 South, Range 6 East, SLM, Utah
Containing 2485 acres
Section 13: E1/2 SW1/4, SE1/4
Section 24: E1/2 W1/2, E1/2
Section 25: N1/2 NE1/4

Township 17 South, Range 7 East, SLM, Utah
Section 17: SW1/4, W1/2 SE1/4
Section 18: Lots 3 and 4, SE1/4
Section 19: Lots 1, 2, 3, 4, E1/2
Section 20: W1/2, W1/2 E1/2
Section 29: NW1/4 NE1/4, N1/2 NW1/4
Section 30: Lots 1, 2, 3, N1/2 NE1/4, SW1/4 NE1/4, NW1/4 SE1/4

Lease No. U-040151
Issued to Cooperative Security Corp. 3/1/62
Township 17 South, Range 7 East, SLM, Utah
Containing 1720 acres
Section 15: SW1/4
Section 16: S1/2
Section 17: E1/2 SE1/4
Section 20: E1/2 E1/2
Section 21: All
Section 22: N1/2 NW1/4
Section 27: N1/2 NW1/4
Section 28: N1/2 N1/2
Section 29: NE1/4 NE1/4

Lease No. U-044025
Issued to Cooperative Security Corp. 8/1/60
Township 17 South, Range 7 East, SLM, Utah
Containing 40 acres
Section 27: NW1/4 NE1/4

Lease No. U-024319
Issued to Huntington Corp. 5/1/60
Township 16 South, Range 7 East, SLM, Utah
Containing 1040 acres
Section 27: SW1/4
Section 28: SE1/4
Section 33: E1/2, E1/2 NW1/4, NE1/4 SW1/4, S1/2 SW1/4
Section 34: NW1/4, NW1/4 SW1/4

Lease No. U-014275
Issued to John Helco 10/1/55
Township 16 South, Range 7 East, SLM, Utah
Containing 80 acres
Section 28: E1/2 SW1/4

Lease No. U-47979
Issued to Utah Power & Light Co. 10/1/81
Township 16 South, Range 7 East, SLM, Utah
Containing 1,063.38 acres, more or less
Section 34: S1/2 NE1/4, NE1/4 SW1/4, S1/2 SW1/4, SE1/4
Township 17 South, Range 7 East, SLM, Utah
Section 3: Lots 1 thru 8, 10 thru 12, SW1/4, SW1/4 SE1/4
Section 4: Lots 1, 8, 9, E1/2 SE1/4

OWNERS OF COAL TO BE MINED OTHER THAN THE UNITED STATES

The Estate of Malcom McKinnon
Zions First National Bank, Trustee, Salt Lake City, Utah 84111
Township 17 South, Range 7 East, SLM, Utah
Section 10: SE1/4
Section 11: W1/2 W1/2, NE1/4 NW1/4
Section 14: W1/2 NW1/4

Cooperative Security Corp.
115 East South Temple, Salt Lake City, Utah 84111
Township 17 South, Range 7 East, SLM, Utah
Section 15: SE1/4
Section 22: NE1/4

Also:
Beginning at the SE corner of NE1/4 SE1/4 Section 25, T17S, R6E, SLM, thence North 160 rods, West 116 rods to center line of Cottonwood Creek; thence southerly along center line of said creek to a point 84 rods West of the beginning; thence East 84 rods to the beginning.

The above listed surface rights and coal owned or leased by PacifiCorp Electric Operations, successor in interest to Utah Power & Light Company.

PacifiCorp Electric Operations
324 South State, PO Box 26128, Salt Lake City, Utah 84126-0128
Township 17 South, Range 7 East, SLM, Utah
Section 14: SW1/4 (West of the Deer Creek Fault)

ADDITIONAL LANDS TO BE AFFECTED BY MINING

Township 17 South, Range 7 East, SLM, Utah
State of Utah Special Use Lease Agreement No. 284 utilized for conveyor and power line right-of-ways located in the southeast quarter of Section 2

Township 17 South, Range 8 East, SLM, Utah
PacifiCorp fee land (successor to Utah Power & Light Company) utilized for a Waste Rock Disposal Site located within Lots 4 and 5 of Section 5 and Lot 1 and the Southeast quarter of the Northeast quarter of Section 6

This legal description is for the permit area of the Deer Creek Mine. The permittee is authorized to conduct underground coal mining activities and related surface activities on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

Sec. 3 **COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

Sec. 4 **PERMIT TERM** - This permit becomes effective on February 15, 1991, and expires on February 15, 1996.

Sec. 5 **ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Director, Division. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13{e} and R614-303-300.

Sec. 6 **RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

(a) have the rights of entry provided for in 30 CFR 840.12, R614-400-220, 30 CFR 842.13 and R614-400-110;

(b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R614-400-100 and R614-400-200 when the inspection is in response to an alleged violation reported to the Division by the private person.

Sec. 7 **SCOPE OF OPERATIONS** - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 **ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

(a) Any accelerated or additional monitoring necessary to determine the nature and extent of noncompliance and the results of the noncompliance;

(b) immediate implementation of measures necessary to comply; and

(c) warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 **CONDUCT OF OPERATIONS** - The permittee shall conduct its operations:

(a) in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and

(b) utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 10 **EXISTING STRUCTURES** - As applicable, the permittee will comply with R614-301 and R614-302 for compliance, modification, or abandonment of existing structures.

Sec. 11 **RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.

Sec. 12 **AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec. 13 **COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

Sec. 14 **PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 15 **CULTURAL RESOURCES** - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.

Sec. 16 **APPEALS** - The permittee shall have the right to appeal as provided for under R614-300-200.

The above conditions (Secs. 1-16) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: Dianne R. Nielson

Date: 2-15-91

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

_____

Authorized Representative of the Permittee

Date: _____

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