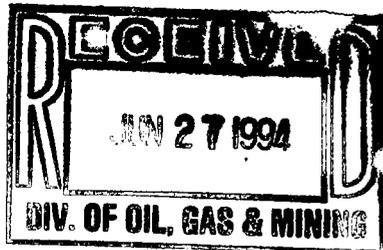


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One Utah Center
201 South Main, Suite 2100
Salt Lake City, Utah 84140-0021
(801) 220-2000



June 20, 1994

Utah Coal Regulatory Program
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Attention: Mr. Daron Haddock

Dear Mr. Haddock:

ACT/015/018 #2
Copy RAM

Pursuant to the June 15 meeting, regarding Rilda Canyon, the following information is submitted for your consideration.

An application was filed with the Division, in February of 1990, to extend the Deer Creek Mine Permit area to include the Rilda Canyon Lease Tract (see attached Figure A). The Permit Extension would allow recovery of coal reserves contained within several Leases held by the applicant. This area provides the remaining coal reserves for the future of the Deer Creek Mine. The mine plan, contained within the application, proposed entry development and longwall panel extraction. However, panel extraction, in escarpment areas, is conditional upon resolution of issues regarding escarpment protection.

Pending approval of the permit extension application, an application for an Incidental Boundary Change (IBC) was submitted in September, 1992. The application requested approval for underground entry development mining within a portion of the Permit Extension area (Figure A, IBC1). The IBC application was approved in January of 1993.

A second IBC (Figure A, IBC2) was requested in April of 1993, to allow continued entry development mining in Third North, thus ensuring continued and uninterrupted coal production at the Deer Creek Mine, pending Permit Extension approval. The IBC application was approved in July of 1993.

As was discussed at the June 15 meeting, mining at the Deer Creek Mine is approaching the currently approved permit boundary at two locations. This is depicted on attached Figure A. The areas of concern involve the Third North development section and the Third East longwall panel.

The Third North development mining will reach the northern boundary of the Incidental Boundary Change area (IBC2) by mid-July. Longwall panel extraction in the Third East panel will reach the eastern boundary of the IBC areas (IBC1 & IBC2) in mid-July also. Continuous, uninterrupted mining in the above referenced areas of the Deer Creek Mine is of critical importance. The discussion at the June 15 meeting established that approval of the Permit Extension Application will not occur until possibly late-October, at the earliest.

As discussed previously, the IBC approvals allow only entry development mining. A review of Figure A indicates that panel extraction has taken place in a small portion of IBC1. This occurred, inadvertently, in January of this year. Approximately two and one-half (2.5) acres of land within IBC1 were undermined.

To facilitate continued mining in the Deer Creek Mine, I respectfully request that the Division consider the following (Refer to Figure A):

1. Approve entry development mining within the Rilda Lease Tract Extension Area, beyond the IBC boundaries;
2. Approve panel extraction within the Third and Fourth East panels. (Approximately 8 and 20 acres, within the IBC areas, are associated with the Third and Fourth East panels, respectively.)

These two actions will facilitate mining activities into the First Quarter of 1995, at which time, approval of the Permit Extension Application is anticipated.

The proposed actions are consistent with the current Deer Creek Mining and Reclamation Plan (MRP), the Rilda Canyon Lease Tract Permit Extension Application, Lease Stipulations and Environmental Analyses associated with the leases as follows (Please refer to the accompanying Exhibits):

Entry development mining within the Extension Area will not create the potential for impacts to the escarpment.

The proposed entry development is a continuation of activities approved in the review and analyses performed for the IBC applications.

The area which overlies the proposed panel extraction, within the IBC areas of Third and Fourth East, is sloping, rolling terrain covered with mixed conifer/aspen and grass vegetation communities; therefore, there will be no impact to the escarpment. Surface impacts are expected to be similar to those seen elsewhere within the interior of East Mountain.

No surface waters (seeps, springs, perennial streams, ponds) exist in the area above the Third and Fourth East panels and no significant groundwater sources were encountered during entry development mining in these areas.

The proposed layout of entries and panels is the same as previously submitted, with the exception of the panels located beneath the Left Fork of Rilda Canyon. Concerns regarding these panels were identified during the scoping process. Therefore, as discussed in the June 15 meeting, these panels are not proposed at this time, but will be considered at a later date, at which time, the scoping issues will be addressed.

The areas which overlie the proposed mining are included within the various monitoring programs presently conducted by the applicant. A survey of the area above the proposed panel extraction, within the IBC areas, was conducted for goshawks and Three-toed woodpeckers in 1992; none were found. The nearest raptor nests (Golden eagle and Redtail hawk) are located beyond the limits of potential subsidence impacts. Deer and elk are not expected to be affected by the proposed mining. No Threatened, Endangered or Sensitive plant or animal species are known to inhabit the area.

An intensive Archeological investigation was conducted within the Permit Extension Area in 1990 (AERC Paper No. 46). The only identified significant sites are located beyond the limits of presently proposed and future mining.

Mitigation measures regarding the North Emery Water Users Association (NEWUA) springs have been identified and are being implemented.

The proposed development entries and longwall panels are contained within the Rilda Canyon Lease Tract Permit Extension Application, for which, Public Notification and Comment were completed in May and June of this year.

Eight (8) copies of the following exhibits are enclosed.

Exhibit A	Environmental Analysis Documents for Coal Leases
Exhibit B	Right of Entry Information
Exhibit C	Bonding and Insurance Information
Exhibit D	Affidavit of Publication - Permit Extension Application

Additional to the Permit Extension discussion, at the June 15 meeting, the Rilda Canyon Surface Facility Application (March 1994) was addressed briefly. As explained by the Applicant, a critical need exists for the development of additional ventilation capacity in the area of the mine north of the Roans Canyon fault. The operator is having difficulty regarding compliance with MSHA and BLM regulations and requirements, because of limited ventilation capacity. The surface facility is essential to resolution of this situation. Please advise me as to what can be done to expedite review and approval of the Surface Facility Application.

Early attention by the Division, regarding this matter, is greatly appreciated. Thank you for your consideration and assistance. If you have questions, please call me at 653-2312.

Sincerely,



Val Payne

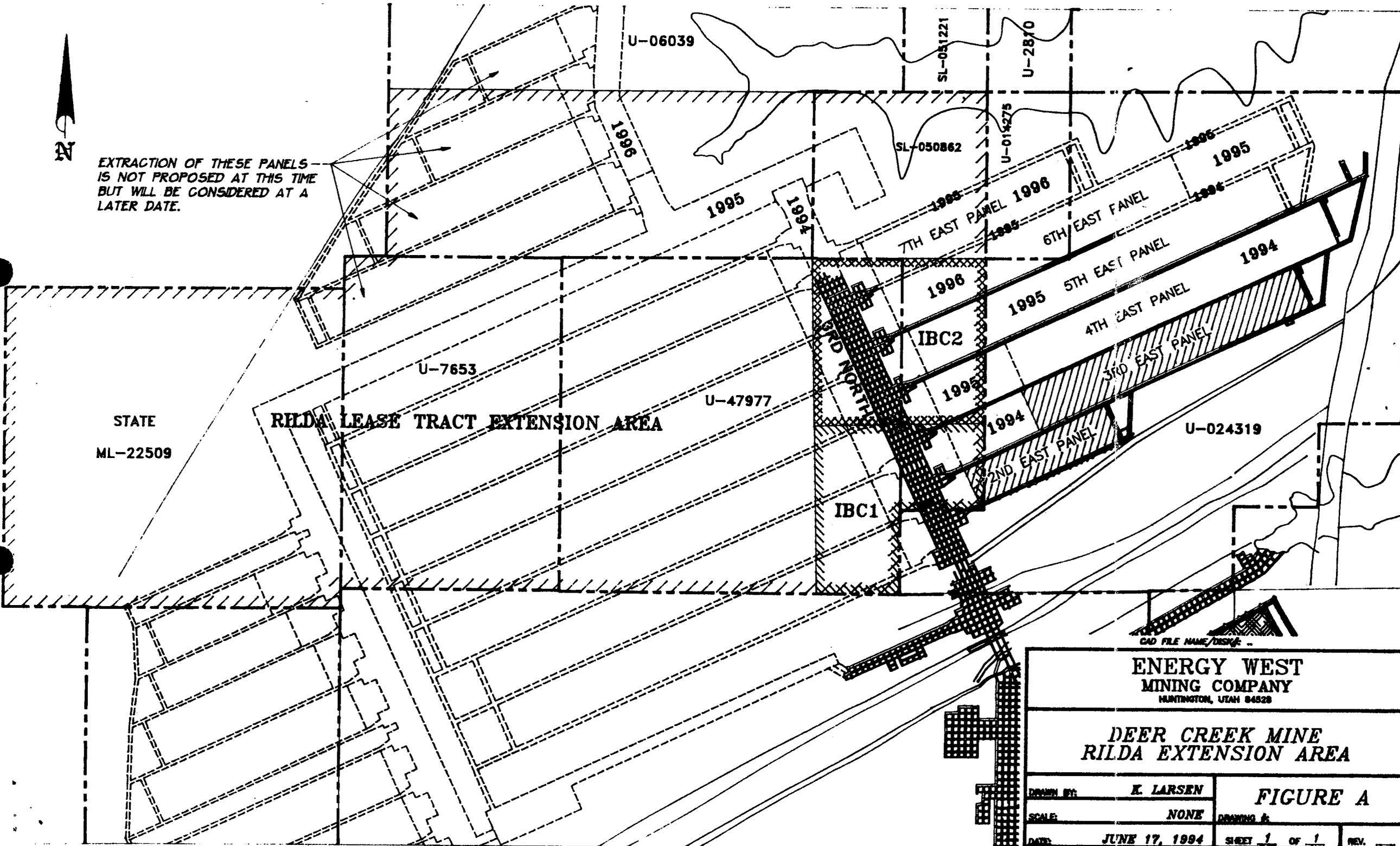
Sr. Environmental Engineer

cc (w/o exhibits):

- J. Boylen (EWMC)
- L. Braxton (UDOGM)
- J. Carter (UDOGM)
- J. Defreest (USFS)
- S. Falk (BLM)
- P. Grubaugh-Littig (UDOGM)
- A. Howe (USFS)
- S. Kochevar (IMC)
- L. LaFrentz (EWMC)
- M. Moon (EWMC)
- C. Reed (USFS)
- B. Webster (IMC)



EXTRACTION OF THESE PANELS IS NOT PROPOSED AT THIS TIME BUT WILL BE CONSIDERED AT A LATER DATE.



CAD FILE NAME/DISK# ..

**ENERGY WEST
MINING COMPANY**
HUNTINGTON, UTAH 84320

**DEER CREEK MINE
RILDA EXTENSION AREA**

DRAWN BY:	K. LARSEN	FIGURE A
SCALE:	NONE	
DATE:	JUNE 17, 1994	SHEET 1 OF 1