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Orig to Pam
cc: LPB (2 copies)
6-19-97

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DIV. OF OIL, GAS & MINING

INTERWEST
MINING COMPANY
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June 12, 1997

Mr. Douglas M. Koza
Deputy State Director, Natural Resources
United States Department of the Interior
Bureau of Land Management
Utah State Office
324 South State Street, Suite 301
Salt Lake City, UT 84111-2303

Copy Pam & Aaron
ACT/015/017 #2
ACT/015/018 #2
ACT/015/019 #2

RE: Relinquishment of Federal Coal Lease Acreage East Mountain Logical Mining Unit, Phases I & II, Manti LaSal National Forest Service, Emery County, Utah

Dear Doug:

After several months of working with the Manti LaSal National Forest Service to resolve their concerns regarding East Mountain Relinquishment Phases I & II, additional information was generated and submitted. This information was submitted in good faith and with the intent of addressing all of their concerns. As you know, this particular project has become a very long, drawn out and arduous process since the original relinquishment notifications were submitted in 1992. We realize the awkwardness of this matter with the dual agency responsibilities and we are very appreciative of the assistance of the BLM, as the lessor, during this process. However, after reviewing a faxed copy of the Forest Service's letter to the BLM dated May 5, 1997, we are writing to express our continuing frustration with what has apparently become an endless process. Throughout our combined efforts over the years, there apparently is still no standard by which the Forest Service is willing to approve relinquishments. As soon as we satisfy one requirement the ground rules mysteriously change and new standards must be met. This latest action has become unacceptable and goes beyond the spirit of providing endless data to satisfy non-existent lease stipulations.

Although we have not yet received formal notification from your office concerning what response is needed to the Forest Service's letter of May 5, 1997, we wanted to provide some comments to you in an effort to keep this matter moving along towards a palatable resolution for all parties. In our analysis of the May 5 letter, we were pleased to see that the Forest Service has finally responded to your office consenting to the relinquishment of a majority of the acreage. However, we are puzzled as to their latest demands requiring certified statements regarding the disposition of underground equipment and the use of hazardous materials and/or substances within the lease hold to administratively blanket the conclusion of relinquishment matters. We are also concerned

that they are siting new unfounded reasons for not consenting to acreage which they previously consented to in their letter to the BLM dated August 15, 1995.

In my discussion with Max Nielson, he mentioned that your office would be looking into this hazardous material/substance issue and its relevance in the context of the recent MOU between the governing agencies. This issue was not discussed in the development of the MOU. In all the months we have been coordinating this project with the Forest Service and developing the revised Supplemental Information which was submitted August 23, 1996, the requirement of a certified statement for equipment and hazardous substances has never even been mentioned as a concern, let alone a requirement.

The following additional comments or clarifications are provided to assist your office with your review of the May 5 Forest Service letter.

Forest Service demand for a certified statement regarding the disposition of underground equipment and the use of hazardous materials and/or substances within the lease hold.

This is nearly impossible and wholly unrealistic given the fact that these areas are sealed off and unsafe for re-entry to conduct an environmental audit to allow such a confirmation or negative declaration to enable a certification to be produced and signed off by this company. What is the source of imposing this kind of requirement? To the best of our knowledge, we have fully complied with the performance standards as each of these areas has been abandoned. Have the performance standards been changed? Is there some other palatable solution to address this concern?

Relinquishment Areas the USFS has consented to:

SL-064607/SL-064621	The description appears to be in error. We believe it should read Lot 5 rather than Lot 12, W2SW, Section 2 (inadvertently omitted), T. 17 S., R. 7 E., SLM (120 acres).
U-02664	The description appears to be in error. We believe it should read Section 24 rather than Section 23, T. 17 S., R. 7 E., SLM (140 acres). The legal description for the East Parcel appears to be okay.
U-47978	All of the acreage in Section 30 of this lease, T. 17 S., R. 7 E., SLM, was previously consented to relinquishment by decision letters dated 8-15-95 (USFS to BLM) and 9-14-95 (BLM to

PacifiCorp). The legal descriptions for Section 28 and 29 appear to be okay. The acreage would need to be corrected with all of Section 30 being accepted earlier.

Relinquishment Areas the USFS has not consented to:

SL-064607/SL-064621

Since the submittal of the Revised Supplemental Information on 8-23-96, another year of subsidence data has been collected, quantified and plotted, but not submitted. The result is consistent with historical trends of previous years, indicating no change. What does additional monitoring for an additional 2 to 3 years give us that we do not have now after 18 years. If this determination was made earlier on in the process (5 years ago), the additional 2 to 3 years of monitoring they have asked for would have already been met. This project is not meant for perpetuity.

U-02664

Same as above.

U-1358

We agree that subsidence is substantially complete and it is our intent to have our mine operator, Energy West Mining Company prepare and submit the required reclamation plan for approval and they will subsequently conduct the reclamation.

U-47978

The 120 acre parcel within the Newberry Canyon area is located in a very steep, extremely dangerous escarpment area. Even if it is determined that some surface reclamation activity is required, how can this realistically be safely accomplished without risking personnel and increasing disturbance? We can appreciate their concern, but where it is agreed that the escarpment has stabilized, self healing over time appears to be the only logical solution. We simply do not understand what retaining the acreage accomplishes. A simple down-to-earth explanation or resolution would be appreciated.

The 57.8 acres in Section 30, T. 17 S., R. 7 E., SLM within the area adjacent to the Miller Canyon breakout. Again, this area was already consented to relinquishment by decision letters dated 8-15-95 (USFS to BLM) and 9-14-95 (BLM to PacifiCorp).

We feel we have more than gone out of our way to provide scientific data to establish the status of these lands and that there are no remaining adverse impacts to the lands. We have waited long enough, it is time to make a decision. As you suggested in our telephone conversation today, perhaps it would be beneficial for you and I to discuss this issue with the forest supervisor. We are hopeful this matter can be resolved soon, and your help in this matter is very much appreciated. My telephone number is (801) 220-4612.

Respectfully,

Scott M. Child
Property Management Administrator

cc: IMC - D. Baker, J.B. Harvey, D.W. Jense, R. Fry, B. Webster
EWMC - D. Lauriski, C. Pollastro, C. Semborski
Manti-LaSal National Forest - J. Kaiser
UDOGM - L. Braxton