

September 3, 1998

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

ACT/015/018 #2  
Daron

Attn: Pam Grubaugh-Littig, Permit Supervisor

**Re: Addendum to the Application for Permit Change - Incidental Boundary Change, PacifiCorp, Deer Creek Mine, ACT/015/018-98A, Folder #3, Emery County, Utah.**

PacifiCorp, by and through its wholly-owned subsidiary, Energy West Mining Company ("Energy West") as mine operator, hereby submits an addendum to the Incidental Boundary Change (IBC) application which was submitted May 28, 1998. The initial submittal involved increasing the Deer Creek Mine permit area by 40 acres to maximize coal recovery between existing lease boundaries and the Mill Fork Canyon Fault. As development of the 5th North Mains proceeds to the northeast within the North Rilda Canyon area of the Deer Creek Mine, a more detailed evaluation of the available coal seam and geologic information has yielded a mine plan configuration that will substantially increase the coal reserve recovery within this area. Energy West submits this application to include an additional 10 acres to the already 40 acres of US Forest Service Lands to the Deer Creek Mine permit area. Total additional acreage being modified is equal to 50 acres.

Originally, only section development or first mining was to occur in this area under consideration. The 10 acre addition borders the western boundary of the initial 40.0 acre IBC and will allow for full extraction or secondary mining to occur. Re-evaluation of the area has enabled Energy West to realize the potential for greater reserve recovery. If these additional reserves are not mined as proposed, they will be bypassed. There is no other viable or potential operation that could logically mine this area.

Underground mining will occur in the IBC area in both the Blind Canyon and Hiawatha seams. It is planned to develop the 5th North Main entries on a northeasterly bearing, generally running parallel with the Mill Fork Canyon Fault to an area just beyond the 11th East neck off section (see map included with Attachment 1) From that point, the 6th North Mains will be developed on a northeasterly bearing to facilitate the development of the 12th, 13th, and 14th East neck off

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Trail Mountain Mine:  
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sections. The estimated increase in recoverable reserves is approximately 800,000 tons. However, this estimate is subject to change pending the actual geologic conditions found as mining progresses further to the northeast and also the result of the US Forest Service Environmental Assessment (EA). The EA process is currently underway as initiated by the lease modification dated May 12, 1998. Energy West and its managing agent, InterWest Mining Company, are in full cooperation with the BLM and the US Forest Service in assessing the full extraction concept. Energy West is committed to insure that all requirements of the R645 Utah Coal Rules are met so to recover this additional coal which would otherwise be bypassed.

The land associated with the IBC is comprised of the following parcels:

T. 16S. R. 7E. SLM

Section 20	SE1/4NW1/4	40 acres
	E1/2E1/2SW1/4NW1/4	10 acres
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	Total Acreage	50 acres

The surface owner of record of the subject property:

United States of America  
Department of Agriculture  
US Forest Service  
Manti-LaSal National Forest  
599 Price River Drive  
Price, Utah 84501

The parcel will be included in the Federal Coal Lease U-06039 as submitted for the second time for modification on September 2, 1998 (see Attachment 1). This lease is currently held by the applicant.

Enclosed are seven (7) copies of this addendum to the Incidental Boundary Change of the Deer Creek Permit area. The following Drawings will be updated and submitted to the Division upon approval:

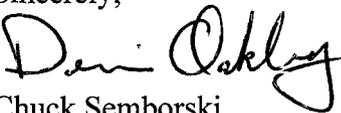
<u>Drawing Number</u>	<u>Title</u>
CM-10522-DR	Coal Ownership Map of the Deer Creek Mine Permit Area
CM-10521-DR	Surface Ownership Map of the Deer Creek Mine Permit Area
CM-10367-DR	Deer Creek Mine Permit Area Map

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CM-10899-DR	Deer Creek Mine Life of Mine Plan, Blind Canyon Coal Seam
CM-10900-DR	Deer Creek Mine Life of Mine Plan, Hiawatha Coal Seam
DU-1752D	Deer Creek Mine Lease Modification - Lease U-06039

The Division's attention to this amendment application is greatly appreciated. If you have any questions or concerns regarding this matter, please feel free to contact me anytime at 435-687-4720.

Sincerely,

  
for Chuck Semborski  
Geology/Permitting Supervisor

DCO/dco/cas

cc Scott Child, IMC w/o attachment  
Blake Webster, IMC w/o attachment  
Carl Pollastro, EWMC w/o attachment  
file