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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

January 22, 1998

Chuck Semborski, Environmental Supervisor
Energy West
P. O. Box 310
Huntington, Utah 84528

Re: Return of January 16, 1998 Information, Completion of Permit Condition #4, PacifiCorp, Deer Creek Mine, ACT/015/018-97G, Folder #3, Emery County, Utah

Dear Mr. Semborski:

The Division received a letter with revised pages from your office signed by Dennis Oakley and dated January 16, 1998 which purported to remove redlining from amendment 97G which we approved on October 30, 1997.

This letter was confusing to us since we were unaware of redlining in the amendment that we had approved. Also the resubmitted page 15 is different than the page 15 that we approved on October 30, 1997.

In light of the confusion we are returning the pages to you along with a copy of the pages which we approved on October 30, 1997. The pages stamped "Incorporated effective October 30, 1997" are part of your approved plan.

If you have any questions, don't hesitate to call.

Sincerely,

Daron R. Haddock
Permit Supervisor

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DIVISION OF OIL, GAS AND MINING

North Mains was given by the BLM (per letter) February 13, 1997.

With regard to PacifiCorp's pending North Rilda Area Permit Application, the 4th North Mains are projected to be developed northwest (approximately 3000 feet) from the 4th North / 10th West Mains intersection. The 4th North Mains development then changes course to a northeast bearing, with development proceeding across the right fork area of Rilda Canyon. The proposed location and layout of the 4th North #1 / 4th North #2 intersection are currently **only** a projection. Preliminary mine plan sequence and layout provides for the current 4th North Mains to continue as a 5-entry development system to a point just south of the proposed 4th North #1/4th North #2 intersection. At this point the development is planned to be reduced to a 2-entry "exploration" section continuing on the original northwest bearing to delineate the western margin of the Blind Canyon coal seam or to intersect the projected Mill Fork Fault Graben. If mining intersects the eastern fault of the Mill Fork Graben, permanent seals will be installed. In addition to in-mine exploration, PacifiCorp has submitted a surface exploration plan to be conducted in 1997 prior to the proposed in-mine exploration to determine the extent of mineable reserves and evaluate potential faulting on the west side of Federal Coal Lease U-06039. The proposed plan includes drilling a series of exploration holes on 200-foot spacing from existing drill holes EM-158 to EM-56C. Information collected during this exploration will include depth of colluvial / alluvial deposits, structure and stratigraphy of the lower Blackhawk and upper Star Point formations, and hydrologic characteristics of the penetrated strata. Data from the exploration program will be submitted to the Division and both surface and underground management agencies.

Based on the information gained from the surface exploration drilling and proposed 2-entry "exploration" development, a detailed plan will be developed to position the 4th North #1 / 4th North #2 intersection to optimize the "no subsidence / long term stability" design the 4th North #2 / Rilda Canyon Right Fork crossing route and rock slope access into the lower Hiawatha Seam as well as maximizing overall reserve recovery within the area.

RIPARIAN ZONE - RIGHT FORK OF RILDA CANYON

The riparian zone within the Right Fork of Rilda Canyon (as shown on the above referenced enclosures) was delineated by field observation, aerial photography, and map contour analysis. The extent of the identified zone is based on the contact of the alluvial fill with the canyon's side slopes. The alluvial/colluvial fill contacts were inferred from existing map contours where rapid changes in slope gradient were assumed to indicate a material composition change. The alluvial/colluvial fill contact was assumed to occur where these grade changes occurred.

The riparian zone (as mapped) also includes an agency requested "buffer zone". This "buffer zone" is calculated from the lower Hiawatha seam's horizon/elevation @ 15 degrees to a point of intersection on the surface. The "buffer zone" delineates an area restricted from full extraction second mining.

This referenced 15 degree "angle-of-draw" / "angle-of-influence" is an industry/agency accepted standard used for delineation of surface influence protection from mining areas considered for full-extraction mining. Mining experience at Energy West's Deer Creek, Cottonwood, and Trail Mountain mines has provided a sound, scientific basis for using the 15° angle of draw mentioned above. The angle of draw of subsidence produced by full-extraction mining can be influenced by

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It is expected that recovery rates of 85% can be obtained within the proposed longwall panel areas. The overall minable reserve recovery for the North Rilda Canyon area of the Deer Creek Mine is estimated at approximately 65%.

The Deer Creek mining plan is based on the geologic information of the area obtained from outcrops, drilling, and previous mining by the operator. For geologic information of this area, refer to Vol. 8 of the MRP.

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