



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

Michael O. Leavitt
Governor

Kathleen Clarke
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)

November 15, 2000

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

Re: Five-Year Permit Renewal - Completeness Determination, Deer Creek Mine, C115/0118 RN00, Outgoing File

Dear Mr. Semborski:

The Division has determined the permit renewal application for the Deer Creek Mine administratively complete. Publication of the public notice for permit renewal may proceed as required by R645-300-121, for four consecutive weeks. At the end of the 30-day comment period, findings for the renewal will be made and the permit renewed unless a factual basis for denial of the renewal is presented to and upheld by the Division.

The Division has reviewed your October 30, 2000, permit renewal package. A copy of the technical analysis and findings is enclosed for your information and records. There are deficiencies that will need to be corrected. Please submit the required information to amend the Mining and Reclamation Plan (MRP) along with the C1/C2 forms by December 29, 2000.

The proposed escalated bond amount is \$2,841,514.00 (2006 dollars). Please submit the required update to the MRP along with an updated surety bond to cover the escalated reclamation costs.

If you have any questions, please call me at (801) 538-5258.

Sincerely,

A handwritten signature in cursive script that reads "Susan M. White".

Susan M. White
Acting-Permit Supervisor

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Enclosed:

cc: Price Field Office

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Deer Creek
Permit Renewal
C015/018-RN00
Analysis and Findings Review
November 15, 2000

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INTRODUCTION

TECHNICAL ANALYSIS**INTRODUCTION**

An application for permit renewal for the Deer Creek Mine was received on November 1, 2000. The application contains revisions of Exhibit C (liability insurance document) and Exhibit B (surety bond) of the Reclamation Agreement. Exhibit A (Surface Disturbance) remains unchanged from Sept. 1996 with 95.79 acres of disturbance and 17,000 acres in the permit area.

A notarized signature was not included with the application.

Directors and Officers of New Scottish Power and Scottish Power have been included in the listing of interests in the operation. These two corporations are not currently outlined in the narrative of Part 1 of the MRP. The MRP should be updated to reflect their contribution to the corporate structure.

Special condition #3 in Attachment A of the permit, requiring consent from the surface managing agency before mining in the North Rilda Lease area, has been satisfied as per Decision Notice dated November 1, 1999 signed by Janette Kaiser, Forest Supervisor.

SUMMARY OF OUTSTANDING DEFICIENCIES

The Technical Analysis regarding the proposed permit changes is not complete at this time, pending submittal of additional information by the permittee and further review by the Division, to address outstanding deficiencies in the proposal. A summary of those outstanding deficiencies is provided below. Additional comments, concerns and deficiencies may also be found within the analysis and findings made in this Draft Technical Analysis which have not been presented in this summary. Upon finalization of this review, any outstanding deficiencies will be evaluated for compliance with the regulatory requirements. Such deficiencies may be conditioned to the requirements of the permit issued by the Division, result in denial of the proposed permit changes, or may result in other executive or enforcement action as deemed necessary by the Division at that time to achieve compliance with the Utah Coal Regulatory Program.

Accordingly, the permittee must address those deficiencies as found within this Draft Technical Analysis and provide the following, prior to approval, in accordance with the requirements of:

- R645-301-112.320, Part 1, Legal, Financial, Compliance must be updated with corporate ownership and structure information to include New Scottish Power, Scottish Power, Scottish Power NA1 and Scottish Power NA2 and the NA General Partnership. 5
- R645-301-112.400 et seq., Part 1, Legal, Financial, Compliance must be updated with corporate ownership and structure information to include any coal mining and reclamation operation owned or controlled by either the applicant or by any person who owns or controls the applicant. 5
- R645-301-123, the notarized signature of a responsible official of the applicant, stating that the information contained in the application is true and correct to the best of the official's information and belief. 6

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

A listing of the officers of New Scottish Power and Scottish Power; Scottish Power NA1 and Scottish Power NA2; NA General Partnership; Pacificorp; Energy West Mining Company; and Pacific Minerals, Inc was submitted. Social security numbers and employer identification numbers were not disclosed (R645-301-112.310).

New Scottish Power, Scottish Power, Scottish Power NA1 and Scottish Power NA2; and the NA General Partnership are not currently outlined as "Owners or Controllers" in the narrative of Part 1 of the MRP. The MRP should be updated to reflect their contribution to the corporate structure.

Ownership and control (R645-301-112.400 et seq) of the Jim Bridger Coal Mine and the Dave Johnston Mine were not related in the MRP, although violation information was included in the NOV listing.

Findings:

Information provided in the proposed amendment is not considered adequate to meet the requirement of this section. Prior to approval, the permittee must provide the following in accordance with:

R645-301-112.320, Part 1, Legal, Financial, Compliance must be updated with corporate ownership and structure information to include New Scottish Power, Scottish Power, Scottish Power NA1 and Scottish Power NA2 and the NA General Partnership.

R645-301-112.400 et seq., Part 1, Legal, Financial, Compliance must be updated with corporate ownership and structure information to include any coal mining and reclamation operation owned or controlled by either the applicant or by any person who owns or controls the applicant.

VIOLATION INFORMATION

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132; R645-301-113

Analysis:

A listing of violations is included as page one. Eight violations were received in 1997 and 1998 by two mines in Wyoming (Jim Bridger Mine and Dave Johnston Mine) and two in Utah (Des-Bee-Dove and Cottonwood/Wilberg). All violations were either vacated or terminated. No violations have been received in the last two years.

Findings:

The submittal meets the requirements of the regulations.

PUBLIC NOTICE AND COMMENT

Regulatory References: 30 CFR 778.21; 30 CFR 773.13; R645-300-120; R645-301-117.200.

Analysis:

A certificate of liability insurance has been issued by the Associated Electric & Gas Insurance Services Limited (Hamilton, Bermuda), for \$20,000,000 per occurrence and in the aggregate.

Notice will be published in the Emery County Progress on November 7, 14, 21, and 28, 2000. The notice clearly shows the location of the mine site and the location of the permit renewal application for public review.

Findings:

Information provided in the proposed amendment is considered adequate to meet the requirement of this section.

PERMIT APPLICATION FORMAT AND CONTENTS

Regulatory Reference: 30 CFR 777.11; R645-301-120.

Analysis:

A notarized signature of the resident agent (Charles A. Semborski, Energy West Mining Co.) was not included with the submittal. A notarized C1/C2 form would serve this purpose.

Findings:

Information provided in the proposed amendment is not considered adequate to meet the requirement of this section. Prior to approval, the permittee must provide the following in accordance with:

R645-301-123, the notarized signature of a responsible official of the applicant, stating that the information contained in the application is true and correct to the best of the official's information and belief.

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