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DIVISION OF OIL, GAS AND MINING

P. GRUBAUGH-LITTLE



A Subsidiary of PacifiCorp

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Salt Lake City, Utah 84140-0020
(801) 220-4616 • FAX (801) 220-4725

HAND DELIVERED

March 16, 2001

Sally Wisely
State Director
United States Department of the Interior
Bureau of Land Management
Utah State Office
324 South State, Suite 301
Salt Lake City, Utah 84111-2303

*Copy letter
Only to Mary Ann
& Dawn
[Redacted]
[Redacted]
Plan to DOG m by August 2001*

RE: Application for Third Modification of Federal Coal Lease U-06039, East Mountain Logical Mining, Deer Creek Coal Mine, Emery County, Utah

Dear Ms. Wisely:

On behalf of PacifiCorp, the lessee of federal coal lease U-06039, enclosed in triplicate is an application to modify the referenced lease for the third time pursuant to 43 CFR Subpart 3432 to include an additional 65.7 acres of unleased federal coal lands in Emery County, Utah. This third modification is necessitated for access and contiguity from the applicants Deer Creek Mine into the Mill Fork State Lease (ML-48258) acquired by PacifiCorp in March 1999. The area of modification is adjacent to the northwestern boundary of U-06039 and southeastern boundary of the Mill Fork State Lease, both leased by PacifiCorp.

As can be seen on the enclosed map, at the time of delineation of the Mill Fork Lease there was left for whatever reasons, one lot width or ~750' gap, from allowing the boundaries of Federal Lease U-06039 and the present State Lease ML-48258 to become contiguous to each other. With the successful awarding of the competitive bid of the Mill Fork State Lease ML-48258 to PacifiCorp on March 30, 1999, the need for this lease modification is required for legal right of entry into the State Lease.

At this present time, development of the 6th North Mains is progressing within the Hiawatha seam of the North Rilda Canyon area of the Deer Creek Mine. From exploration drilling and evaluation, it is anticipated to develop a 5 or 6 entry support pillar set of mains angled off of 6th North in a northwesterly direction across the property applied for in this lease modification and enter into the Mill Fork State Lease ML-48258 in the southeast corner. The exact orientation or location of the development is not known due to additional drilling and evaluation of geology and mine planning that will take place in the coming year. However, the property applied for in this modification will give enough flexibility to adapt to the above mentioned considerations.

File in:
00150018, 2001, Incoming
Refer to:
 Confidential
 Shelf
 Expandable
Date 03/16/01 For additional information

Sally Wisely
March 16, 2001
Page 2

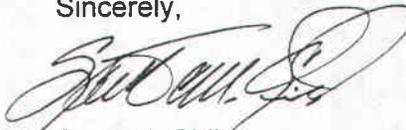
This third modification to Federal Lease U-06039 will bring the total modified acreage to 158.67 acres, which is under the cap of 160 acres per federal lease. This lease modification is very vital to the ongoing work of the timely development of the Mill Fork State Lease. PacifiCorp is presently working to deliver a mine permit application to the Utah Division of Oil, Gas & Mining by August of 2001 and an approved right of entry to this lease is necessary for that permit approval. + }

We have met with members of your staff from both the State and Price BLM Offices to discuss the issues associated with access into the Mill Fork State Lease and the recent denial of the underground right-of-way application dated November 21, 2000. Copies of this application are being forwarded directly to them and the other agencies to help expedite the review process. *

We will forward to your office within the next few days (1) a coal seam isopach map (Hiawatha seam) for this modification area inclusive of the Mill Fork Lease area, and (2) a check in the amount of \$250.00 to cover the required filing fee in accordance with 43 CFR 3473.2-1(a)(1).

If there are any questions regarding this application please make immediate contact with myself at 801-220-4612 or Carl Pollastro of our mine operator, Energy West Mining Company at 435-687-4701. Time is of the essence and your prompt attention to this matter is greatly appreciated.

Sincerely,



Scott M. Child
Manager, Lands and Regulatory Affairs

Enclosures

SMCVIEWESTUTBLM2001-02.wpd

cc: IMC w/copy encl. - D. Jense, B. King, S. Kochevar
EWMC w/copy encl. - K. Sinsel, C. Pollastro, L. LaFrentz, C. Semborski
BLM Price, w/copy encl. - R. Manus, T. Rassmussen, S. Falk
USFS Price w/copy encl. - C. Reed
SITLA w/copy encl. - T. Faddies
DOGM w/copy encl. - P. Grubaugh-Littig