



December 6, 2001

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Stephen Boyden
Director, State of Utah
School and Institutional Trust
Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

Re: Relinquishment of Lease
State of Utah Mineral Lease ML-22509 B Coal.

*Incoming
12/06/01
Copy From:
Daron
(top letter)*

Dear Mr. Boyden:

PacifiCorp, as the lessee of record of Mineral Lease ML-22509 (Coal), in accordance with the provisions of Article XI. SURRENDER OR RELINQUISHMENT OF LEASE, does hereby relinquish said lease and surrender said lease for cancellation. As provided in Article XI, it is PacifiCorp's intent that this relinquishment shall be effective on the date of filing of this letter. The relinquishment applies to all of the lands in the lease, namely:

Township 16 South, Range 7 East, SLB&M

Section 36: All.

By letter dated October 13, 1999, Scott M. Child of Interwest Mining Company provided to James D. Cooper, Assistant Director - Minerals, a notification of the sealing project that effectively isolated this lease from any of the other active working areas in the mine. Attached to the letter to Mr. Cooper was a letter from the United States Department of the Interior, Bureau of Land Management, Price Field Office, indicating that with respect to the federal lands within the area to be sealed, the sealing and abandonment complied with the Mineral Leasing Act of 1920 and the BLM also found that maximum economic recovery of the federal coal has been achieved for the area. A copy of Mr. Child's letter, together with its attachments, is enclosed for your convenience. While we believe that this filing serves to satisfy the requirements of the last paragraph of Article XVII. EQUIPMENT OR FACILITIES TO REMAIN WITH THE LANDS, we are

Stephen Boyden
December 6, 2001
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by copy of this letter submitting the same information to the Director of the Division of Oil, Gas and Mining in order to allow for you to obtain such concurrence with respect to this issue as you may deem appropriate.

Should you have any questions or concerns with regard to this surrender and relinquishment, please feel free to contact Scott M. Child, Manager, Lands & Regulatory Affairs of Interwest Mining Company, at (801) 220-4612.

Sincerely,



Judith A. Johansen
Chief Executive Officer

Encs.

cc: Lowell Braxton, Director, Div. of Oil, Gas and Mining (w/encl)
Dee W. Jense (w/o encl)
Bob King (w/o encl)
Scott M. Child (w/o encl)
Carl Pollastro (w/o encl)
Chuck Semborski (w/o encl)
John S. Kirkham (w/o encl)

One Utah Center, Suite 2000
Salt Lake City, Utah 84140-0020
(801) 220-4616 • FAX (801) 220-4725



A Subsidiary of PacifiCorp

October 13, 1999

James D. Cooper
Assistant Director - Minerals
State of Utah
School and Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

RE: State Coal Lease ML-22509 - Notification of Sealing Project of 3rd North West Side Panel Block - Deer Creek Coal Mine, Emery County, Utah

Dear Jim:

Since our last correspondence to you dated August 20, 1998 concerning the referenced state coal lease, we have elected to permanently seal and abandon the area comprising the 9th West through 3rd West gateroads located west of the 3rd North Mains of the Deer Creek Mine. Whereas, the encountered adverse geologic conditions have precluded any further advancement in this area of the mine, this sealing becomes necessary to improve the mine's ventilation and dewatering systems. As mentioned in our previous correspondence, we regret that these adverse geologic conditions have rendered this area unmineable with no foreseeable advancement towards the state coal lease.

For your information, enclosed is recent correspondence from us to the BLM dated August 2, 1999, addressing this matter together with a copy of their response and approval dated September 24, 1999 to commence with the sealing project.

Should you have any questions, please feel free to call me at 801-220-4612.

Respectfully,

A handwritten signature in black ink, appearing to read "Scott M. Child". The signature is fluid and cursive, written over a horizontal line.

Scott M. Child
Property Management Administrator

Enclosures

SMC\EWEST\ISITLA9904.wpd

cc: IMC w/o copy - D. Baker, D.W. Jense, S. Kochevar
EWMC w/o copy - L. LaFrentz, C. Pollastro, C. Semborski, K. Sinsel



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Price Field Office
125 South 600 West
Price, Utah 84501

3482
SL-070645
U-47977
(UT-070)

Certified Mail--Return Receipt Requested
Certificate No. Z 580 925 459

RECEIVED

SEP 28 1999

Interwest Mining SEP 24 1999

Mr. Steven E. Kochevar, P. E.
Mine Planning Administrator
Interwest Mining Company
One Utah Center, Suite 2000
Salt Lake City, Utah 84140-0200

Re: Notification of Sealing, 3rd North West Side Panel Block, Deer Creek Mine.

Dear Mr. Kochevar:

The Bureau of Land Management (BLM) received on August 6, 1999, a request from Interwest to seal mined-out areas in the subject mine. This notification of sealing follows and conforms with 43 CFR 3484.1(c)(7), abandonment of mining areas. The 3rd North West Side longwall block is located on Federal leases U-06039, U-7653, and U-47977.

Interwest proposes to construct permanent seals for the 9th through the 3rd West gateroads each at the tie in to the 3rd North B Mains. Interwest states this would isolate this mined-out longwall gob, reduce ventilation requirements and provide for dewatering of the area.

The BLM agrees with the proposal, as sealing of mined-out areas is a standard practice. Sealing off the west side of the 3rd North longwall gob area reduces the possibility for spontaneous combustion, eliminates worker inspections and exposure, provides controlled dewatering and reduces ventilation requirements.

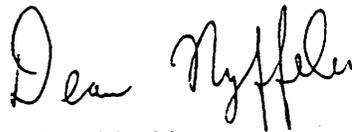
We also agree that all recoverable coal has been extracted as per the approved resource recovery and protection plan, as modified. We note that all associated mining equipment has been removed and the area has been inspected by our personnel and representatives of the State of Utah Department of Health for verification and any environmental concerns.

The BLM has determined that the proposed sealing and abandonment of the 3rd North west side panel block complies with the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3480, the lease terms and conditions, and maximum economic recovery of the Federal coal has been achieved for this area. Interwest's sealing proposal

is approved as submitted (approved map attached), subject to any requirements of the Mine Health and Safety Administration.

If you have any questions, please contact Stephen Falk of my staff at (801) 636-3600.

Sincerely,



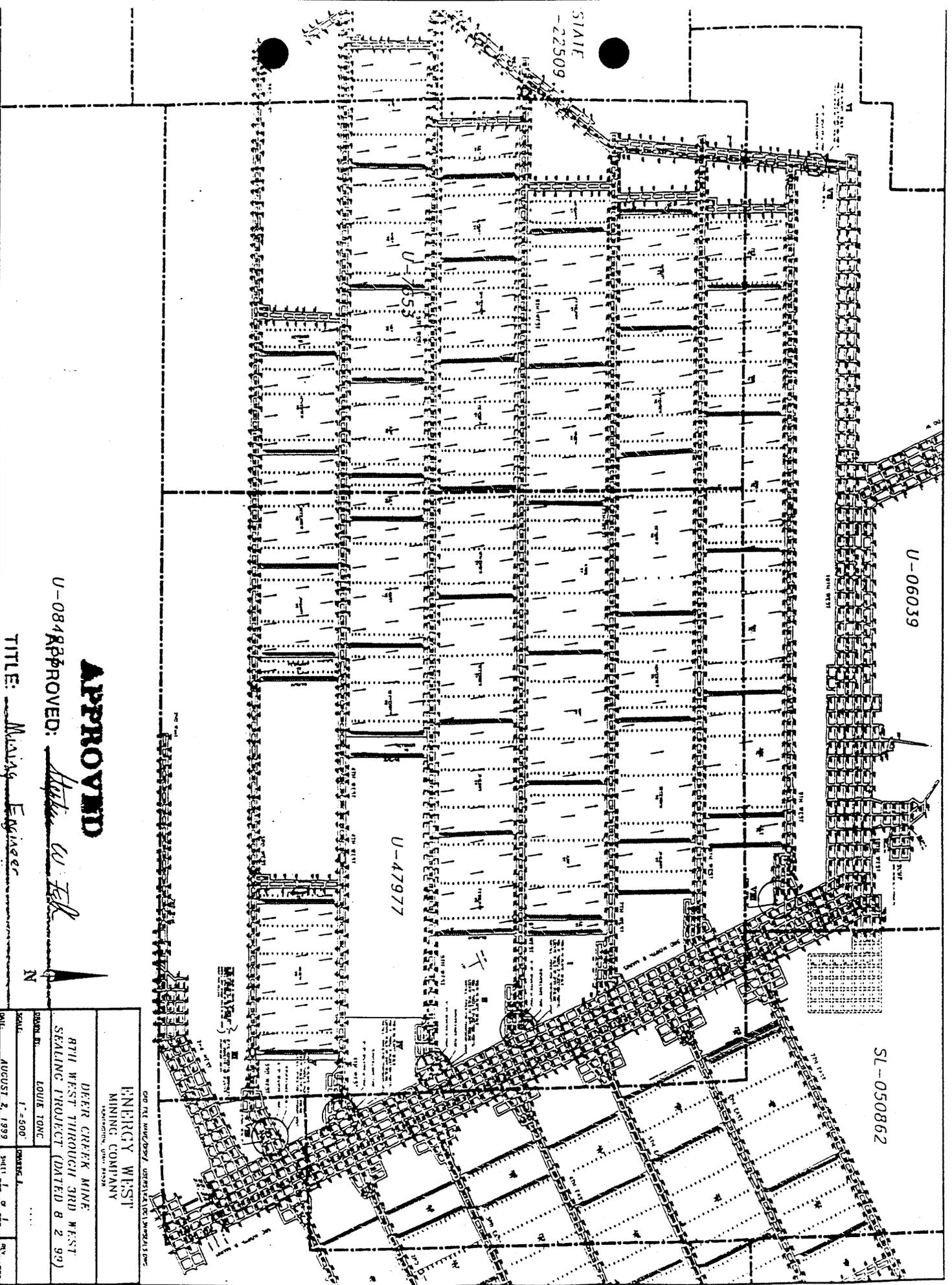
for

Richard L. Manus
Field Office Manager

Enclosure

Approved Mine Map

cc: UT-921, SD, Utah (w/encl.)
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801 (w/encl.)



APPROVED

U-084 APPROVED: *Arthur W. Edl*

TITLE: *Managing Engineer*

DEER CREEK MINE B7H WEST THROUGH 3RD WEST SEALING PROJECT (DATED 8 & 99)	
ENERGY WEST MINING COMPANY <small>MANAGING ENGINEER</small>	
DRAWN BY: LOUIE TONG	SCALE: 1" = 500'
DATE: AUGUST 2, 1999	SHEET: 1 OF 1



A Subsidiary of PacifiCorp

August 2, 1999

Mr. Richard Manus
District Area Manager
Bureau of Land Management
Moab District, Price River Resource Area
125 South 600 West
Price, Utah 84501

Subject: PROPOSED DEER CREEK MINE SEALING PROJECT; 3RD NORTH WEST SIDE PANEL BLOCK [9TH WEST THROUGH 3RD WEST GATE ROADS]

Dear Mr. Manus:

PacifiCorp, by and through its wholly-owned subsidiaries, Interwest Mining Company ("Interwest") as managing agent and Energy West Mining Company ("Energy West") as mine operator, hereby requests approval from the BLM authorized officer in accordance with 43 CFR 3484.1(c)(7) to permanently seal and abandon the portion of the Deer Creek Mine in the area comprising the 9th West through 3rd West gateroads, west of the 3rd North Mains, included within federal coal leases U-06039, U-47977, U-7653 and Utah State coal lease ML-22509. Please find attached a general arrangement drawing regarding proposed seal locations, construction, and sequence for the above referenced project.

PacifiCorp submits that the proposed sealing and abandonment is in compliance with the terms, conditions and stipulations of the referenced leases. In support of this project we submit that the following conditions have been fully satisfied:

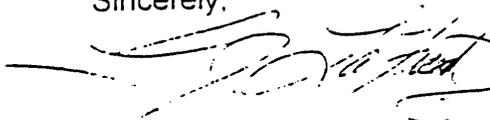
- (1) all practical and economical coal reserves have been mined from this area in accordance with the approved R2P2 and it's subsequent minor modifications,
- (2) all associated heavy mining equipment, machinery and materials have been removed from this area, and
- (3) a complete underground environmental audit (walk through) of this area was conducted on May 18, 1999 by representatives of the Utah BLM State Office, State of Utah Department of Health Division of Solid and Hazardous Waste, Energy West and Interwest.

This proposed sealing project is critical to the Deer Creek Mine's ventilation and mine dewatering systems. Your concurrence that the lease terms have been satisfied together with your approval to proceed with the placement of permanent seals as shown on the attached drawing is hereby requested.

Your immediate attention to this request is greatly appreciated. as we're hopeful to begin this sealing project during the month of September/October with completion prior to end-of-year 1999.

If you need additional information or have questions with regard to the above referenced matter, please feel free to call.

Sincerely,



Steven E. Kochevar, P.E.
Mine Planning Administrator
Interwest Mining Company

One (1) Enclosure

Enclosure #1: DEER CREEK MINE 9th WEST THROUGH 3rd WEST SEALING PROJECT [DATED 08/02/99].

cc: Doug Koza, BLM
Dan Baker, IMC
Steve Kochevar, IMC
Scott Child, IMC
Blake Webster, IMC
Keith Sinsel, EWMC
Jim Noyes, EWMC
Carl Pollastro, EWMC
Chuck Semborski, EWMC
Lew Tonc, EWMC
L.J. LaFrentz, EWMC