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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

015/018 Incoming
cc: Pam ok
Steve D.

IN REPLY REFER TO:

3482
SL-070645
U-024317
(UT-923)

AUG 5 2002

Certified Mail--Return Receipt Requested

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

Re: Minor Modification of Resource Recovery and Protection Plan (R2P2), 4th Right Setup and Bleeder Location, Hiawatha Seam, Deer Creek Mine.

Dear Mr. Kochevar:

The Bureau of Land Management (BLM) has received a request to change the approved R2P2 at the subject mine. The modification addresses the proposed setup and bleeder entries of the 4th Right longwall development in the North Rilda area in the Hiawatha Seam. The area in question is located on Federal coal lease U-024317.

Interwest proposes to stop development of the 4th Right gate entries at crosscut 72 and mine new bleeder entries (possibly using these entries as longwall set up entries) between 4th and 5th Right at crosscut 68. In addition, an exploration entry would be mined 100 feet into the longwall block at crosscut 67 to verify conditions in the seam. Interwest reports that mining has encountered a system of sandstone channel features that has lowered the seam height from 9 feet down to 4 ½ feet at crosscut 72. Longwall mining through this area with a minimum 7 feet cutting height would result in unacceptable coal quality.

The BLM has inspected the area in question and witnessed the conditions. Coal seam height thins from 9 feet at crosscut 64 to 6 feet from crosscut 65 through crosscut 68. Height varies from 8 to 6 feet from crosscut 68 through 71, then thins dramatically to 4.5 feet just past crosscut 71. The trend of the channel system noted in the two entries of 4th Right indicates that the low coal extends to the north into the longwall block between 4th and 5th Right. The exact extent of the low coal into the longwall block is unknown as few indications were encountered in 5th Right. (Reference: Inspection Report SLF061902.)

The proposal has been evaluated by the BLM and we find it acceptable and logical. Further east development of 4th Right would force the cutting of 2 to 3 feet of rock with only 4 to 5 feet of coal with no assurance that the coal height would increase in any short distance east. Likewise, if the longwall were to mine through this block, the thin coal in the entries would undoubtedly extend for some distance into the block north and force the longwall to cut similar rock and coal horizons. Conservative estimates we have run show ash content of the coal well above 20 percent in this area. Should minable reserves exist east of this channel system, access is still available (as proposed by Interwest) through mining the next gate entry system, 3rd Right. Hence, Interwest's plan to mine the three entry bleeders at crosscut 68 and a 100 foot exploration entry at crosscut 67 is a logical attempt to bypass the channel system and prove out the coal thickness into the longwall block.

This letter confirms the verbal approval given on 26 June 2002, by our inspector to halt the 4th Right development and begin the bleeder entries at crosscut 68 along with the exploration entry at crosscut 67. Should the exploration entry show favorable conditions in the block, Interwest is approved to set and mine the 4th Right longwall at the setup/bleeder entries at crosscut 68. Please notify the Price Field Office if this is the result. Should the exploration entry show unfavorable conditions, we will need to check the conditions to approve the alternative setup entries at crosscut 64.

We understand Interwest plans to conduct in-seam exploration drilling for better determining the geologic conditions and the optimum plans for mining in the next longwall panel(s). BLM encourages such an effort.

The modification of the R2P2 complies with the Mineral Leasing Act of 1920, as amended, the regulations at 3480, and the lease terms and conditions and will achieve maximum economic recovery of the federal coal. The modification to the 4th Right longwall development is approved as outlined above. If you have any questions, please contact Stephen Falk at the Price Field Office (435) 636-3605 or Stan Perkes of my staff at (801) 539-4036.

Sincerely,

[Signature]
James Kohler

James Kohler
Chief, Solid Minerals Branch

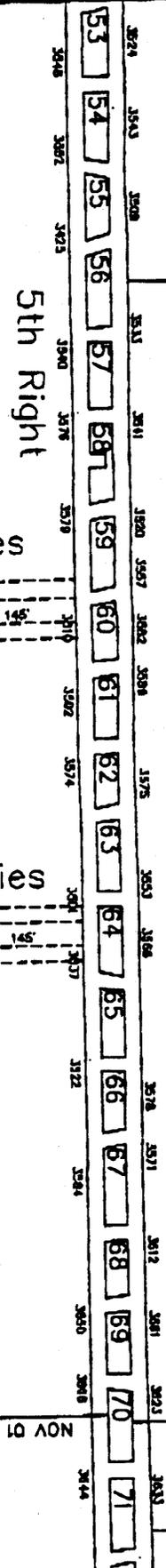
Enclosure

Approved Mine Map

cc: UT-070, [with original Certified Mail Receipt], SL-070645; U-024317 (w/encl.)
Utah Division of Oil Gas and Mining (w/encl.)
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801
Energy West Mining Company (w/encl.)
P. O. Box 310
Huntington, Utah 84528
Mine File SLO – Deer Creek Mine

APRIL 02

MARCH 02



4th Right

U-024317

U-2810



SL-051221

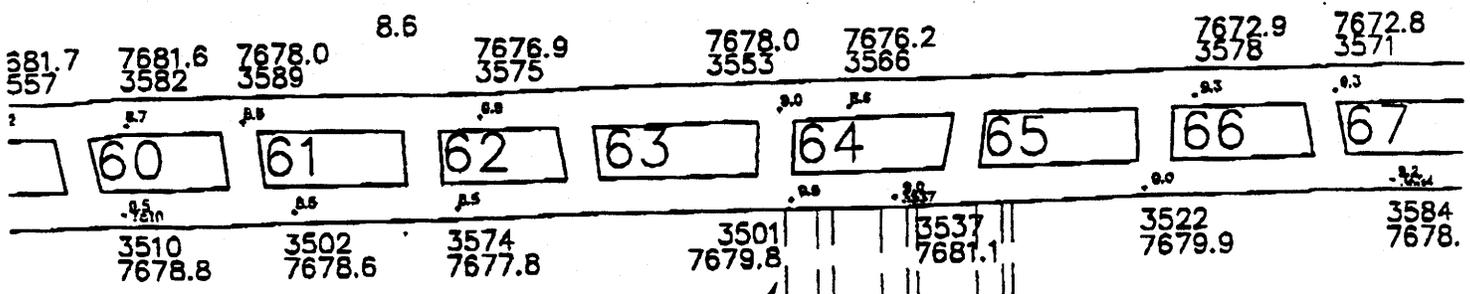
ENERGY WEST MINING COMPANY
 HUNTINGTON, UTAH 84308

DEER CREEK MINE
4TH RIGHT SECTION
PROPOSED SETUP/BLEEDER ENTRIES

Drawn by: *S. K. Beck* / B/D/02
 2

SCALE: 1" = 200'
 DATE: JUNE 20, 2002
 SHEET 1 OF 1

CAD FILE NAME/DWG# 4THRIGHT/SETUP/DWG



Adendum:
Proposed Option to
Submitted RRP2
MODIFICATION DATED
06/20/02!
 FIRST & LAST 50'
 CUT 28' WIDE
[Signature]
 06/26/02

CUT #1 ENTRY 24' WIDE
 CUT #2 & #3 20' WIDE

EXPLORATION ENTRY
 15'X100'

