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DIV OF OIL GAS & MINING

March 29, 2003

Hand Delivered

Utah Coal Program
 Utah Division of Oil, Gas, and Mining
 1594 West North Temple, Suite 1210
 P O Box 145801
 Salt Lake City, Utah 84114-5801

A handwritten signature in cursive script, followed by the date 'C/015/018' written in a similar cursive style.

RE: Mill Fork Lease Volume 12 Clean Copy Submittal, PacifiCorp, Deer Creek Mine, C/015/018-PM011, Emery County, Utah

PacifiCorp, by and through its wholly-owned subsidiary, Energy West Mining Company ("Energy West") as mine operator, received approval on March 5, 2003 to incorporate the Mill Fork Lease into the Deer Creek Mine Permit. Enclosed are seven clean copies of the following information to finalize Volume 12:

- Map Labels (apply each label to the appropriate map sleeve)
- Volume 12: Introduction Section: Replace Figure 1
- Volume 12: R645-301-300, Replace Text Section
- Volume 12: R645-301-400, Replace Text Section
- Volume 12: R645-301-500, Replace Text Section
- Volume 12: R645-301-600, Replace Text Section
- Volume 12: R645-301-700, Replace Text Section
- Volume 12: R645-301-700, Figure Tab: Replace Figure MFHF1
- Volume 12: R645-301-700, Replace Appendix A

In addition to the Volume 12 information, enclosed is the signed copy of the Deer Creek Mine Permit. Please return the following data for incorporation in our permit:

- Volume 12: Complete Volume including the Separate Volume Entitled "Mill Fork Spring & Seep Survey 2000-2001: Appendix C"
- Volume 1: Legal And Financial Information including Appendices (submitted on February 12, 2003)
- Volume 4: Maps 1-1 and 1-2 (submitted on February 12, 2003)

Huntington Office:
 (435) 687-9821
 Fax (435) 687-2695
 Purchasing Fax (435) 687-9092

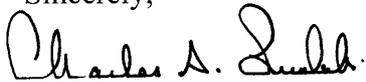
Deer Creek Mine:
 (435) 687-2317
 Fax (435) 687-2285

Trail Mountain Mine:
 (435) 748-2140
 Fax (435) 748-5125

Division of Oil, Gas Mining
Mill Fork Lease Clean Copy Submittal
March 29, 2003
Page Two

If you have any questions or concerns regarding this document, please contact myself at (435) 687-4720 or Dennis Oakley at (435) 687-4825.

Sincerely,



Charles A. Semborski
Permitting/Geology Supervisor

Enclosure: C1/C2 Forms
Volume 12 Clean Copy Information

cc: Carl Pollastro, EWMC w/o enclosures
Scott Child, IMC w/o enclosures

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: PacifiCorp

Mine: Deer Creek Mine

Permit Number: C/015/018

Title: Mill Fork Lease Clean Copy Submittal PacifiCorp, Deer Creek Mine, C/015/018-PM01I, Emery County, Utah.

Description, Include reason for application and timing required to implement:

Volume 12 Approved March 5, 2003: Required Clean Copy Submittal

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ increase decrease.
- Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
- Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes No 6. Does the application require or include public notice publication?
- Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes No 9. Is the application submitted as a result of a Violation? NOV # _____
- Yes No 10. Is the application submitted as a result of other laws or regulations or policies?
Explain: _____
- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Charles A. Semborski
Print Name

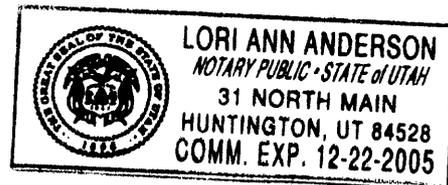
Charles A. Semborski

Geology/Permitting Supervisor 3-31-03
Sign Name, Position, Date

Subscribed and sworn to before me this 31 day of March, 2003

Lori Ann Anderson
Notary Public

My commission Expires: _____
Attest: State of Utah 12/22, 2005 } ss:
County of Emery



For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining

FEDERAL

PERMIT
C/015/018

March 5, 2003

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, suite 1210
Salt Lake City, Utah 84114-1210
(801) 538-5340

This permit, C/015/018, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

PacifiCorp
201 South Main Street
Salt Lake City, Utah 84140-0021
(801) 220-4618

for the Deer Creek Mine. A Surety Bond is filed with the Division in the amount of \$3,000,000, payable to the State of Utah, Division of Oil, Gas and Mining and the United States Department of Interior, Office of Surface Mining Reclamation and Enforcement (OSM). The Division must receive a copy of this permit signed and dated by the permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 PERMIT AREA - The permittee is authorized to conduct coal mining and reclamation operations on the following described lands within the permit area at the Deer Creek Mine, situated in the state of Utah, Emery County:

Township 16 South, Range 6 East, SLB&M Emery County, Utah

Section 1: SE $\frac{1}{4}$.
Section 10: E $\frac{1}{2}$ E $\frac{1}{2}$ SE $\frac{1}{4}$.
Section 11: All.
Section 12: All.
Section 13: All.
Section 14: All.
Section 15: E $\frac{1}{2}$ E $\frac{1}{2}$.
Section 22: Lots 1, 2, 4, 5, 6, 7, E $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$.
Section 23: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$.
Section 24: N $\frac{1}{2}$.
Section 25: E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$.
Section 36: All.

Township 16 South, Range 7 East, SLB&M Emery County, Utah

- Section 6: Lots 5, 6, 7, 8, S $\frac{1}{2}$ SE $\frac{1}{4}$.
- Section 7: All.
- Section 8: NW $\frac{1}{4}$ NW $\frac{1}{4}$.
- Section 18: Lots 1, 2, NE $\frac{1}{4}$.
- Section 19: Lots 2, 3, W $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$.
- Section 20: E $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$.
- Section 21: S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$.
- Section 22: SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$.
- Section 27: SW $\frac{1}{4}$.
- Section 28: W $\frac{1}{2}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$.
- Section 29: All.
- Section 30: E $\frac{1}{2}$, Lot 4.
- Section 31: All.
- Section 32: All.
- Section 33: All.
- Section 34: NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$.

Township 17 South, Range 6 East, SLB&M Emery County, Utah

- Section 1: Lots 1, 2, 3, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$.
- Section 12: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$.
- Section 13: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$.
- Section 24: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$.
- Section 25: N $\frac{1}{2}$ NE $\frac{1}{4}$,
Beginning at the SE corner of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 25, T17S, R6E,
SLB&M; Thence, north 160 rods, west 116 rods to the center line of the
Cottonwood Creek; thence southerly along centerline of said creek to a
point 84 rods west of the beginning; thence, east 84 rods to the beginning.

Township 17 South, Range 7 East, SLB&M Emery County, Utah

- Section 2: Lots 2, 5, 6, 7, 10, 11, 12, SW $\frac{1}{4}$, SE $\frac{1}{4}$.
- Section 3: W $\frac{1}{2}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$.
- Section 4: All.
- Section 5: All.
- Section 6: All.
- Section 7: All.
- Section 8: All.
- Section 9: All.
- Section 10: All.

Section 11: N¹/₂ NW¹/₄, SW¹/₄ NW¹/₄, Portions of the SE¹/₄ NW¹/₄ west of the Deer Creek fault, W¹/₂ W¹/₂ SW¹/₄, Portions of the E¹/₂W¹/₂ SW¹/₄ west of the Deer Creek fault.

Section 14: Portions of the NW¹/₄ NW¹/₄ west of the Deer Creek fault, Portions of the SW¹/₄ NW¹/₄ west of the Deer Creek fault, Portions of the NW¹/₄ SW¹/₄ west of the Deer Creek fault, Portions of the SW¹/₄ SW¹/₄ west of the Deer Creek fault.

Section 15: All.

Section 16: All.

Section 17: All.

Section 18: All.

Section 19: All.

Section 20: All.

Section 21: All.

Section 22: W¹/₂, NE¹/₄, W¹/₂ SE¹/₄, W¹/₂ E¹/₂ SE¹/₄, Portions of the E¹/₂ SE¹/₄ SE¹/₄ west of the Deer Creek fault, Portions of the SE¹/₄ NE¹/₄ SE¹/₄ west of the Deer Creek fault.

Section 27: N¹/₂ NW¹/₄, NW¹/₄ NE¹/₄, W¹/₂ E¹/₂ NE¹/₄, Portions of the E¹/₂ E¹/₂ NE¹/₄ west of the Deer Creek fault.

Section 28: N¹/₂ N¹/₂.

Section 29: N¹/₂ N¹/₂.

Section 30: Lots 1, 5, 6, N¹/₂ NE¹/₄, SW¹/₄ NE¹/₄, NW¹/₄ SE¹/₄.

Beltline Corridor

Beginning at a point S 0° 22' E, 142.4 feet from the SW corner of NW¹/₄ of Section 1, T17S, R7E, SLB&M; thence, N 49° 53' 23" E, 2395.4 feet; thence, S 40° 10' 42" E, 101.94 feet; thence, S 49° 52' 03" W, 2481.12 feet; thence, N 0° 22' W, 276.25 feet to the point of beginning.

Waste Rock Site

Beginning 10 feet South of the NE corner of Section 6, T17S, R8E, SLB&M; thence, S 89° 52' 00" W, 1272 feet; thence S 0° 08' 00" E, 600 feet; thence, S 83° 28' 43" E, 302.035 feet; thence, S 72° 54' 35" E, 314.083 feet; thence, S 63° 06' 41" E, 224.508 feet; thence, S 48° 18' 17" E, 268.404 feet; thence, S 20° 06' 29" W, 1066.848 feet; thence, S 39° 24' 03" W, 855.358 feet; thence, S 41° 10' 40" E, 100 feet; thence N 43° 39' 42" E, 1635.000 feet; thence, N 31° 02' 18" E, 412.959 feet; thence N 22° 58' 45"

E, 1310.908 feet; thence, N 89° 40' 41", 740.000 feet; to the point of beginning.

The permittee is authorized to conduct coal mining and reclamation operations on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

- Sec. 3 COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4 PERMIT TERM** - This permit is effective March 5, 2003, and expires on February 7, 2006.
- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Division Director. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13 {e} and R645-303-300.
- Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- (a) have the rights of entry provided for in 30 CFR 840.12, R645-400-220, 30 CFR 842.13 and R645-400-110;
 - (b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by the private person.
- Sec. 7 SCOPE OF OPERATIONS** - The permittee shall conduct coal mining and reclamation operations only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.
- Sec. 8 ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:
- (a) Any accelerated or additional monitoring necessary to determine the nature and extent of noncompliance and the results of the noncompliance;

- (b) immediate implementation of measures necessary to comply; and
- (c) warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:

- (a) in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- (b) utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 11 EXISTING STRUCTURES - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

Sec. 12 RECLAMATION FEE PAYMENTS - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.

Sec. 13 AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec. 14 COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

Sec. 15 PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit area in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 16 CULTURAL RESOURCES - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division of Oil, Gas, and Mining. The

Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by the Division within the time frame specified by the Division.

Sec. 17 APPEALS - The permittee shall have the right to appeal as provided for under R645-300-200.

Sec. 18 SPECIAL CONDITIONS - There are special conditions associated with this permitting action as described in attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them.

These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: Jawell P Brafter

Date: 3/5/03

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.



Authorized Representative of
the Permittee

Date: 3/25/2003

Attachment A

SPECIAL CONDITIONS

1. If during entry development, sustained quantities of groundwater are encountered which are greater than 5 gpm from a single source in an individual entry, and which continue after operational activities progress beyond the area of groundwater production, PacifiCorp must monitor these flows for quality and quantity under the approved baseline parameters. PacifiCorp will notify the Division within 24 hours prior to initiation of monitoring.
2. This special condition is for normal working circumstances and does not apply in an emergency situation: Vehicle access will not be allowed in Rilda Canyon from December 1 to April 15 for construction, maintenance and/or repair of the Rilda Canyon Surface Facilities without prior written approval from the Division. Access will be allowed to the Rilda Canyon Surface Facilities through the Deer Creek Mine portals.
3. PacifiCorp will submit water quality data for the Deer Creek Mine beginning with data for the second quarter of 2001 in an electronic format through the Electronic Data Input web site, <http://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi>.
4. Within 30 days of permit issuance, PacifiCorp must correct the discrepancy in the plan (page 5-23 statement indicating that the transmission line will not be undermined vs. mine plan drawings showing mining underneath the line) with regard to undermining the 345KV power line and obtain comments from the power line owners with regard to the mine's proposed mining plan in the vicinity of the power line (R645-301-525.312).