



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
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Salt Lake City, UT 84145-0155

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U-06039
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MAY 16 2003

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Certification No.

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

*See
2/15/03
by Sharon
PAM*

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

Dear Mr. Kochevar:

The Bureau of Land Management (BLM) received on January 6, 2003; a request from Interwest Mining Company to change the approved R2P2 at the subject mine. The modification requests the current 4th Right longwall be extracted at crosscut # 21 in the North Rilda area in the Hiawatha Seam. The area in question is located on Federal coal lease U-06039.

Interwest proposes to stop the longwall advance and extract the longwall at crosscut #21 of the 4th Right longwall panel. Interwest reports that mining has been cutting across a sandstone channel system that has followed in the longwall face for over 1500 feet. Scouring of the coal seam has increased along the length of this channel where current coal height is down to 5 feet. Interwest states that ash content of the run of mine coal has been increasing up to + 17% for much of the month of December. The amount of blending of the high ash coal has gone beyond the limits of the Huntington Plant and the severity of the scour system is likely to increase with further face advance.

The BLM has inspected the area in question and witnessed the conditions. Current coal height in the middle of the face was reduced to less than 7 feet for over 150 feet across the face. The middle of the scour was down to 5 feet. The dip of the channel roll was very steep on the edges and the face conveyor and shear had to grade into the dip forcing the shear to cut rock. At the edges of the channel, the coal horizon near the roof showed large splits of rock and bone coal, nearly 2 feet of a 8 foot seam. The amount of the scour and the extent of the dip have increased from crosscut 30 (December 10 inspection) and crosscut 23 (January 6 inspection). The hardness of the sandstone in the scour is affecting machinery as the shear cuts. Interwest has provided ash content tables for the receiving Huntington Power Plant during this time frame. The average received coal at the plant has increased over the two month period and is well above acceptable levels.

The proposal has been evaluated by the BLM and we find it acceptable and logical. Further west advance of

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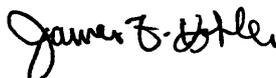
the 4th Right longwall would force the shear to cut from 1 to 2 feet of rock for at least one third of the face width. A likely projection of the channel system indicates that the scour zone would continue to the big roll at headgate crosscut 15 with a projected bend in the channel which usually shows more dramatic scouring of the coal. We agree that there is no indication that the scour zone will go away and Interwest has reached the limits of the high ash coal that the plant can handle.

Thank you for your letter of 21 January 2003 describing the position of Energy West: "...that there is no intent of second mining of pillars or barriers in the Deer Creek, Trail Mountain, or Cottonwood Mines." However, BLM is required to ensure maximum economic recovery is achieved for all coal reserves of a coal lease; therefore it is necessary to numerically demonstrate that a particular block of coal and/or pillars of coal are uneconomic to recover before they can be abandoned. Several other mines in the same or similar geologic formations and market areas, either are, or in the recent past have, successfully recovered blocks and pillars of coal without the use of longwall mining methods.

Accordingly, it is necessary to recover the 223,000 tons of in-place coal left outby from cross-cut 16 to the original longwall recovery room at cross-cut 7. This tonnage projection of in-place coal extends from Cross-cut 16 as the outby end of the low and steeply dipping coal area to cross-cut 7 as shown on the mine plan for 4th Right: "Deer Creek Mine 4th Right Longwall - Approved and Proposed Recovery Locations", Energy West Drawing #1, dated 17 Oct 2002. Please provide the mining plan for recovery of these reserves including: projected in-place tonnages, tonnage to be recovered, the month and year for recovery, and the sequence of mining of other coal reserves before this coal will be mined.

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 extract the 4th Right longwall at crosscut 21 is approved as submitted. If you have any questions, please contact Stephen Falk at the Price Field Office (435) 636-3605 or Jeff McKenzie of my staff at (801) 539-4038.

Sincerely,



James F. Kohler
Chief, Solid Minerals Branch

1 Enclosure

1-Map 1 (1pg)

cc: UT-070, Steve Falk
Price Lease file U-06039, SL-070645
Mary Ann Wright
Utah DOGM
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801
Energy West Mining Company (w/encl.)
P. O. Box 310
Huntington, Utah 84528
Stan Perkes, Jeff McKenzie
Deer Creek Mine Case File

