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cc: PJK ✓



December 9, 2002

Huntington Cleveland Irrigation Company
 71 North Main Street
 Huntington, Utah 84528

Emery Water Conservancy District
 50 South 100 East
 Castle Dale, Utah 84513

Post-it® Fax Note	7671	Date	2/4	# of pages	3
To	Pam Grobaugh	From	Pete Hess		
Co./Dept.	Lithg	Co.	PFO-DOG M		
Phone #	SLO-DOG M	Phone #			
Fax #	Mill Fork	Fax #			

Subsidence Notification

Subject: Mill Fork Lease Pre-Subsidence Survey Notice, PacifiCorp, Deer Creek Mine, Emery County, Utah

PacifiCorp, by and through its wholly-owned subsidiary, Energy West Mining Company ("Energy West") as mine operator, in compliance with State of Utah Coal Regulatory Program Rules R645-301-525.130 has conducted a survey of all State-appropriated water supplies within and adjacent to the projected Mill Fork permit area expansion. The following details the Mill Fork permitting process:

PacifiCorp originally submitted (Mill Fork Lease Volume 12) on October, 2001. On December 21, 2001, the Division determined the application to be administratively complete and commenced their technical review of the supplied information.

For four consecutive weeks in January, 2002, PacifiCorp published the required public notice to increase the size of the Deer Creek Mine permit area. One comment was received by Emery County water users requesting an informal conference to discuss water related issues within the lease tract. On March 6, 2002, PacifiCorp met with the Division and the concerned Emery County water users.

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DIV. OF OIL, GAS & MINING

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
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On February 7, 2002, PacifiCorp received the technical review for the Mill Fork Lease mining application. The Division found deficiencies that needed to be addressed prior to approval. The Division required PacifiCorp to respond to the deficiencies by March 15, 2002. On March 7, 2002, PacifiCorp received USFS comments concerning the mining lease application. Their comments were dated February 25, 2002. PacifiCorp requested a 30 day extension to adequately respond to both the concerns of the Division, as well as, the Forest Service. PacifiCorp submitted revisions to the plan on April 15, 2002.

On October 10, 2002, PacifiCorp received the technical review for the Mill Fork Lease mining application. The Division found deficiencies that needed to be addressed prior to approval. The Division required PacifiCorp to respond to the deficiencies by January 10, 2003. PacifiCorp submitted revisions to the plan on December 4, 2002.

Prior to submitting the original Mill Fork permit application, PacifiCorp/Energy West initiated a comprehensive review of the surface and ground water hydrologic resources. The entire area of the Mill Fork Lease and adjacent area was traversed. During the field reconnaissance process, when water resources were encountered, they were tracked to the source. At the sources, the sites were located utilizing GPS surveying techniques, digitally photographed, field marked with a brass tag and measurements were taken of flow and temperature. In addition to the field measurements, PacifiCorp collected baseline water quality samples. Not all sites were sampled, collection of water quality samples were restricted to sites where representative samples could be obtained. At selected sites, springs were also sampled for isotopic data. These sites were selected based on geographic location, geologic formation and occurrence. Meetings with the water users, Division of Water Rights and the surface land administrator were instrumental in locating all of the groundwater resources and development of a comprehensive hydrologic monitoring program. Energy West appreciates the collective effort of those involved.

Energy West initiated mining the Mill Fork Access in the Hiawatha coal seam in October 2002. Mining will occur within the currently approved permit area until September 2003. Based on the mine plan provided in the December 4, 2002 submittal (Volume 12 of the Deer Creek Mine Permit: Mill Fork Lease), development mining in the Mill Fork Lease will begin during October 2003. The first longwall panel is projected to start production during August 2005. Data concerning the pre-subsidence survey is on file at the Emery County Courthouse and at Energy West's main office located in Huntington.

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

Sincerely,



A. Carl Pollastro
Manager Administration/Technical Services

Enclosure:

Cc: DOGM Coal Regulatory Program
Chuck Semborski (EWMC)
File: Deer Creek Mine
Mill Fork Lease Pre-Subsidence Notice

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