



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
 P.O. Box 45155
 Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY PLEASE REFER TO:

3482
 SL-070645
 U-084923
 (UT-923)

AUG 25 2004

Certified Mail--Return Receipt Requested

Mr. Carl Pollastro
 Director of Technical Services and Project Development
 Interwest Mining Company
 One Utah Center, Suite 2000
 Salt Lake City, Utah 84140-0200

RECEIVED
 AUG 26 2004
 DIV. OF OIL, GAS & MINING

8/15/0018
Please e-mail
Wayne, Jr Smith,
Steve D.
(bids shop #1)

Re: Minor Modification of Resource Recovery and Protection Plan (R2P2), 1st, 2nd, and 3rd
 Left off 3rd North Mains Longwall Block, Blind Canyon Seam, Deer Creek Mine.

Dear Mr. Pollastro:

The Bureau of Land Management (BLM) received on March 11, 2004, a request from Interwest Mining Company to change the approved R2P2 by revision and inclusion of longwall panels 1st, 2nd, and 3rd Left off 3rd North Mains at the subject mine. The area in question is located on the south side of the Roan's Canyon fault near the 3rd North Mains crossing, Blind Canyon Coal Seam, on Federal coal leases U-084923 and SL-070645.

Interwest proposes to mine 3 longwall panels in succession in the Roan's Canyon Fault crossing area after completing the last longwall panel (8th Right) in the Hiawatha seam North Rilda Ridge area. This is a change from the previously approved R2P2 as this area was to be mined at the end of the mine life and with a different configuration. Interwest requests these changes to allow for longwall mining without stopping so that longwall development can be completed in the Mill Fork Lease.

A chronology of events will best present the submission and justification of the R2P2:

With the number of longwall panel changes and the deletion of reserves due to adverse geologic conditions in the North Rilda Ridge area and the extended time to access Mill Fork reserves, Interwest needed additional longwall production panels to maintain longwall production before new panel development in the Mill Fork Lease area was completed. Two areas for longwall production panels were chosen where longwall mining was previously scheduled at the end of the mine life. The first area (called 1st, 2nd, and 3rd Left off 3rd North Mains) is a triangular block of coal between the Roan's Canyon Fault, First West Mains and 3rd North Mains. The first area is the subject of this modification.

Two longwall panels were previously planned for this area (2nd and 3rd Left headgates). The second area, with one planned longwall panel, is on the north side of the Roan's Canyon Fault, directly opposite the first area, called 2nd West off 3rd North Mains. The BLM gave verbal approval in September, 2003 to begin longwall development of 1st, 2nd, and 3rd Left gateroads with Interwest to submit updated R2P2 timing maps. No sooner than Interwest began development of 1st Left, that mining encountered a fluvial sandstone channel that had scoured the coal down below 6 feet (much less in some places). Interwest informed the BLM that in-seam exploration drilling would begin and submission of final panel configuration would be submitted based on the results of the drilling. BLM inspected the area during this time.

With the results of the drilling, Interwest submitted the referenced revised R2P2 on March 11, 2004. The 2nd Left panel (1st Left tailgate and 2nd Left headgate) would have to be stopped and extracted earlier near crosscut 17, as the channel scour curves from 1st Left tailgate north into the panel. The scour appears to diminish as it trends into the next panel north, 3rd Left Headgate, possibly allowing for full panel extraction. But the barrier pillar that was to be between 1st Left and the old First West Mains is now planned for longwall extraction for most of the length. This was a barrier pillar planned many years ago when initial exploration drilling found a low coal zone along a roughly east/west trend across the lease property. A surface powerline corridor was laid out along this trend as well as the north barrier to the then planned long term mine access route of First West Mains. Now that First West Mains is no longer needed for access and the low coal is only in the front part of the panel, Interwest plans to develop a longwall panel in this former barrier pillar. Existing powerline structures appear to be outside areas of substantial subsidence from mining that could affect these structures, but mitigation agreements are in place to correct any negative affects to the powerline. Hence, this new third panel (1st Left headgate) is now planned for extraction.

The BLM has evaluated and concurred with Interwest's process to delineate panels for maximum recovery, while dealing with adverse and complex geologic structures of unknown extent. We agree with the main justification for the need to mine these panels now instead of the end of the mine life. The number of changes in the North Rilda Ridge mining area due to geologic conditions have left no time for longwall panel development in the Mill Fork lease area before the longwall needs to move to Mill Fork and maintain continuous longwall production. Mining these 3 interim panels now will not affect any long term access to any future reserves as these panels are isolated by barrier pillars which protect the main entries. We agree that this is the best solution to maintain longwall production while preparing for mining the Mill Fork lease area.

The BLM has inspected the area three times (01/27/04, 04/28/04, and 05/26/04) and has observed the sandstone channel system and the amount of scouring of the coal seam (geologic map enclosed for reference). The configuration of the panels is logical and is the best effort to maximize coal recovery and stay away from the potentially hazardous conditions of the fault and the channel scour. The length of panels 2nd and 3rd Left were determined (crosscut 34 in 2nd Left and crosscut 25 in 3rd Left) as mining approached the Roan's Canyon Fault, conditions evaluated, and directional drilling completed. A supplemental R2P2 modification submittal for the length of the panels was submitted on June 4, 2004. BLM inspected the 2nd Left area on May 26, 2004 and gave verbal approval for the length of the panels based on drilling showing fault evidence at 200 feet from the entries, the poor roof and rib conditions from sympathetic fractures from the fault, and the amount of water inflow at 2nd Left crosscut 34. BLM will continue the inspection process as the exploration and mining progresses.

BLM agrees with the PacifiCorp assessment of the reduction of coal reserves as provided by PacifiCorp in a "Request for R2P2 (Resource Recovery and Protection Plan) Modification"

subsequently provided by PacifiCorp (dated 4 June 2004): 2nd Left LW panel: 25,000 fewer recoverable tons; 3rd Left LW panel: 70,000 fewer recoverable tons. This reduction is from the previously verbally approved plans for the mining of 2nd and 3rd Left longwall panels.

As part of the March 11, 2004 submittal, Interwest showed new mining plans for the proposed Rilda Canyon portals, called 1st Right Sub-mains for portal access. Since this submission, alternative locations for the Rilda Canyon portals are being evaluated. Though we agree in principle for the need for portals in Rilda Canyon and the use of 1st Right Sub-mains as the access for the portals, we will take no action in this approval letter until the proposed portal locations are finalized.

This approval of a minor modification to an existing R2P2 is Categorically Excluded from National Environmental Policy Act (NEPA) analysis in that no new surface disturbance will occur from this action as stated in Overview of BLM's NEPA Process, February 1997, Appendix 2, page 2-7 (F)(7).

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 R2P2, as depicted on Map CM-10899-DR revised 3-9-04, is approved as submitted. A copy of the approved mine map is enclosed. 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

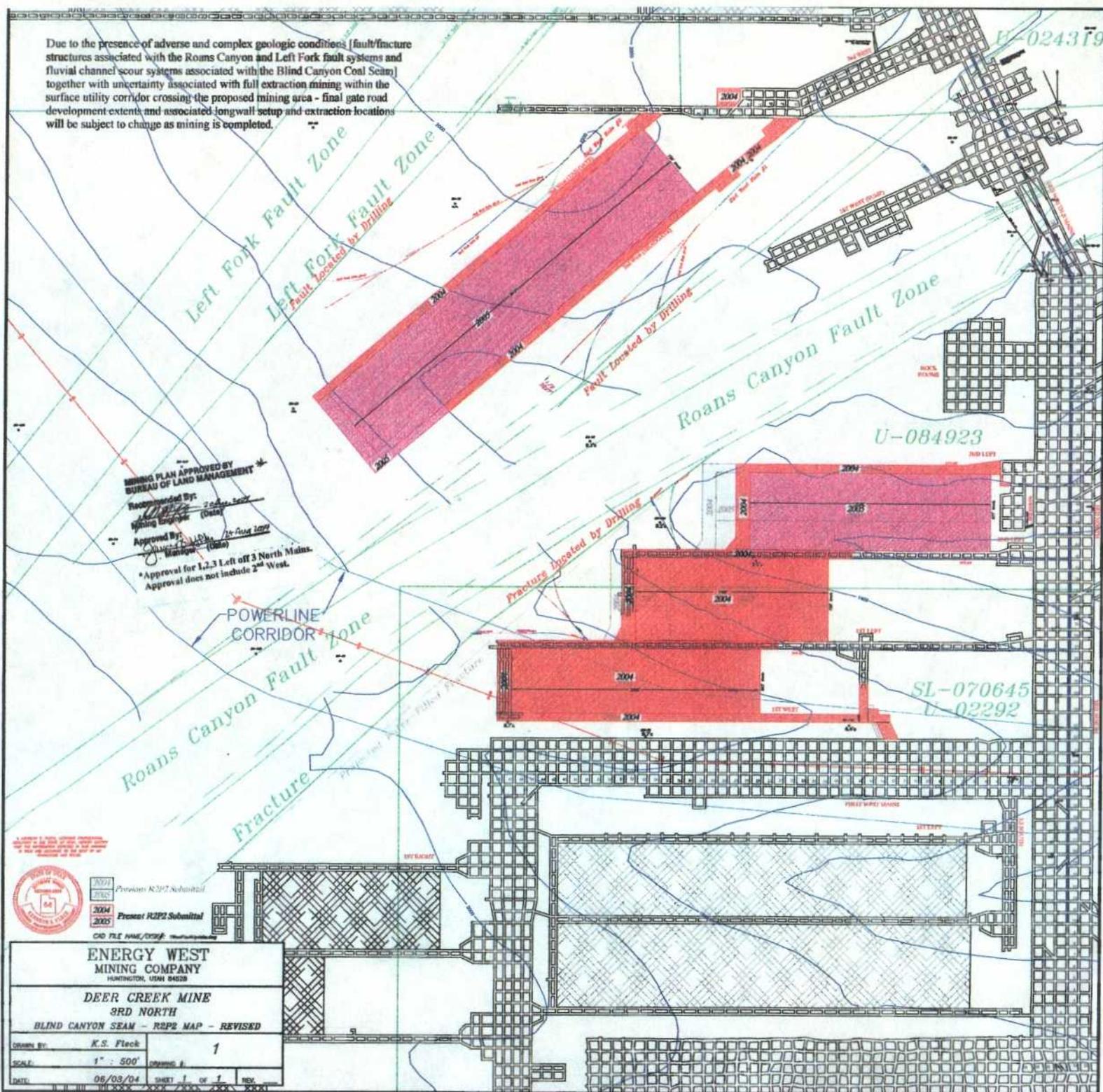
James F. Kohler
Chief, Branch of Solid Minerals

2 Enclosures

1. Approved Mine Map
2. Reference Geologic Map

cc: UT-070, Price, Utah (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

Due to the presence of adverse and complex geologic conditions (fault/fracture structures associated with the Roams Canyon and Left Fork fault systems and fluvial channel scour systems associated with the Blind Canyon Coal Seam) together with uncertainty associated with full extraction mining within the surface utility corridor crossing the proposed mining area - final gate road development extent and associated longwall setup and extraction locations will be subject to change as mining is completed.



MINING PLAN APPROVED BY
BUREAU OF LAND MANAGEMENT

Recommended By:
Mining Engineer
(Date)

Approved By:
Manager
(Date)

*Approval for 1,2,3 Left off 3 North Mains.
Approval does not include 2nd West.

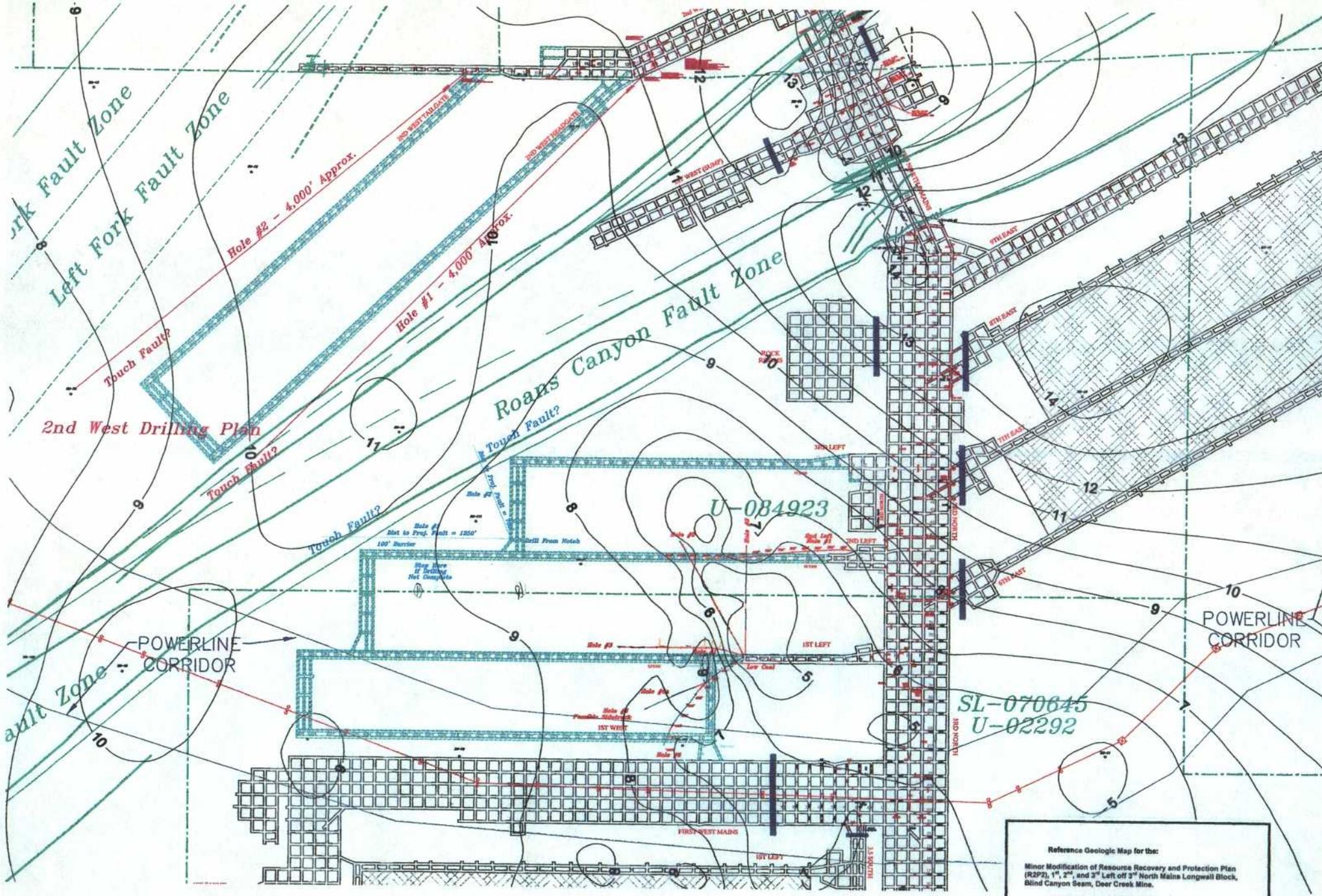
POWERLINE
CORRIDOR



2001 Previous R2P2 Submitted
2004 Present R2P2 Submitted
2005

OLD FILE NAME/DATE:

ENERGY WEST MINING COMPANY	
HUNTINGTON, USA#1 84828	
DEER CREEK MINE 3RD NORTH	
BLIND CANYON SEAM - R2P2 MAP - REVISED	
DESIGNED BY:	K.S. Fleck 1
SCALE:	1" = 500'
DATE:	06/03/04
SHEET:	1 of 1
REV:	



U-084923

SL-070645
U-02292

Reference Geologic Map for the:
 Minor Modification of Resource Recovery and Protection Plan
 (R2P2), 1st, 2nd, and 3rd Left off 3rd North Main Longwall Block,
 Blind Canyon Seam, Deer Creek Mine.

Map provided by: Interest Mining Company
 One Utah Center, Suite 2000
 Salt Lake City, Utah 84140-0200

Bureau of Land Management
 Utah State Office
 12 August 2004