



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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3482, SL-070645/U-02292, U-084923, (UT-923)

JAN 25 2005

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

Acronis OK
1/15/2005
FAK PFO
Cory PAM, Wagon H,

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

Dear Mr. Pollastro:

The Bureau of Land Management (BLM) has received a request dated 9 Nov 2004 from Interwest Mining Company (Interwest) to change the approved R2P2 by recovering additional coal in Longwall Panel 2 West (west of 3rd North Mains).

Interwest proposes to drive access gates and drive the set-up entries at cross-cut 39 of the existing tailgate. This longwall panel was not originally included in the Resource Recovery and Protection Plan (R2P2) mining plans. However, it was shown on the map provided to BLM in August of 2004. This map was used for reference in the BLM approval of 1, 2, and 3 Left off 3 MN.

Extensive in-mine horizontal drilling and gate road development, has allowed Interwest to push the development beyond the point indicated on the August 2004 map. The set up rooms are now driven (following verbal approval by BLM) at a point just outby drill hole EM-37. This exploration and development effort has added 187,382 recoverable development and 1,075,935 recoverable longwall tons to the Deer Creek mine recoverable coal reserve base.

The development of the longwall gate was stopped due to thinning coal (under 7.5 feet) and extensive cap rock which could not be held by the continuous miners and it is projected the longwall shield could not catch and stop the cap rock from falling into the mined coal, increasing the ash to an unacceptable level. BLM most recently inspected the tailgate on 2 Nov 2004 and the headgate on 5 Jan 2005, confirming the conditions shown in the geologic projections by Interwest.

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DIV. OF OIL, GAS & MINING

BLM has found that the recoverable coal reserves will increase by some 1,263,316 tons with the proposed R2P2 change from the previous approved R2P2 modification for this area approved on 11 Mar 2004.

BLM approves development and longwall mining of 2 West off 3 Main North with the set up entries turned for the set up room to be accessed from cross-cut 39 of the existing tailgate.

This approval of a minor modification to an existing R2P2 is Categorical 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. The modification will achieve maximum economic recovery of the federal coal partly because of efforts to recover coal under a powerline right-of-way and continuing efforts to mine as near low coal areas as possible. The low coal areas are much larger than originally projected.

The modification to the R2P2, as depicted on Drawing #1 is approved, pending BLM approval of the final location of the longwall recovery room. 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

Chief, Solid Minerals

Enclosures:

Approved Mine 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

