

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

April 19, 2005

TO: Internal File

THRU: Pam Grubaugh-Littig, Permit Supervisor

FROM: James D. Smith, Environmental Specialist

RE: Supplemental Volume 1 - Lease Relinquishment Info, PacifiCorp, Deer Creek Mine, C/015/0018, Task ID #2214

SUMMARY:

This amendment adds BLM lease relinquishment decision documents to the Legal and Financial Volume, which is common to the MRPs of the Deer Creek, Des Bee Dove, and Cottonwood/Wilberg Mines. The documents and a tab page are to be inserted into Supplemental Volume 1, Phase I, II, and III Lease Relinquishment Information, which is a confidential volume common to the MRPs of all three PacifiCorp mines on East Mountain.

Appendix C of the Legal and Financial Volume (another volume common to the PacifiCorp mines) contains detailed coal-lease information that is affected by these lease relinquishments. Pages 1-1 through 1-12 of the Legal and Financial Volume have been updated. Several changes clarify that PacifiCorp is the Permittee and owner of the coal leases, rather than Utah Power and Light. Centralia Mining LLC is no longer listed as a PacifiCorp coal-mining interest.

The Division prepared a Tech Memo and TA, dated December 29, 2004. This Lease Relinquishment amendment was not approved because Appendix C – Surface/Subsurface Owners of Record and Right-of-Entry Information – in the Legal and Financial Volume and coal ownership maps in the Deer Creek, Des Bee Dove, and Cottonwood/Wilberg MRPs needed to be updated to include all lease relinquishment information from these BLM Decision Documents. The Permittee's response was received on April 1, 2005. The response covered not only the specific deficiencies identified in Appendix C but also updated Appendix A - Officer and Director Lists, Appendix E - Certificates of Liability, and Appendix G - Permit Boundary Descriptions. According to the cover letter and the C2 form, an updated Appendix D - NOV Information – was to have been included but apparently was inadvertently omitted from the submittal package.

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Another Tech Memo (dated April 8, 2005) and deficiency letter were prepared and the letter was mailed and e-mailed April 11, 2005. The Permittee responded by e-mail, with the corrected pages as Adobe .pdf attachments, on April 12, 2005. These corrected pages meet the deficiencies identified in the April 11 deficiency letter.

The Master TAs for the Deer Creek, Cottonwood/Wilberg, and Des Bee Dove Mine need to be updated for this amendment.

TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

Information on pages 1-1 through 1-12 in the Legal and Financial Volume has been updated to clarify that PacifiCorp is the Permittee and owner of the coal leases, rather than Utah Power and Light. Centralia Mining LLC is no longer listed as a PacifiCorp coal-mining interest. The Officer and Director List in Appendix A of the Legal and Financial Volume has been updated to as of November 4, 2004.

Findings:

Identification of Interests information that was submitted is sufficient to meet the requirements of the Coal Mining Rules.

VIOLATION INFORMATION

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132; R645-301-113

Analysis:

The Permittee has provided an updated list of all violation notices received during the three-year period preceding submittal of an application or amendment, by any coal mining and reclamation operation owned or controlled by either the applicant or by any person who owns or controls the applicant. NOV Information is in Appendix D of the Legal and Financial Volume.

Findings:

NOV information in the Legal and Financial Volume is sufficient to meet the requirements of the R645 Coal Rules.

RIGHT OF ENTRY

Regulatory Reference: 30 CFR 778.15; R645-301-114

Analysis:

The Permittee has provided copies of signed BLM Decision Documents that give dates when lease relinquishment decisions were finalized and descriptions of the lands and rights being relinquished. The Permittee requested the relinquishments on April 24, 1992, October 16, 1992, May 15, 1995, and June 12, 1995. The BLM accepted the lands as relinquished effective the date the Permittee filed the request (relinquishment of Lease SL-064607-064621 was initially rejected but later accepted.) Also included is a Decision Amendment dated April 2, 2004 that rectifies errors in legal descriptions and lease numbers in three of the February 2004 Decision Documents.

Copies of the BLM decision documents and a tab page are to be inserted into the Supplemental Volume 1, Phase I, II, and III Lease Relinquishment Information, which is a confidential volume shared by the MRPs of the Deer Creek, Cottonwood/Wilberg, and Des Bee Dove Mines.

The text on page 1 of the February 20, 2004 BLM Decision Document for lease U-2664 indicates 250.00 acres were relinquished but the description of the tract on page 2 shows only 140 acres, but 250.00 acres is the correct acreage relinquished. Both the Permittee and the BLM agree the total acreage relinquished (in two decisions) is 490 acres, 430 acres of the original 920-acre lease being retained by the Permittee.

Appendix C of the Legal and Financial Volume contains Ownership and Right of Entry information for the Deer Creek, Des Bee Dove, and Cottonwood/Wilberg Mines (plus the Trail

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Mountain Mine). Acreage descriptions in Appendix C have been updated to include the February and June 2004 relinquishments.

Appendix C shows 1,342.86 acres relinquished for lease U-47978 in December 1995, but the Jan 12, 1995 BLM Decision Document shows 1,347.31 acres. The Permittee has detailed their acreage calculations to justify their figure.

The BLM approved partial lease relinquishment as follows:

Date on Decision Document	Lease	Acres Relinquished	Remaining	Permit
Dec 14, 1995	SL-064607-064621*	293.92	320.00	DC
	SL-066116*	160.00	360.00	DBD
	U-02664*	240.00	680.00	DBD
	U-024319	40.00	1,000.00	DC
	U-47978*	1,347.31	2,000.00	C/W
	U-47979	<u>180.00</u>	883.38	DC
Subtotal – Dec 1995		2,261.23		
Feb 17, 2004	SL-066116*	360.00	0.00	DBD
Feb 20, 2004	SL-064607-064621*	Rejected	320.00	DC
Feb 20, 2004	SL-070645-U-02292	250.00	2,310.00	DC
Feb 20, 2004	U-02664*	250.00	430.00	DBD
Feb 20, 2004	U-47978*	1,820.00	180.00	C/W
Feb 20, 2004	U-1358	<u>160.00</u>	160.00	C/W, DC
Subtotal – Feb 2004		2,840.00		
June 24, 2004	SL-064607-064621*	<u>150.00</u>	170	DC
Total		5,251.23		

*- lease involved in more than one relinquishment decision.

The table in Section R645-301-114 shows a 2.41-acre permit/grant/lease from Andalex Resources, Inc has been added to the Deer Creek Mine permit area.

Plates 1-1 and 1-2 of the Des Bee Dove, Deer Creek, and Cottonwood/Wilberg Mine MRPs have been updated to show all the lease relinquishments. Plate 1-3 of the Cottonwood/Wilberg Mine was also updated.

Right of Entry information in the Deer Creek, Cottonwood/Wilberg, and Des Bee Dove Mine Master TAs is not adequate to cover this amendment, so all three Master TAs need to be updated.

Findings:

Right of Entry Information is adequate to meet the requirements of the R645 Coal Mining Rules.

LEGAL DESCRIPTION AND STATUS OF UNSUITABILITY CLAIMS

Regulatory Reference: 30 CFR 778.16; 30 CFR 779.12(a); 30 CFR 779.24(a)(b)(c); R645-300-121.120; R645-301-112.800; R645-300-141; R645-301-115.

Analysis:

Permit Boundary Descriptions in Appendix G have been updated to incorporate the BLM lease relinquishments.

Findings:

Descriptions of the permit boundaries are adequate to meet the requirements of the R645 Coal Mining Rules.

ENVIRONMENTAL RESOURCE INFORMATION

Regulatory Reference: Pub. L 95-87 Sections 507(b), 508(a), and 516(b); 30 CFR 783., et. al.

MAPS, PLANS, AND CROSS SECTIONS OF RESOURCE INFORMATION

Regulatory Reference: 30 CFR 783.24, 783.25; R645-301-323, -301-411, -301-521, -301-622, -301-722, -301-731.

Analysis:

Surface and Subsurface Ownership Maps

Plates 1-1 and 1-2 of the Des Bee Dove, Deer Creek, and Cottonwood/Wilberg Mine MRPs have been updated to show all the BLM lease relinquishments. Plate 1-3 of the Cottonwood/Wilberg Mine was also updated. (Note: The Des Bee Dove permit area reduction is not part of this current submittal. The updated Des Bee Dove MRP Plates 1-1 and 1-2 in this submittal show the correct, reduced Permit Area Boundary as it was approved December 12, 2001. The plates that are being replaced, approved March 11, 2005 as part of the relinquishment

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of the BLM RoW amendment - Task # 2109, showed the Permit Area Boundary incorrectly, as it was before the 2001 permit area reduction.)

Findings:

The information provided is adequate to meet the requirements of the Maps, Plans and Cross-Sections of Resource Information section of the Coal Mining Rules.

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Terms and Conditions for Liability Insurance

The Permittee submitted updated Insurance Certificates for Appendix E of the Legal and Financial Volume.

Findings:

Liability Insurance information meets the requirements of the Coal Mining Rules.

RECOMMENDATIONS:

This amendment, inserting the BLM lease relinquishment decision documents into Supplemental Volume 1, Phase I, II, and III Lease Relinquishment Information, should be approved.

The Master TAs for the Deer Creek, Des Bee Dove, and Cottonwood/Wilberg Mines need to be updated for this amendment.