

March 24, 2006

James F. Kohler, Branch Chief
Bureau of Land Management
P.O. Box 45155
Salt Lake City, Utah 84145-0155

Subject: Deer Creek Coal Mine (Mill Fork West) Coal Exploration, PacifiCorp,
Deer Creek Mine, C/015/0018, Task ID #2452, Outgoing File

Dear Mr. Kohler:

Thank you for allowing the Utah Division of Oil, Gas and Mining (the Division) to review and comment on the Deer Creek Coal Mine (Mill Fork West) coal exploration project.

It is the Division's understanding that the proposed coal exploration project includes the extension of the current longwall panels, as well as extending the 14th, 15th and 16th West gate roads, setups and bleeders into un-leased federal coal located between Joe's Valley Fault and the western lease line of Utah State Coal Lease ML-48258 (area of interest). The Division also recognizes that the plan calls for first mining only within the area of interest, while providing for continued secondary mining within the currently approved Mill Fork Lease.

Though the potential for subsidence related impacts is minimal within the area of interest due to the exploration being conducted by first mining techniques, the Division has identified the following concerns.

The current Deer Creek mine plan acknowledges that "mining within 200 to 300 feet of the Joe's Valley Fault could intercept appreciable quantities of modern near surface water". As such, there is a potential for the coal exploration project to capture water supplying baseflow to creeks or springs. In line with the Bureau of Land Management's (BLM) Conditions of Approval for Exploration License U-84402, the Division concurs with utilizing a 22-degree angle of draw (projected from the surface expression of the Joe's Valley Fault down to the top of the mined coal seam) to minimize the potential for subsidence related impacts. It is the Division's understanding that mining that could potentially cause subsidence will not be permitted within the zone defined by the angle of draw projection.

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As a condition for BLM approval of the exploration license, the operator must immediately contact the “Authorized Officer if any water is encountered in the mine where a single flow is greater than 5 gallons per minute.” The Division agrees with this condition. In 1996 a Special Condition was added to the Deer Creek permit. The stipulation stated that “if during entry development, sustained quantities of groundwater are encountered which are greater than 5 gpm from a single source in an individual entry, and which continue after operational activities progress beyond the area of groundwater production, PacifiCorp must monitor these flows for quality and quantity under the approved monitoring plan”. In addition, the Deer Creek mine plan states that “if mining encounters significant quantities of groundwater which issues from a fault zone, PacifiCorp will: quantify the volume, sample for water quality according to the approved mine plan (baseline for two year period) and conduct isotopic sampling using a systematic approach.” The Division would recommend that the approved coal exploration plan contain similar provisions in an effort to identify potential de-watering issues that may arise as the exploration advances towards the fault.

The coal exploration application states that horizontal drilling towards the fault will be necessary, yet “access into the area of interest reduces the distance of drilling and limitations of the drill”. The Division would recommend that advance horizontal drilling be conducted prior to advancing each of the three entry faces in order to accurately assess the location of the fault and avoid potential water interception from the exploration activity.

The Division recognizes that the BLM has required the operator to “mitigate any and all surface disturbance to the satisfaction of the Authorized Officer and the Surface Management Agency” as a condition of approval for Exploration License U-84402. The Division also recognizes that PacifiCorp has committed to replacing state appropriated water supplies should they be impacted by mining and reclamation activities.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

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cc: Price Field Office
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