

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

November 27, 2012

TO: Internal File

THRU: Daron Haddock, Permit Supervisor *DRZ*

FROM: James Owen, Lead *JO*

RE: Update Legal & Financial, Energy West Mining Company, Deer Creek Mine, C/015/0018, Task #4203

SUMMARY:

On October 22, 2012 the Utah Division of Oil Gas & Mining received an application for an amendment to the Mining & Reclamation Plan (MRP) of the Deer Creek Mine. An adjustment to the amendment was submitted November 5, 2012. The application seeks approval to update the Legal and Financial Volume. This memo addresses the application's compliance with the administrative (R645-301-100) sections of the Utah Coal Mining Rules.

TECHNICAL MEMO

TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

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

Analysis:

Pages 1-12 of the Legal and Financial Section provide details and identification of interests, organization structure, resident agent, corporate directors & officers, names, numbers, dates of issuance, surface owners, subsurface owners, right of entry, MSHA numbers, violation information, status of unsuitability claims, permit term, certificate of liability, and proof of publication.

Permit renewal dates were updated on pages 4 & 5 for interests held.

Surface and subsurface ownership information was updated on page 7.

Findings:

Contents and information provided are sufficient enough to meet the minimum requirements of this section of the Utah Coal Mining Rules.

RIGHT OF ENTRY

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

Analysis:

Pages 6 of the Legal and Financial Section provides of the right of entry acreages and the permit acreages for Cottonwood/Wilberg, Deer Creek, Des Bee Dove, and Trail Mountain. Three typos were identified on page 6: Permit acreage for Cottonwood/Wilberg should be 4,114.18, right of entry acreage for Des Bee Dove should total 1000. And the permit acreage for Trail Mountain should be left at 3538.98

Underground Right of Entry Information for the Trail Mountain mine needs to be included with the submittal to verify the number provided on page 6.

Findings:

Contents and information provided are conditionally sufficient enough to meet the minimum requirements of this section of the Utah Coal Mining Rules. Typos need correction.

PERMIT TERM

Regulatory References: 30 CFR 778.17; R645-301-116.

Analysis:

Pages 1-12 of the Legal and Financial Section provide details on the permit term information for the Deer Creek Mine & its interests.

The application includes a Disturbed Area Reconciliation Table for the Des Bee Dove Mine in Appendix G. The table has the total disturbed acreage at 36.02, which is a typo needing to be corrected and changed to 40.9 acres. Also, the acreages on page CTW-2 of Appendix G need to be corrected.

Findings:

Contents and information provided are conditionally sufficient enough to meet the minimum requirements of this section of the Utah Coal Mining Rules. Typos need correction.

RECOMMENDATIONS:

Conditional approval is recommended at this time based on receipt of clean copies with corrections of typos on page 6, additions for Trail Mountain in Appendix C, and correction of a typo in Appendix G.

O:\015018.DER\WG4203\WG4203jco.doc