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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0150018
#4303
OK

June 28, 2013

Kenneth S. Fleck, Manager of Geology and Environmental Affairs
Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528

Subject: 2012 Annual Report Review Completion, Deer Creek Mine, C/015/0018, Task #4303

Dear Mr. Fleck:

The Division staff has completed the review of the 2012 Annual Report. Enclosed is a copy of the review with each reviewer's comments completed on June 28, 2013. During the review of the annual report, it was apparent that the required commitments in the approved MRP, Volume 10, Chapter 7, page 7-4 to 7-5 "monitoring of chemical quality of waste at waste rock site" were not adequately met. Elevations reported on the first through fourth quarter reports indicate that a lift was completed in Cell 2 during the 2nd quarter. Lab analysis of grab samples from the surface of the lift should have been taken in the 2012. Please submit this analysis no later than July 31, 2013. For clarification on this requirement, please contact Priscilla Burton at (435) 613-3733 or James Owen at (801) 538-5306.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5350.

Sincerely,

Steve Christensen
Permit Supervisor

SKC/sqs
Enclosure
O:\015018.DER\WG4303\4303 ReviewCompletionLetter.doc

Print Form

Submit by Email

Reset Form

Annual Report

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by the date specified in the cover letter. During a complete inspection an inspector will check and verify the information.

GENERAL INFORMATION

Company Name PacifiCorp

Mine Name

Deer Creek Mine

Permit Number C/015/0018

Permit expiration Date

2016-02-07

Operator Name Energy West Mining Company

Phone Number

+1 (435) 687-9821

Mailing Address PO Box 310

Email

City

Huntington

State

Utah

Zip Code

84528

DOG M File Location or Annual Report Location

Excess Spoil Piles

Required

Not Required

Refuse Piles

Required

Not Required

Impoundments

Required

Not Required

Other:

Refer to Attachment A

Refer to Attachment A

OPERATOR COMMENTS

Refuse and impoundment reports are submitted quarterly to the Division of Oil, Gas and Mining.

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

Permittee has met the minimum requirements of this section. (SJD)

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the Mining and Reclamation Plan and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If additional written response is required, it should be filed as an attachment to this report.

Title: RAPTORS

Objective: To document the location and activity of nests that could be affected by mining.

Frequency: annually

Status: Ongoing

Reports: Submit annually in annual report.

Citation: MRP, Section 322, Subsection Terrestrial Species.

Operator Comments

Data and map included in confidential file.

Reviewer Comments Met Requirements Did Not Meet Requirements

Reviewed by Ingrid Campbell 6/5/2013: aerial flight survey was conducted in May, 2012. Flight lines included areas that will be mined in 2013 as well as other areas that could be disturbed from drilling. An active golden eagle territory exists over the Deer Creek mine in an area where subsidence is no longer occurring (subsidence study section 21.). Other tended golden eagle nests were located along cottonwood Creek and in an area north of the current mining in Deer creek.

Title: SUBSIDENCE MONITORING REPORT

Objective: To Determine the effects of subsidence

Frequency: Annually

Status: Ongoing

Reports: Submit in annual report

Citation: MRP, Volume 3, Appendix X

Operator Comments

Refer to Subsidence Report.

Reviewer Comments Met Requirements Did Not Meet Requirements

An updated annual subsidence monitoring report was submitted to cover the period between September 1, 2011 and September 30, 2012. The aerial reconnaissance flight was done in October of 2012. The report provided details for subsidence Areas 27 and 28 which cover the Deer Creek panel areas below the Mill Fork Lease. The predicted maximum subsidence for Areas 27 and 28 are 7.6 and 16 feet respectively. The observed and reported subsidence is 6.5 feet for Area 27 and 10.0 feet for Area 28. Subsidence maps and sections profiles were provided for area correlation and to demonstrate the subsidence observed by Area and by panel. Subsidence levels are consistently reported to be within the expected ranges and dictated in the approved MRP. Requirements have been met (JCO).

Title: ROOF, FLOOR, AND MID-SEAM MATERIAL IN ACTIVE SECTIONS TO BE SAMPLED ANNUALLY.

Objective: Transport and dispose of waste rock in a controlled manner.

Frequency: Annually in active sections

Status: Ongoing during mining **THIS WAS NOT SUBMITTED IN 2011 ANNUAL REPORT. OVERDUE**

Reports: Annual report

Citation: MRP, Part 3, Estimated Waste Rock Volumes, R645-301-536, page 75

Operator Comments

The 2011 Roof, Rib and Floor sample analysis was inadvertently excluded from the initial Annual Report submittal. The Division sent a deficiency list to Energy West on June 28, 2012 (Task ID #4802). Energy West complied with the deficiency and submitted the analysis on July 18, 2012.

Reviewer Comments Met Requirements Did Not Meet Requirements

Priscilla Burton 6/21/2013. Roof and Floor analysis begin on p. 61 of the electronic copy of the 2012 Annual Report. The samples were taken from panel 10N XC-34 roof, rib and floor. The samples were taken on 12/3/2012 and analyzed by Intermountain laboratories/ Sheridan. SAR, B, and Se values are low. The rib and floor have pH values of 8.4 and 8.5, but will likely be acid-forming when exposed to oxygen. The mine map shows the location of 10 N.

The 2011 annual reporting of roof, rib and floor received on 7/13/2012 was also included in the 2012 annual report. Samples DC0 111, 211, 311 composite samples taken on 1/10/2012 from roof, rib and floor also indicate that the rib sample (211) represents rock that will tend to be acid forming. the pH of the sample was 8.1, but the acid formation potential is based upon oxidation of pyrite within the rock.

Title: WASTE ROCK SITE OPERATIONAL SAMPLING

Objective: Monitor chemical quality of waste at waste rock site.

Frequency: Grab samples upon completion of each two foot lift. Parameters as described.

Status: Ongoing during mining. **No analysis was found in the 2011 annual report. Please include analysis or explanation of when analysis will be performed.**

Reports: Annual Report

Citation: MRP, Volume 10, Chapter 7, page 7-4 to 7-5

Operator Comments

No grab samples were collected in 2011. GRAMS SAMPLES FOR 2012?

Reviewer Comments Met Requirements Did Not Meet Requirements

Priscilla Burton 6/21/2013. Certified Waste Rock inspections begin on page 12 of the electronic copy of the Annual Report. On March 27, 2012, 1,414.56 cu yd had been hauled, based on trucking receipts and 15 Tons/truck and density of 88 lbs/ft³. On June 27, 2012, the year to date haulage was estimated at 5,254.08 cu yds. On Sept 27, 2012, the year to date haulage was 9,649.32 cu yd. On Dec 20, 2012 the final tally for 2012 was 12,377.4 cu yds hauled during the year.

Elevations from the first through fourth quarter indicate that a lift was completed in Cell 2 during the 2nd quarter and lab analysis of grab samples from the surface of the lift should have been taken in the 2012.

Title: DEMONSTRATION OF SELECTED OVERBURDEN AS BEST AVAILABLE MATERIAL IN THE PERMIT AREA FOR USE AS SUBSTITUTE TOPSOIL.

Objective: Monitor chemical quality of identified substitute topsoil to show reduction in sodicity.

Frequency: Sampling will occur once within each permit term until such time as the soils are found acceptable for substitute topsoil use. The last sample, collected in 2010, did not show suitability. The current permit term is 2011-2016.

Status: To be conducted once in current permit term (2011-Feb 2016).

Reports: Annual Report

Citation: MRP, Volume 2, Part 4, section R645-301-233, page 2-3

Operator Comments

No sampling or analysis was conducted in 2012.

Reviewer Comments Met Requirements Did Not Meet Requirements

Priscilla Burton 6/21/2013. There are two more years left in the permit term to conduct the sampling. Please provide sampling prior to the permit renewal date.

FUTURE COMMITMENTS AND CONDITIONS

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the "status" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

Title: WILDLIFE

Objective: Adhere to wildlife exclusionary periods.

Frequency: Ongoing

Status: Ongoing during Rilda portal reclamation

Reports: Not required

Citation: MRP, Section 322, page 10; Section 330, page 16 #14; Section 342, page 32, #7

Title: SUBSOIL TESTING

Objective: Regraded subsoil will be sampled on 500 ft intervals to a depth of four feet (three or four samples for the 2,000 linear feet in the facilities area). The samples will be analyzed on site for pH and EC. Problem areas will be further sampled and sent to a laboratory of analysis.

Frequency: At final regrading

Status: Ongoing at reclamation

Reports: Laboratory analysis to be provided to the Division

Citation: MRP, Volume 11, Section R645-301-231.300

Title: TOPSOIL HANDLING TESTING PLAN

Objective: Three composite samples will be taken from the facilities area and sediment pond. Samples will be analyzed for parameters to be compared with baseline information and to determine the need for amendments, including fertilizer.

Frequency: Final Reclamation

Status: Ongoing

Reports: Analysis to be provided to the Division

Citation: MRP, Volume 11, Section R645-301-242

Title: WASTE ROCK SITE RECLAMATION SAMPLING

Objective: Monitor chemical quality of upper four feet of final waste reclaimed surface at waste rock site.

Frequency: Grab samples within four feet of final elevation at a rate of two samples per acre per lift. Parameters as described.

Status: At final reclamation of waste rock cell.

Reports: Annual report

Citation: MRP, Volume 10, Chapter 7, page 7-5

Title: SOIL SAMPLING ON FINAL GRADED SURFACE

Objective: Monitor chemical quality of reclaimed substitute topsoil.

Frequency: Grab samples for pH and SAR as described.

Status: At final reclamation of mine facilities

Reports: Annual Report

Citation: MRP, Volume 2, Part 4, section 645-301-233.

Title: MACROINVERTEBRATE MONITORING

Objective: Monitor the macroinvertebrates in Rilda Creek

Frequency: Spring/fall two years prior to and spring/fall one year immediately following start of construction. Spring every three years during operations and reclamation.

Status: Construction complete in fall 2008. Spring and Fall 2009 surveys complete. Spring 2012 is the anticipated date for the first of the three-year monitoring surveys.

Reports: Annual Report

Citation: MRP, Section 330, page 26.

Title: FISH SURVEYS

Objective: Monitor fish in Rilda Creek as part of annual surveys.

Frequency: Spring/fall two years prior to and spring/fall one year immediately following start of construction. Spring every three years during operations and reclamation.

Status: Construction complete in Fall 2008. Spring and Fall 2009 surveys complete. Spring 2012 is the anticipated date for the first of the three-year surveys.

Reports: Annual Report

Citation: MRP, Section 330, page 26

OPERATOR COMMENTS (OPTIONAL)

Fish and Macroinvertebrate Surveys. Data was collected in 2011 and reported in 2012. This 2012 report can be reviewed in Attachment D.

REVIEWER COMMENTS

Reviewed by Ingrid Campbell on 6/5/2013. The macroinvertebrate commitment should have been placed in the current commitments section by the Division. Macroinvertebrate and fish monitoring was conducted in Rilda Creek in 2011 and 2012. Macroinvertebrate monitoring revealed that total and EPT taxa abundance was higher in post-construction samples than pre construction. However, species diversity and average total taxa richness was lower in post-construction samples. The HBI index also indicated that enrichment has occurred at all sites. Lower water quality conditions in Rilda Creek occurred after construction activities. This could be attributed to the construction, change in water flows, seasonal changes, or annual variation. Overall, observed differences were not attributed directly to construction and water quality conditions have remained relatively stable.

Fish Surveys revealed that young fish are present in the stream, indicating that natural reproduction continues to occur along Rilda Creek and that water quality has not declined substantially.

REPORTING OF OTHER TECHNICAL DATA

Please list other technical data or information that was not included in the form above, but is required under the approved plan, which must be periodically submitted to the Division.

Please list attachments:

10N section roof, rib and floor samples were collected and analyzed. Results are found in Attachment D.

Reviewer Comments

A Hydrologic monitoring program annual report for 2012 was filed as part of the annual report summarizing the water monitoring results conducted at Deer Creek, Cottonwood/Wilberg, and Trail Mountain mines. (KMH 6/26/13)

MAPS

Copies of mine maps, current and up-to-date, are to be provided to the Division as an attachment to this report in accordance with the requirements of R645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

Map Name	Map Number	Included		Confidential	
		Yes	No	Yes	No
Annual subsidence map		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mine Map		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reviewer Comments Met Requirements Did Not Meet Requirements

Annual Subsidence Map, refer to Subsidence Report
 Mine Map, refer to Attachment C