



OGMCOAL DNR <ogmcoal@utah.gov>

Deer Creek Mine and Cottonwood-Wilberg Lease Relinquishment

Keenan Storrar <kstorrar@utah.gov>

Wed, Jun 13, 2018 at 11:23 AM

To: Jeff Salow <jsalow@fs.fed.us>, Steve Christensen <stevechristensen@utah.gov>, OGMCOAL DNR <ogmcoal@utah.gov>

Hi Jeff,

We've received an amendment from Interwest Mining Co. a subsidiary of PacifiCorp to relinquish a significant portion of their East Mountain coal leases they hold with the BLM. I've attached their general relinquishment document that's a couple pages long and has a map. The total document they sent us is 468 pages. Let me know if you'd like to look at the whole document.

They've retained lease area's where there are surface facilities and a few other spots where they appear to need access.

Just wanted to let you know. If you have any questions/concerns please contact Steve or myself.

A side note, you're probably aware but it looks like the Trail Mountain fire just burned over Rilda Left.

Thanks,

Keenan Storrar

Utah Division of Oil, Gas and Mining

801-538-5345

kstorrar@utah.gov

Interwest Lease Relinquishments_East Mountain.pdf
2397K



1407 W. North Temple, Suite 110
Salt Lake City, UT 84116

HAND DELIVERED

May 29, 2018

RECEIVED
MAY 30 2018
Bureau of
Land Management

Kent Hoffman
Deputy State Director
United States Department of the Interior
Bureau of Land Management
Utah State Office
440 West 200 South, Suite 500
Salt lake City, Utah 84101-1345

***RE: Overview of Federal Coal Lease Relinquishment Project (20 Federal Leases)
East Mountain Logical Mining Unit UTU-73336, Deer Creek and Cottonwood
Mines, Emery County, Utah***

Dear Mr. Hoffman:

By letter dated February 19, 2018, and on behalf of PacifiCorp, we provided our advance notice of intent to relinquish all or portions of the federal coal leases within the East Mountain Logical Mining Unit (LMU) UTU-73336, with the commitment to eventually provide individual formal federal coal lease relinquishment notices to your office to bring an end to the final chapter to this LMU.

Background and Purpose of Relinquishment

With PacifiCorp's decision and announcement on December 15, 2014, to close the Deer Creek Mine and end production from the LMU, this brought an end to 40+ years of coal production from this LMU. All coal production ceased on January 7, 2015. PacifiCorp has made steadfast efforts to complete all mine closure activities including the construction of permanent portal seals for the entire Deer Creek Mine complex and LMU.

All economically recoverable coal reserves within the entire LMU have been mined out or have been determined uneconomical to mine as acknowledged by BLM's letter dated March 23, 2016 (copy enclosed). Having fully complied with the federal coal lease terms

and their associated federal regulations, PacifiCorp has no intentions to re-open the mines within the LMU. Therefore, the purpose of this relinquishment exercise is to surrender the federal coal lease acreage back to the federal government that is no longer needed and retain selected lease acreage for reclamation purposes only. Refer to Map 1 (enclosed) which depicts the federal coal lease areas being relinquished (yellow) and the areas retained (green) for reclamation purposes.

LMU Lease Relinquishment Project Overview

We have prepared individual relinquishment notifications for 20 of the 21 federal coal leases that have comprised the LMU. Of the 20 federal coal lease relinquishment notifications, 12 leases are full relinquishments and 8 leases are partial relinquishments. Listed below are the 20 federal coal leases included in this relinquishment exercise:

- | | |
|---------------------------|-----------------------------------|
| (1) UTU-88554 (Full) | (11) UTU-084924 (Full) |
| (2) UTU-84285 (Full) | (12) UTU-084923 (Full) |
| (3) UTU-06039 (Partial) | (13) UTU-47979 (Partial) |
| (4) UTU-24317 (Full) | (14) UTSL-070645/02292 (Full) |
| (5) UTSL-051221 (Partial) | (15) UTSL-064607/064621 (Partial) |
| (6) UTU-2810 (Partial) | (16) UTU-083066 (Full) |
| (7) UTSL-050862 (Partial) | (17) UTU-040151 (Partial) |
| (8) UTU-014275 (Full) | (18) UTU-1358 (Full) |
| (9) UTU-024319 (Full) | (19) UTSL-064900 (Partial) |
| (10) UTU-47977 (Full) | (20) UTU-47978 (Full) |

The eight (8) leases that are being partially relinquished, involve retaining selected portions of these leases for the following purposes:

1. To conduct surface reclamation on the disturbed lands in accordance with the state approved mine permits for the Deer Creek and Cottonwood Mines, and
2. Sustain the legal right-of-entry to these split estate federal lands while reclamation activities are conducted and finalized including the required 10-year minimum bond liability period to achieve Final Phase 3 Bond Release.

The individual lease relinquishment notifications will be submitted to your BLM office under separate cover letters as we get them completed in the order listed above.

Also, please note that federal coal lease UTU-044025 (within the LMU) is **not** included in this overall relinquishment exercise. PacifiCorp will need to retain all of federal coal lease UTU-044025 (total of 40 acres) for reclamation purposes and through the mine permit bond liability period to achieve Final Phase 3 Bond Release.

Kent Hoffman
May 29, 2018
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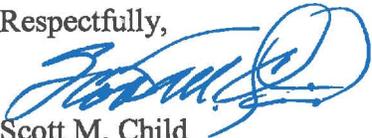
Conclusion

To the best of its information and belief, PacifiCorp is in compliance with the terms and conditions of this federal coal lease, inclusive of having made all payment obligations relative to rentals and royalties. Furthermore, PacifiCorp represents that the federal lease acres relinquished will not impair the public interest as all obligations under regulation 43 CFR § 3452.1 and all of the lease terms have been met per established BLM guidelines.

All relinquishment notifications have been prepared on behalf of PacifiCorp and have been acknowledged as set forth on each individual notification. We respectfully seek your attention to this matter and request that all twenty (20) lease relinquishments be accepted in a timely manner. Furthermore, with the submittal of these lease relinquishment notifications, this overall action will dissolve the East Mountain LMU UTU-73336 in its entirety.

Should you have any questions, need additional information or wish to discuss this matter with us, please feel free to contact me at 801-220-4612 or by email at Scott.Child@PacifiCorp.com.

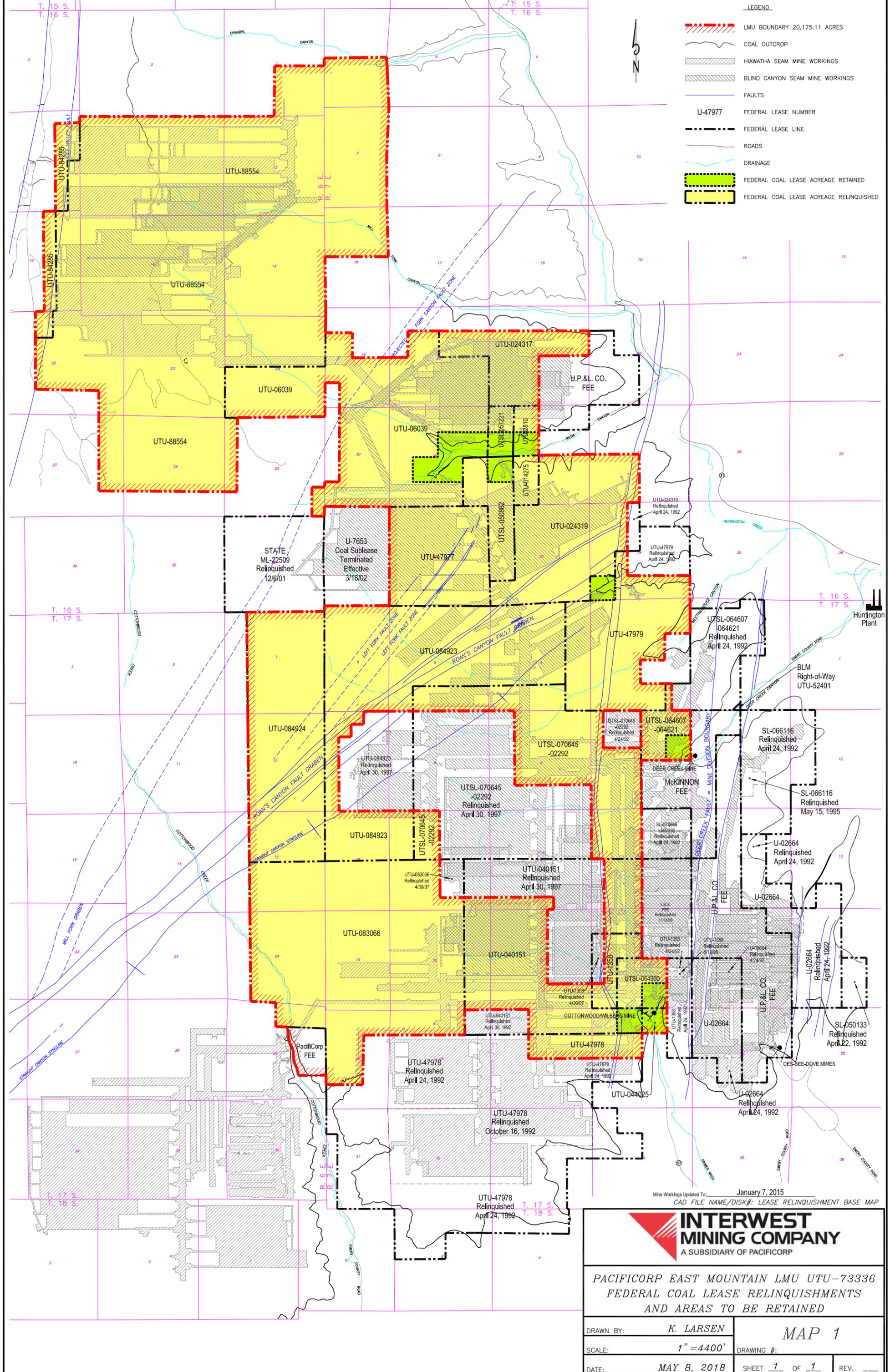
Respectfully,



Scott M. Child
Manager, Lands & Regulatory Affairs

Enclosures

cc: D. Ralston, B. Morgan, J. Potter, C. Semborski, K. Fleck, D. Oakley



- LEGEND**
- LMU BOUNDARY 20,175.11 ACRES
 - COAL OUTCROP
 - HIAWATHA SEAM MINE WORKINGS
 - BLIND CANYON SEAM MINE WORKINGS
 - FAULTS
 - U-47977 FEDERAL LEASE NUMBER
 - FEDERAL LEASE LINE
 - ROADS
 - DRAINAGE
 - FEDERAL COAL LEASE ACREAGE RETAINED
 - FEDERAL COAL LEASE ACREAGE RELINQUISHED

Mine Workings Updated To: January 7, 2015
 CAD FILE NAME/DISK#: LEASE RELINQUISHMENT BASE MAP



INTERWEST MINING COMPANY
 A SUBSIDIARY OF PACIFICORP

*PACIFICORP EAST MOUNTAIN LMU UTU-73336
 FEDERAL COAL LEASE RELINQUISHMENTS
 AND AREAS TO BE RETAINED*

DRAWN BY:	K. LARSEN	MAP 1
SCALE:	1" = 4400'	DRAWING #:
DATE:	MAY 8, 2018	SHEET <u>1</u> OF <u>1</u> REV. <u> </u>