



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 17, 2018

Ken Fleck, Manager of Geology and Environmental Affairs
Interwest Mining Company
P.O. Box 310
Huntington, Utah 84528

Subject: Conditional Approval of Lease Relinquishments, PacifiCorp, Deer Creek Mine,
C/015/0018, Task #5689

Dear Mr. Fleck:

The above-referenced amendment is approved conditioned upon receipt of 2 clean copies prepared for incorporation. Please submit these copies by August 17, 2018. Once we receive these copies, final approval will be granted.

A stamped incorporated copy of the approved plans will also be returned to you at that time, for insertion into your copy of the Mining and Reclamation Plan.

If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs

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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0150018
TaskID: 5689
Mine Name: DEER CREEK MINE
Title: LEASE RELINQUISHMENTS

Summary

The Deer Creek mine has submitted an amendment to notify the Division of the Federal Leases held with the BLM they have fully or partially relinquished with in East Mountain. The Permittee has relinquished 20 Federal Coal Leases with twelve being fully relinquished and eight being partially relinquished. The retained sections of the partially relinquished leases allow the Permittee Right-of-Entry to surface areas where reclamation activities will be taking place through the 10 year bond liability period required by the MRP. This amendment will be added as an appendix to the MRP. It includes the Documentation of Findings for Federal Coal Lease Relinquishment to meet BLM requirements for relinquishment as well as correspondence between the Permittee and BLM. The documented findings addresses a number of issues associated with mining including subsidence and hydrologic concerns among others. This amendment does not amend the water monitoring program within the MRP. The Permittee has submitted amendment 'Reduce Hydrologic Monitoring Sites' under Task #5690 to address reducing water monitoring sites and requirements within the MRP. This amendment also does not propose to change the permit boundary.

kstorrar

General Contents

Right of Entry

Analysis:

The amendment meets the State of Utah R645 requirements for Right-of-Entry.

The amendment provides documentation in the form of written correspondence with the BLM and maps identifying the fully and partially relinquished federal coal leases. Map 1 clearly shows the Federal Coal Lease Acreage Relinquished in yellow and Federal Coal Lease Acreage Retained in green. The retained areas grants the permittee access to the surface where reclamation activities have and/or will be taking place. The areas with right-of-entry access are: Rilda Canyon facilities, the Cottonwood mine area, Deer Creek mine facilities, and the Meetinghouse Canyon area.

kstorrar

Operation Plan

Subsidence Control Plan Subsidence

Analysis:

The application meets the State of Utah requirements for Subsidence Control Plans.

R645-301-525: Permittee proposes the full relinquishment of federal coal leases UTU-88554 and UTU-84285 within the East Mountain Logical Mining Unit (LMU) UTU-73336. The Deer Creek Mine stopped coal production on January 7, 2015, and this application addresses the intention to surrender all coal lease acreage back to the federal government except as needed for reclamation activities. Of the two leases to be relinquished, UTU-88554 is by far the larger of the two, comprising 6,382.82 acres located over an area of extensive longwall mining in both the Hiawatha and Blind Canyon coal seams. The UTU-84285 lease consists of only 213.57 acres, and it is primarily located over the bleeder entries and gateroads at the west ends of the longwall panels in adjacent lease UTU-88554. Subsidence monitoring has been ongoing in the larger UTU-88554 lease since 2005. Aerial surveys via helicopter flights conducted in both lease areas between 2006 - 2017 detected no subsidence related features on the surface.

In 2005 a conventional survey was conducted to measure subsidence within the vicinity of gas well Federal 32-23 near the 12th West longwall panel, and no effects were noted at that time. The maximum amount of recorded subsidence in lease UTU-88554 reached just over 7 feet, except in areas of dual seam mining where subsidence approached 13 feet. In the smaller UTU-84285 lease the subsidence reached a maximum of just over 1 foot. No subsidence has been recorded in either lease since 2014, and the areas currently appear stable.

jeatchel