



Interwest Mining Company
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October 22, 2019

Submitted by hard copy and electronically

Dana Dean – Associate Director, Mining
Utah Division of Oil, Gas, and Mining
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Subj: Request for Conference Regarding Proposed Assessments, Notices of Violation #21219 and #21220 - PacifiCorp, Deer Creek Mine, C/015/0018, Emery County, Utah.

Dear Ms. Dean,

PacifiCorp, by and through its wholly-owned subsidiary, Interwest Mining Company, as manager of its mining assets, hereby requests an Assessment Conference for the recent Notices of Violation (NOV) issued by the Coal Regulatory Program to PacifiCorp's Deer Creek Mine. PacifiCorp feels the proposed assessments are excessive. The two notices of violation received are listed as follows:

1) Conducted a blast on August 27, 2019 without a Certified Blaster on site.

NOV #21219 - cited R645-301-524, R645-301-524.110, R645-301-524.130, R645-105-452.100, R645-105-452.300 and R645-300-143 (MRP Pg. 44, Appendix VI) as the provisions of the Act that were violated.

2) Blast conducted on August 27, 2019 failed to comply with the State of Utah R645 Blasting Rules for Underground Coal Mining and Reclamation Operations and the approved Mining and Reclamation Plan (MRP).

NOV #21220 - cited R645-301-524, R645-301-524.200 (.212, .230, .240 & .250), R645-301-524.300, R645-301-524.430, and R645-301-143 (MRP pg. 7 & Appendix VI) as the provisions of the Act that were violated.

The NOV's were issued on September 16, 2019 as a result of a partial monthly inspection. Mr. Karl Houskeeper conducted an on-site inspection of the Deer Creek mine site.

NOV #21219 - Points

I. History – None.

- II. Seriousness – A. Occurrence – 20
- III. Negligence – 20
- IV. Good Faith – None

Total Points – 40

The blast in question took place at the Deer Creek Mine site that is being reclaimed. All mine openings have been closed and backfilled, and all structures have been demolished and removed. The blast took place in a remote area, more than 150 feet away from any structure or mine opening.

The blaster in question was working for 3-Rivers, subcontracting to Nelco Construction Company. 3-Rivers did not realize at the time that the DOGM jurisdiction over the site required that the blaster be certified. To our knowledge, DOGM is the only regulatory agency that requires a certified blaster be on site when blasting. The blaster was qualified, but not state certified. It appears that the 20 points assessed for seriousness (occurred) is not negotiable. PacifiCorp believes that the 20 negligence points assessed are excessive.

The intent of conducting a blast at this location was to enhance the safety and aesthetics of the coal bin area by removing a sharp drop-off at the bin edge and placing the blasted material at the base of the drop-off cliff inside the bin. PacifiCorp has always conducted the reclamation of all of its mine sites with the goals of safety and high-quality compliant successful reclamation work in the best interests of the environment and the public. PacifiCorp strongly objects to the lack of any good faith points being given. PacifiCorp has put forth through the years a consistent good-faith effort on all projects to comply with or exceed the environmental regulations.

NOV #21220 - Points

- V. History – None.
- VI. Seriousness – A. Occurrence – 20
- VII. Negligence – 26
- VIII. Good Faith – None

Total Points – 46

The blast in question took place at the Deer Creek Mine site that is being reclaimed. All mine openings have been closed and backfilled, and all structures have been demolished and removed. The blast took place in a remote area, more than 150 feet away from any structure or mine opening.

The blaster in question was working for 3-Rivers, subcontracting to Nelco Construction Company. 3-Rivers did not realize at the time that the DOGM jurisdiction over the site required that the blaster be certified. To our knowledge,

DOGM is the only regulatory agency that requires a certified blaster be on site when blasting. The blaster was qualified, but not state certified. It appears that the 20 points assessed for seriousness (occurred) is not negotiable. PacifiCorp believes that the "Greater Degree of Fault" finding for this NOV is not justified. PacifiCorp also believes that the 26 negligence points assessed are excessive.

The intent of conducting a blast at this location was to enhance the safety and aesthetics of the coal bin area by removing a sharp drop-off at the bin edge and placing the blasted material at the base of the drop-off cliff inside the bin. PacifiCorp has always conducted the reclamation of all of its mine sites with the goals of safety and high-quality compliant and successful reclamation work in the best interests of the environment and the public. PacifiCorp strongly objects to the lack of any good faith points being given. PacifiCorp has put forth through the years a consistent good-faith effort on all projects to comply with or exceed all environmental regulations.

CONCLUSION

PacifiCorp believes that these two NOV's should have been issued as a single NOV. PacifiCorp has not, in recent memory, received assessments or fines this large for any NOV's. We do not believe that these two NOV's justify the fines proposed. PacifiCorp hereby requests that an Assessment Conference be scheduled to discuss these issues. Let us know as soon as possible of a suggested date so we can ensure attendance of our staff.

Please feel free to contact me if you have any questions or need any further information regarding this request. My direct number is (435) 687-4712. This document has been transmitted both electronically and by hard copy.

Sincerely,



Kenneth Fleck

Geology and Environmental Affairs Manager

Cc Karl Houskeeper (UDOGM)
Dana Dean (UDOGM)
Steve Christensen (UDOGM)
Dennis Oakley (PacifiCorp)
Scott Child (PacifiCorp)