



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
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January 9, 2019

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

Subject: Lease Relinquishments, PacifiCorp, Deer Creek Mine, C/015/0018, Task #5831

Dear Mr. Fleck:

The Division has reviewed your application. The Division has identified deficiencies that must be addressed before final approval can be granted. The Right-of-Way deficiencies must be addressed and the documentation in this amendment must be resubmitted for inclusion into the MRP. The Federal Coal Lease East Mountain LMU lease relinquishments will significantly reduce the area the Permittee claims legal right of entry. Adjusting the updated permit areas should be submitted separately for each mine for ease of incorporation into their respective MRPs.

Importantly, Lease UTU-47979 may not be fully relinquished. The Deer Creek mine has a bonded disturbed area of 0.02 acres within the lease for the 9th East Meetinghouse Canyon breakouts. Right-of-entry for this acreage must be retained through Phase I, Phase II and Phase II bond releases.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. The plans as submitted are denied. Please do not resubmit this amendment until you receive final approval on the lease relinquishments from the BLM.

If you have any questions, please call me at (801) 538-5350.

Sincerely,

Steve Christensen
Permit Supervisor

SKC/sqs

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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0150018
TaskID: 5831
Mine Name: DEER CREEK MINE
Title: LEASE RELINQUISHMENTS

Summary

Interwest Mining Company submitted an amendment identifying the Federal Coal Leases in the East Mountain LMU for the Deer Creek and Cottonwood-Wilberg mines. The company proposes to fully relinquish twelve Federal Coal Leases and partially relinquish six leases. This is in addition to the two leases proposed for full relinquishment in the summer of 2018, totaling 20 leases within the East Mountain LMU. The retained acreage of partially relinquished leases allows the Permittee Right-of-Entry to surface areas for reclamation activities through the 10 year bond liability period as required by the State of Utah R645 reclamation requirements.

The 20 leases proposed for relinquishment have not been approved by the BLM. The Right-of-Way deficiencies within this technical memo must be address and the documentation in this amendment must be resubmitted for inclusion into the MRP. However, since relinquishing these leases will change the permit areas of the Deer Creek and Cottonwood-Wilberg mines, please do not re-submit this amendment until you receive final approval from the BLM.

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General Contents

Right of Entry

Analysis:

The amendment does not meet the State of Utah R645 requirements for Right-of-Entry.

The Federal Coal Lease East Mountain LMU lease relinquishments will significantly reduce the area the Permittee claims legal right of entry. This will subsequently reduce the permit areas of the Deer Creek and Cottonwood-Wilberg mines. The amendments adjusting the updated permit areas should be submitted separately for each mine for ease of incorporation into their respective MRPs.

The amendment will retain Right-of-Entry to surface disturbances associated with the Deer Creek and Cottonwood-Wilberg mines. The areas with right-of-entry access are: Rilda Right facilities, Deer Creek mine facilities, and the Cottonwood-Wilberg surface disturbed area. Map 1 shows the Federal Coal Lease acreage relinquished in yellow and lease acreage retained in green. The map shows the disturbed area boundary in Rilda Canyon falls fully within the retained portions of the three leases it overlaps. Disturbed area boundaries for the main Deer Creek mine site and Cottonwood-Wilberg mine site fall within the retained portions of the leases they overlap. This is determined by georeferencing and importing the map into ArcGIS and comparing disturbed area boundaries to retained lease areas and ensuring disturbance boundaries are contained within retained lease areas. The retained areas grants the permittee access to the surface where reclamation activities have and/or will be taking place.

The amendment proposes to fully relinquish Lease UTU-47979. However, this lease may not be fully relinquished because the Deer Creek mine has a bonded disturbed area of 0.02 acres within this lease for the 9th East Meetinghouse Canyon breakouts. Right-of-entry for this acreage needs to be retained through Phase I, Phase II, and Phase III bond releases.

Significant portions of the Legal and Financial Volume of the Deer Creek MRP will need to be updated once these leases are relinquished. Appendices needing updating include, but are not limited to, the ROE information in Appendix C and the permit area boundary description in Appendix G.

Deficiencies Details:

The amendment does not meet the State of Utah R645 requirements for Right-of-Entry. The following deficiencies must be addressed prior to final approval:

The Federal Coal Lease East Mountain LMU lease relinquishments will significantly reduce the area the Permittee claims legal right of entry. This will subsequently reduce the permit areas of the Deer Creek and Cottonwood-Wilberg mines. The amendments adjusting the updated permit areas should be submitted separately for each mine for ease of incorporation into their respective MRPs.

Lease UTU-47979 may not be fully relinquished. The Deer Creek mine has a bonded disturbed area of 0.02 acres within this lease for the 9th East Meetinghouse Canyon breakouts. Right-of-entry for this acreage needs to be retained through Phase I, Phase II, and Phase III bond releases. The portion of the lease this containing this acreage must be retained.

The Legal and Financial Volume of the Deer Creek MRP will need updating following lease relinquishment, including:

Appendix C Right of Entry Information includes these lease acres that have been partially or fully relinquished and should be updated accordingly:

		ROE Lease Acres	
Cottonwood/Wilberg Mine	UTU-040151	1020	Partial Relinquishment
	UTU-1358	120	Full Relinquishment
	UTSL – 064900	160	Partial Relinquishment
	UTU-083066	2422.77	Full Relinquishment
	UTU – 47978	180	Full Relinquishment
Deer Creek Mine	UTSL – 070645/02292	1070	Full Relinquishment
	UTU-084924	1211.48	Full Relinquishment
	UTU-084923	1802.42	Full Relinquishment
	UTU-040151	1020	Partial Relinquishment
	UTU-083066	2422.77	Full Relinquishment
	UTU-1358	120	Full Relinquishment
	UTSL -064900	160	Partial Relinquishment
	UTSL -064607-064621	170	Partial Relinquishment
	UTU-024319	1000	Full Relinquishment

UTU-014275	80	Full Relinquishment
UTSL-050862	280	Partial Relinquishment
UTU-47977	640	Full Relinquishment
UTU-06039	1838.67	Partial Relinquishment
UTSL-051221	80	Partial Relinquishment
UTU-2810	80	Full Relinquishment
UTU-024317	400	Full Relinquishment
UTU-88554	6382.82	Full Relinquishment
UTU-84285	213.57	Full Relinquishment

General Contents, Page 5, Right of Entry Acres Table requires updating.

Appendix G Permit Boundary Descriptions requires updating, along with the Deer Creek Disturbed Area Reconciliation Table.

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Maps and Plans

Analysis:

The amendment does not meet the State of Utah R645 requirements for Permit Area Maps.

The Federal Coal Lease East Mountain LMU lease relinquishments will significantly reduce the area the Permittee claims legal right of entry. This will subsequently reduce the permit areas of the Deer Creek and Cottonwood-Wilberg mines.

All maps depicting the permit areas of the Deer Creek and Cottonwood mines must be updated to display the new permit boundaries upon final approval of lease relinquishments by the BLM. The new permit areas may be reduced to be as defined in the State of Utah R645 rules to be, "the area of land, indicated on the approved map submitted by the operator with his or her application, required to be covered by the operator's performance bond under R645-301-800, and which will include the area of land upon which the operator proposes to conduct coal mining and reclamation operations under the permit, including all disturbed areas, provided that areas adequately bonded under another valid permit may be excluded from the permit area."

Deficiencies Details:

The amendment does not meet the State of Utah R645 requirements for Permit Area Maps. The following deficiency must be addressed prior to final approval:

All maps depicting the permit areas of the Deer Creek and Cottonwood mines must be updated to display the new permit boundaries upon final approval of lease relinquishments by the BLM.

Surface and Subsurface Ownership Maps located in Volume 4 of the MRP requires updating as well.

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