



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

January 31, 2019

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

Subject: Conditional Approval to Remove WRS from Permit, PacifiCorp, Deer Creek Mine, C/015/0018, Task ID#5845

Dear Mr. Fleck:

The above-referenced amendment is approved conditioned upon receipt of 2 clean copies prepared for incorporation. Please submit these copies by February 28, 2019. 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) 538-5350.

Sincerely,

Steve Christensen
Permit Supervisor

SKC/sqs

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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0150018
TaskID: 5845
Mine Name: DEER CREEK MINE
Title: REMOVE WRS FROM PERMIT

General Contents

Legal Description

Analysis:

The amendment meets the State of Utah R645 requirements for Legal Description.

The application includes revisions to the Legal & Financial Volume of the Mining & Reclamation Plan to include an updated legal description and acreages to remove the 31.92 acre Waste Rock Site from the permit. The permit area will be reduced from 20,308.10 acres to 20,276.10 acres and the disturbed area will be reduced from 91.63 acres to 59.71 acres. A revised five-year permit removing the Waste Rock Site will be issued to PacifiCorp upon final approval.

kstorrar

Reclamation Plan

Bonding Determination of Amount

Analysis:

The amendment now meets the State of Utah R645 requirements for Determination of Bonding Amount.

The amendment completely removes the 31.92 acre Deer Creek Waste Rock Site from the Deer Creek Mine Permit since the legal and financial liability were transferred to Castle Valley Mining, LLC (Rhino), who assumed operations at this site in November 2018. Although in previous discussions the Permittee has insisted that bond release is not being requested upon transfer of the Waste Rock Site to Rhino, this permit transfer does nevertheless affect the Permittee's bond liability. This amendment was previously found deficient because the reclamation bond had not been changed to address the decrease in bond liability. However, the most recent bond calculations submitted by the Permittee reflect the reduced bond liability as a result of removing the Waste Rock Site, which has been decreased from \$3,381,000 to \$3,292,000, well below the total posted bond amount of \$3,374,000.

jeatchel