

August 15, 1997

Utah Coal Regulatory Program
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Attention: Mr. Joe Helfrich

Copy Aaron

Re: Amendment to Cottonwood Waste Rock Site Acreage, Original Site, UTU-37642, PacifiCorp, Cottonwood Mine, ACT/015/019, Emery County, Utah.

#2

PacifiCorp by and through its wholly-owned subsidiary, Energy West Mining Company ("Energy West") as mine operator, herewith submit an amendment to delete the relinquished area of the Old Waste Rock Site from the permit.

Introduction:

This amendment is to satisfy the follow-up action as outlined in the approval letter received from Bill Malencik dated September 11, 1996. The follow-up action, as stated in number (3), requires that a separate amendment be submitted once the BLM has approved the relinquishment. The BLM has approved the relinquishment and "Energy West" will revise the Cottonwood MRP to reflect the changes associated with the relinquished area upon approval from the Division. (See attached BLM letter dated May 23, 1997).

The original Right-of-Way, UTU-37642, was granted to UP&L on August 31, 1977 by the Bureau of Land Management for a mining related Waste Rock Disposal Site. The original Right-of-Way constituted 48.62 acres. "Energy West" has relinquished 1.08 acres of this site to facilitate an access road for Texaco to serve Drill Site #35-14. The remaining permitted waste rock site will consist of 47.54 acres.

Letters dated September 9, 1996 from the BLM, Texaco, and PacifiCorp outline several key issues. The letter from the BLM stated that the BLM would not hold PacifiCorp liable for the reclamation on the relinquished Right-of-Way. The letter from Texaco stated that Texaco would commit to relocating PacifiCorp's fence, constructing necessary runoff control measures, and maintaining the road and ditch as outlined to protect PacifiCorp's waste rock permitted area. Texaco also stated that they would assume responsibility for reclamation of the road access corridor according to BLM guidelines when the road was no longer needed. The letter stated that

Huntington Office:
(801) 687-9821

Fax (801) 687-2695

Purchasing Fax (801) 687-9092

Deer Creek Mine:
(801) 381-2317

Fax (801) 381-2285

Cottonwood Mine:
(801) 748-2319

Fax (801) 748-2380

Texaco would reclaim the 2/10 acre road access corridor, PacifiCorp actual relinquished 1.08 acres to Texaco. They will be responsible for reclaiming the 1.08 acres.

Administrative Procedures:

During conversation between Chuck Semborski and Daron Haddock, it was determined that publication of the relinquished 1.08 acres for public notification was not required. The regulations state that publication is only required when the size of the permit area increases not decreases as in this case.

Biology:

As stated, PacifiCorp will not have any final reclamation or maintenance responsibility on the Texaco road. PacifiCorp is only responsible for the final reclamation on the revised disturbed area. PacifiCorp will reclaim this area according to the permit reclamation plan.

Engineering:

A new description has been written which deletes the relinquished 1.08 acres from the permitted area. This description encompasses portions of section 34 and 35 of Township 17 South Range 7 East. The new description is as follows:

Section 34 - containing 26.36 acres

Beginning N-0-01-00-W 545.54 feet from the East 1/4 Corner of Section 34, T. 17 S. R 7 E SLB&M; Thence S-72-20-00-W 28.25 feet; S-62-54-12-W 69.67 feet; S-54-05-38-W 349.36 feet; S-72-32-03-E 87.70 feet; N-50-27-20-E 295.51 feet; N-69-41-04-W 64.41 feet; N-0-01-00-W 789.68 feet; N-39-55-41-W 1,978.92 feet; N-54-04-29-E 678.73 feet; S-54-11-25-E 887.95 feet to point of beginning.

Section 35 - containing two portions 1. 1.67 acres 2. 19.51 acres

Beginning S-32-35-06-E 333.34 feet from the East 1/4 Corner of Section 34, T. 17 S. R 7 E SLB&M; Thence S-25-37-57-E 113.14 feet; S-25-27-00-W 117.42 feet; S-72-20-00-W 186.65 feet; N-0-01-00-W 545.54 feet to point of beginning.

Beginning S-32-35-06-E 582.18 feet from the East 1/4 Corner of Section 34, T. 17 S. R 7 E SLB&M; Thence S-32-35-06-E 1296.31 feet; S-55-31-08-W 658.71 feet; N-39-55-41-W 729.59 feet; N-0-01-00-W 789.68 feet; N-69-41-04-W 334.14 feet to point of beginning.

Reclamation Costs:

The current bond is adequate to cover final reclamation.

Revisions to the MRP

The following pages from the MRP have been revised to reflect the relinquishment and are attached for your review.

1. Page 5, Volume 1
2. Page 1-59, Volume 1
3. Page 3-61, Volume 2
4. Page 4-4.4, Volume 2
5. Page 8 of the Final Reclamation Costs, Volume 2, Chapter 4
6. Page 5, Appendix VII, Appendix Volume Part 1

Discussion between Daron Haddock and Chuck Semborski in regards to the permit maps that would need to be changed for this amendment occurred on July 28, 1997. They came to the agreement that the maps depicting only the Cottonwood Waste Rock Site would need to be revised. The other maps within the permit that depict the waste rock site as well as other information will not be revised. On page 5, Volume 1 of the permit, text has been added that states the accurate description of the Cottonwood Waste Rock Site can be found on Drawing CM-10361-WB.

The following maps have been revised to reflect the relinquishment and are attached for your review.

1. CM-10361-WB Appendix VII Underground Waste Storage Site
2. KS1517A Figure 5 Cottonwood Mine Overland Conveyor
3. Figure 1 Vegetation Map for Waste Rock Site Storage Permit

Letters are attached from Energy West, Texaco and the various agencies involved in this process of relinquishment. These letters provide pertinent information regarding this amendment.

All parameters necessary to this amendment have been covered and are complete to the best of our knowledge.

If there are any problems or concerns that need our attention please call Richard Northrup at 687-4822 or Chuck Semborski at 687-4720.

Sincerely,

A handwritten signature in cursive script, appearing to read "Chuck Semborski".

Chuck Semborski
Environmental and Geology Supervisor

cc: Blake Webster
Scott Child
Carl Pollastro
Chuck Semborski
Barbara Adams (file)

APPLICATION FOR PERMIT PROCESSING

Permit Change
 New Permit
 Renewal
 Transfer
 Exploration
 Bond Release

Permit Number: ACT/015/019

Title of Proposal: Cottonwood Mine
Amendment to Cottonwood Waste Rock Site Acreage

Mine: COTTONWOOD/ WILBERG

Permittee: PACIFICORP

Description, include reason for application and timing required to implement:

Delete the relinquished area of the Old Waste Rock Site from the Permit

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

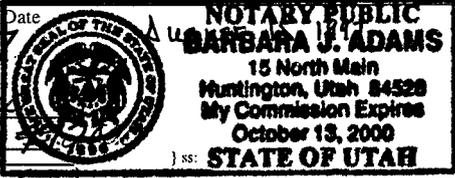
- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 1. Change in the size of the Permit Area? <u>1.08</u> acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input checked="" type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO # |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 4. Does application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 5. Does application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice/publication? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? Explain: |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?) |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 15. Does application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 19. Does the application require or include certified designs, maps, or calculations? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 21. Have reclamation costs for bonding been provided for? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |

Attach 7 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein. (R645-301-123)

Charles D. South Permitting Supervisor
 Signed - Name - Position - Date

Subscribed and sworn to before me this 15 day of Aug, 19 97
Barbara J. Adams
 Notary Public



My Commission Expires: _____
 Attest: STATE OF UTAH
 COUNTY OF Emery

