



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
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Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

August 29, 1997

To: File

Thru: Joe Helfrich, Permit Supervisor, Compliance

From: Wm. J. Malencik, Reclamation Specialist *WJM*

RE: Texaco Access Road Amendment, Cottonwood Waste Rock Site, PacifiCorp, ACT/015/019-97E, Folder #2, Emery County, Utah/Overview

The foregoing amendment was received by the Price Field Office on August 21, 1997.

Summary

This PacifiCorp permit amendment concerns relinquishing part of the DOGM permit area previously classified disturbed, currently classified as undisturbed, and the applicant has requested final action to delete an area as described in their application from the PacifiCorp DOGM permit. Further, when approved they will not be held liable nor accountable by the Division for final reclamation of the area nor the maintenance of the undisturbed permanent diversion.

BLM has deleted the area from PacifiCorp ROW BLM permit. Therefore, with respect to BLM, PacifiCorp does not have any authority to use nor do they have any responsibility whatsoever on the area deleted from the ROW grant. As related to this area, all responsibilities rests with Texaco under BLM oversight. Refer to supporting documents attached.

Recommend the application be approved based on the following:

1. Technical analysis and findings referenced herein.
2. The chronology of events leading up to this final action pending before DOGM. Refer to Attachment I.
3. Post-mining Land Use. The post-mining land use will change from multiple use, wildlife, and domestic livestock habitat to an oil and gas access road. The life of the well is approximately 30 years. I would defer this matter to the Division's determination if the change in post-mining land use is a matter that needs to be addressed before the permit change can be effected (R645-301-412.100 et. al.).
4. Supportive Documents. See Attachment II for details.



5. Since matters relating to such cases are largely unstructured, would appreciate if management would determine:
 - a. If the course of action by the undersigned to date has been consistent with Division policy and the Utah Coal Rules, and
 - b. If not, what follow-up action will be necessary and by whom to bring this matter to a successful conclusion.

Analysis

1. As a result of prompt action by PacifiCorp a field meeting was held on July 22, 1996, to attempt to resolve conflicts resulting when two parties were authorized to utilize the same parcel of federal land. Further, a third party (Texaco) action could result in PacifiCorp receiving a violation for environmental consequences caused by a third party not consistent with the Utah Coal Rules that may impact PacifiCorp DOGM permit area. Believing "an ounce of prevention is worth a pound of cure", and as a result thereof the undersigned acted as the team leader to attempt to resolve conflicts.
2. In 1977, BLM issued a non-exclusive ROW under FLMPA, 43 CFR, Part 2800 to PacifiCorp for a waste rock site.
3. On September 19, 1995, BLM issued an oil and gas lease to Texaco under 1920 Mineral Leasing Act, 43 CFR, Part 3100.
4. On July 8, 1996, BLM approved an APD for Texaco to construct an access road on an active portion of the PacifiCorp waste rock site.
5. From Texaco point of view this postured their case where Texaco had, from the competent authority, all authorization needed to commence road construction. Documents 3 and 4 were not received until after the July 22, 1996 field meeting. However, phone call to Texaco management by the undersigned reaffirmed Texaco commitment to conduct operations consistent with understanding reached at the field meeting as reflected in the minutes if at all possible.
6. BLM subsequently changed their position. The reality personnel took the position that both Texaco and PacifiCorp would be held liable for final reclamation and maintenance of the undisturbed diversions.
7. Area manager subsequently ameliorated BLM's position, which in substance stated that PacifiCorp would not be held liable for the area providing they filed a ROW partial relinquishment.
8. On September 11, 1996, a PacifiCorp permit amendment was approved to modify PacifiCorp's disturbed area. This was conditioned by written commitments from both Texaco and PacifiCorp. See minutes of July 22, 1996 meeting.

9. On February 20, 1997, PacifiCorp files relinquishment application which BLM approved on May 23, 1997.
10. The only pending action now rests with DOGM to delete the area from PacifiCorp's permit, revise permit, and MRP documents. Further, PacifiCorp would have no further obligation concerning the deleted area.

Technical Analysis and Findings

The findings documented in the September 11, 1996 approval have equal application to the instant amendment. Please refer to that document.

Overview.

This overview is directed at the multi-agency jurisdiction process or the lack thereof on two cases that directly, one that indirectly, involved the undersigned. It should be read and construed in that context.

Because of my assumed role on two projects mentioned below, liaison and principal contact, I spent an inordinate amount of time on this multi-agency jurisdictional project. Nevertheless, both PacifiCorp and Texaco have a clear and written understanding on their responsibilities that grew out of this project. Also, BLM and DOGM oversight responsibilities are reduced to writing. The foundation was set forth in the first meeting on July 22, 1997 and minutes relating thereto. This resulted in a win/win for both Texaco and presumably PacifiCorp, even though some glitches had to be resolved later in the process.

The undersigned approved two amendments for PacifiCorp involving Texaco. One on a road crossing and a culvert on the Des Bee Dove Road. The other on the waste rock site, which is the subject of this memo. It's only reasonable that two parties sharing the same parcel of land should both carry a prorated environmental burden associated with such multi-agency project which was done in the two cases cited above.

Now in retrospect, believe my time was well spent and perhaps more fruitful than what took place later on a similar case, the PacifiCorp/SITLA/Texaco matter. Sincerely believe Dave Terry's attendance was essential to a successful meeting scheduled by PacifiCorp. He agreed, with some persuasion on my part, to attend, and he canceled the day of the meeting. Paul Baker attended that meeting for the Division, since he was the inspector. The case as it was postured at that time, had an excellent chance for resolution if Dave Terry would have attended the meeting. SITLA was the keystone player. They issued the two grants on the same parcel of land. They were the only competent authority that could exercise control over Texaco on state lands. See my inspector's SITLA memo (Attachment II-G). Later, Paul Baker issued a violation to PacifiCorp for Texaco actions that impacted PacifiCorp's road environmental control measures.

Page 4
File/J. Helfrich
ACT/015/019-97E
August 29, 1997

I have to compliment both PacifiCorp and Texaco for their cooperation, attitude, verbal commitments, and living up to their commitments on the two projects that I have approved. As a result thereof, the projects were completed timely. It should be noted that the waste rock amendment application was filed August 28, 1996, commitments by Texaco, PacifiCorp, and BLM reduced to writing and received September 9, 1996. The amendment was approved on September 11, 1996. However, a lot of pick and shovel work took place starting in July. This paved the way for Texaco to remove and replace PacifiCorp environmental control measures and start road construction. The way this project was processed, it satisfied Texaco's needs, yet, not necessarily at the expense of PacifiCorp's on-going needs. Moreover, the end result was propitious from environmental and compliance standpoints. Existing disturbed areas together with an existing road crossing off State Highway #57 were utilized. Further, existing disturbed areas were utilized instead of disturbing new wildland areas. Also, reclamation was not compromised even though the road will make future reclamation by Texaco more complex with a different time frame. PacifiCorp environmental measures were relocated and safeguards were put in place by Texaco to protect PacifiCorp permit area. This spring, Texaco maintained the undisturbed diversions.

In conclusion, I don't usually document case action at this level of detail; however, since I was sailing in uncharted waters, as an assumed project leader, the actions I took required a higher level of documentation for PacifiCorp, Texaco, BLM, and DOGM.

A few key questions that come to mind on oil & gas non-coal mine project that impacts DOGM coal mining permits, et. al. include:

- What agencies have statutory authorities and responsibilities?
- Who has authority over what?
- Who are the customers?
- Who are the major players?
- Who should take the lead role?
- Who are the minor players?
- To what extent should DOGM be involved?

Have been advised by PacifiCorp that all seven copies have been sent to the DOGM Salt Lake office. With your review and approval, after thirteen months, this case can now be finalized.

sd
enclosures
cc: Lowell Braxton, DOGM, SLC

Attachment #5



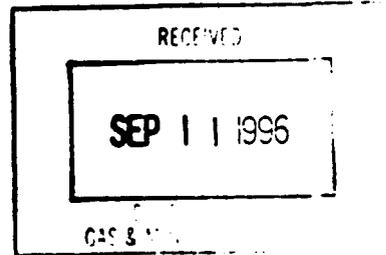
United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab District
Price River/San Rafael Resource Area
125 South 600 West
P.O. Box 7004
Price, Utah 84501

2890
UTU-37642
(UT-067)

SEP - 9 1996



Mr. Bill Malencik
Division of Oil Gas & Mining
c/o College of Eastern Utah
Box 156
451 East 400 North
Price, Utah 84501-2699

Dear Mr. Malencik:

Recently you contacted Mark Mackiewicz of my staff regarding the status of a right-of-way. The subject right-of-way covers a waste rock disposal site held by PacifiCorp dba Utah Power & Light Company (serial no. UTU-37642). Apparently there is some dispute regarding Texaco using a road that crosses this right-of-way. Texaco proposes to utilize the road to reach a proposed coal methane well site. Texaco has the right to use the road under the terms of their oil and gas lease.

Right-of-way UTU-37642 was granted to PacifiCorp on August 31, 1977, and is nonexclusive. Texaco is responsible for maintenance and reclamation of the subject road. However, until such time as PacifiCorp files a relinquishment of that portion of the right-of-way covered by the road, it will be held liable for reclamation of the road.

On Friday, September 6, 1996, we contacted Mr. Val Payne at Energy West and informed him that PacifiCorp would have to file a relinquishment if they wanted to be relieved of the reclamation liability for the road.

If you have any questions please feel free to contact Mark Mackiewicz of my staff at (801) 636-3600.

Sincerely,

Area Manager



Texaco Exploration and Production Inc

3300 N Butler
Farmington NM 87401

September 9, 1996

Mr. William J. Malencik, Reclamation Specialist
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
Price, Utah

Subject: Proposed Texaco Access Road
2/10 Acre, Sections 34 & 35, T17S, R7E (see attachment)
Cottonwood Waste Rock Site, PacifiCorp
ACT/015/019, Folder #2, Emery County, Utah

Dear Mr. Malencik:

In reference to the above captioned subject and to the "field meeting minutes" dated 7/25/96, Texaco Exploration and Production respectfully requests relocating specific environmental control measures, as stated below, from PacifiCorp's area of responsibility to Texaco.

Texaco will assume responsibility:

- To relocate PacifiCorp's fence.
- To maintain and reclaim the berm adjacent to the road ditch and relocated fence.
- To maintain the road and ditch.
- To install the necessary runoff/control measures.
- To assume responsibility for reclamation for the 2/10 acre road access corridor, according to BLM guidelines and stipulations, when the road is no longer needed by Texaco.

Texaco appreciates the efforts you have afforded us in this matter and if you require any additional information please call us at (505) 325-4397.

Sincerely,

Rached Hindi
Senior Engineer

LNS/s
Attachment



September 9, 1996

Utah Coal Regulatory Program
Division of Oil, Gas and Mining
Price Field Office
451 East 400 North
Box 156
Price, Utah 84501

Attention: Mr. William J. Malencik

**RE: PROPOSED TEXACO DRILLING ACCESS ROAD, SECTIONS 34 AND 35, T17S,
R7E, COTTONWOOD MINE WASTE ROCK SITE, PACIFICORP, ACT/015/019,
FOLDER #2, EMERY COUNTY, UTAH**

PacifiCorp, successor in interest to Utah Power and Light Company (UP&L), by and through its wholly-owned subsidiary Energy West Mining Company ("Energy West") as mine operator, will relinquish a portion of Right-of-Way UTU-37642, granted to UP&L on August 31, 1977, by the Bureau of Land Management (BLM), for a mining related Waste Rock Disposal Site. Said relinquishment is required by the BLM to facilitate construction of an access road, by Texaco Exploration and Production Inc. (Texaco), to serve Drill Site #35-14.

You are well aware of the efforts pursued by yourself, representing the Division of Oil, Gas and Mining (Division), Texaco and PacifiCorp to minimize additional impacts to the area in the vicinity of the Waste Rock Site. PacifiCorp appreciates the cooperation and assistance provided by the Division and Texaco in addressing this matter.

In addition to the changes to the Cottonwood Mining and Reclamation Plan (MRP) , proposed in the Amendment currently being processed, the Cottonwood MRP will be revised to reflect the changes associated with the relinquishment action.

Again, thank you for your valuable assistance in this matter. If you require further information, please call me at (801) 687-4722 or Richard Northrup at (801) 687-4822.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Val Payne', is written over the typed name.

Val Payne
Sr. Environmental Engineer

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



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DEPARTMENT OF NATURAL RESOURCES
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801-538-5319 (TDD)

Attachment #4

September 11, 1996

Val Payne
Sr. Environmental Engineer
PacifiCorp
P.O. Box 310
Huntington, Utah 84528

RE: Waste Rock Site Reduced Disturbed Area, Texaco Methane Well Access Road, PacifiCorp, Cottonwood Mine, ACT/015-019-96C, Folder #3, Emery County, Utah

Dear Mr. Payne:

This approves the aforementioned permit amendment application received August 30, 1996. The approval is effective September 10, 1996. In substance, the approval of the amendment reduces your DOGM permitted disturbed area as reflected herein. The reduction was necessary because of BLM's authorization to Texaco to construct a road on federal land included in a Texaco oil and gas lease. As related to multi-agency jurisdiction, the following are matters of record:

- (1) Matters related to PacifiCorp ROW grant are under direct authority of BLM.
- (2) Matters relating to PacifiCorp's Mining Reclamation Permit and aforementioned amendment are under direct authority of DOGM.
- (3) Matters relating to Texaco oil and gas lease are under direct authority of BLM.
- (4) Matters relating to authorizing and oversight jurisdiction on the Texaco road rests with BLM and coordinated with DOGM and PacifiCorp. This is necessary in order that the Texaco road would not detract from the qualified ROW rights granted by BLM to PacifiCorp and subsequent provisions incorporated in the DOGM permit including on-the-ground environmental control measures.

Follow-up Action By Permittee

- (1) Since the project involves on the ground construction, and relocating existing environmental control measures, please submit 30 days after project completion an updated surface facilities map.
- (2) Submit necessary documents to BLM on relinquishing part of the PacifiCorp ROW grant
- (3) A future DOGM permit amendment must be prepared deleting the relinquished area from your permit (refer to PacifiCorp letter of September 9, 1996). This is not a follow-up of this approval, but is a condition of approval. It serves as a reminder that an independent subsequent amendment must be submitted to DOGM by PacifiCorp after the relinquishment is approved by BLM..

Project Description

Texaco proposes to construct a methane well access road. Part of the road lies on federal land covered by a right of way (ROW) grant issued in 1977 to PacifiCorp, serial number U-37642 for a waste rock site. BLM issued Texaco an oil and gas lease which also covers areas in the approved PacifiCorp ROW grant. Was advised the lease was issued September 19, 1995, serial number UTU-74823.

PacifiCorp, Texaco, BLM, and DOGM representatives held a field meeting on July 22, 1996, and certain understandings were reached and summarized in meeting minutes dated July 25, 1996, copy attached. The key points of that meeting are as follows:

- With multi-agency jurisdiction, applications for various land and resource uses, more attention needs to be directed to compatible and/or segregated uses of lands currently disturbed rather than locating projects on undisturbed wild lands.
- PacifiCorp was amendable to allow Texaco, subject to appropriate approvals, for Texaco to construct a road on PacifiCorp ROW and on both the disturbed and undisturbed portions of PacifiCorp's DOGM permitted area.
- There were other understandings and conclusions on relocating and constructing environmental control measures and reclamation responsibilities. Please refer to minutes of July 25, 1996 meeting. As related to the minutes, Texaco is responsible for the undisturbed diversion constructed by PacifiCorp and included in the Texaco road corridor.

Surveys have been completed, plats prepared, copies enclosed and the following are acreage summaries abstracted from the plats:

PacifiCorp ROW grant 48.62 acres.

- PacifiCorp Disturbed Area/Waste Rock Site
 - Total 15.88 acres.
 - Deleting Texaco road, revised total
 - Waste Rock 15.62 acres
- PacifiCorp permit area no change at this time.
- Texaco road 0.255 acres within PacifiCorp disturbed area.

Findings

- (1) The applicant submitted a complete and accurate amendment application.
- (2) DOGM PERMIT STATUS. The addition lies within the current permit.
- (3) ACTIVE MINE. The area is included in an active approved coal mining and reclamation operation and is within the disturbed area.

- (4) LAND STATUS. The land is federal and administered by BLM. PacifiCorp has authority for a waste rock site under BLM/ROW grant. Texaco has qualified authority on federal lands involving the construction of the Texaco road by virtue of a federal oil and gas lease.
- (5) COORDINATION AND APPROVALS. There is a sense of urgency to the approval of the instant amendment in order to pave the way for Texaco to construct an access road to a menthane well. The approval of this amendment, in part, was expedited as a result of the excellent cooperation of Texaco, PacifiCorp, and BLM position received September 9, 1996. It is also based on three letters submitted to the undersigned and included as part of the amendment approval record.

- (1) Letter dated September 9, 1996, a commitment from Texaco relative to relocating and constructing environmental control measures to protect PacifiCorp waste rock permitted disturbed area; sole responsibility to reclaim the Texaco road by Texaco.
- (2) Letter of commitment from PacifiCorp relative to relinquishing a portion of their BLM ROW grant.
- (3) Letter from BLM stating BLM would not hold PacifiCorp liable for the reclamation on the relinquished ROW disturbed area.

A procedural position could be taken that PacifiCorp ROW relinquishment must be executed before a DOGM amendment could be approved. However, I was advised by PacifiCorp that it would require 1-2 months to get the ROW relinquishment finalized from application to approval. This may place Texaco in a position by virtue of their oil and gas lease to immediately initiate road construction under the authority of the oil and gas lease, and thereafter, several of potential conflicting problem could arise. For this and other reasons, I have approved this amendment. The letters dated 9/9/96 from BLM, PacifiCorp, and Texaco provide several of the key elements for paving the way for the approval. In addition to other things, this decision does four important things.

- (1) Provides for reclamation.
- (2) Clears the way for Texaco to construct road.
- (3) Provides for appropriate continuity of environmental controls as related to DOGM permitted disturbed area as may be impacted by the Texaco road.
- (4) Provides letters of commitment including who is responsible for individual parts of this project together with independent subsequent actions mentioned herein.

The project has been coordinated with BLM. Other agencies who have been contacted associated with the environmental process include the Utah Department of Wildlife and State Highway Department.

- (6) IMPACTS. The project does not have any material adverse impacts to hydrologic balance, nor does it involve any existing critical habitat.

- (7) RECLAMATION AND BONDING. In light of understandings reached among BLM, Texaco, PacifiCorp, and DOGM representatives and other records included herein, the following are conditions of approval as related to reclamation and bonding:
- (A) Texaco will have total responsibility to reclaim the Texaco road under BLM oversight.
 - (B) Texaco will be responsible for temporary sediment control, as it may impact PacifiCorp's disturbed area as determined by the undersigned.
 - (C) PacifiCorp will not have any temporary or final reclamation responsibilities on the Texaco road under Utah Coal Rules. The disturbed area encompassing the road will be deleted from the DOGM permit documents and thereafter will be classified as undisturbed.
 - (D) PacifiCorp is responsible for final reclamation on the revised disturbed area as described herein. PacifiCorp's current bond is determined adequate as covered in the permit amendment application and validated by the undersigned.
- (8) RECORD UPDATE. The technical analysis is updated as related to the disturbed area. The existing bond has been determined to be adequate.

Sincerely,



Wm. J. Malencik
Reclamation Specialist

sd
enclosures

cc Ranvir Singh, OSM, Denver
Mark Bailey, BLM, Price
Janette Kaiser, USFS, Price
Mark Page, State Eng, Price, w/o enc
Dave Anotti, DEQ, Price, w/o enc
Bill Bates, DWR, Price, w/o enc
Joe Helfrich, DOGM, SLC
Pam Grubaugh-Littig, DOGM, SLC, w/o enc



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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801-359-3940 (Fax)

801-538-5319 (TDD)

September 13, 1996

Larry Slotterback
Texaco Exploration and Production, Inc.
3300 North Butler, Suite #100
Farmington, New Mexico 87401

RE: Texaco Road, PacifiCorp, Cottonwood Mine, ACT/015/019-96C, Folder #2, Emery County, Utah

Dear Mr. Slotterback:

Here is a copy of PacifiCorp's mining and reclamation approved permit amendment.

The approval, by necessity, covers those Texaco responsibilities associated with your proposed road that interfaces with PacifiCorp's on-the-ground approved environmental control measures and DOGM permit. The approved documents needed to accommodate the Texaco road lying within PacifiCorp's approved waste rock permitted area were discussed at the July 96 field meeting covered in detail in the minutes, and key items included in PacifiCorp's approved amendment.

Please notify me immediately if you have any problems with the contents of the approval granted to PacifiCorp as it involves Texaco and the Texaco road.

Sincerely,

Wm. J. Malencik
Reclamation Specialist

sd
Enclosures

cc Val Payne, PacifiCorp, Huntington
Joe Helfrich, DOGM, SLC



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

DOCUMENT II

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Trade Center, Suite 350
Salt Lake City, Utah 84100-1203
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801-538-5319 (TDD)

October 3, 1996

Val Payne
Sr Environmental Engineer
PacifiCorp
P.O. Box 310
Huntington, Utah 84528

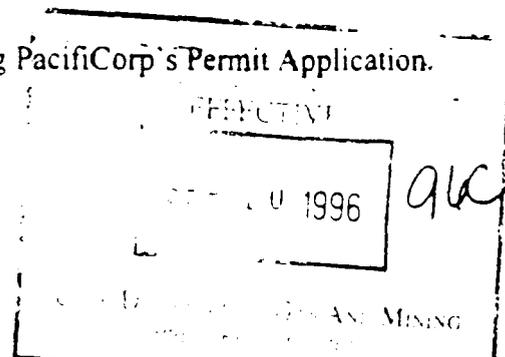
RE: Texaco Access Road Across Cottonwood Waste Rock Site, PacifiCorp, Cottonwood Mine, ACT/015/019-96C, Folder #2, Emery County, Utah

Dear Mr. Payne:

Enclosed are supporting documents associated with the DOGM 9/11/96 decision approving your waste rock permit amendment. The documents concern multi-agency commitments and actions relative to Texaco and PacifiCorp both having BLM qualified rights on certain federal lands, PacifiCorp also having qualified rights under Utah Coal Rules on some of the same federal lands and other matters.

The enclosed documents are as follows:

- Attachment #1: Field Meeting Minutes dated 7/25/96.
- Attachment #2: BLM Sundry Notice to Texaco.
- Attachment #3: Texaco Site Survey Plats, Maps, Designs.
- Attachment #4: PacifiCorp DOGM Permit Amendment Application.
- Attachment #5: Consensual Letters: BLM, Texaco, PacifiCorp.
- Attachment #6: DOGM Decision Approving PacifiCorp's Permit Application.



Page 2

V. Payne - Cottonwood

Texaco Road/Waste Rock - 96C

October 3, 1996

As a result of excellent cooperation between Texaco and PacifiCorp who both held qualified rights on the same parcel of federal land and supported by other agencies, potential problems were averted. Furthermore, an existing disturbed area was utilized instead of disturbing a pristine wildland area. Also, an existing state highway turnoff was utilized instead of constructing another turnoff. Furthermore, future reclamation determinations and commitments were hammered out, providing those areas where Texaco would be responsible to reclaim under BLM oversight and those other areas that PacifiCorp would be responsible to reclaim under DOGM oversight.

As mentioned in the 9/11/96 decision some additional followup matters relating to final records will be necessary after the project is completed.

Sincerely,



Wm. J. Malencik
Reclamation Specialist

sd
enclosures

cc Mark Bailey, BLM, Price
Larry Slotterback, Texaco, NM
Joe Helfrich, DOGM, SLC

One Utah Center, Suite 2000
Salt Lake City, Utah 84140-0020
(801) 220-4616 • FAX (801) 220-4725



A Subsidiary of PacifiCorp

February 20, 1997

Mr. Richard Manus
Area Manager
United States Department of Interior
Bureau of Land Management
Moab District - Price River/San Rafael Resource Area
125 South 600 West
P.O. Box 7004
Price, Utah 84501

**RE: *Relinquishment of a Portion of BLM Right-of-Way Grant UTU-37642,
PacifiCorp's Cottonwood Mine Waste Rock Disposal Site***

Dear Mr. Manus:

PacifiCorp, by and through its wholly own subsidiaries Interwest Mining Company (as managing agent) and Energy West Mining Company (as mine operator), hereby relinquishes a portion of the above captioned right-of-way. This notification of relinquishment of a portion of the referenced right-of-way grant is submitted in accordance with:

- (1) BLM Area Manager's (Mark Bailey) letter to Bill Malencik of the Utah Division of Oil, Gas & Mining (DOGM) dated September 9, 1996 (copy attached),
- (2) Mark Bailey's contact with Mr. Val Payne formerly of Energy West Mining Company on September 6, 1996, and
- (3) BLM's issuance of a road right-of-way to Texaco for the development and construction of a road across the referenced PacifiCorp right-of-way for access to its coal bed methane well site.

The following description is provided of the area relinquished from right-of-way UTU-37642 and is depicted on the enclosed map:

Beginning at a point S 32°35'06" E, 333.34 feet from the east ¼ corner of Section 34, T. 17 S., R. 7 E., S.L.B.&M.; thence S 25°37'57" E, 113.14 feet; thence S 25°27'00" W, 117.42 feet; thence S 72°20'00" W, 214.90 feet; thence S 62°54'12" W, 69.67 feet, thence S 54°05'38" W, 349.36 feet; thence S 72°32'03" E, 87.70 feet; thence N 50°27'20" E, 295.51 feet; thence N 69°41'04" E, 398.55 feet; thence N 32°35'06" W, 248.84 feet to the point of beginning.

Containing approximately 1.08 acres, more or less.

Richard Manus
February 20, 1997
Page 2

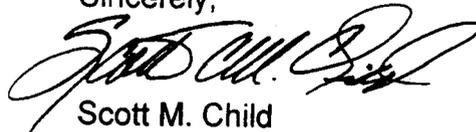
Furthermore, upon submitting this relinquishment, it is understood between DOGM, BLM and Texaco that PacifiCorp is relieved of any reclamation and maintenance liability for Texaco's road within the area relinquished.

We're very appreciative of the assistance of Mark Mackiewicz of your staff in addressing this multiple use issue with DOGM, Texaco and our mine operator. Any correspondence relative to this right-of-way and this relinquishment should be sent to my attention at the following address:

PacifiCorp
% Interwest Mining Company
One Utah Center - Suite 2000
201 South Main Street
Salt Lake City, Utah 84140-0020
Attention: Property Management Administrator

Should you have any questions or need any additional information, please feel free to contact me at 801-220-4612 or Chuck Semborski of Energy West Mining Company at 801-687-4720.

Sincerely,



Scott M. Child
Property Management Administrator

Enclosure

SMC13\UTBLM97.003

cc: IMC w/o copy encl. - D.W. Jense, B. Webster
EWMC w/o copy encl. - D. Lauriski, C. Pollastro
EWMC w/copy encl. - C. Semborski, D. Northrup
PacifiCorp Property Management Dept. w/copy encl. - B. Arnold NTO 110
Stoel Rives w/copy encl. - J. Kirkham, Esq.
DOGM w/copy encl. - Bill Malencik
Utah Division of Oil, Gas & Mining
% College of Eastern Utah
P.O. Box 156
451 East 400 North
Price, UT 84501-2699
Texaco Exploration and Production Inc. w/copy encl. - Robert Schaffitzel
3300 North Butler - Suite 100
Farmington, NM 87401



Michael O. Leavitt
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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 19, 1997

Rached Hindi
Senior Engineer
Texaco Exploration and Production, Inc.
3300 North Butler
Farmington, NM 87401

RE: Proposed Texaco Access Road, PacifiCorp, Cottonwood Waste Rock Site, ACT/015/019-96C, Folder #2, Emery County, Utah

Dear Mr. Hindi:

This has reference to the Texaco Road northerly ditch lying adjacent to Utah State Highway 57, and in the general vicinity of PacifiCorp, Division of Oil, Gas, and Mining permitted waste rock site. The foregoing items all lie on federal lands within Section 34, TWP17S, R7E, SLB&M.

Based on understandings reached at a field meeting as covered in my minutes of July 25, 1996, your concurrence letter of September 9, 1996, your company is responsible for the ditch shown on the attached sketch. I conducted an inspection on March 14, 1997, and noted that the northwesterly segment of the ditch is very shallow and has a potential to over top and drain into and commingle with the waste rock disturbed runoff. Should this occur, it would result in a violation to PacifiCorp issued by the Division of Oil, Gas, and Mining.

I have received excellent cooperation from both PacifiCorp and Texaco primarily pointed toward meeting your needs. It was agreed we would utilize existing disturbed areas for the road construction, to the extent feasible, and not disturb any wildland areas. I would appreciate your doing the necessary maintenance/ reconstruction ditch work to prevent any possible compliance problems. This particular ditch has been designed for 100 year 6 hour storm event. PacifiCorp can provide you the design and any other information that concerns this ditch.

When the Texaco road was constructed, the ditch was not altered. Later when the pipeline was buried, the ditch was altered.

Page 2

R. Hindi

Cottonwood/Texaco Road

March 19, 1997

As an inspector, I try to be perceptive and evaluate field environment features and control measures before they become problems. An ounce of prevention is worth a pound of cure. Your usual prompt response to me would be most appreciated. Have discussed this matter with PacifiCorp and we are available to accompany your representative on a site visit.

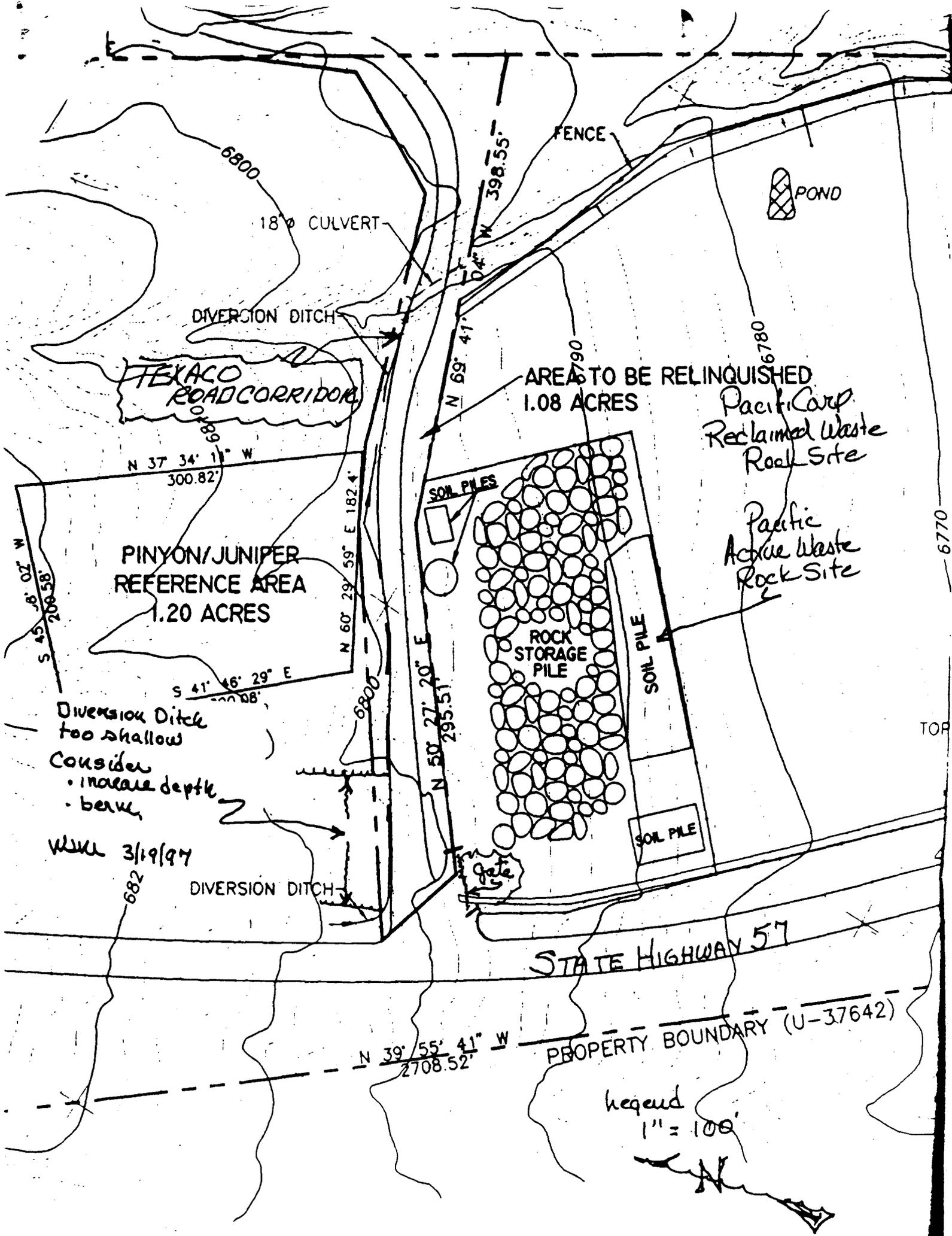
Sincerely,



Wm. J. Malencik
Reclamation Specialist

sd
enclosure

cc: Richard Manus, BLM, Price
Chuck Semborski, PacifiCorp, Huntington



Diversion Ditch too shallow
 Consider
 • increase depth
 • berm

WMM 3/19/97

legend
 1" = 100'

[Signature]



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Moab District
Price River/San Rafael Resource Area
125 South 600 West
Price, Utah 84501

2890
UTU-37642
(UT-067)

Certified Mail--Return Receipt Requested
Certificate No. 382 123 825

MAY 23 1997

DECISION

PacifiCorp :
C/O Interwest Mining Company :
One Utah Center, Suite 2000 : Right-of-Way UTU-37642
Salt Lake City, Utah 84140-0020 :
Attention Property Manager Administrator :

Partial Right-of-Way Relinquishment Accepted Details of Relinquishment

On February 24, 1997, Interwest Mining Company filed a notice of relinquishment on the following described parcel of public land within right-of-way UTU-37642.

Beginning at a point S 32°35'06" E, 333.34 feet from the east ¼ corner of Section 34, T. 17 S., R. 7 E., SLB&M.; thence S 25°37'57" E, 113.14 feet; thence S 25°27'00" W, 117.42 feet; thence S 72°20'00" W, 214.80 feet; thence S 62° 54'12" W, 69.67 feet; thence S 54° 05'38" W, 349.36 feet; thence S 72°32'03" E, 87.70 feet; thence N 50°27'20" E, 295.51 feet; thence N 69°41'04" E, 398.55 feet; thence N 32°35'06" W, 248.84 feet to the point of beginning.

Containing 1.08 acres more or less.

Relinquishment of the above described parcel of public land is hereby accepted. An adjustment in the rental will be made and reflected in your billing notice of January 1, 1998. Authority for such action is found in the Federal Land Policy and Management Act of 1976 (90 Stat 2776, 43 U.S.C. 1761) and in Title 43 of the Code of Federal Regulations, part 2800.

Please contact Mark Mackiewicz at (801) 636-3600 if you have any question regarding this action.

Ad Mark E. Bailey
Area Manager

cc: B. WEBSTER
C. POLLARD
G. SZABORSKI
D. NORTHRUP



SUPERSEDED
EFFECTIVE:

SEP 4 1987

48.62 acre site was originally designed as an open storage and truck load for the Wilberg Mine. The Right-of-Way grant was issued by the Bureau of Land Management in 1977 but subsequent developments, specifically a concrete storage silo for coal storage constructed at the mine site, changed the need for this site. A modification was submitted to use this land for underground development waste storage in connection with underground development ongoing in the Wilberg Mine. Presently seven containment structures have been constructed with six having been reclaimed.

This storage site occupies about sixteen (16) acres of the forty-nine (49) acres assigned to Utah Power & Light Company by the Bureau of Land Management.

Further discussion of the Cottonwood/Wilberg mining operation and facilities can be found in the Operations Section of the Permit beginning on page 3-1.

This application and related information are intended to address the Cottonwood/Wilberg Mine complex and its affect on the surrounding area. However, several of the environmental resource studies such as vegetation, soils and wildlife, apply to the applicant's total contiguous area and can be better evaluated as a whole as they refer not only to the specific mine but to the adjacent areas.

All coal mined from Wilberg will be utilized as fuel for Company-owned Hunter Power Plant located near the mine.

Preparation of this application was assigned to Company's Mining and Exploration Department under the supervision of its Manager, Dee W. Jense.

The department staffs sufficient professional and technical

Revised 11/21/83

Revised 3/1/89

SECTION 22: NW1/4, S1/2;

SECTION 27: NW1/4, N1/2 SW1/4, NE1/4;

SECTION 28: ALL

SECTION 29: ALL

SECTION 30: ALL

SECTION 31: LOT 1, E1/2, E1/2 W1/2;

SECTION 32: ALL

SECTION 33: N1/2, SW1/4, W1/2 SE1/4;

SECTION 34: S1/2 NW1/4, NW1/4 NW1/4, E1/2 SE1/4 NW1/4
NE1/4, S1/2 SE1/4 NE1/4, E1/2 NW1/4 NE1/4
SE1/4, NE1/4 NE1/4 SE1/4, N1/2 SE1/4 NE1/4
SE1/4, E1/2 NE1/4 SE1/4, NW1/4 NE1/4 SE1/4;

SECTION 35: NW1/4 SW1/4 SW1/4, W1/2 NE1/4 SW1/4 SW1/4,
SW1/4 NW1/4 SW1/4, W1/2 NW1/4 NW1/4 SW1/4;

TOWNSHIP 18 SOUTH, RANGE 7 EAST, SLM

SECTION 4: NW1/4 NE1/4, N1/2 NW1/4;

SECTION 5: N1/2 NE1/4, NW1/4;

TOWNSHIP 17 SOUTH, RANGE 6 EAST, SLM

SECTION 25: NE1/4 SE1/4, SE1/4 NE1/4, E1/2 SW1/4 NE1/4;

TOWNSHIP 17 SOUTH, RANGE 7 EAST, SLM

SECTION 10: SW1/4 SE1/4, S1/2 SE1/4 SE1/4;

SECTION 11: S1/2 SW1/4 SW1/4;

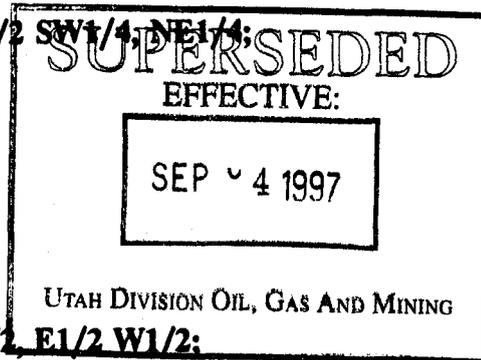
SECTION 14: W1/2 W1/2 NW1/4, W1/2 E1/2 W1/2 NW1/4, W1/2
W1/2 W1/2 SW1/4;

AMENDMENT TO

APPROVED Mining & Reclamation Plan
Approved, Division of Oil, Gas & Mining

1-59

by SW 928 date 8-27-92



PERMITTED OFF-SITE SUPPORT FACILITIES (785.21)

As discussed in the facilities description of the Operation Plan, a sewer leach field exists off-site adjacent to Wilberg haul road. The leach field location, construction, maintenance, and removal are incorporated in the Operation Plan Section.

Wilberg Waste Rock Disposal Site

This facility is a forty-nine acre site of which sixteen acres has been designated for underground development waste rock disposal. Its concept utilizes current environmental practices for protection of topsoil placement, revegetation and hydrological balance. Specific location arrangement and construction specifications can be found in Appendix VII. Operation and reclamation of this site can be found in their respective sections.

IN-SITU PROCESSING (785.22)

There are no in-situ processing activities or plans for such activities associated with Wilberg Mine.

OPERATION PLAN EXISTING STRUCTURES (784.12)

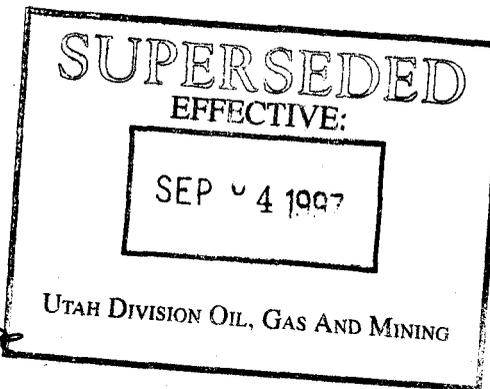
The definition of Existing Structures, as found in the Environmental Impact Statement for the Surface Mining Control and Reclamation Act of 1977, is as follows:

by the manufacturer.

Following backfilling, grading and contouring, the areas disturbed during final reclamation will be revegetated as described on pages 4-27 thru 4-29 (Revised 4/24/89). Sediment control (i.e. silt fence, straw bales, etc.) will be installed to control sediment until bond release is achieved.

Item 3-L Waste Rock Storage Site:

At final reclamation of the site Cell #7 will be the only area left to be reclaimed as the previous sites will have been completed according to approved plan. Material to cover the waste rock will be taken from the perimeter berms. The unpaved access road will be scarified prior to revegetation.



*This same information
is on page 4-4.2!
Is it needed
fence?
REVISE PER
S.*

SUPERSEDED

EFFECTIVE:

SEP 4 1987

L. Waste Rock Site

Description: Final reclamation will require Site #8 to be backfilled and graded. Material from the exterior berms will be used to accomplish this.

UTAH DIVISION OIL, GAS AND MINING

Equipment: D8K Dozer with angle blade
621B Scrapers, 2 ea.

Labor: 3 Operators

Quantities: Site #8 - 400' long x 150' wide x 1 deep
2,222 c.y. backfill needed.

Use berm material

From figure 1 2.2 c.y./lin. ft.

Use 2/3 of cross-section = 1.5 c.y./lin. ft.

Length of berm required

2,222 c.y. = L x 1.5 c.y./lin. ft.

therefore $L = \frac{2,222}{1.5} = 1,481$ lin. ft.

Cycle Time: Average slope + 8%

Average haul distance 950'

Cycle time 4 minutes

Production: 15 load/hr. x 15 c.y./load = 225 c.y./hr.

$2,222 \div 225 = \underline{\text{Approximately 10 hours}}$

remaining excavation material in the berms will be placed in the portion of the berms that will remain in the berms following completion of reclamation.

SUPERSEDED
EFFECTIVE:
SEP 4 1989
UTAH DIVISION OF OIL, GAS AND MINING

Applicant does not anticipate any long-term storage of topsoil in berm form before its final disposition. Backfilling and grading of removed berms will loosen the soils for revegetation.

Final reclamation will incorporate soil spreading, seeding, mulching and harrowing or crimping. The final cover will reflect a loose and deep cultivated mantle in which the plants can establish a deep root zone assuring drought resistant plants.

784.19 (a) 817.71 (b) - Disposal Structure -

Structures and Facilities: The disposal facility will utilize approximately 16 acres, including berms, roads, and drainage structures. These 16 acres are part of an approved BLM Right of Way of 48.62 acres.

The three sided earth berms serve as water containment structures and as soil storage areas until final reclamation of the individual cell. Drawing CM-10361-WB and KS1142E shows the as-built condition of the Waste Rock Site.

817.73 (a) - Hydrologic Balance Protection -

The design includes procedures for protecting the hydrologic balance on the site. Drawing CM-10361-WB shows the berms to be constructed.

Water within the waste dump site will be limited to rainfall. All rainfall within the dump and inslope of

ATTACHMENT I
Chronology of Events Leading to PacifiCorp's Permit Amendment
Filed with the DOGM Price Field Office on August 21, 1997

- March 1996 Chairman Carbon County Commissioner invited undersigned to attend executive briefing on methane well exploration/development in South Eastern Utah at an evening meeting at the Country Club.
- April 9, 1996 Alerted DOGM headquarters about briefing and preliminary information received from Val Payne on a Texaco Road project. Texaco road may involve PacifiCorp undisturbed waste rock site. Mention my concern on the cumulative magnitude of the project in South Eastern Utah and potential conflicts.
- July 19, 1996 Phone call from Val Payne, PacifiCorp, concerned about flags on active disturbed Cottonwood Waste Rock permit area. Requested the undersigned to attend field meeting scheduled for July 19, 1996. Discussion with Braxton on Division Policy.
- July 25, 1996 Undersigned prepared minutes of a field meeting held July 22, 1996 and sent same to attendees, with copies to BLM District Manager, Lowell Braxton, and Joe Helfrich. The undersigned took the leadership role to document facts, points of agreement, follow-up action and alerting DOGM and BLM management on the proposed action. See minutes.
- July 30, 1996 Received phone calls from Larry Slotterback, Texaco, and Val Payne, PacifiCorp. They stated the minutes of July 25, 1996 reflect the points of agreement and they would follow-up when things are ripe for additional coordination. No comment from BLM nor DOGM.
- Aug 28, 1996 Val Payne submits permit amendment application.
- Aug 29, 1996 Phone call from Larry Slotterback.
The road project now has a high urgency with Texaco. Up until this time my contacts were with BLM minerals staff. However, since ROW grants comes under the realty staff and not mineral staff, I phone Mark Mackiewicz to make sure there were no problems with BLM modifying the reclamation ROW stipulation holding Texaco responsible for reclamation and relieving PacifiCorp of the reclamation. This would be accomplished by modifying PacifiCorp's DOGM's disturbed boundary and not the permit boundary. Asked if a rider to the ROW grant would be appropriate. Mark's position was both Texaco and PacifiCorp would both be held responsible for reclamation on the road. Could not convince Mark otherwise. Told Mark that this may result in PacifiCorp reevaluating their position.

Page 2
Attachment I
Chronology
August 29, 1997

- Sept 6, 1996 Briefed Area Manager, Mark Bailey, and pointed out Mark Mackiewicz's position on reclamation and if not ameliorated may result in the project being aborted by PacifiCorp. Later in the day he advised me that he would prepare a letter that would relieve PacifiCorp of reclamation if PacifiCorp would relinquish the Texaco Road corridor.
- Sept 9, 1996 Letter from Area Manager, Mark Bailey which got the project back on track.
- Sept 9, 1996 Letter from Val Payne stating that PacifiCorp would relinquish Texaco Road corridor. However, it would take time to get it through their corporate office.
- Sept 9, 1996 Rached Hindi, Senior Engineer, Texaco, commits Texaco to items detailed in minutes of July 25, 1996.
- Sept 11, 1996 Undersigned approved a permit amendment to modify the disturbed area that provided the basis for Texaco to begin road construction and relocating PacifiCorp's environmental control measures together constructing others as needed to safeguard PacifiCorp's interests and avoid compliance issues. Project started immediately.
- Oct 3, 1996 PacifiCorp maps are approved showing the modified disturbed area.
- Feb 20, 1997 PacifiCorp files relinquishment for Texaco Road corridor with BLM Area Manager, Richard Manus.
- Mar 19, 1997 Undersigned letter and phone call to Rached Hindi pointing out undisturbed diversion is in need of maintenance which is now responsibility of Texaco under BLM oversight.
- Mar 20, 1997 Phone call from Rached Hindi who advised me that a contractor would be on site at 9:00 a.m. on September 20, 1997 to initiate the maintenance work. Maintenance work was completed promptly by Texaco.
- May 23, 1997 BLM approves partial relinquishment of PacifiCorp's BLM ROW grant.
- Aug 21, 1997 PacifiCorp files permit amendment with DOGM Price Field Office.

ATTACHMENT II
Documents in Chronological Order

- Attachment II-A -July 25, 1996, minutes of conflict resolution field meeting held July 22, 1996.
- Attachment II-B -August 28, 1996, PacifiCorp amendment application to modify the DOGM approved disturbed area.
- Attachment II-C -September 9, 1996, Consensual letter from PacifiCorp, Texaco and BLM.
- Attachment II-D -September 11, 1996, permit amendment approval to modify the disturbed area.
- Attachment II-E -September 13, 1996, letter to Texaco regarding PacifiCorp amendment approval.
- Attachment II-F -October 3, 1996, approval of follow-up documents.
- Attachment II-G -January 28, 1997, inspector's SITLA letter.
- Attachment II-H -February 20, 1997, PacifiCorp ROW relinquishment application to BLM.
- Attachment II-I -March 19, 1997 and April 4, 1997 letters, undisturbed ditch maintenance.
- Attachment II-J -May 23, 1997, BLM decision approving partial ROW relinquishment.



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

ATTACHMENT
II - A

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

July 25, 1996

TO: Attendees

FROM: Wm. J. Malencik, Reclamation Specialist

RE: Texaco Access Road Meeting, Cottonwood Waste Rock Site, PacifiCorp, ACT/015/019, Folder #2, Emery County, Utah

This highlights facts and required follow-up on a proposed project by Texaco to construct a methane well access road across a DOGM permitted coal mine waste rock site.

Following are my impressions and conclusions of our meeting. Should you not concur with the matters or suggest language, please provide your suggested changes. Meeting highlights are as follows:

Date of Meeting July 22, 1996

Purpose of Meeting Discuss 1977 BLM right-of-way grant to PacifiCorp and subsequent DOGM Mining and Reclamation permit all awarded to PacifiCorp for a coal mine waste rock site. Also, discussed BLM secondary authorization for an access road within the disturbed portion of the prior BLM ROW grant and DOGM waste rock permit.

Who Attended Val Payne, PacifiCorp, Huntington, UT, 801-687-4722
Ron Wirth, Texaco E & P Inc., Orangeville, UT, 801-748-5395 Office
801-636-6827 Cellular
Michael Kaminski, BLM, Price, UT, 801-636-3640
Bill Malencik, DOGM, Price, UT, 801-637-5806

Where Held PacifiCorp Waste Rock Site, Adjacent to State Highway 57

FACTS AND GENERAL POINTS OF AGREEMENT

- (1) BLM granted PacifiCorp a non-exclusive ROW to store coal mine waste rock on federal lands in 1977.

Page 2

Texaco Access Road

Cottonwood Waste Rock Site

July 25, 1996

- (2) DOGM issued PacifiCorp a Mining and Reclamation permit shortly after the BLM/ROW grant. The permit was renewed for another five year period and was approved on 7/6/94.
- (3) The need to minimize new disturbances and look to accommodating compatible uses on existing disturbed areas; even under different agency authorities, responsibilities, and jurisdictional complexities was discussed.
- (4) In order to avoid conflicts and false starts, early understanding on agency coordination, due process, and project scoping is necessary in order to expedite such projects, involving all of those who have a stake in the outcome.
- (5) BLM granted Texaco either a ROW, or by virtue of an oil and gas lease, a twenty-five foot access road corridor on a portion of federal lands discussed in (1) and (2) above.
- (6) It appears from all parties in attendance that the area noted in (1) above could be segregated to accommodate the needs of PacifiCorp and Texaco. Please refer to sketch map.
 - A) PacifiCorp, at the meeting, did not identify the need to use the 25' Texaco road corridor.
 - B) PacifiCorp will prepare a DOGM permit amendment, addressing:
 - the revised disturbed area,
 - the changes in runoff conveyance system, as necessary
 - the changes to runoff treatment, as necessary, and
 - a written commitment to maintain the new berm and relocated fence.
 - C) PacifiCorp, under BLM ROW grant and the DOGM permit, would not have any reclamation responsibilities on the "Texaco Road" and corridor.
 - D) PacifiCorp is responsible for the maintenance of the undisturbed drainage unless this drainage is included in Texaco's BLM grant in which case Texaco is responsible for it's maintenance with BLM having oversight responsibilities.

- E) PacifiCorp would be responsible to maintain and reclaim the berm adjacent to the road ditch and relocated fence.
- F) Texaco would construct a 25' road on an existing berm after appropriate approvals have been authorized.
- G) Texaco would not disturb the reference area.
- H) Texaco would relocate PacifiCorp's fence.
- I) Texaco would be responsible to maintain the road and ditch.
- J) Texaco is responsible to reclaim the road to BLM standards as covered in the original grant to PacifiCorp or as may hereafter be modified by BLM.
- K) Texaco would install the necessary runoff/control measures ie., diversion and berm. The diversion, a road ditch, would discharge road runoff as approved by BLM and would not commingle with PacifiCorp runoff as covered in the DOGM Mining and Reclamation permit. The berm provides PacifiCorp redundant runoff control and protection from the road. During construction, interim runoff/sediment control may be required. Texaco would construct the relocated fence to same standards as the existing fence.

Follow-up To Attendees

- 1) Please make changes as you deem appropriate.
- 2) Items 5) and D) need additional attention to confirm what's been approved.

Comment/DOGM and BLM Management

The rationale for Texaco reclaiming the road under BLM oversight is axiomatic. The agency approving the road grant and having oversight role on the road is BLM. The road's estimated life is 30 years. The active waste rock storage area's estimated life is 20 years or less.

Page 4
Texaco Access Road
Cottonwood Waste Rock Site
July 25, 1996

Furthermore, the need for the secondary grant on the waste rock active area was generated by a non coal mine project approved by BLM under appropriate delegated authorities specified in 43 CFR. Also, BLM is the land management agency having ultimate authority and responsibility for planning and designing long range management systems for the waste rock and contiguous areas. Last but not least, the character and perhaps the complexity of the reclamation has changed with the road. It is not reasonable therefore to hold PacifiCorp responsible for reclamation of the road area. The berm and area where the road is to be constructed is currently covered with a dense stand of desirable vegetation with no visible signs of erosion. Suggest that BLM personnel review current reclamation standards as covered in the approved MRP before approving reclamation stipulations for the Texaco road and incorporate those reclamation requirements as necessary.

sd

enclosure

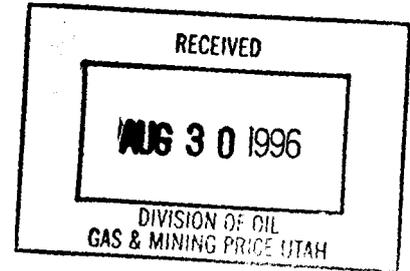
cc: Lowell Braxton, DOGM, SLC
Joe Helfrich, DOGM, SLC
BLM

A handwritten signature in cursive script, appearing to read "Mr. J. Malenik". The signature is written in black ink and is positioned to the right of the distribution list.



August 28, 1996

Division of Oil, Gas and Mining
451 East 400 North
Box 156
Price, Utah 84501



Attention: Mr. Bill Malencik

abc

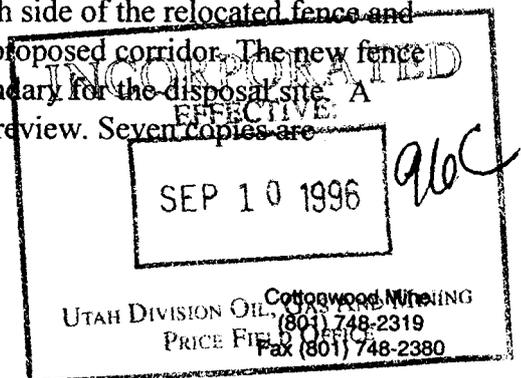
**Re: AMENDMENT, TEXACO ACCESS ROAD, COTTONWOOD WASTE ROCK SITE, PACIFICORP, ACT/015/019, EMERY COUNTY, UTAH.
(folder # 2)**

PacifiCorp, by and through its wholly-owned subsidiary, Energy West Mining Company ("Energy West") as mine operator, herewith request an amendment to the Cottonwood Mine Waste Rock Site, located in Section 34, Township 17 South, Range 7 East, S.L.B & M. U-37642. The amendment addresses a R/W corridor through the site, allowing Texaco access to a proposed exploration drill site.

It is the intent and purpose of this amendment proposal to relinquish to Texaco a R/W corridor through the Cottonwood Waste Rock Disposal Site. By so doing, PacifiCorp relinquishes all responsibility to Texaco within that area including the existing undisturbed diversion ditch as depicted on drawing P-1 of Texaco's package submittal. The proposed corridor consists of 0.710 + or - acres and is positioned along the North side of the existing reclaimed storage pile.

The following list identifies and explains construction proposals and requirements,

1. Texaco proposes to construct a roadway, roadside ditch diversion, including removal and reconstructing a fence and placement of a berm on the South side of the relocated fence and will maintain or modify the existing diversion ditch within the proposed corridor. The new fence location will be the revised north side of the disturbed area boundary for the disposal site. A drawing (Sheet P-1), prepared by Texaco is enclosed for your review. Seven copies are attached.



Huntington Office:
(801) 687-9821
Fax (801) 687-2695
Purchasing Fax (801) 687-9092

Deer Creek Mine:
(801) 381-2317
Fax (801) 381-2285



September 9, 1996

Utah Coal Regulatory Program
Division of Oil, Gas and Mining
Price Field Office
451 East 400 North
Box 156
Price, Utah 84501

Attention: Mr. William J. Malencik

**RE: PROPOSED TEXACO DRILLING ACCESS ROAD, SECTIONS 34 AND 35, T17S,
R7E, COTTONWOOD MINE WASTE ROCK SITE, PACIFICORP, ACT/015/019,
FOLDER #2, EMERY COUNTY, UTAH**

PacifiCorp, successor in interest to Utah Power and Light Company (UP&L), by and through its wholly-owned subsidiary Energy West Mining Company ("Energy West") as mine operator, will relinquish a portion of Right-of-Way UTU-37642, granted to UP&L on August 31, 1977, by the Bureau of Land Management (BLM), for a mining related Waste Rock Disposal Site. Said relinquishment is required by the BLM to facilitate construction of an access road, by Texaco Exploration and Production Inc. (Texaco), to serve Drill Site #35-14.

You are well aware of the efforts pursued by yourself, representing the Division of Oil, Gas and Mining (Division), Texaco and PacifiCorp to minimize additional impacts to the area in the vicinity of the Waste Rock Site. PacifiCorp appreciates the cooperation and assistance provided by the Division and Texaco in addressing this matter.

In addition to the changes to the Cottonwood Mining and Reclamation Plan (MRP) , proposed in the Amendment currently being processed, the Cottonwood MRP will be revised to reflect the changes associated with the relinquishment action.

Again, thank you for your valuable assistance in this matter. If you require further information, please call me at (801) 687-4722 or Richard Northrup at (801) 687-4822.

Sincerely

A handwritten signature in black ink that reads 'Val Payne'.

Val Payne

Sr. Environmental Engineer



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

ATTACHMENT
II-D

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

September 11, 1996

Val Payne
Sr. Environmental Engineer
PacifiCorp
P.O. Box 310
Huntington, Utah 84528

RE: Waste Rock Site Reduced Disturbed Area, Texaco Methane Well Access Road, PacifiCorp, Cottonwood Mine, ACT/015/019-96C, Folder #3, Emery County, Utah

Dear Mr. Payne:

This approves the aforementioned permit amendment application received August 30, 1996. The approval is effective September 10, 1996. In substance, the approval of the amendment reduces your DOGM permitted disturbed area as reflected herein. The reduction was necessary because of BLM's authorization to Texaco to construct a road on federal land included in a Texaco oil and gas lease. As related to multi-agency jurisdiction, the following are matters of record:

- (1) Matters related to PacifiCorp ROW grant are under direct authority of BLM.
- (2) Matters relating to PacifiCorp's Mining Reclamation Permit and aforementioned amendment are under direct authority of DOGM.
- (3) Matters relating to Texaco oil and gas lease are under direct authority of BLM.
- (4) Matters relating to authorizing and oversight jurisdiction on the Texaco road rests with BLM and coordinated with DOGM and PacifiCorp. This is necessary in order that the Texaco road would not detract from the qualified ROW rights granted by BLM to PacifiCorp and subsequent provisions incorporated in the DOGM permit including on-the-ground environmental control measures.

Follow-up Action By Permittee

- (1) Since the project involves on the ground construction, and relocating existing environmental control measures, please submit 30 days after project completion an updated surface facilities map.
- (2) Submit necessary documents to BLM on relinquishing part of the PacifiCorp ROW grant.
- (3) A future DOGM permit amendment must be prepared deleting the relinquished area from your permit (refer to PacifiCorp letter of September 9, 1996). This is not a follow-up of this approval, but is a condition of approval. It serves as a reminder that an independent subsequent amendment must be submitted to DOGM by PacifiCorp after the relinquishment is approved by BLM..

Project Description

Texaco proposes to construct a methane well access road. Part of the road lies on federal land covered by a right of way (ROW) grant issued in 1977 to PacifiCorp, serial number U-37642 for a waste rock site. BLM issued Texaco an oil and gas lease which also covers areas in the approved PacifiCorp ROW grant. Was advised the lease was issued September 19, 1995, serial number UTU-74823.

PacifiCorp, Texaco, BLM, and DOGM representatives held a field meeting on July 22, 1996, and certain understandings were reached and summarized in meeting minutes dated July 25, 1996, copy attached. The key points of that meeting are as follows:

- With multi-agency jurisdiction, applications for various land and resource uses, more attention needs to be directed to compatible and/or segregated uses of lands currently disturbed rather than locating projects on undisturbed wild lands.
- PacifiCorp was amendable to allow Texaco, subject to appropriate approvals, for Texaco to construct a road on PacifiCorp ROW and on both the disturbed and undisturbed portions of PacifiCorp's DOGM permitted area.
- There were other understandings and conclusions on relocating and constructing environmental control measures and reclamation responsibilities. Please refer to minutes of July 25, 1996 meeting. As related to the minutes, Texaco is responsible for the undisturbed diversion constructed by PacifiCorp and included in the Texaco road corridor.

Surveys have been completed, plats prepared, copies enclosed and the following are acreage summaries abstracted from the plats:

PacifiCorp ROW grant 48.62 acres.

- PacifiCorp Disturbed Area/Waste Rock Site
 - Total 15.88 acres.
 - Deleting Texaco road, revised total
 - Waste Rock 15.62 acres
- PacifiCorp permit area no change at this time.
- Texaco road 0.255 acres within PacifiCorp disturbed area.

Findings

- (1) The applicant submitted a complete and accurate amendment application.
- (2) DOGM PERMIT STATUS. The addition lies within the current permit.
- (3) ACTIVE MINE. The area is included in an active approved coal mining and reclamation operation and is within the disturbed area.

- (4) LAND STATUS. The land is federal and administered by BLM. PacifiCorp has authority for a waste rock site under BLM/ROW grant. Texaco has qualified authority on federal lands involving the construction of the Texaco road by virtue of a federal oil and gas lease.
- (5) COORDINATION AND APPROVALS. There is a sense of urgency to the approval of the instant amendment in order to pave the way for Texaco to construct an access road to a menthane well. The approval of this amendment, in part, was expedited as a result of the excellent cooperation of Texaco, PacifiCorp, and BLM position received September 9, 1996. It is also based on three letters submitted to the undersigned and included as part of the amendment approval record.
 - (1) Letter dated September 9, 1996, a commitment from Texaco relative to relocating and constructing environmental control measures to protect PacifiCorp waste rock permitted disturbed area; sole responsibility to reclaim the Texaco road by Texaco.
 - (2) Letter of commitment from PacifiCorp relative to relinquishing a portion of their BLM ROW grant.
 - (3) Letter from BLM stating BLM would not hold PacifiCorp liable for the reclamation on the relinquished ROW disturbed area.

A procedural position could be taken that PacifiCorp ROW relinquishment must be executed before a DOGM amendment could be approved. However, I was advised by PacifiCorp that it would require 1-2 months to get the ROW relinquishment finalized from application to approval. This may place Texaco in a position by virtue of their oil and gas lease to immediately initiate road construction under the authority of the oil and gas lease, and thereafter, several of potential conflicting problem could arise. For this and other reasons, I have approved this amendment. The letters dated 9/9/96 from BLM, PacifiCorp, and Texaco provide several of the key elements for paving the way for the approval. In addition to other things, this decision does four important things.

- (1) Provides for reclamation.
- (2) Clears the way for Texaco to construct road.
- (3) Provides for appropriate continuity of environmental controls as related to DOGM permitted disturbed area as may be impacted by the Texaco road.
- (4) Provides letters of commitment including who is responsible for individual parts of this project together with independent subsequent actions mentioned herein.

The project has been coordinated with BLM. Other agencies who have been contacted associated with the environmental process include the Utah Department of Wildlife and State Highway Department.

- (6) IMPACTS. The project does not have any material adverse impacts to hydrologic balance, nor does it involve any existing critical habitat.

- (7) RECLAMATION AND BONDING. In light of understandings reached among BLM, Texaco, PacifiCorp, and DOGM representatives and other records included herein, the following are conditions of approval as related to reclamation and bonding:
- (A) Texaco will have total responsibility to reclaim the Texaco road under BLM oversight.
 - (B) Texaco will be responsible for temporary sediment control, as it may impact PacifiCorp's disturbed area as determined by the undersigned.
 - (C) PacifiCorp will not have any temporary or final reclamation responsibilities on the Texaco road under Utah Coal Rules. The disturbed area encompassing the road will be deleted from the DOGM permit documents and thereafter will be classified as undisturbed.
 - (D) PacifiCorp is responsible for final reclamation on the revised disturbed area as described herein. PacifiCorp's current bond is determined adequate as covered in the permit amendment application and validated by the undersigned.
- (8) RECORD UPDATE. The technical analysis is updated as related to the disturbed area. The existing bond has been determined to be adequate.

Sincerely,



Wm. J. Malencik
Reclamation Specialist

sd
enclosures

cc: Ranvir Singh, OSM, Denver
Mark Bailey, BLM, Price
Janette Kaiser, USFS, Price
Mark Page, State Eng, Price, w/o enc
Dave Ariotti, DEQ, Price, w/o enc
Bill Bates, DWR, Price, w/o enc
Joe Helfrich, DOGM, SLC
Pam Grubaugh-Littig, DOGM, SLC, w/o enc



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

ATTACHMENT
II-E

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

September 13, 1996

Larry Slotterback
Texaco Exploration and Production, Inc.
3300 North Butler, Suite #100
Farmington, New Mexico 87401

RE: Texaco Road, PacifiCorp, Cottonwood Mine, ACT/015/019-96C, Folder #2, Emery County, Utah

Dear Mr. Slotterback:

Here is a copy of PacifiCorp's mining and reclamation approved permit amendment.

The approval, by necessity, covers those Texaco responsibilities associated with your proposed road that interfaces with PacifiCorp's on-the-ground approved environmental control measures and DOGM permit. The approved documents needed to accommodate the Texaco road lying within PacifiCorp's approved waste rock permitted area were discussed at the July 96 field meeting covered in detail in the minutes, and key items included in PacifiCorp's approved amendment.

Please notify me immediately if you have any problems with the contents of the approval granted to PacifiCorp as it involves Texaco and the Texaco road.

Sincerely,

Wm. J. Malencik
Reclamation Specialist

sd
Enclosures

cc: Val Payne, PacifiCorp, Huntington
Joe Helfrich, DOGM, SLC



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

ATTACHMENT
II-F

October 3, 1996

Val Payne
Sr Environmental Engineer
PacifiCorp
P.O. Box 310
Huntington, Utah 84528

RE: Texaco Access Road Across Cottonwood Waste Rock Site, PacifiCorp, Cottonwood Mine, ACT/015/019-96C, Folder #2, Emery County, Utah

Dear Mr. Payne:

Enclosed are supporting documents associated with the DOGM 9/11/96 decision approving your waste rock permit amendment. The documents concern multi-agency commitments and actions relative to Texaco and PacifiCorp both having BLM qualified rights on certain federal lands, PacifiCorp also having qualified rights under Utah Coal Rules on some of the same federal lands and other matters.

The enclosed documents are as follows:

- Attachment #1: Field Meeting Minutes dated 7/25/96.
- Attachment #2: BLM Sundry Notice to Texaco.
- Attachment #3: Texaco Site Survey Plats, Maps, Designs.
- Attachment #4: PacifiCorp DOGM Permit Amendment Application.
- Attachment #5: Consensual Letters: BLM, Texaco, PacifiCorp.
- Attachment #6: DOGM Decision Approving PacifiCorp's Permit Application.

Page 2

V. Payne - Cottonwood

Texaco Road/Waste Rock - 96C

October 3, 1996

As a result of excellent cooperation between Texaco and PacifiCorp who both held qualified rights on the same parcel of federal land and supported by other agencies, potential problems were averted. Furthermore, an existing disturbed area was utilized instead of disturbing a pristine wildland area. Also, an existing state highway turnoff was utilized instead of constructing another turnoff. Furthermore, future reclamation determinations and commitments were hammered out, providing those areas where Texaco would be responsible to reclaim under BLM oversight and those other areas that PacifiCorp would be responsible to reclaim under DOGM oversight.

As mentioned in the 9/11/96 decision some additional followup matters relating to final records will be necessary after the project is completed.

Sincerely,



Wm. J. Malencik
Reclamation Specialist

sd
enclosures

cc: Mark Bailey, BLM, Price
Larry Slotterback, Texaco, NM
Joe Helfrich, DOGM, SLC



Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

P.O. Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340

(801) 359-3940 (Fax)

ATTACHMENT
II-G

January 28, 1997

TO: Mary Ann Wright, Associate Director

FROM: Wm. J. Malencik, Reclamation Specialist *WJM*

RE: SITLA (State Trust Lands) E-mail

Had the opportunity to re-read your e-mail of December 23, 1996. On your point on SITLA, "it would have been pretty hard to see that it was in an existing (DOG) permit area." You are correct; however, this is not the main issue as I see it. Something came before that. That something was SITLA issuing a grant to Utah Power and Light for a coal haul road. Their records should reveal prior grants.

SITLA, as a minimum, should have reviewed their prior grant records on this land parcel. This would assure that the secondary grant would not usurp the purpose of the primary grant. The first SITLA customer was Utah Power and Light, PacifiCorp's predecessor. The second customer was Texaco. Once the second grant was made, to ask the second grantee to coordinate with the first grantee can lead to problems, which it has. SITLA owns the problem because they control the land and executed the two grants. SITLA is the only entity that has direct authority on what Texaco can or cannot do on State Trust Lands. In my opinion, the coordination responsibility should rest with SITLA. Believe this ties in with Ted Stewart's customer concepts.

This is SITLA business and not my business. My interest is trying to be perceptive and take care of potential issues before they become NOV's to coal permittees on compliance issues caused by a third party. An ounce of prevention in such cases is worth a pound of cure. That's why I made a special effort to get SITLA to the field meeting, that they agreed to attend, and then the next day changed their mind. However, they notified me the day of the meeting and I advised PacifiCorp. On the Des Bee Dove matter, PacifiCorp, in my opinion, is a victim of poor coordination by SITLA and Texaco.

My only objective--what did we learn and how can we, among others, make things better? Suffice it to say, coordination is a keystone part, but only one part of the puzzle.

sd

cc: Joe Helfrich

ATTACHMENT
II - H

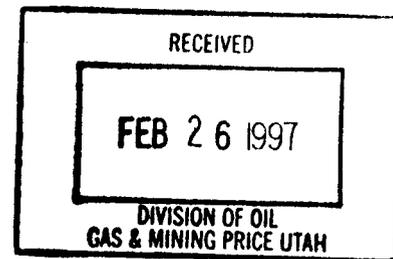
One Utah Center, Suite 2000
Salt Lake City, Utah 84140-0020
(801) 220-4616 • FAX (801) 220-4725



A Subsidiary of PacifiCorp

February 20, 1997

Mr. Richard Manus
Area Manager
United States Department of Interior
Bureau of Land Management
Moab District - Price River/San Rafael Resource Area
125 South 600 West
P.O. Box 7004
Price, Utah 84501



**RE: Relinquishment of a Portion of BLM Right-of-Way Grant UTU-37642,
PacifiCorp's Cottonwood Mine Waste Rock Disposal Site**

Dear Mr. Manus:

PacifiCorp, by and through its wholly own subsidiaries Interwest Mining Company (as managing agent) and Energy West Mining Company (as mine operator), hereby relinquishes a portion of the above captioned right-of-way. This notification of relinquishment of a portion of the referenced right-of-way grant is submitted in accordance with:

- (1) BLM Area Manager's (Mark Bailey) letter to Bill Malencik of the Utah Division of Oil, Gas & Mining (DOGM) dated September 9, 1996 (copy attached),
- (2) Mark Bailey's contact with Mr. Val Payne formerly of Energy West Mining Company on September 6, 1996, and
- (3) BLM's issuance of a road right-of-way to Texaco for the development and construction of a road across the referenced PacifiCorp right-of-way for access to its coal bed methane well site.

The following description is provided of the area relinquished from right-of-way UTU-37642 and is depicted on the enclosed map:

Beginning at a point S 32°35'06" E, 333.34 feet from the east ¼ corner of Section 34, T. 17 S., R. 7 E., S.L.B.&M.; thence S 25°37'57" E, 113.14 feet; thence S 25°27'00" W, 117.42 feet; thence S 72°20'00" W, 214.90 feet; thence S 62°54'12" W, 69.67 feet, thence S 54°05'38" W, 349.36 feet; thence S 72°32'03" E, 87.70 feet; thence N 50°27'20" E, 295.51 feet; thence N 69°41'04" E, 398.55 feet; thence N 32°35'06" W, 248.84 feet to the point of beginning.

Containing approximately 1.08 acres, more or less.

Richard Manus
February 20, 1997
Page 2

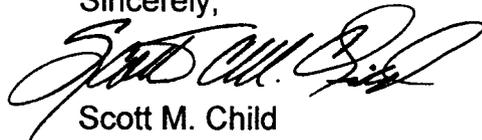
Furthermore, upon submitting this relinquishment, it is understood between DOGM, BLM and Texaco that PacifiCorp is relieved of any reclamation and maintenance liability for Texaco's road within the area relinquished.

We're very appreciative of the assistance of Mark Mackiewicz of your staff in addressing this multiple use issue with DOGM, Texaco and our mine operator. Any correspondence relative to this right-of-way and this relinquishment should be sent to my attention at the following address:

PacifiCorp
% Interwest Mining Company
One Utah Center - Suite 2000
201 South Main Street
Salt Lake City, Utah 84140-0020
Attention: Property Management Administrator

Should you have any questions or need any additional information, please feel free to contact me at 801-220-4612 or Chuck Semborski of Energy West Mining Company at 801-687-4720.

Sincerely,



Scott M. Child
Property Management Administrator

Enclosure

SMC13\UTBLM97.003

cc: IMC w/o copy encl. - D.W. Jense, B. Webster
EWMC w/o copy encl. - D. Lauriski, C. Pollastro
EWMC w/copy encl. - C. Semborski, D. Northrup
PacifiCorp Property Management Dept. w/copy encl. - B. Arnold NTO 110
Stoel Rives w/copy encl. - J. Kirkham, Esq.
DOGM w/copy encl. - Bill Malencik
Utah Division of Oil, Gas & Mining
% College of Eastern Utah
P.O. Box 156
451 East 400 North
Price, UT 84501-2699
Texaco Exploration and Production Inc. w/copy encl. - Robert Schaffitzel
3300 North Butler - Suite 100
Farmington, NM 87401



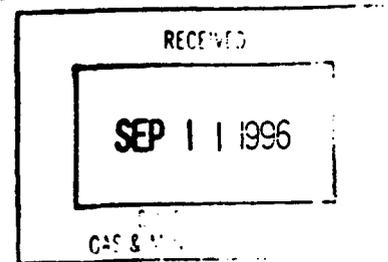
United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab District
Price River/San Rafael Resource Area
125 South 600 West
P.O. Box 7004
Price, Utah 84501

2890
UTU-37642
(UT-067)

SEP - 9 1996



Mr. Bill Malencik
Division of Oil Gas & Mining
c/o College of Eastern Utah
Box 156
451 East 400 North
Price, Utah 84501-2699

Dear Mr. Malencik:

Recently you contacted Mark Mackiewicz of my staff regarding the status of a right-of-way. The subject right-of-way covers a waste rock disposal site held by PacifiCorp dba Utah Power & Light Company (serial no. UTU-37642). Apparently there is some dispute regarding Texaco using a road that crosses this right-of-way. Texaco proposes to utilize the road to reach a proposed coal methane well site. Texaco has the right to use the road under the terms of their oil and gas lease.

Right-of-way UTU-37642 was granted to PacifiCorp on August 31, 1977, and is nonexclusive. Texaco is responsible for maintenance and reclamation of the subject road. However, until such time as PacifiCorp files a relinquishment of that portion of the right-of-way covered by the road, it will be held liable for reclamation of the road.

On Friday, September 6, 1996, we contacted Mr. Val Payne at Energy West and informed him that PacifiCorp would have to file a relinquishment if they wanted to be relieved of the reclamation liability for the road.

If you have any questions please feel free to contact Mark Mackiewicz of my staff at (801) 636-3600.

Sincerely,

Area Manager



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340
(801) 359-3940 (Fax)

March 19, 1997

Rached Hindi
Senior Engineer
Texaco Exploration and Production, Inc.
3300 North Butler
Farmington, NM 87401

Post-It* Fax Note	7671	Date	3-19-97	# of pages	3
To	Rached Hindi	From	Bill Malencik		
Co./Dept.	Texaco	Co.	Utah DORM		
Phone #		Phone	801-637-5806		
Fax	505-323-5398	Fax	801-637-8603		

RE: Proposed Texaco Access Road, PacifiCorp, Cottonwood Waste Rock Site, ACT/015/019-96C, Folder #2, Emery County, Utah

Dear Mr. Hindi:

This has reference to the Texaco Road northerly ditch lying adjacent to Utah State Highway 57, and in the general vicinity of PacifiCorp, Division of Oil, Gas, and Mining permitted waste rock site. The foregoing items all lie on federal lands within Section 34, TWP17S, R7E, SLB&M.

Based on understandings reached at a field meeting as covered in my minutes of July 25, 1996, your concurrence letter of September 9, 1996, your company is responsible for the ditch shown on the attached sketch. I conducted an inspection on March 14, 1997, and noted that the northwesterly segment of the ditch is very shallow and has a potential to over top and drain into and commingle with the waste rock disturbed runoff. Should this occur, it would result in a violation to PacifiCorp issued by the Division of Oil, Gas, and Mining.

I have received excellent cooperation from both PacifiCorp and Texaco primarily pointed toward meeting your needs. It was agreed we would utilize existing disturbed areas for the road construction, to the extent feasible, and not disturb any wildland areas. I would appreciate your doing the necessary maintenance/ reconstruction ditch work to prevent any possible compliance problems. This particular ditch has been designed for 100 year 6 hour storm event. PacifiCorp can provide you the design and any other information that concerns this ditch.

When the Texaco road was constructed, the ditch was not altered. Later when the pipeline was buried, the ditch was altered.

Page 2
R. Hindi
Cottonwood/Texaco Road
March 19, 1997

As an inspector, I try to be perceptive and evaluate field environment features and control measures before they become problems. An ounce of prevention is worth a pound of cure. Your usual prompt response to me would be most appreciated. Have discussed this matter with PacifiCorp and we are available to accompany your representative on a site visit.

Sincerely,



Wm. J. Malencik
Reclamation Specialist

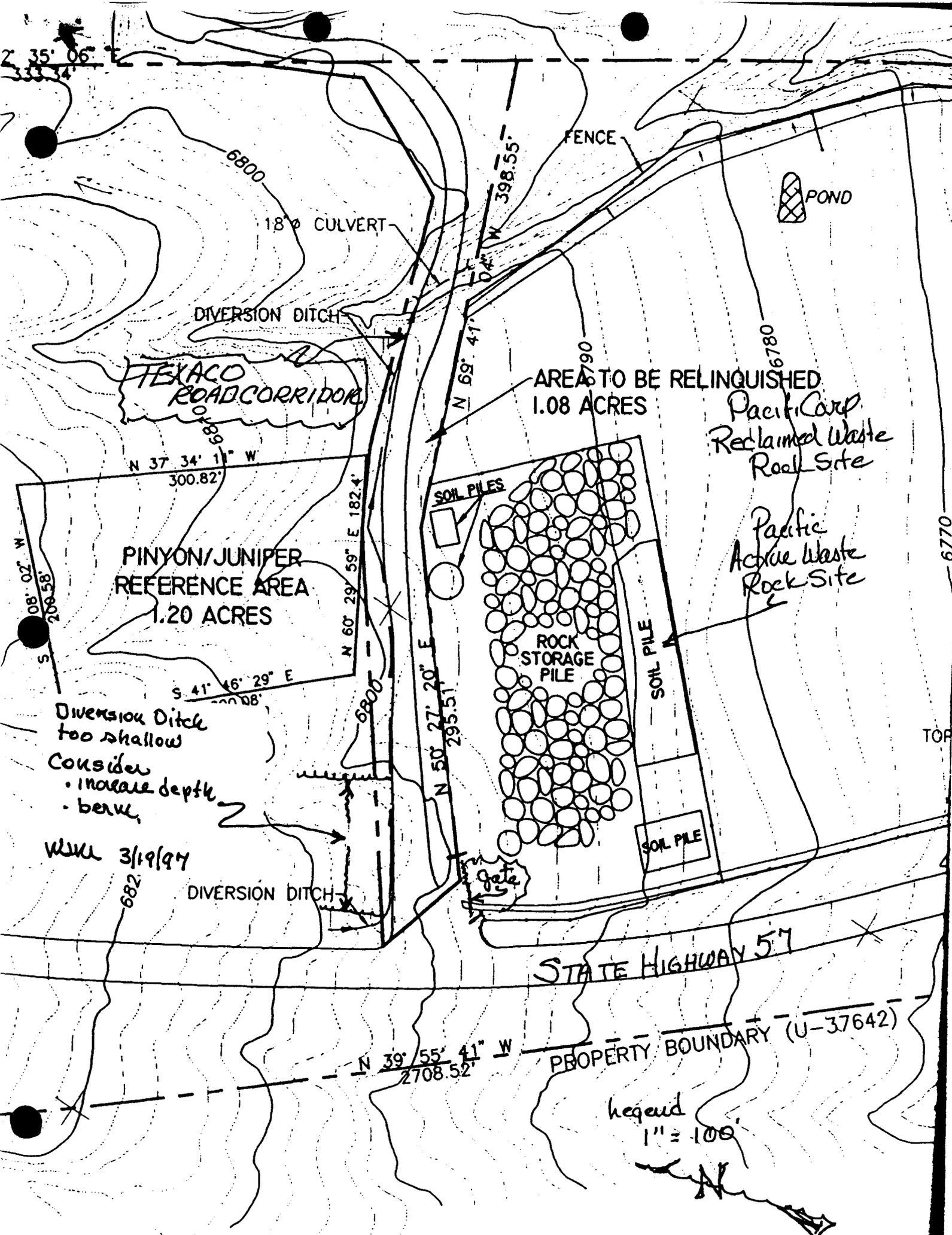
sd
enclosure

cc: Richard Manus, BLM, Price
Chuck Semborski, PacifiCorp, Huntington

br: Howell

Mr. Hindi
Here is the letter and
sketch we talked about today

Brie
637/5806
3/19/97



2 35' 06" E
333.34'

6800

18" CULVERT

DIVERSION DITCH

TEXACO ROAD CORRIDOR

N 37' 34' 11" W
300.82'

PINYON/JUNIPER
REFERENCE AREA
1.20 ACRES

S 41' 46' 29" E
300.08'

Diversion Ditch
too shallow
Consider
• increase depth
• berm

WMM 3/19/97

DIVERSION DITCH

N 69' 41' E
398.55'

FENCE

POND

AREA TO BE RELINQUISHED
1.08 ACRES

Pacific Corp.
Reclaimed Waste
Rock Site

Pacific
Active Waste
Rock Site

SOIL PILES

ROCK
STORAGE
PILE

SOIL PILE

SOIL PILE

N 50' 27' 20" E
295.51'

N 60' 29' 59" E 182.4'

6800

Gate

STATE HIGHWAY 57

N 39' 55' 41" W
2708.52'

PROPERTY BOUNDARY (U-37642)

Legend
1" = 100'

6770

TOP



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340
(801) 359-3940 (Fax)

April 4, 1997

Rached Hindi
Senior Engineer
Texaco Exploration and Production, Inc.
3300 North Butler
Farmington, NM 87401

RE: Texaco Access Road, PacifiCorp, Cottonwood Waste Rock Site, ACT/015/019-96C,
Folder #2, Emery County, Utah

Dear Mr. Hindi:

This letter has reference to my letter of March 19, 1997, and our telephone conversation regarding the above subject.

Wanted to thank you for your prompt response and field work on the undisturbed diversion discussed in my March 19 letter. Mr. Northrup, PacifiCorp, and I observed the diversion on April 3, 1997. It appears that the work performed by Texaco should prevent the runoff from topping the ditch and flowing into PacifiCorp permit area.

I will continue to monitor this diversion especially in July and August when this and adjoining areas receive high intensity storms and high runoff. Again thanks for your cooperation and prompt action.

Sincerely,

Wm. J. Malencik
Reclamation Specialist

sd
cc: Chuck Semborski, PacifiCorp, Huntington
DOGM, SLC



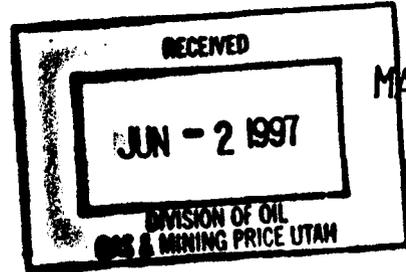


United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Moab District
Price River/San Rafael Resource Area
125 South 600 West
Price, Utah 84501

2890
UTU-37642
(UT-067)

Certified Mail--Return Receipt Requested
Certificate No. 382 123 825



MAY 23 1997

DECISION

PacifiCorp
C/O Interwest Mining Company
One Utah Center, Suite 2000
Salt Lake City, Utah 84140-0020
Attention Property Manager Administrator

Right-of-Way UTU-37642

Partial Right-of-Way Relinquishment Accepted Details of Relinquishment

On February 24, 1997, Interwest Mining Company filed a notice of relinquishment on the following described parcel of public land within right-of-way UTU-37642.

Beginning at a point S 32°35'06" E, 333.34 feet from the east ¼ corner of Section 34, T. 17 S., R. 7 E., SLB&M.; thence S 25°37'57" E, 113.14 feet; thence S 25°27'00" W, 117.42 feet; thence S 72°20'00" W, 214.90 feet; thence S 62° 54'12" W, 69.67 feet; thence S 54° 05'38" W, 349.36 feet; thence S 72°32'03" E, 87.70 feet; thence N 50°27'20" E, 295.51 feet; thence N 69°41'04" E, 398.55 feet; thence N 32°35'06" W, 248.84 feet to the point of beginning.

Containing 1.08 acres more or less.

Relinquishment of the above described parcel of public land is hereby accepted. An adjustment in the rental will be made and reflected in your billing notice of January 1, 1998. Authority for such action is found in the Federal Land Policy and Management Act of 1976 (90 Stat 2776, 43 U.S.C. 1761) and in Title 43 of the Code of Federal Regulations, part 2800.

Please contact Mark Mackiewicz at (801) 636-3600 if you have any question regarding this action.

Mark E. Bailey
Ad Area Manager

B. MALBURIK - DUGM

*CC: B. WEBSTER - IMC
C. POLLASTRO - EWMC
G. SEMBORSKI - "
D. NORTHRUP - "
B. ARNOLD - NTD IID
J. KIRKHAM - STEEL PILES
TEXAS EXP. & PRODUCTION - B. SCHAFFITZEL*

