



July 14, 1999

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

Attention: Ms. Pam Grubaugh-Littig

Re: **Permit Renewal: PacifiCorp, Cottonwood Mine, ACT/015/019, Emery County, Utah.**

*Orig. Fireproof files
Green Binder
SUC: PFD
3*

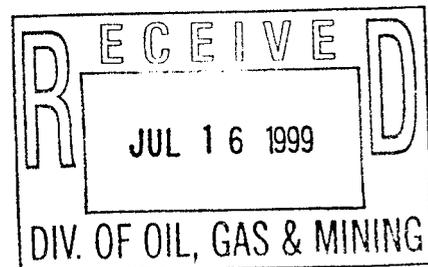
PacifiCorp, by and through its wholly-owned subsidiary, Energy West Mining Company ("Energy West") as mine operator, herewith submits a signed copy of the permit renewal for the Cottonwood Mine.

Thank you again for your assistance and cooperation during the permit renewal process.

Sincerely,

Charles Semborski
Permitting/Geology Supervisor

cc: Carl Pollastro
Blake Webster
Charles Semborski
File



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Huntington Office:
(435) 687-9821
Fax (435) 687-2695
Purchasing Fax (435) 687-9092

Deer Creek Mine:
(435) 687-2317
Fax (435) 687-2285

Trail Mountain Mine:
(435) 748-2140
Fax (435) 748-5125

FEDERAL

PERMIT
Permit Number ACT/015/019

July 6, 1999

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

This permit, ACT/015/019, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

PacifiCorp
One Utah Center
201 South Main, Ste. 2000
Salt Lake City, Utah 84140-0021

for the Cottonwood/Wilberg Mine. PacifiCorp is the lessee of federal coal leases SL-064900, U-1358, SL-070645-U-02292, U-084923, U-084924, U-083066, U-040151, U-044025, U-47978, and the owner/lessee of certain fee-owned parcels. A Surety Bond is filed with the Division in the amount of \$2,071,098, payable to the State of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSM). The Division must receive a copy of this permit signed and dated by the permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 PERMIT AREA - The permittee is authorized to conduct underground coal mining activities on the following described lands within the permit area at the Cottonwood/Wilberg Mine, situated in the state of Utah, Emery County, and located:

Federal

Township 17 South, Range 6 East, SLM

Section 1: SE1/4, E1/2 SW1/4, S1/2 SE1/4 NE1/4, SE1/4 SW1/4 NE1/4

Section 12: E1/2, E1/2 W1/2

Section 13: E1/2, E1/2 W1/2

Section 24: E1/2, E1/2 W1/2

Section 25: N1/2 NE1/4, E1/2 NW1/4 SE1/4

Township 17 South, Range 7 East, SLM

Section 6: Lots 9, 10, 11, W1/2 W1/2 SW1/4

Section 7: Lots 1, 2, 3, 4, W1/2 NW1/4 NW1/4, SW1/4 NW1/4, S1/2

Section 8: S1/2 SW1/4, S1/2 NW1/4 SW1/4, SW1/4 NE1/4 SW1/4, S1/2
S1/2 SE1/4, N1/2 SW1/4 SE1/4

Section 9: S1/2 S1/2 SW1/4, SE1/4 SE1/4, S1/2 SW1/4 SE1/4, NE1/4
SW1/4 SE1/4, SE1/4 NE1/4 SE1/4

Section 10: S1/2 SW1/4, S1/2 N1/2 SW1/4

Section 15: N1/2, SW1/4

Section 16: All

Section 17: All

Section 18: All

Section 19: All

Section 20: All

Section 21: All

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,
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:

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.

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

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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

Section 15: SE1/4

Section 22: NE1/4,

Beginning at the SE corner of NE1/4 SE1/4 Section 25, T17S R6E SLM, thence North 160 rods, West 116 rods to center line of Cottonwood Creek; thence Southerly along center line of said creek to a point 84 rods West of the beginning; thence East 84 rods to the beginning.

This legal description is for the permit area of the Cottonwood/Wilberg Mine. The permittee is authorized to conduct underground coal mining activities and related surface activities on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

Sec. 3 COMPLIANCE - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

Sec. 4 PERMIT TERM - This permit expires on July 6, 2004.

Sec. 5 ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the approval of the Director, the Division. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13{e} and R645-303-300.

Sec. 6 RIGHT OF ENTRY - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

- (a) have the rights of entry provided for in 30 CFR 840.12, R645-400-220, 30 CFR 842.13 and R645-400-110;
- (b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by the private person.

Sec. 7 SCOPE OF OPERATIONS - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 ENVIRONMENTAL IMPACTS - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

- (a) Any accelerated or additional monitoring necessary to determine the nature and extent of noncompliance and the results of the noncompliance;
- (b) immediate implementation of measures necessary to comply; and
- (c) warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

- Sec. 9 DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.
- Sec. 10 CONDUCT OF OPERATIONS** - The permittee shall conduct its operations:
- (a) in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
 - (b) utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 11 EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.
- Sec. 12 RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.
- Sec. 13 AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 14 COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.
- Sec. 15 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 16 CULTURAL RESOURCES - If, during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by the Division within the time frame specified by the Division.

Sec. 17 APPEALS - The permittee shall have the right to appeal as provided for under R645-300-200.

The above conditions (Secs. 1-17) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: Lawell P. Brafford

Date: 7-8-99

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Charles D. Decker

**Authorized Representative of
the Permittee**

Date: July 14, 1999