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DIVISION OF
OIL, GAS AND MINING

January 9, 2002

Utah Coal Program
 Division of Oil, Gas and Mining
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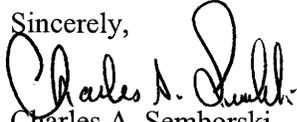
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Subject: Round 3 Response to Deficiencies in the Cottonwood Fan Portal Phase I Bond Release Application, PacifiCorp, Cottonwood Mine, C015/019-BR00D-2, Emery County, Utah

PacifiCorp, by and through its wholly-owned subsidiary, Energy West Mining Company ("Energy West") as mine operator, hereby submits responses to the deficiencies of the Cottonwood Fan Portal Phase I Bond Release Application. The original application was submitted June 30, 2000. PacifiCorp received the deficiencies in the document dated September 27, 2000 and submitted responses dated December 8, 2000. PacifiCorp again received deficiencies on March 7, 2001 and requested a 60 day extension on June 13, 2001. The Division granted the extension and required the application to be submitted August 13, 2001. On August 3, 2001, PacifiCorp submitted Round 2 deficiency responses. On October 12, 2001, PacifiCorp received the technical review for the second round of deficiencies.

The attached document attempts to answer the deficiency received on October 12, 2001. The Division's findings will be first listed by regulation and explanation. PacifiCorp will follow by a response in *italics*.

If you have any questions or concerns regarding this document, please contact myself at (435) 687-4720 or Dennis Oakley at (435) 687-4825.

Sincerely,

 Charles A. Semborski
 Permitting/Geology Supervisor

Enclosure: Response to Technical Analysis Deficiencies

Cc: Carl Pollastro w/o enclosures
 Scott Child w/o enclosures

File: Cottonwood 2002
 Cottonwood Fan Portal Phase I Response to Deficiencies

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The following responses to deficiencies are formatted as found in the technical analysis document. They are broken down into logical section headings similar to the R645 regulations. In each section, the regulation number along with the associated deficiency is followed by the permittee's italicized response.

Topsoil and Subsoil

R645-301-240, Unfortunately, the information in the topsoil/subsoil distribution table on Plate 5-5 does not add up. As reported in the table, there were 3,129.03 cubic yards of topsoil and subsoil used to reclaim Terrace 1 through 4a and the CFP access road. However, the table records that there were 2,820.18 cubic yards of topsoil and subsoil used in the project. Please explain the variation.

Nowhere throughout R645-301-240 can the permittee find any regulation that pertains to soil quantity and mass balance as inferred to in the above deficiency. In fact, nowhere in R645-301-500 can the permittee find any regulation that pertains to mass balance. However, it is good engineering practice for the mass balance estimations to fall within an acceptable range of error. The permittee also contends, and the Division has agreed, that the reclaimed disturbed areas closely resemble the topography of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain. This aspect of backfilling and grading falls within the scope of the Utah Coal Regulations.

Secondly, the reviewer is only comparing the amount of soil used to reclaim the terrace and access road areas versus the amount of soil taken from the soil piles. The reviewer, however, is not taking all material into account. The table below will hopefully better explain what is already shown on maps 5-5 and 5-7.

Description	Quantity (yds³)
<i>Total soil used to reclaim the terrace and access road areas. (Table on Map 5-5)</i>	3,129.03
<i>Total soil taken from the topsoil and subsoil piles and used as fill. (Table on Map 5-5)</i>	2,820.18
<i>Total soil cut from the disturbed area and used as fill, i.e. berms. (Table on Map 5-7)</i>	264.31
<i>Total soil that is unaccounted for in the as-built survey.</i>	44.54

Taking into account all soil used in the reclamation of the terrace and access road areas (add 2820.18 + 264.31), there is a difference of only 44.54 yds³, or just over a 1% error.

The Energy West contacted Division by phone in November to discuss the erroneous deficiency with the reviewer Priscella Burton. Energy West explained that a <10% difference in the quantity of soil used for reclamation versus quantity taken from the soil piles was a generally accepted error margin. Energy West explained that using the industry standard of 50 to 100 foot cross-sections, it was difficult to achieve precision of less than 10%, especially in areas of steep topography and without the pre-mining contours. Ms. Burton said, however, that she was not an engineer but would check this claim with their staff engineer Wayne Western. If Mr. Western agreed with the 10% margin of error, she would retract the deficiency from the record. Energy West has not heard from Ms. Burton concerning this issue since this initial conversation.

The permittee cannot justify any deficiency, as found by the Division, in the material submitted in August, 2001. No portions of the application have been amended.