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INTERWEST MINING COMPANY
A SUBSIDIARY OF PACIFICORP

1407 W. North Temple, Suite 110
Salt Lake City, UT 84116

HAND DELIVERED

October 15, 2018

Kent Hoffman
Deputy State Director
United States Department of the Interior
Bureau of Land Management
Utah State Office
440 West 200 South, Suite 500
Salt lake City, Utah 84101-1345

RE: Modified Overview of Federal Coal Lease Relinquishment Project – Due to Impacts from the Trail Mountain Wildfire during June 2018 – East Mountain Logical Mining Unit UTU-73336, Deer Creek & Cottonwood Mines, Emery County, UT

Dear Mr. Hoffman:

As follow-up to our letter dated May 29, 2018, and on behalf of PacifiCorp, we are providing a modified overview of our federal coal lease relinquishment project due to the impacts from the Trail Mountain wildfire that consumed a majority of this area in the month of June 2018, particularly in Rilda and Meetinghouse Canyons. With this modified overview, we have elected to revise some of the areas that we were planning to retain for reclamation purposes within the Left Fork of Rilda Canyon, but will now be relinquishing as a result of the wildfire and areas that are now being utilized by the U.S. Forest Service for wildfire mitigation. Likewise, we've also elected not to retain any acreage in the Right Fork of Meetinghouse Canyon area as a result of the wildfire.

The U.S. Forest Service has taken proactive control of the drainage system within Rilda Canyon to construct storm debris catch basins and implement other storm runoff controls in an effort to mitigate damage to the spring development and culinary water supply for the North Emery Water Users Special Service District. See attached letter dated July 2, 2018, from the U.S. Forest service to Daron Haddock of the Utah Division of Oil, Gas & Mining (DOGM). With that said, the U.S. Forest Service will be implementing their post-fire storm mitigation measures on areas that were part of the Deer Creek Mine reclamation project and that we were at one time planning to retain for reclamation purposes.

Consequently, those plans have changed due to the impacts of the wildfire and we are no longer planning to retain some of these areas. Enclosed is a revised Map 1 which depicts the areas to be relinquished and retained. In addition to the fire-related reductions, we have reduced the retained areas near the Deer Creek and Cottonwood Mine portal sites from our original plans, thus adjusting these retained areas to the minimum acreage needed. Meanwhile, DOGM and PacifiCorp will be taking the necessary measures to remove the severely impacted post-fire areas within the Rilda Canyon Left Fork from the Deer Creek Mine permit and reclamation bond liability as the U.S. Forest service is assuming full responsibility for these post-fire areas, thus absolving PacifiCorp

from any further reclamation obligation and performance standards for these areas being removed from the mine permit.

Modified Lease Relinquishment Project Overview

PacifiCorp will prepare individual relinquishment notifications for 20 of the 21 federal coal leases that have comprised the LMU. Two full relinquishment notifications for federal coal leases UTU-88554 and UTU-84285 have previously been submitted to your office on May 30, 2018. Of the 20 federal coal lease relinquishment notifications, 14 leases are full relinquishments and 6 leases are partial relinquishments. Listed below are the 20 federal coal leases and their status (full or partial) in this relinquishment project:

(1) UTU-88554 (Full – Submitted 5/30/2018)
(2) UTU-84285 (Full – Submitted 5/30/2018)
(3) UTU-06039 (Partial)
(4) UTU-24317 (Full)
(5) UTSL-051221 (Partial)
(6) UTU-2810 (Full)
(7) UTSL-050862 (Partial)
(8) UTU-014275 (Full)
(9) UTU-024319 (Full)
(10) UTU-47977 (Full)
(11) UTU-084924 (Full)
(12) UTU-084923 (Full)
(13) UTU-47979 (Full)
(14) UTSL-070645/02292 (Full)
(15) UTSL-064607/064621 (Partial)
(16) UTU-083066 (Full)
(17) UTU-040151 (Partial)
(18) UTU-1358 (Full)
(19) UTSL-064900 (Partial)
(20) UTU-47978 (Full)

On the six (6) leases that are being partially relinquished, PacifiCorp will retain selected portions of these leases for the following purposes:

1. To conduct surface reclamation on the disturbed lands in accordance with the state approved mine permits for the Deer Creek and Cottonwood Mines, and
2. Sustain the legal right-of-entry to these split estate federal lands (BLM subsurface and U.S. Forest Service surface) while reclamation activities are conducted and finalized including the required 10-year minimum bond liability period to achieve Final Phase 3 Bond Release.

The individual lease relinquishment notifications will be submitted to your BLM office under separate cover letters as we get them completed.

Again as a reminder, the status of federal coal lease UTU-044025 is unchanged as it is still our plan to retain the entire 40 acres for reclamation and monitoring purposes through the Cottonwood Mine permit bond liability period to achieve Final Phase 3 Bond Release.

Should you have any questions, need additional information or wish to discuss this matter with us, please feel free to contact me at 801-220-4612 or by email at Scott.Child@PacifiCorp.com.

Respectfully,

Scott M. Child
Manager, Lands & Regulatory Affairs

Enclosures

cc: D. Ralston, B. Morgan, J. Potter, C. Semborski, K. Fleck, D. Oakley

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USDA United States Department of Agriculture | Forest Service | Manti-LaSal National Forest | 599 West Price River Drive
Price, UT 84501
Voice: 435-636-3561

File Code: 2820
Date: July 2, 2018

Daron Haddock
Coal Program Manager
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt lake City, Utah 84114-5801

Dear Mr. Haddock,

The Manti-La Sal National Forest (FS) is addressing the potential hazards associated with the Trail Mountain Wildfire, which began on June 6, 2018. The fire burned both Left and Right Forks of Rilda Canyon where PacifiCorp is currently reclaiming the Left Fork Rilda Portals and 1st Right Rilda Portals used during the operation of the Deer Creek Mine, Federal Coal Lease UTU-0006039, Permit # C/015/0018, Emery Country, Utah (T.16.0S, R.7.0E, 19, 20, 29, 30, 31 and 32). Based on the severity of the burn, there is a high probability of significant debris flow sourced from burned areas within the Left Fork Rilda drainage basin. Debris flows would impact municipal water supplies just east of the 1st Right Rilda Portals located in the main Rilda Canyon drainage basin as shown on the attached map. The North Emery Water Users Special Service District (NEWUSSD) has shares in Huntington Cleveland Irrigation Company and a point-of-diversion to developed springs at this location, which provide culinary water to Northern Emery County, Utah. To mitigate any damage to spring developments, the FS would like to construct a debris catchment basin at the Left Fork Rilda Portal reclamation site.

As the federal land management agency (FLMA), the FS would like to request a post-mining change to the reclamation plan in accordance with 30 CFR 740.4 (c) (2) to include a debris catchment basin for the protection of municipal water supplies at the Left Fork Rilda Portal reclamation site.

The current condition of the Left Fork Rilda Portal reclamation site is as follows: both mine portals were permanently sealed and backfilled with 25 feet of crushed concrete and all buildings, equipment and construction material have been removed. The earthen fill needed to recontour the site remains, along with a guardrail along the access road, Hilfiker retaining walls, a side drainage culvert and the Left Fork culvert. In a concerted effort by the parties (representatives from the FS, DOGM and PacifiCorp) per our on-site meeting on June 29, 2018, the FS can approve final reclamation of the Left Fork Rilda disturbance area to accommodate the construction of a debris catchment basin by the FS, provided that PacifiCorp conduct the following: (1) remove 3 foot Hilfiker substation retaining wall, (2) remove guardrail at the Left Fork Rilda Portal site and along the entire length of access road, and (3) install locking gate across road. Once these three activities are completed, FS will assume all responsibility for the 2.33 acres of the Left Fork Rilda Portal disturbance area, which will include the road required to access the site (see attached map) and topsoil required to reclaim the site.

Furthermore, with the FS taking control over this area for post-fire mitigation purposes and removing these sites from the mine permit, this action absolves PacifiCorp from any further reclamation obligations and performance standards for these areas being removed from the mine permit.

In order to mitigate any imminent impacts to the municipal spring development at this location, the FS would like to stress the need to process this request in an expeditious manner, due to concerns over heavy precipitation during the upcoming monsoon season, which could trigger debris flows. The FS is also aware that any such structure associated with the debris basin built at the Left Fork Portal site, would be the sole responsibility of the FS and not that of PacifiCorp or the State of Utah.

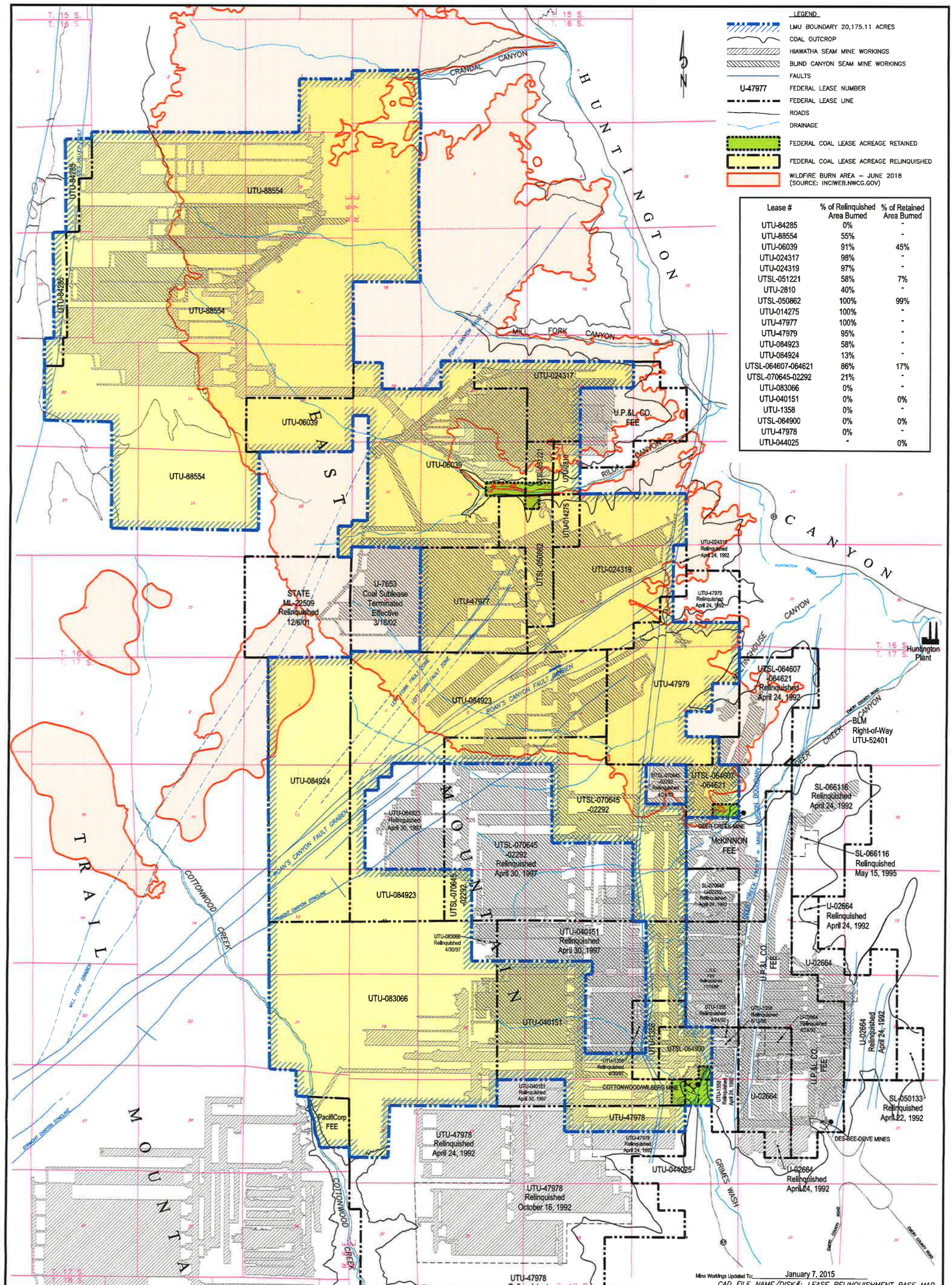
If you have any questions or concerns, please contact Jeff Salow at 435-636-3596 or jsalow@fs.fed.us.

Sincerely,

Darren Olsen
Ferron District Ranger

Enclosure

cc: Becky Hammond, FS, Steve Rigby, BLM



Lease #	% of Relinquished Area Burned	% of Retained Area Burned
UTU-84285	0%	-
UTU-88554	55%	-
UTU-06039	91%	45%
UTU-024317	98%	-
UTU-024319	97%	-
UTSL-051221	58%	7%
UTU-2810	40%	-
UTSL-050862	100%	99%
UTU-014275	100%	-
UTU-47977	100%	-
UTU-47979	95%	-
UTU-084923	58%	-
UTU-084924	13%	-
UTSL-064607-064621	86%	17%
UTSL-070645-02292	21%	-
UTU-083066	0%	-
UTU-040151	0%	0%
UTU-1358	0%	-
UTSL-064900	0%	0%
UTU-47978	0%	-
UTU-044025	-	0%