



SCOTT M. MATHESON
Governor

OIL, GAS, AND MINING BOARD

GORDON E. HARMSTON
Executive Director,
NATURAL RESOURCES

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES

CHARLES R. HENDERSON
Chairman

CLEON B. FEIGHT
Director

DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
Salt Lake City, Utah 84116
(801) 533-5771

JOHN L. BELL
C. RAY JUVELIN
THADIS W. BOX
MAXILIAN A. FARBMAN
EDWARD T. BECK
E. STEELE McINTYRE

January 27, 1981

Mr. James A. Hagerty
UCO, Inc.
1580 Lincoln, Suite 530
Denver, Colorado 80203

RE: Notice of Drilling Status and
Plugging Reports from Oct. 16 to
Nov. 8, 1980.
CEP/007/001
Carbon County, Utah

Dear Mr. Hagerty:

Thank you for your letter received by the Division, December 8, 1980, concerning UCO's drilling between October 16 and November 8, 1980. The Division awaits your final report of reclamation activities following your hydrologic monitoring program. Thank you for your continued cooperation.

Sincerely,

D. WAYNE HEDBERG
RECLAMATION HYDROLOGIST

DWH/te



Implementation letter drafted 1/5/81 DWH

SEP/00/1001

To Wayne Jim

UCO, Inc. 1580 LINCOLN SUITE 530 DENVER, COLORADO 80203 (303) 837-0465

December 4, 1980

RECEIVED

DEC 08 1980

DIVISION OF OIL, GAS & MINING

Mr. Tom Suchowski
State of Utah
Division of Oil, Gas & Mining
1588 West North Temple
Salt Lake City, Utah 84116

Dear Tom:

It is intended that the following letter serve as a summary of the exploration program conducted by UCO, Inc. in Carbon County, Utah near the Town of Scofield.

A total of eight (8) holes were drilled by Lyster Drilling of Craig, Colorado, between October 16 and November 8, 1980. Each hole was drilled on the road in the approximate locations shown on the attached map. All holes were drilled 100 feet below the Lower O'Connor seam. Pertinent data concerning the drill holes is presented in the attached table.

Mud pits were dug at each site and were used exclusively for containment of cuttings and groundwater instead of mixing of drilling medium. The water in the pits was allowed to evaporate and the pits were then back filled and compacted.

Holes WQ-02, 03, 04, ⁺⁰⁵ and 07 were cemented from top to bottom using a mixture of approximately 2 parts water to 1 part cement. As noted in the data table, holes 01, 01A, 06 and 08 were completed as hydrology test wells. Four inch steel casing was set in each of these holes with a removeable cap placed at the top of the casing. Vaughn Hansen Associates have supervised data collection for water quality studies and will continue to do so. The hydrology wells will be cemented after groundwater studies are completed.

I hope this summary has brought you up to date, but if you have any questions or need further information, please give me a call.

Sincerely,

James A. Hagerty

JAH/jmp

Enclosures: As Stated

DRILLING DATA
SCOFIELD PROJECT

REGISTERED

DEC 08 1930

DIVISION OF
OIL, GAS & MINING

| HOLE # | T.D. | FOOTAGE CORED | WATER LEVEL | COAL (1) THICKNESS | REMARKS (2) |
|---------------------------|-------|------------------|----------------|-----------------------|--|
| <i>G-w well</i> WQ-01 | 380' | 0 | 70' | Not Penetrated | Hydrology test well. Lost cone, not logged, coal not penetrated. |
| <i>G-w well</i> WQ-01A | 640' | 30' | 173* | 9.5' | Hydrology test well |
| <i>cement</i> - WQ-02 | 620' | 50' | 147* | 10.6' | Used drilling mud top 100' |
| <i>cement</i> - WQ-03 | 600' | 45' | 320* | 8.7' | Used foam during final coring & to T.D. |
| <i>cement</i> - WQ-04 | 560' | 30' | 213* | 10.8' | <i>Cemented</i> |
| WQ-05 | 480' | 30' | 157* | 10.9' | <i>Cemented top to Bottom</i> |
| <i>G-w well</i> WQ-06 | 440' | 30' | 94* | 10.3' | Hydrology test well |
| <i>cement</i> - WQ-07 | 700' | 30' | 242* | 10.9' | <i>Cemented top of Bottom</i> |
| <i>G-w well</i> WQ-08 | 340' | 30' | 137* | 10.9' | Hydrology test well |
| TOTALS | 4760' | 275' | | 10.3' | |

(1) - Lower O'Connor Bed

(2) - All drilling done by air and water injection unless noted otherwise.

* - Water level read from G-log which is probably inaccurate as water was injected during drilling.

Entered 7/6/83

COAL EXPLORATION INPUT

DATE

11-80

PROJECT NAME: WINTER QTRS 80A COUNTY: CARBON

EXP. NO.: SEP / 007 / 001 EXP. TYPE: DRILLING MINERALS: COAL

COMPANY NAME: UCO, INC. CONTACT: _____

COMPANY ADDRESS: 1580 LINCOLN, ^{TE 5} SUITE 30 CITY: DENVER STATE: CO

ZIP CODE: 80203 PHONE NUMBER: 303-837-046

DATE APPROVED: 09 / 10 / 80 DATE RECLAIMED: 12 / 24 / 80 MR-9 FILED: NO

LOCATION: _____

SECTIONS ~~24~~, ~~28~~, ~~30~~, T ~~132~~ R ~~6E~~ SECTIONS _____, _____, _____, T _____ R _____

SECTIONS ~~30~~, ~~31~~, T ~~132~~ R ~~6E~~ SECTIONS _____, _____, _____, T _____ R _____

SECTIONS 1, ~~2~~, T 132 R 6E SECTIONS _____, _____, _____, T _____ R _____

DATE OF MOST RECENT INSPECTION: 08 / 05 / 82

INSPECTION FINDINGS: _____

~~#3 HOLE LEFT OPEN, LOCATIONS OF SOME HOLES NOT AS PER EXPLORATION PLAN
MUD PITS NOT FILLED, TOPSOIL NOT STOCKPILED~~

~~#3 HOLE LEFT OPEN, 8 HOLES INSPECTED, RECLAMATION MINIMAL DUE TO
DRILLING ON ROAD~~

~~4 HOLES COMPLETED AS HYDRO TEST WELLS - SEE 12/4/80 LTR~~

File CEP/007/8

TS

U C O I N C.

Colorado State Bank Bldg.
1600 Broadway
Denver, Colorado 80202

Area Code 303
837-0463

September 11, 1980

MR. TOM SUCHOSKI
State of Utah
Division of Oil, Gas & Mining
1588 West North Temple
Salt Lake City, Utah 84116

Dear Mr. Suchoski:

Please find enclosed a copy of the signed letter from Melvin T. Smith, Utah Director and State Historic Preservation Officer concerning our proposed exploration program in Carbon County, Utah. This letter replaces the unsigned one that I provided you with on Tuesday, September 9th.

Please call if you have any questions.

Sincerely,



J. Chris Carter
Manager-Environmental Affairs

JCC:sal

Enclosure: As stated

RECEIVED
SEP 15 1980

DIVISION OF
OIL, GAS & MINING



SCOTT M. MATHESON
Governor

OIL, GAS, AND MINING BOARD

GORDON E. HARMSTON
Executive Director,
NATURAL RESOURCES

STATE OF UTAH

CHARLES R. HENDERSON
Chairman

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS, AND MINING

CLEON B. FEIGHT
Director

1588 West North Temple
Salt Lake City, Utah 84116
(801) 533-5771

JOHN L. BELL
C. RAY JUVELIN
THADIS W. BOX
CONSTANCE K. LUNDBERG
EDWARD T. BECK
E. STEELE McINTYRE

September 10, 1980

Mr. J. Chris Carter
UCO, Inc.
Colorado State Bank Bldg.
1600 Broadway
Denver, Colorado 80202

Re: Notice of Intention to
Commence Coal Exploration
Winter Quarters Project
Carbon County, Utah
CEP/007/001

Dear Mr. Carter:

Thank you for your September 8, 1980 letter regarding UCO, Inc.'s proposed coal exploration operations in Carbon County, Utah. The plan meets the requirements of Parts 776 and 815 of the Regulations promulgated under the 1979 Act, "Regulation of Coal Mining and Reclamation Operations", Title 40-10-1 et seq., Utah Code Annotated, 1953. The Division hereby issues approval for the exploration operations as described in the exploration plans.

The Division requires no additional information at the present time. Upon completion of the exploration operations the Division will require notification of completion and a description of the plugging and reclamation activities which have taken place for each site.

Thank you for your cooperation. If any questions should arise please call me.

Sincerely,

THOMAS J. SUCHOSKI
ENGINEERING GEOLOGIST

TJS/te

UCO INC.

Colorado State Bank Bldg.
1600 Broadway
Denver, Colorado 80202

CE APPR
Reply sent 9/9/80
TJS

Area Code 303
837-0465

September 8, 1980

MR. TOM SUCHOSKI
State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
1588 West North Temple
Salt Lake City, Utah 84116

Re: Notice of Intention to Commence Coal Exploration, Winter Quarters Project,
CEP/007/001 Carbon County, Utah

Dear Mr. Suchoski:

Please find enclosed the additional information requested in a recent letter, dated August 12, 1980, from the Division of Oil, Gas & Mining (OGM), concerning UCO, Inc's proposed exploration drilling program in Carbon County, Utah. UCO, Inc. has not yet reached an agreement with Valley Camp, the lessee of the coal in the Woods Canyon area. Therefore, by means of this letter, UCO, Inc. is requesting that the OGM consider for approval only our proposed exploration activities within the Winter Quarters Canyon area.

In UCO's response to OGM exploration plan deficiencies (enclosed), I have restated the deficiencies as they were identified in your August 12th letter and subsequently responded to them.

If you have any questions or need further clarification, please contact me.

Sincerely,



J. Chris Carter
Manager-Environmental Affairs

JCC:sal

Enclosure: As stated

RESPONSE TO OGM DEFICIENCIES

UCO, INC. EXPLORATION PROJECT

CARBON COUNTY, UTAH

Deficiency 1. The name, address and telephone number of the representative who will be present and responsible for conducting the exploration activities.

Response 1. James A. Hagerty, Vice President-Exploration of UCO, Inc., Colorado State Bank Building, 1600 Broadway, Denver, Colorado 80202, telephone (303) 837-0465, will be present and responsible for conducting the exploration activities. During the exploration drilling periods, Mr. Hagerty will be lodging at the Greenwell Motel in Price, Utah, telephone (801) 637-3520.

Deficiency 2. Method of erosion and sediment control.

Response 2. At each drill site, mud pits of sufficient size to contain all effluent drilling materials will be constructed. If necessary to prevent overflow, the mud pits will be periodically pumped out and waste fluids hauled off and properly disposed of in approved sanitary landfill. Site drainages will be directed internally to the mud pit to prevent overland flow from the drill sites to the natural drainages. In order to minimize erosion and along the new drill road, runoff diversionary structures, such as contour furrows and water bars, will be constructed where needed.

Deficiency 3. Evidence that the applicant has permission of the land owner to conduct the exploration.

Response 3. Please see attached copy of the signed agreement between UCO, Inc. and Mr. Euray Allred, the surface landowner, which gives proof that UCO, Inc. has permission from the landowner to conduct the exploration program.

Deficiency 4. Revegetation and reclamation procedures.

Response 4. Drill Sites

If excavation is required in preparing a drill site, the topsoil will be stockpiled and upon completion of exploration activities redistributed over the site. Upon completion of drilling, if a particular hole has not been selected for hydrological monitoring, the drill hole will be cemented from top to bottom. The mud pits will be backfilled and the topsoil, which was earlier removed and stored, will be replaced to an even contour with the original slope. Liquids or mud in the pits will be pumped out and removed from the premises or allowed to dry before they are backfilled. Drill sites will be cleaned and all material, including drill cuttings, foreign to the natural setting will be buried or removed from the site. Trash will be removed from the site. Each drill site will be reshaped to approximately the original contour, leaving a roughened surface. The sites will be

scarified where compaction has occurred. The sites will be fertilized and seeded immediately thereafter with the mixture stated below. Straw mulch will be applied on sites needing immediate protection.

Drill Road

Prior to new drill road construction, by a bulldozer, the topsoil will be removed and stockpiled for later redistribution over the road during reclamation. The new road branches off from an existing drill road and follows the contour along a south-facing slope. Small cut and fill sections will be required for construction of the road. Upon completion of the exploration program the road will be reshaped to approximately the original contour, topsoil will be replaced, and sites where compaction has occurred will be scarified. The road along with the drill sites will be fertilized and seeded immediately thereafter with the mixture stated below. Straw mulch will be applied on areas needing immediate protection.

Reclamation Timetable

Reclamation will commence immediately upon completion of exploration activities. The current tentative timetable for completion of the drilling is mid-October. Therefore, reclamation is scheduled for the latter part of October.

Revegetation

Revegetation will be attempted in the fall when the soil moisture conditions are optimum. During the reclamation program the disturbed areas will be reseeded with the following species mix at the rate of 12 pounds per acre:

| | | |
|---------------|--|--------------|
| JCC 9/9/80 | Mountain | |
| | Smooth Brome (Lincoln) | 3-4 lbs/acre |
| | Timothy or Meadow Foxtail | 1-2 lbs/acre |
| | Yellow Sweet Clover | 1-2 lbs/acre |
| | Alfalfa (Ladac or Nomad) | 1-2 lbs/acre |
| | Orchard Grass | 1-2 lbs/acre |
| | Perennial Rye | 1-2 lbs/acre |

The seed mixture will be broadcast seeded and raked into the soil. Fertilization of disturbed areas will be accomplished with a 16-20-0 fertilizer mix at a rate of 200 pounds per acre.

Deficiency 5. Method of removing, storing and replacing topsoil from disturbed areas.

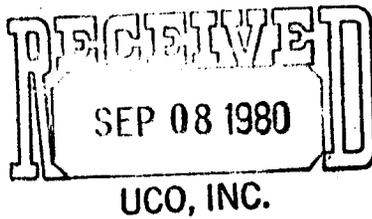
Response 5. Prior to new road construction and drill site preparation the topsoil will be removed as a separate operation, stockpiled and protected from wind and water erosion, for later redistribution during reclamation. Existing vegetation will be removed and topsoil collection will occur prior to any excavation or other surface disturbance. The equipment used for topsoil removal will consist of a bulldozer and backhoe. Topsoil will be stored where it will not be routinely disturbed. Topsoil storage will be of short duration during the exploration program and will be resitributed immediately upon completion of the drilling program. The topsoil storage areas will be sprayed with water, if needed, to retard wind erosion. Topsoil redistribution will be accomplished with a bulldozer and backhoe. Prior to topsoil redistribution, regraded areas will be scarified in order to reduce surface compaction, provide a roughened surface for topsoil adherence and to promote root penetration. To minimize compaction of the topsoil following redistribution, travel on reclamation areas will be limited.

Deficiency 6. If make-up water will come from streams or springs, evidence that the applicant has the rights to the water.

Response 6. Make-up water will come from stream flow in Winter Quarters Canyon. Centurion Investment Company owns certain shares of capital stock of the Price River Water Users Association, (a portion of these water rights apply to the stream flow in Winter Quarters Canyon). The sublease agreement between UCO, Inc. and Centurion Investment Company provides for transfer of these water rights to UCO, Inc. For purposes of exploration, Centurion Investment Company has conveyed to UCO, Inc. the right to use a portion of said water rights during UCO's exploration program.

Deficiency 7. Evidence that there are no cultural resources in the area that will be disturbed by the exploration.

Response 7. Please see the attached copy of a letter received from Mr. Melvin T. Smith, Director and Utah State Historic Preservation Officer, Division of State History in which he states that there are no cultural resources in the area that will be disturbed by UCO's proposed exploration activities.



SCOTT M. MATHESON
GOVERNOR



STATE OF UTAH
DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT

September 4, 1980

Division of
State History
(UTAH STATE HISTORICAL SOCIETY)

MELVIN T. SMITH, DIRECTOR
307 WEST 2ND SOUTH
SALT LAKE CITY, UTAH 84101
TELEPHONE 801 / 533-5755

Mr. Chris Carter
UCO, Inc.
Colorado State Bank Building
1600 Broadway
Denver, CO 80202

RE: Enclosed Letter

Dear Mr. Carter:

The enclosed letter is an unsigned copy. Our State Historic Preservation Officer, Melvin T. Smith, is out of town until Monday, and he will sign the letter then and we will mail it to you.

In the meantime, this copy should give you the information you need. If you have any questions, please call us.

Sincerely,

Janice Reed
Utah State Historical Society

Enclosure

UNCLASSIFIED COPY



SCOTT M. MATHESON
GOVERNOR

DC
ED

STATE OF UTAH
DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT

September 3, 1980

Division of
State History
(UTAH STATE HISTORICAL SOCIETY)

MELVIN T. SMITH, DIRECTOR
307 WEST 2ND SOUTH
SALT LAKE CITY, UTAH 84101
TELEPHONE 801/533-5755

Mr. James A. Hagerty
UCO, Inc.
Colorado State Bank Building
1600 Broadway
Denver, CO 80202

RE: Cultural Resources

Dear Mr. Hagerty:

In response to your request for review and in accordance with your responsibility as outlined in 36 CFR 800.4, we are happy to consult with you concerning your project.

The staff of the Utah State Historic Preservation Office has received for review the drilling program of UCO, Inc. There are no known archeological sites in the plan area, with the potential for the location of unknown sites low.

Of concern are the historic sites in Winter Quarters Canyon. It appears that the drilling program will not effect the historic sites, but further development of mine area may. This is only a concern at this time with the present drilling program affecting no known cultural resources.

If you have any questions or concerns, please contact Wilson G. Martin, Preservation Development Coordinator, 533-6017, or James L. Dykman, Compliance Administrator, 533-6000, Utah State Historical Society, 307 West 200 South, Salt Lake City, Utah 84101.

Sincerely,

Melvin T. Smith
Director and
State Historic Preservation Officer

JLD:jr:D589

cc: Office of Surface Mining, Division of Oil Gas and Mining

LETTER OF INTENT

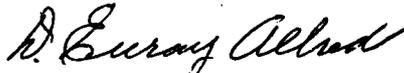
UCO, Inc.
Suite 2050
Colorado State Bank Building
1600 Broadway
Denver, Colorado 80202

Gentlemen:

In exchange for the payment of certain funds and the fulfillment of certain promises (which are listed on Exhibit A attached to this letter) from UCO, Inc., I grant UCO, Inc. the exclusive surface use of land located in Carbon County, Utah, (also listed and described in Exhibit A) for the purposes of exploring for coal. This grant is effective immediately and shall remain effective until such time as the exploration is terminated by UCO, Inc.

Upon termination, UCO, Inc. agrees to reasonably restore the property to its original condition.

Very truly yours,


Euray Allred

ACCEPTED BY UCO, INC.

By: 

Attachment: As stated



SCOTT M. MATHESON
Governor

OIL, GAS, AND MINING BOARD

CHARLES R. HENDERSON
Chairman

GORDON E. HARMSTON
Executive Director,
NATURAL RESOURCES

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
Salt Lake City, Utah 84116
(801) 533-5771

JOHN L. BELL
C. RAY JUVELIN
THADIS W. BOX
CONSTANCE K. LUNDBERG
EDWARD T. BECK
E. STEELE McINTYRE

CLEON B. FEIGHT
Director

August 12, 1980

Mr. James A. Hagerty
Vice President Exploration
UCO, Inc.
Colorado State Bank Bldg.
1600 Broadway
Denver, Colorado 80202

RE: Notice of Intention to
Commence Coal Exploration
Winter Quarters Project
Woods Canyon Project
CEP/007/001
Carbon County, Utah

Dear Mr. Hagerty:

Thank you for your letter received by the Division on August 11, 1980 concerning UCO, Inc.'s proposed exploratory drilling program in Carbon County, Utah. The Division's review finds that the application is not in compliance with the 1979 Act, Regulation of Coal Mining and Reclamation Operations, Title 40-10, Utah Code Annotated, 1953. Before we can approve the plan, the following information is required:

1. The name, address, and telephone number of the representative who will be present and responsible for conducting the exploration activities.
2. The method of erosion and sediment control that will be used at each site.
3. Evidence that the applicant has permission of the land owner to conduct the exploration.
4. Methods and plans for revegetation and reclamation procedures (i.e., grading, stabilization procedures, seed mixtures, rates, methods, and times of seeding). Seed mixes are required to be composed of species which are the same seasonal variety native to the disturbed area.

Mr. James A. Hagerty
August 12, 1980
Page Two

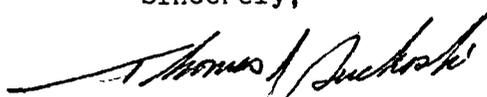
5. Method of removing, storing, and replacing topsoil from all disturbed areas.

6. If make-up water will come from streams or springs, evidence that the applicant has the rights to the water.

7. Evidence that there are no cultural resources in the area that will be disturbed by the exploration.

The Division will suspend review of the application until UCO, Inc. addresses these concerns. If you have any questions, please call.

Sincerely,



THOMAS J. SUCHOSKI
ENGINEERING GEOLOGIST

TJS/te
cc: Don Crane, O.S.M.

UCO INC.

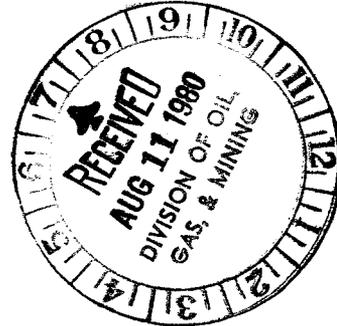
Colorado State Bank Bldg.
1600 Broadway
Denver, Colorado 80202

*Reply sent 8/12/80
Request more info*

Area Code 303
837-0465

August 6, 1980

MR. TOM SUCHOSKI
Division of Oil, Gas and Mining
State of Utah
1588 West North Temple
Salt Lake City, Utah 84116



Dear Tom:

Enclosed is a copy of UCO's application for an exploration permit concerning a coal property near Scofield, Utah. I'm sure we are like everyone else in that we want approval granted yesterday.

Seriously, since the drilling season is getting shorter we would greatly appreciate a quick turn around time. If I can be of any help feel free to call me.

Thank you.

Sincerely,

James A. Hagerty

JAH:sal

Enclosure

UCO INC.

Colorado State Bank Bldg.
1600 Broadway
Denver, Colorado 80202

Area Code 303
837-0465

NOTICE OF INTENT TO EXPLORE LESS THAN 250 TONS UNDERGROUND COAL PROPERTY CARBON COUNTY, UTAH

UCO, Inc. is a Colorado corporation located at 1600 Broadway, Suite 2050, Denver, Colorado 80202; Telephone 303-837-0465. UCO recently subleased mineral rights in Carbon County from Centurion Investment Company, with the underlying lessor being Carbon County. The surface over the majority of this lease is privately held by Mr. Euray Allred of Fountain Green, Utah. UCO is planning an exploration program to determine the mineability of the coal contained in the lease ground. James A. Hagerty, Vice President Exploration of UCO, will be responsible for all exploration activities.

LOCATION

The property is two miles west of the town of Scofield. A description of the land is as follows:

Township 12 South, Range 6 East SLBM

Section 24: E $\frac{1}{2}$ SE $\frac{1}{4}$
Section 25: E $\frac{1}{2}$ E $\frac{1}{2}$
Section 36: N $\frac{1}{2}$ N $\frac{1}{2}$; S $\frac{1}{2}$ S $\frac{1}{2}$

Township 12 South, Range 7 East, SLBM

Section 30: SW $\frac{1}{4}$
Section 31: NW $\frac{1}{4}$ NW $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$

Township 13 South, Range 6 East, SLBM

Section 1: W $\frac{1}{2}$
Section 12: NW $\frac{1}{4}$ NW $\frac{1}{4}$

(See attached maps.)

GENERAL

The onset of winter weather makes the drilling season very short in this area. Therefore, it is imperative to begin operations as soon as possible. However, adverse mineral ownership has made it necessary to plan for two phases of exploration, Phase 1 in Winter Quarters Canyon and Phase 2 in Woods Canyon. (See Map 2)

Phase 1 is projected to be completed this fall but Phase 2 may never be executed unless UCO comes to terms with Valley Camp, the lessee of the coal rights in the Woods Canyon area. UCO is currently negotiating with Valley Camp but the outcome of these discussions is unknown at this time.

A copy of a letter from Mr. Allred allowing UCO surface access for all exploration activities will be sent to the Division.

DRILLING

Holes are scheduled to be drilled in the approximate locations shown on Map No. 1. Truck mounted rotary drilling rigs will be used to drill the holes and, when necessary, take cores of the roof, coal, and floor.

A 4-3/4 inch rotary hole will be drilled and 2-1/8 inch core will be recovered from selected zones. Several 6 inch cores of the coal seam may be taken for analytical purposes. The drilling medium will consist of air, water, foam and mud depending on hole conditions. Mud pits will be dug with a backhoe and will be reclaimed after the hole is completed. Water will be trucked in from an available source. All mud will be circulated through the drill pipe and back into the pit, thus forming a closed system.

Geophysical logs including natural gamma, gamma gamma density, resistivity, caliper, and possibly deviation will be run. Cuttings samples will be taken in five foot intervals and analyses will be run to test the chemical properties of the overburden. In addition, a lithologic description of the cuttings will be recorded.

The project is scheduled to begin in August 1980, and be completed by November 1980.

ROADS

1. WINTER QUARTERS CANYON (Phase 1)

An existing drill road will be used for access to this area. Upgrading of the road by a dozer or grader will be required to provide safe access for the equipment. Approximately 1500 feet of new drill road will be required. Please refer to Map 1. Culverts and bridges will not be required as the drill road does not cross any drainages. After exploration is completed both the existing and the proposed road will be reclaimed, except in areas where a permanent road is necessary. Water bars and berms will be used to prevent erosion and the disturbed area will be reclaimed, scarified and seeded.

2. WOODS CANYON (Phase 2)

If an agreement is made with Valley Camp, approximately 3500 feet of drill road will need to be constructed. Culverts will need to be used in two locations (as shown on Map 1) in order to prevent erosion in the areas where two ephemeral streams intersect the proposed road. Culverts will be removed and the road will be reclaimed after exploration unless it is decided to leave the road for mining purposes, at which time the road would be upgraded to meet the requirements for a permanent road.

EXPLORATION SITES

All sites will be leveled by a dozer, if required, and topsoil will be stored. Sites will be approximately 30' x 60' and will provide safe access for all drilling equipment. Each site will be back filled, graded, and seeded after drilling is completed.

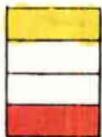
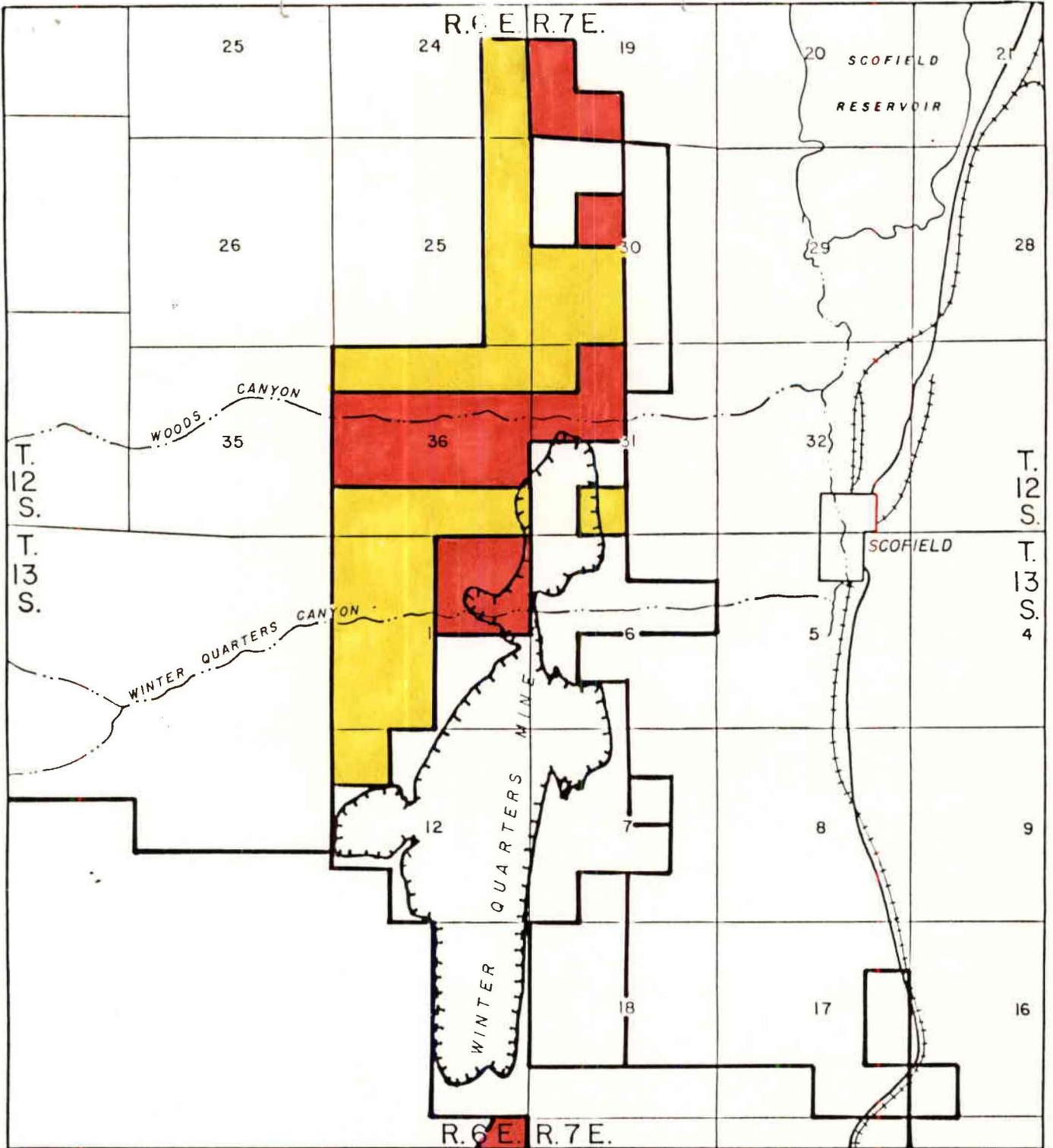
ABANDONMENT

All drill holes, excluding those left open for ground water monitoring, will be cemented from top to bottom. Mud pits will be back filled and compacted with a dozer. All drill sites will be reclaimed by backfilling topsoil, grading the area, and applying proper seed for revegetation. All drill roads, except those which will be upgraded to permanent roads, will be reclaimed and reseeded.

PUBLIC NOTICE

Because of the fact that UCO is currently negotiating with Valley Camp, we request that this Notice of Intent to Explore be held in confidence by the Division of Oil, Gas and Mining and not be displayed for public notice.

MAP 2



UCO Inc.
 COASTAL STATES ENERGY
 (McKinnon Property)
 KAISER STEEL CORPORATION
 VALLEY CAMP OF UTAH



WINTER QUARTERS MINE

| | |
|----------|-------|
| DRAWN | |
| DATE | BY |
| 7/80 | CORKY |
| REVISED | |
| DATE | BY |
| | |
| APPROVED | |
| DATE | BY |
| | |

SCOFIELD AREA

SCALE 1" to 4000'

UCO Inc. COLORADO STATE BANK BLDG.,
 1600 BROADWAY, DENVER, COLO., 80202

FILE NO.



SCOTT M. MATHESON
GOVERNOR



STATE OF UTAH
DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT

Division of
State History
(UTAH STATE HISTORICAL SOCIETY)

MELVIN T. SMITH, DIRECTOR
307 WEST 2ND SOUTH
SALT LAKE CITY, UTAH 84101
TELEPHONE 801 / 533-5755

September 3, 1980

Mr. James A. Hagerty
UCO, Inc.
Colorado State Bank Building
1600 Broadway
Denver, CO 80202

RE: Cultural Resources

Dear Mr. Hagerty:

In response to your request for review and in accordance with your responsibility as outlined in 36 CFR 800.4, we are happy to consult with you concerning your project.

The staff of the Utah State Historic Preservation Office has received for review the drilling program of UCO, Inc. There are no known archeological sites in the plan area, with the potential for the location of unknown sites low.

Of concern are the historic sites in Winter Quarters Canyon. It appears that the drilling program will not effect the historic sites, but further development of mine area may. This is only a concern at this time with the present drilling program affecting no known cultural resources.

If you have any questions or concerns, please contact Wilson G. Martin, Preservation Development Coordinator, 533-6017, or James L. Dykman, Compliance Administrator, 533-6000, Utah State Historical Society, 307 West 200 South, Salt Lake City, Utah 84101.

Sincerely,

Melvin T. Smith
Director and
State Historic Preservation Officer

JLD: jr: D589

cc: Office of Surface Mining, Division of Oil Gas and Mining



SCOTT M. MATHESON
GOVERNOR



STATE OF UTAH
DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT

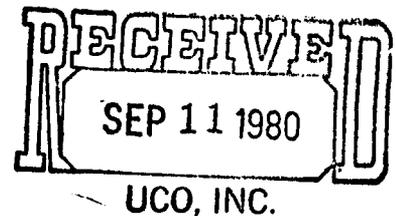
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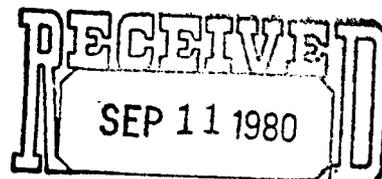
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LETTER OF INTENT

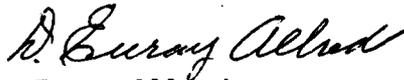
UCO, Inc.
Suite 2050
Colorado State Bank Building
1600 Broadway
Denver, Colorado 80202

Gentlemen:

In exchange for the payment of certain funds and the fulfillment of certain promises (which are listed on Exhibit A attached to this letter) from UCO, Inc., I grant UCO, Inc. the exclusive surface use of land located in Carbon County, Utah, (also listed and described in Exhibit A) for the purposes of exploring for coal. This grant is effective immediately and shall remain effective until such time as the exploration is terminated by UCO, Inc.

Upon termination, UCO, Inc. agrees to reasonably restore the property to its original condition.

Very truly yours,


Euray Alfred

ACCEPTED BY UCO, INC.

By: 

Attachment: As stated

