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**EXPLORATION PLAN
SAGE POINT - DUGOUT CANYON**

check '81 program

cc: to

Sunoco Energy Development Co. (Sunedco) proposes to drill 12 exploration holes this summer at the Sage Point - Dugout Canyon Project in Carbon County, Utah. A complete description of the project can be found in the Mine and Reclamation Plan for the Sage Point - Dugout Canyon Project filed with the Utah Division of Oil, Gas and Mining (UDOG&M) and the Mineral Management Service (MMS).

Sunedco hereby submits the following notice of intent to drill as required by the MMS under 30CFR 211.10 (a) and (b), and by UDOG&M under UMC 776.11 (b). Two of the 12 locations (13-1, 19-2) were permitted by Eureka Energy Company of San Francisco, California, for drilling in the summer of 1981, but due to the subsequent sale of the property, the holes were not drilled. We propose to drill these two locations adhering to the stipulations made at the time of the site inspections.

CFR 211.10 (b) (1) and UMC 776.11 (b) (1) (2)

Sunedco seeks to drill 12 exploration holes. A list of the holes, the leases they are located on, the surface ownership, and the proposed depths of the holes is attached. Sara D. Mosca of Sunedco will supervise the drilling operations. She may be reached at the following address:

7401 W. Mansfield Ave., Suite 418
P.O. Box 35-B
Lakewood, CO 80235
(303) 989-9280

The coal reserves to be explored are owned in part by the United States of America and leased to Sunedco (U-0144820, U-07746, and U07064-027821). Three of the proposed drill holes are located on fee property owned by Sunedco. The land surface is owned by

*Hole # 13-1 + 19-2 was
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Sunedco (7 drill holes), the United States of America (2 drill holes), and George Milton Thayn (3 drill holes). Mr. Thayn can be reached at the following address:

c/o Postmaster
Wellington, Utah 84542

30 CFR 211.10 (b) (2) and UMC 776.11 (b) (3)

The proposed drill hole locations are shown on the attached map. The environmental resources in the exploration area are described in detail in the mine and reclamation plan for the Sage Point - Dugout Canyon Project on file with the MMS. A summary of the local environmental conditions follows:

Geology. The exploration area is in the Book Cliffs of central Utah, which are part of the Mesaverde Group. The area straddles the boundary between the Book Cliffs - Roan Plateau at the high elevations and the Mancos Shale Lowland below. The coal beds in the area lie in the Blackhawk Formation at depths ranging from tens of feet at the outcrop to over 3000 feet north of the exploration area.

Hydrology. A number of ephemeral streams flow out of the Book Cliffs into the Price River drainage. Most of them flow only in response to storms or spring runoff. Fish Creek, Dugout Canyon, and Pace Creek, shown on the attached map, are the primary streams in the area where the exploration holes will be drilled. Consolidated sediments of Cretaceous and Tertiary Age contain the most extensive groundwater aquifers in the exploration area. There are no wells in the area that serve as sources of water supply.

Vegetation. The drill holes will be located in several different plant communities, mixed conifer, Douglas fir, quaking aspen, streambank deciduous, and sagebrush. No threatened or endangered plant species inhabit the area.

Fish and Wildlife. No fish have been observed in the local streams during water monitoring activities over the past six years. Numerous mammals make use of the habitats described above, including mule deer, elk, coyote, jackrabbits, and other rodents. A variety of raptors, including hawks and owls, are found in the area as well as passerine birds common to central Utah, such as the scrub jay, American robin, and sagethrasher. Raptors are the only protected species that makes use of wildlife habitats in the general area. Drilling activities will commence after June 15 and therefore should not impact the nesting of these birds.

Land Use. The land surface presently serves as cattle range and wildlife habitat. Drilling would cause only very localized disruptions in use by cattle and wildlife; these effects would be temporary.

30 CFR 211.10 (b) (3) and UMC 776.11 (b) (6)

Purpose
The proposed exploration activities consist of drilling twelve exploration holes at the locations shown on the attached maps. The holes are numbered according to section number and the number of holes in each section. The holes will be used to determine coal seam thickness and core samples will be taken at each location to test coal quality and washability.

Although a contractor has not yet been hired, Sunedco anticipates using two Portadrill 524-type drill rigs using both air and a stiff-foam mixture to stabilize hole conditions depending on the depth of the holes. Additional equipment will include water trucks, an electric logging unit, pick-up trucks to transport drilling crews, and a bulldozer for grading and recontouring drill sites and drill roads.

Drilling pads will be graded alongside existing roads when possible. These pads will only be prepared in areas where levelling is needed to accommodate the drill rig and water truck. A mud pit will be located near by. Water will be trucked in from the nearby streams which will not be significantly impacted by the diverted flows.

Whenever possible, existing roads will be used to reach drill sites. In only four cases (16-9, 16-11, 22-2, 23-1) will road construction be necessary and all existing regulations and guidelines will be followed during construction and reclamation of these drill roads. For several of the drill holes it will be necessary to clear rocks from existing roads and do some slight grading to make them passable by drilling equipment. This will also be done in such a way to effect the slightest impact.

All necessary precautions will be taken to prevent fires including having water resources near by to extinguish fires. Fire extinguishers will be in all vehicles on the drill site along with first-aid kits. The wearing of hard hats and steel-toed boots on drill sites is mandatory by all personnel and visitors to the locations. Soil erosion and pollution of any stream courses will be minimized by not discharging any water into the streams and by recontouring and revegetating the sites following drilling. Impacts to vegetation and wildlife will be very limited. Vegetation removal will be confined to the drilling pads or the areas where temporary road construction will be necessary to provide access. Animals will avoid the drilling sites, and the disturbance will cover only small areas and will be of short duration. Following drilling, any displaced wildlife should quickly return to the sites as reclamation measures are implemented. The drilling will take place on private lands closed

to the public so no hazards to public health and safety are expected. The operations will comply with all applicable laws and regulations.

Following completion of drilling, coring, and logging of the drill holes, each hole will be plugged with cement according to prescribed methods.

30 CRF 211.10 (b) (3) (iv)

Reclamation will occur following plugging of the drill holes. Garbage and trash will be collected and removed. Soil will be graded and recontoured using a bulldozer; limited soil compaction for improved plant growth will result from operation of the bulldozer and other equipment. Because precipitation is plentiful at the drill sites, no other soil preparation is necessary for the rapid establishment of new vegetation. Disturbed areas will be broadcast seeded with approved seed mix.

Timetable: The drill sites will be prepared in late May to early June so drilling can begin in mid-June. Drilling will continue through the summer, with the drilling rigs moving from site to site as holes are completed. Following completion of the drilling, each drill site and road will be recontoured so as to approximate the original slope. All drilling should be completed by early September. Seed will be broadcast on the regraded drill sites and roads in late September or early October in anticipation of winter precipitation.

UMC 776.11 (b) (5)

Since Sunedco does not own the fee surface in all areas of exploration, Sunedco has obtained consent from the surface owner, George Milton Thayn, to enter and conduct exploration and reclamation activities. The consent agreement provides that Sunedco may enter and conduct any coal mining operations, including exploration, on Mr. Thayn's fee surface. Mr. Thayn will be notified before drilling begins. The attached maps show all proposed drill hole locations, surface ownership and any existing roads to be used for access or any proposed roads that will be necessary to gain access to locations.

1982 DRILL HOLE INFORMATION

(All Drill Holes Will Be Cored)

<u>Drillhole Number</u>	<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Federal Lease Number</u>	<u>Ownership</u>	<u>Proposed Depths</u>
9-3 ✓	13 S.	12 E.	9	U-0144820	Sunedco	1650'
13-1 ✓	13 S.	12 E.	13	U-07064-027821	Thayn	1625'
<i>steep terrain along Creek</i> 14-4 ✓	13 S.	12 E.	14	U-07746	Sunedco	400'
15-4 ✓	13 S.	12 E.	15	U-07746	Sunedco	1525'
16-9 ✓	13 S.	12 E.	16	Fee	Sunedco	1740'
16-10 ✓	13 S.	12 E.	16	Fee	Sunedco	275'
16-11 ✓	13 S.	12 E.	16	Fee	Sunedco	1200'
16-12 ✓	13 S.	12 E.	16	Fee	Sunedco	335'
19-2 ✓	13 S.	13 E.	19	U-07064-027821	Thayn	675'
22-2 ✓	13 S.	12 E.	22	U-092147	USA	1450'
23-1 ✓	13 S.	12 E.	23	U-07064-027821	USA	690'
24-2 ✓	13 S.	12 E.	24	U-07064-027821	Thayn	1525'