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**EUREKA ENERGY COMPANY**

A SUBSIDIARY OF PACIFIC GAS AND ELECTRIC COMPANY  
77 BEALE STREET • SAN FRANCISCO, CALIFORNIA 94106 • (415) 781-4211 • TWX 910-372-6587

CE appr.  
CEP/007/002APP  
TMA

May 12, 1981

Director  
Division of Oil, Gas, and Mining  
State of Utah  
1588 West North Temple  
Salt Lake City, UT 84116

RECEIVED

MAY 15 1981

Attn: Mr. Thomas Tetting  
Re: Notice of Intent to Conduct  
Coal Exploration Operations

DIVISION OF  
OIL, GAS & MINING

Dear Mr. Tetting:

Eureka Energy Company (Eureka) proposes to drill three exploration holes this summer at the Sage Point-Dugout Canyon Project in Carbon County, Utah. A complete description of the project may be found in Eureka's mining and reclamation plan filed with the Division in December 1980.

Since less than 250 tons of coal will be removed from the three drill holes (only core samples will be taken), Eureka hereby submits the following notice of intent under UMC 776.11. The notice also contains the information required by the U. S. Geological Survey under 30 CFR 211.10(a) and (b).

UMC 776.11(b)(1)

Eureka seeks to drill three exploration holes: 19-2, 18-1, and 13-1. The company is located at the following address:

215 Market St.  
San Francisco, CA 94106  
(415) 781-4211

UMC 776.11(b)(2) and 30 CFR 211.10(b)(1)

Steven E. Kochevar of Eureka will supervise the drilling operations. He may be reached at the following address:

90 West 100 North  
P. O. Box 1506  
Price, UT 84501  
(801) 637-6610

The coal reserves to be explored are owned by the United States of America and leased to Eureka (U-07064-027821). The land surface is owned by George Milton Thayn, who can be reached at the following address:

c/o Postmaster  
Wellington, UT 84542

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

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 Division. 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 3,000 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. Pace Creek, shown on the attached map, is the primary stream in the area where the exploration holes will be drilled. An intermittent stream, it has an average annual flow of about one cubic foot per second. 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 three different plant communities: 19-2 in mixed-conifer, 18-1 in Quaking Aspen, and 13-1 in sagebrush. The mixed-conifer community is characterized by Douglas Fir, juniper, and pinyon, with Rocky Mountain maple in the ravines. Quaking Aspen dominates the community of its name, with serviceberry, snowberry, and other shrubs and grasses growing in the understory. Big sagebrush dominates the sagebrush community, which also contains grasses and forbs, such as bluebonnet and scarlet gilia. 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, other rodents, and others. 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. Bald eagles are the only threatened or endangered species that makes use of wildlife habitats in the general area; however, no bald eagles have been observed roosting in or flying over the area of the three proposed drill holes during the past two years.

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; of course, these effects would be temporary.

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

The proposed exploration activities consist of drilling three exploration holes at the locations shown on the attached maps. The holes, 19-2, 18-1, and 13-1, are numbered according to Section number and the number of holes in each Section (19-2 is the second hole to be drilled in Section 19, for example). The holes will be used to determine coal seam thickness, and core samples will be taken to test coal quality.

Although a contractor has not been hired yet, Eureka anticipates using a 1500 type drill rig using both air and mud, depending on depth of the hole. Additional equipment will include a water truck as needed, pick-up trucks to transport the drilling crew, and a bulldozer for grading and recontouring.

Drilling pads will be graded alongside existing dirt roads. These pads will be large enough to contain the drill rig and a water truck. A mud pit will be located nearby. Water will be trucked in or piped from Pace Creek, which will not be significantly affected by the diverted flow.

All necessary precautions will be taken to prevent fires, including having water nearby to extinguish fires; fire extinguishers will also be available at the drilling sites. Little danger of fires starting is anticipated. 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 pad itself, since existing roads will provide access. Some animals will avoid the drilling sites, but the disturbance will cover only a small area 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; 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 or cased with the annulus cemented.

30 CFR 211.10(b)(3)(iv)

Reclamation will occur following plugging or casing 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 the following seed mix:

	<u>Rates</u>
Big sage brush	2 lbs. PLS/acre
Thickspike wheatgrass	5 lbs. PLS/acre
Western wheatgrass	<u>4 lbs. PLS/acre</u>
Total	11 lbs. PLS/acre

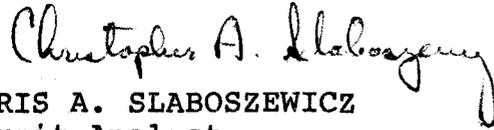
Timetable. The drill sites will be prepared in late June and early July so drilling can begin sometime in early July. Drilling will continue through the summer, with the drill rig moving from site to site as holes are completed. Following completion of the drilling, each site will be recontoured so as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

UMC 776.11(b)(5)

Since Eureka does not own the fee surface in the area of exploration, Eureka has obtained consent from the owner, George Milton Thayn, to enter and conduct exploration and reclamation activities. The consent agreement, signed on April 16, 1979, provides that Eureka may enter and conduct any coal mining operations, including exploration, on Mr. Thayn's fee surface. The agreement has no expiration date. Mr. Thayn will be notified before drilling begins.

Please call me at (801) 359-3811 if you have any questions or comments regarding the above notice of intent.

Very truly yours,

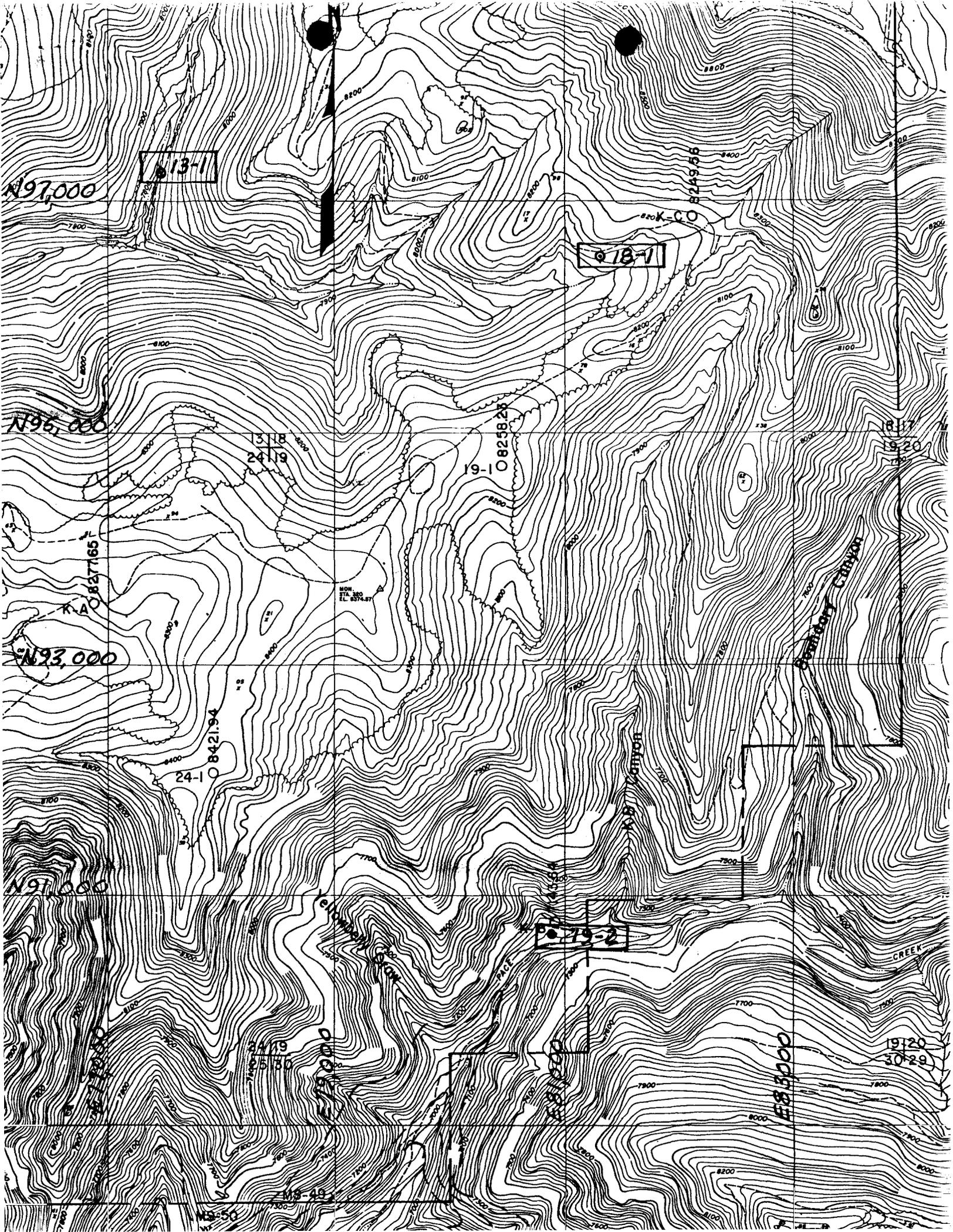


CHRIS A. SLABOSZEWICZ  
Permit Analyst

CAS:h1/22DD

Attachment

cc: Jackson Moffit USGS  
Mark Mackiewicz BLM  
John Nadolski OSM



13-1

18-1

19-1

24-1

79-2

Boundary Canyon

CREEK

N97,000

N95,000

N93,000

N91,000

1917

1920

19120

30-29

M.A. 827487

24119

24119

30-29

19120

30-29

M.A. 827487

24119

19120

30-29