

Original: Mine File 057/005 #2
cc: Lowell
Pam
Daron



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

3482
UTU-68087
(U-065c)

Moab District
P. O. Box 970
Moab, Utah 84532

0028

APR 8 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
Certified No. P 872 631 184



APR 10 1992

Mr. Mark Bunnell
Utah Fuel Company
P. O. Box 719
Helper, Utah 84526

DIVISION OF
OIL GAS & MINING

Dear Mr. Bunnell:

The Bureau of Land Management (BLM) is responsible for the administration of exploration activities on Federal coal by authority of the Mineral Leasing Act of 1920 (MLA), as amended, and as described in the regulations found at 43 CFR 3482. The regulations at 43 CFR 3482.2(b) state that, "Approved exploration plans may be required to be revised or supplemented at any time by the authorized officer, after consultation with the operator/lessee and the responsible officer of the surface managing agency as necessary, to adjust to changed conditions, to correct oversights, or to reflect changes in legal requirements".

The operators drilling any future holes drilled under an existing approved coal exploration plan must submit a modification to the exploration plan to incorporate new drilling stipulations or to justify any departure from these new stipulations (enclosed). In particular, 1) all coal exploration drill holes must be cemented from the total depth of the hole to the surface and, 2) the surface and intermediate casing (if used) must be fully pressure grouted in the annulus from the bottom of the string to the surface. This modification must receive prior approval by the authorized officer before any new drilling is allowed to proceed. The BLM must be given ample time to evaluate these modifications to existing exploration plans prior to the commencement of drilling.

Any future coal exploration drill holes must comply with the enclosed new drilling stipulations. Any variance from the above statements and the enclosed stipulations must receive prior approval from the Chief of the Price Coal Office.

If you have any questions please contact Gary Johnson - Chief of the Price Coal Office at 637-4584.

Sincerely,



for Assistant District Manager,
Mineral Resources

Enclosure:
BLM Drilling Stipulations

cc:

SD, Utah (U-921) (w/encl.)

SD, Utah (U-942) (w/encl.)

Manti-La Sal National Forest (w/encl.)

Utah Division of Oil Gas and Mining (w/encl.)

BUREAU OF LAND MANAGEMENT
COAL EXPLORATION STIPULATIONS

1. The Chief of the Price Coal Office shall be notified 48 hours prior to the start and completion of the program.
2. The lessee\licensee is responsible to see that all personnel contracted or otherwise doing work on the exploration program are aware of these approval requirements and abide by all regulations governing this program. Any changes to the approved exploration plan must receive approval from the Chief of the Price Coal Office prior to implementation.
3. When artesian flows or horizons with possible development potential are encountered, the Chief of the Price Coal Office shall be notified immediately so that a determination may be made concerning their development potential. When possible, water samples shall be collected by the operator for analysis by the BLM. A written report is required upon completion of exploration as noted by Stipulation 9 H.
4. The Chief of the Price Coal Office shall be notified 24 hours prior to setting surface and\or intermediate casing, so the BLM may arrange to be present. Each string shall be cemented to the surface.
5. Upon completion of down-hole procedures, all drill holes shall be properly sealed by emplacing cement through tubing in stage lifts from the bottom of the hole to ground level. Any variance from this procedure must be approved in advance by the Chief of the Price Coal Office.
6. If adverse down-hole conditions prevent a completed drill hole from being properly plugged after attempting all standard industry plugging procedures, the Chief of the Price Coal Office will be contacted immediately to make a determination as to a final plugging method.
7. The hole location is to be marked by placing an approved marker made of galvanized steel, brass, aluminum or similar noncorrosive metal in the concrete plug. Such markers are to show hole number, year drilled, lessee/licensee name, and as feasible, the section, township, and range in which the hole is located. Top of concrete plug, if located in cultivated field must be set below normal plow depth (10 to 12 inches). In noncultivated areas, all marker caps should not protrude above the ground level. All drill holes shall be surveyed in to assure proper location. An exact survey of each drill hole location will be submitted to the Chief of the Price Coal Office.

8. The Chief of the Price Coal Office shall be notified 24 hours in advance as to the time when each hole is to be plugged so that a representative of the BLM may arrange to observe the plugging procedure.

9. Upon completion of exploration activities, two copies of each report as required by 43 CFR 3485.1, shall be submitted to the Chief of the Price Coal Office. The reports at a minimum must contain the following:

A. Location(s) and serial number(s) of lands under Federal lease or license on which exploration was completed.

B. A description of the completed exploration operations that includes the number of holes drilled, total depth of each hole, and completion date of each hole.

C. A map showing the locations of all holes drilled, other excavations, and the coal outcrop lines as appropriate. The scale of the map shall not be less than 1 inch equals 1 mile.

D. Analysis of coal samples and other pertinent tests obtained from exploration operations.

E. Copies of all in-hole mechanical or geophysical stratigraphic surveys or logs, such as electric logs, gamma ray-neutron logs, sonic logs, or any other logs. The records shall include a lithologic log of all strata penetrated and conditions encountered such as water, gas, or any unusual conditions.

F. Status of reclamation of the disturbed areas.

G. Any other information requested by the Assistant District Manager for Mineral Resources.

H. Hydrologic reports using the attached form.

REPORT OF WATER OBSERVED

Company: _____ Lease/License Number: _____
Address: _____ Drill Hole Number: _____
_____ Date Completed: _____
_____ Total Depth: _____

Company Contact: _____
Phone Number: _____

Drilling Contractor: _____
Address: _____

Company Contact: _____
Phone Number: _____

Location of Hole: T. __ S., R. __ E., Section __ : __ 1/4 __ 1/4 __ 1/4
Hole Elevation: _____ Hole Diameter: _____
Drilling Method: _____
Static Water Level: _____

Aquifer No. 1
Depth Below Ground Elevation: _____ Formation: _____
Rock Type: _____ Yield(GPM): _____
Date Reported to BLM*: _____ Requirements of BLM*: _____
_____ Water Sample Provided to BLM? _____

Aquifer No. 2
Depth Below Ground Elevation: _____ Formation: _____
Rock Type: _____ Yield(GPM): _____
Date Reported to BLM*: _____ Requirements of BLM*: _____
_____ Water Sample Provided to BLM? _____

Aquifer No. 3
Depth Below Ground Elevation: _____ Formation: _____
Rock Type: _____ Yield(GPM): _____
Date Reported to BLM*: _____ Requirements of BLM*: _____
_____ Water Sample Provided to BLM? _____

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*Refer to Stipulation Number 3