

December 29, 1978

Mr. Ron Daniels
Department of Natural Resources
Oil, Gas and Coal Division
1588 West North Temple
Salt Lake City, Utah 84116

Re: Notice of Intention
to commence exploratory
drilling on coal leases
in Grand and Carbon
Counties by Intercoast
Coal Company. *JWS*

Intercoast Coal Company of Sacramento, Calif. hereby files notice with the Department of Natural Resources, Division of Oil, Gas and Coal, State of Utah, for the purpose of building and constructing access roads to certain state lands for the purpose of drilling and coring these state lands to explore for the presence of coal seams in the Upper Cretaceous formation.

Permission is hereby requested to commence exploratory drilling on the following State leases in the Segoe Coal District of Grand County, Utah:

#1 Mineral lease #29928
Section 36, T 20 S, R 20 E
6 holes, two drilled in each quarter section as follows:
NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ SW $\frac{1}{4}$
Elevation, 6700 feet
Average depth, 300 feet
Size of hole, 4 $\frac{1}{2}$ " drilled and cored
Access area through Segoe Canyon will require 1 mile of new access roads

#2 Mineral lease #30206A
Section 2, T 19 S, R 23 E, Cottonwood area
4 holes; two drilled in each quarter section as follows:
NW $\frac{1}{4}$ SW $\frac{1}{4}$ and NW $\frac{1}{4}$ SE $\frac{1}{4}$
Elevation, 5700 feet
Average depth, 500 feet
Size of hole, 4 $\frac{1}{2}$ " drilled and cored
Access through Cottonwood Creek Road will require 1 $\frac{1}{2}$ miles of new access roads.

check w/ ~~state~~ State Lands
about exploration bond?

ML-35797 & ML-29579A *JWS*
are under another company
name so bond needs to be
amended. Blake is taking
care of it. *JWS* 1-26-79

Reply sent 1/11/79
and additional
commitment to exploring
1/26/79

File with Reply
MAKE File For BOTH carbon &
forward Sec 15

-2- Notice of Intention to Commence Drilling
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#3 Mineral lease #35797
Section 16, T 21 S, R 19 E
4 holes, two drilled in each quarter section as follows:
NW $\frac{1}{4}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ NW $\frac{1}{4}$
Elevation, 5600 feet
Average depth, 200 feet
Size of hole, 4 $\frac{1}{2}$ " drilled and cored
Access through Floy Canyon, road improvements require $\frac{1}{2}$ day
of cat work on existing roads.

#4 Thorpe fee lease, Schofield Reservoir and Price River Canyon
Section 14, T 12 S, R 7 E.
4 holes, two drilled in each quarter section as follows:
NW $\frac{1}{4}$ NW $\frac{1}{4}$ and SW $\frac{1}{4}$ NW $\frac{1}{4}$
Elevation 7950-8000 feet
Average depth, 700 feet
Size of hole, 4 $\frac{1}{2}$ " drilled and cored
Access through Schofield Reservoir and Price River Canyon
road.

Notice of intent to commence exploratory drilling as required
in Rule M-3-5 of General Rules and Regulations of Practice and
Procedures relative to coal exploration drilling, will be
complied with as outlined in subheadings A thru B, p. 70-71 of
The Oil and Gas Conservation Act, The Mined Land Reclamation Act.

The operator, Intercoast Coal Company, 555 Capitol Mall,
Suite 1525, Sacramento, Calif., will proceed when permit is
issued on the leases and only upon written approval of the surface
owners of the fee lease in the Schofield-Price River Canyon area.
Any additional holes which may be deemed advisable after drilling
the first wells will be filed in writing with your office as an
addendum to this original notice of intent to explore.

SURETY BOND. A statewide cash bond of \$25,000 has been posted
by Intercoast Coal Company for the purpose of exploring on State
and fee lands in the State of Utah. Intercoast Coal, as the
leasee-operator on the above stipulated State and fee leases,
will await written authorization from your office to proceed
and will notify the Oil, Gas and Coal Division upon completion
of each hole.

Sincerely,

INTERCOAST COAL COMPANY


Lewis F. Wells

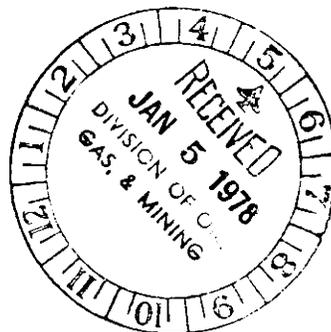
Consulting Geologist

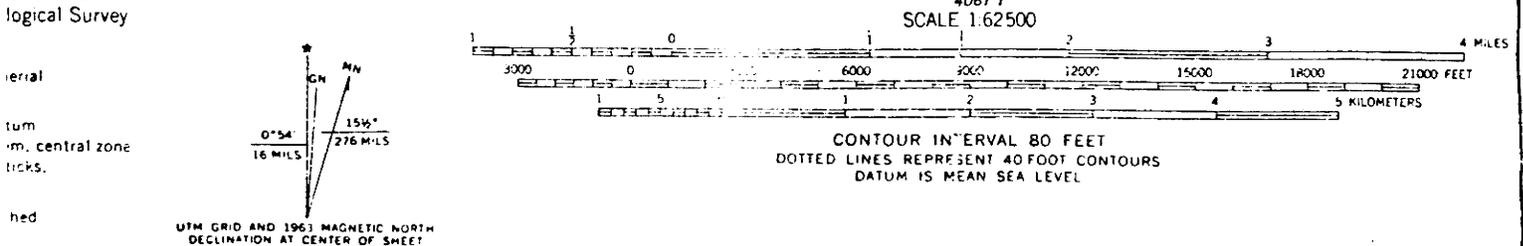
*Drill locations #5
and #6 on separate
sheet

CC: Utah State Land Board

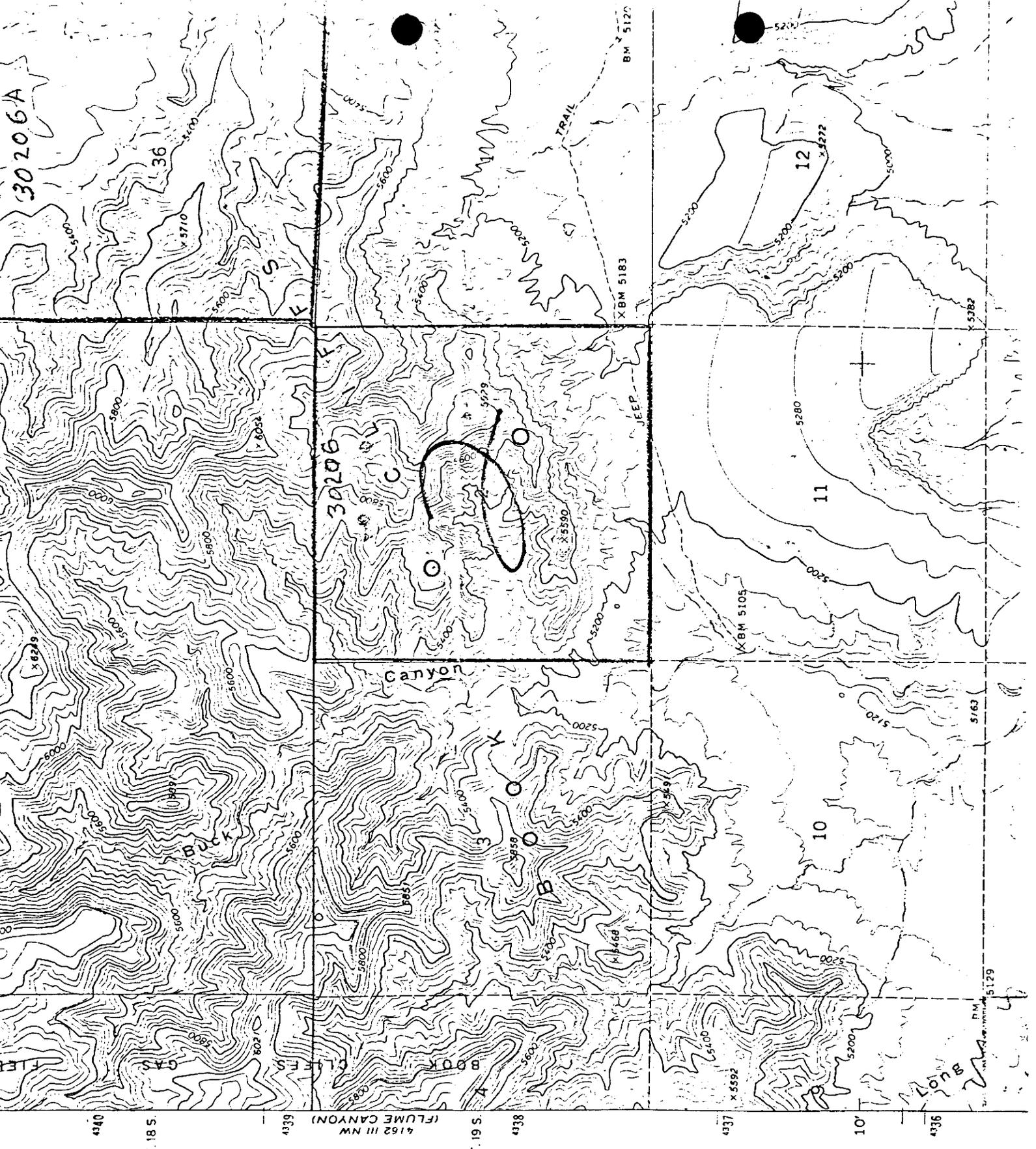
-3- Notice of Intention to Commence Drilling
Intercoast Coal Company, Dec. 29, 1978

- # 5 Mineral lease #30173
Section 36, T 18 S, R 22 E
4 holes, twin holes drilled in
SE $\frac{1}{4}$ NW $\frac{1}{4}$ and SW $\frac{1}{4}$ NE $\frac{1}{4}$
Elevations 5900 and 6100 respectively
Average depth 600 and 800 feet
4 $\frac{1}{2}$ " drill and core hole
3/4 mile new access road in Section 36
- #6 Mineral Lease #29579A
Section 32, T 19 S, R 21 E
4 holes, twin holes to be drilled in
SE $\frac{1}{4}$ SW $\frac{1}{4}$ and SE $\frac{1}{4}$ NW $\frac{1}{4}$
Elevation 6500 feet
Average depth 600 feet
4 $\frac{1}{2}$ " drill and core hole
Access, left hand fork of Bull Canyon, 3/4 mile of new
access road in Section 32



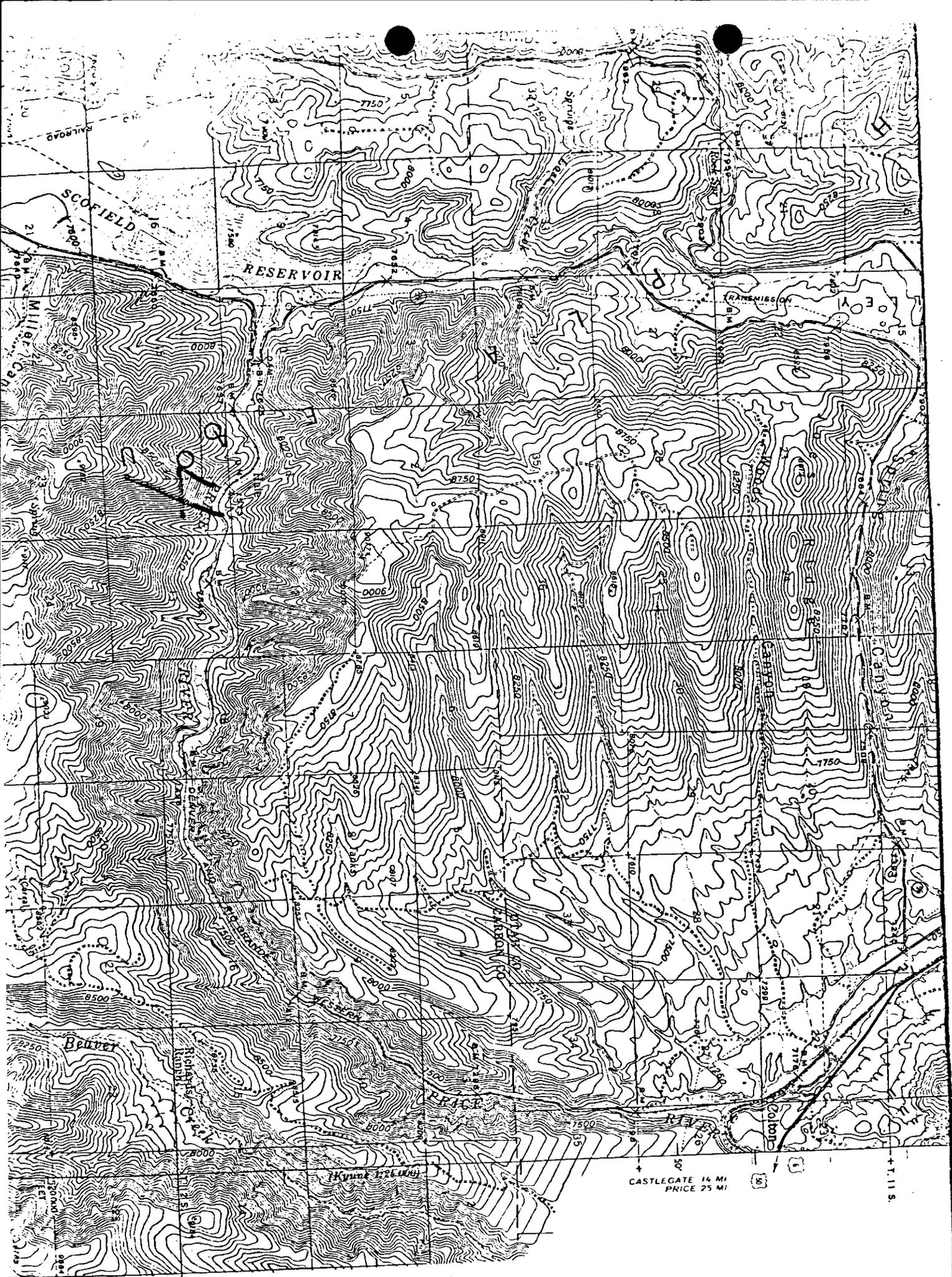


30206A



T. 18 S. 4140
 T. 19 S. 4138
 T. 19 S. 4137
 T. 19 S. 4136
 T. 19 S. 4135

4162 III NW (FLUME CANYON)
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RESERVOIR

SCOFIELD

RANMISSE

REEDER CANYON

MILLER CANYON

MILLER CANYON

BEAVER

PRICE

CASTLEGATE 14 MI
PRICE 25 MI

1115

