



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

*orig mine file
reverted to PRRA
cc: S. Linnam*
3482
U-010581
(U-066)

JUN 28 1989

Dr. Dianne R. Nielson, Director
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
Suite 350, 3 Triad Center
Salt Lake City, Utah 84180-1203

RECEIVED
JUN 30 1989

DIVISION OF
OIL, GAS & MINING

Dear Dr. Nielson:

We have reviewed Andalex Resources' proposal to drill one exploratory core hole on Federal coal lease U-010581 during the summer of 1989. Information gained from the program will be used to better delineate coal resources on this lease and aid mine operation planning. Drilling will take place on private surface and will probe Federal mineral estate within the Centennial Project SMCRA permit area. The plan meets requirements codified in the Mineral Leasing Act and 43 CFR 3482.1(a) relating to BLM jurisdiction to the subsurface resource.

We are recommending approval of the exploration plan subject to the implementation of the attached stipulations to be adhered to by Andalex. Please incorporate these recommendations into the approval. If any of the enclosed stipulations require modification, please contact Jeff Cundick, Price River Resource Area at 637-4584.

Sincerely yours,

Kenneth J. Rhea

District Manager

Enclosure:
Stipulations

ACTING

cc: SD, Utah (U-921), w/enclosure
AM, PRRA (U-066), w/enclosure

EXPLORATION PROGRAM STIPULATIONS

1. The BLM Area Manager shall be notified 48 hours prior to 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 and stipulations governing this program. Any changes to the approved exploration plan must receive approval from the Area Manager prior to implementation.
3. When artesian flows or water horizons with possible development potential are encountered, the BLM Area Manager 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. Upon completion of downhole procedures, all drill holes shall be properly sealed from the bottom to the collar. Any variance from the procedures itemized below must be approved by the Area Manager.
 - A. Drill holes must be cemented from the bottom of the hole to at least 50 feet above the highest minable coal bed (4 feet thick or more) or aquifer.
 - B. The remainder of the hole to within 5 feet of the surface may be filled with a gel or drill cuttings rather than cement.
 - C. The 5-foot void at the surface will be plugged with cement.
5. If adverse downhole conditions prevent a completed drill hole from being properly plugged after attempting all standard industry plugging procedures, the Area Manager will be contacted immediately to make a determination as to a final plugging method.
6. 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, the section, township, and range in which the hole is located. Marker caps should not protrude above the ground level.
7. All completed drill hole locations shall be surveyed and tied into the public land system using UTM or State plane coordinates or other method approved in advance by the Area Manager.
8. The Area Manager shall be notified as to the time and when the first hole is to be plugged so that a representative of the BLM may arrange to observe the plugging procedure. Subsequent observations of other holes being plugged will be arranged as appropriate.

9. Upon completion of exploration activities, a report as required by 43 CFR 3485.1 (formerly 30 CFR 211.62) shall be submitted to the Price River Resource Area Office. The report 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 conducted.

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

C. A map showing the locations of all holes drilled. 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 Area Manager.

H. Hydrologic reports using the attached form.

10. The current lease bond will be used as required to cover costs incurred by BLM to correct any violation of this program.

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., SLB&M, Section ___: ___ $\frac{1}{2}$ ___ $\frac{1}{2}$ ___ $\frac{1}{2}$

Collar Elevation of Hole: _____ Hole Diameter: _____

Drilling Method/Medium: _____

Static Water Level: _____

Acquifer #1

Depth below Collar Elevation: _____ Formation: _____

Rock Type: _____ Yield(GPM): _____

Date Reported to BLM: _____ Requirements of BLM: _____

_____ Water Sample Provided to BLM? _____

Acquifer #2

Depth below Collar Elevation: _____ Formation: _____

Rock Type: _____ Yield(GPM): _____

Date Reported to BLM: _____ Requirements of BLM: _____

_____ Water Sample Provided to BLM? _____

* Refer to Stipulation Number 3