

June 25, 1981

Memo to Coal File:

RE: Kaiser Steel Corp.
CEP/015/004
Emery County, Utah

The above-mentioned operation was visited on June 18, 1981, by Jerry Lebing from the U. S. Geological Survey (USGS), Mark Mackiewicz from the Bureau of Land Management (BLM), Sid Vogelwohl from the BLM, Bob Wilson from Kaiser Steel Corporation, his driller for the exploration project and Joe Helfrich from the Division of Oil, Gas and Mining (DOGMI). The purpose of the trip was to acquaint representatives from State and Federal regulatory agencies with Kaiser Steel Corporation's exploration program on their proposed South Lease property. Access to the area is by paved road through Horse Canyon to the U. S. Steel Geneva minesite. Traveling through the minesite taking the first right hand turn after leaving the permit area. The proposed drilling for this season is in Williams Wash which is located in Township 16 and 17 South, Range 14 and 15 East. State leases #U 2820 and 16429 are located in Township 16 South, Range 14 East, Section 36, which contain drill sites #S-4, S-2680, S-2980 and water monitoring well #1. The drilling program encompasses three categories: core holes; water monitoring well holes; and profile holes, most of which are located on BLM ground.

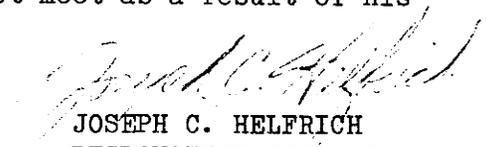
On June 2, 1981, the DOGMI issued Mr. Robert L. Wilson permission to commence his exploration activities on the South Lease area. Although the operator has received a permit from the Division to commence exploratory drilling, he is still under obligation to comply with the performance standards as addressed under Section 815 et seq of the permanent regulatory program and 30 CFR 211 et seq governing coal exploration on federal lands. During the tour, government representatives and the driller were acquainted with drilling sites #S-32, core hole adjacent to Little Park Road. No pits will be dug, the operator will use a portable 1,500 gallon tank. However, he may need to dig a pit if he cannot acquire this tank. Site S-30--this site has already been drilled. BLM and USGS representatives asked Mr. Wilson to remove some additional concrete around the drill hole and recontour a small pit that was left adjacent to the area. Site 32-A was an alternate drill site located in Little Park Wash. Profile #1, 2 and 3 are all located in Little Park Wash each consisting of three holes that are distributed across the bottom of the Wash but not in the Wash itself. These stakes are presently located in a mixture of sage and rabbitbrush and some native grasses. They will be drilled to determine the nature of the profile above the existing coal seam in the Wash. UMW1 is a hole that has been converted into a water monitoring well. The access road to the drill site should be reclaimed to approximate original contour. UMW2 is located in Little Park Wash just below the proposed disturbed area near the confluence of Little Park Wash and Williams Draw. Profile Site 2 is located approximately 1/2 mile below UMW2 in Little Park Wash and Profile Site 3 is located approximately 1/2 mile below

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Profile Site 2 in Little Park Wash. Mr. Wilson has indicated that the general drilling procedures for the profile sites will consist of driving to the area with a drill rig in drilling to the approximate depth of the existing coal seam. Access to the areas will be through Williams Draw and Little Park Wash. If the operator or driller commences activities in this manner, he will be in violation of UMC 815.15(c)(1)(2)(d)(e)(g)(1) and (j).

A meeting will be held in mid-July to establish management responsibilities between the Division of Oil, Gas and Mining, the USGS and the BLM on coal exploration sites.

In viewing drill site S-30, WMW1, WMW2 and a drill site that was drilled in 1975, it was evident that there was no environmental degradation created by the drilling activity and natural revegetation had been established to some extent. Although environmental degradation will be negligible as a result of the drilling procedures described by Mr. Wilson, compliance with Section 815 on the regulations will not be met. At a minimum, Mr. Wilson should request a variance from the Division of Oil, Gas and Mining on those sections of the performance standards which he feels he cannot meet as a result of his drilling procedures on State lands.


JOSEPH C. HELFRICH
RECLAMATION SOILS SPECALLIST

cc: Tom Ehmett, OSM

JCH/btm

Statistics:

See Northwest Carbon memo dated June 25, 1981.