

ANACONDA Minerals Company
555 Seventeenth Street
Denver, Colorado 80202
Telephone 303 575 4000

-DOGMA COPY-



November 15, 1982

Mr. Jackson W. Moffitt
District Mining Supervisor
Minerals Management Service
1745 West 1700 South
Salt Lake City, Utah 84104

Dear Mr. Moffitt:

Anaconda Minerals Company, a subsidiary of Atlantic Richfield Company requests your approval to drill three (3) exploration holes on Wild Horse Ridge, Emery County, Utah (Federal Leases U-020668 and U-38727).

The three proposed drill holes range between 1130 and 1225 feet in depth. We propose to rotary-drill to a core point, case and then core through the coals to the desired depth. We anticipate the need to travel established U.S. Forest Service roads and to construct extensions to those roads. We intend to obtain the appropriate road use permits and the appropriate Special Use Permits for waterlines from the U.S. Forest Service, Price District.

Attached is a map depicting the proposed drill sites, the proposed waterline location and the location of proposed road construction. In addition, enclosed is a copy of our Share Certificate in Huntington-Cleveland Irrigation Company, and a copy of the Designation of Operator Forms for the Nevada Power and Light Company Leases.

We intend to commence drilling in early July, 1983, and complete the reclamation before the end of September, 1983.

We agree to fully comply with 30CFR211.6 of the operating regulations regarding the reporting of all information obtained from this program. We request all data be held confidential.

Thank you for your consideration.

Sincerely,

Laurie A. Gregory

Laurie A. Gregory
Geologist

LAG:jmb
attachment

RECEIVED

NOV 23 1982

DIVISION OF
OIL, GAS & MINING

DRILLING PERMIT APPLICATION
WILD HORSE RIDGE, EMERY COUNTY, UTAH
EXPLORATION PLAN - FEDERAL COAL LEASES U-020668 AND U-38727

- I. APPLICANT: Anaconda Minerals Co.
Coal Exploration
P.O. Box 5300
Denver, CO 80217
- II. FIELD REPRESENTATIVE: Laurie A. Gregory, Geologist
Anaconda Minerals Co.
P.O. Box 5300
Denver, CO 80217
Telephone: (303) 575-7538

III. EXPLORATION AREA:

The exploration area, as depicted on the attached map, is located on the Wasatch Plateau on Wild Horse Ridge in Emery County, Utah. Atlantic Richfield Company was designated operator of the tract's fee and Federal leases (#U-020668 and U-38727) by Nevada Power and Light Company on April 21, 1982.

The topography on the tract is rugged with elevations ranging from 7400 to 9200 feet above sea level. The targeted coal measures are in the Lower 350 feet of the Upper Cretaceous Mesaverde Group Blackhawk formation. The local vegetation consists of sagebrush, grasses, juniper, pines and aspens. No officially listed or candidate threatened species are known to exist in the area. The proposed exploration area contains no known cultural or archeological resources.

IV. EXPLORATION PLAN AND OBJECTIVES:

The purpose of drilling the three proposed exploration holes is to define the reserves and the feasibility of mining the tract's coals. The summer 1982 drilling program did not sufficiently define the mineability of the property.

The proposed drill holes will be accessed with truck mounted rigs, requiring approximately 1½ miles of road construction. We intend to conduct our operations in such a manner as to cause minimal impact on the environment and to prevent soil erosion, water pollution and unnecessary damage to the National Forest.

The drill sites WHR-9, WHR-10 and WHR-11 are located on the ridge top, away from significant drainage, as depicted on the attached map.

<u>HOLE NO.</u>	<u>LOCATION</u>	<u>ELEVATION</u>	<u>DEPTH</u>
WHR-9	SE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ SEC 30 T16S R8E	8660'	1175'
WHR-10	NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ SEC 30 T16S R8E	8640'	1130'
WHR-11	SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SEC 19 T16S R8E	8740'	1225'

A. EQUIPMENT:

The proposed drill sites and associated roads will be constructed to safely accommodate: (1) One, air rotary rig mounted on a tandem axle truck; (2) One, 2500 gallon water truck; (3) One, truck mounted core rig; (4) One, small "geophysical logging" truck; (5) One, D-6 bulldozer and one backhoe. It may also be necessary to use additional trucks for hauling air compressors, extra casing and/or drill rod. In addition a small drill and blasting equipment will be utilized to clear several large boulders from the road.

ROADS:

Less than 1 $\frac{1}{2}$ miles of existing trail will be upgraded to access the proposed drill sites. Water will be pumped from a stockpond on the ridge through rubberized wire braid hose, along the road to the drill sites. If the stockpond level is low, a water truck will transport water from Cedar Canyon to the drill sites. Appropriate road-use permits will be applied for through the U.S. Forest Service, Price District. Road width will not exceed 12 feet or the minimum necessary for safe vehicle travel. We intend to meet all U.S. Forest Service standards in road construction, rehabilitation and erosion control.

B. CLEARING, GRUBBING AND DEBRIS DISPOSAL:

Clearing of trees and brush will be done only to the minimum extent necessary for safe travel along roads. Large trees will be avoided whenever possible. No merchantable timber is expected in access areas. All debris from clearing and grubbing operations will be scattered outside the cleared right-of-way in such a manner as to avoid forming wind rows and piles. No debris will be placed in or allowed to obstruct streams, stream beds, lakes or natural meadows. All materials foreign to the natural setting will be buried or removed.

DRILL SITES:

The proposed drill sites will require drill pads approximately 50 x 75 feet in size. Two 5 x 10 x 5 foot mud pits will be excavated to contain all drilling fluids on each drill site. Precautions will be taken to prevent livestock or wildlife from falling into the mud pits. Upon completion of each hole the pits will be pumped dry and backfilled.

C. DRILL HOLE COMPLETION:

All drill holes will be sealed upon completion with cement from the bottom to 50 feet above the uppermost mineable coal seam. In addition, a 5 foot cement surface plug will be set with an identifying marker.

D. DRILLING METHOD:

The proposed drill holes, will range between 1130 and 1225 feet in depth. The holes will be rotary-drilled to a corepoint, cased, and then cored through the coal measures into the Star Point Sandstone. Drilling fluids will include air, foam, or polymers and water, as conditions dictate. In areas where livestock are present, we will take precautions to keep them away from pits and chemicals. We do not anticipate gas or water flows.

E. HYDROLOGIC MONITORING:

The summer 1982 exploration program showed no evidence of water flow or of static water table conditions on Wild Horse Ridge. Therefore, the proposed holes will not be completed as hydrologic monitoring wells. Observations will be recorded if any zones of water flow or any static water levels are encountered during drilling.

V. ESTIMATED TIME TABLE:

We intend to commence drilling in early July, 1983 and complete the program before the end of August, 1983. Reclamation and hole completion procedures should be completed by mid-September, 1983, barring unforeseen adverse weather conditions.

VI. ESTIMATED AMOUNT OF COAL TO BE REMOVED:

Minimal amounts of coals will be removed during drilling for coal quality analyses.

VII. PERFORMANCE STANDARDS:

The proposed exploration program will be conducted in accordance with the standards identified in 30 CFR 211.40 (a), applicable portions of 30 CFR 815.15 and UMC 815.15 Section 4, and U.S. Forest Service standards. The drill holes will be plugged, roads and pads reclaimed and seeded according to the above plan.

VIII. The attached map depicts the lease boundaries, the proposed drill site locations and the proposed road construction location.

IX. A copy of the document with which Nevada Power & Light has designated Atlantic Richfield Company operator of the Wild Horse Ridge fee and Federal Leases (U-020668 and U-38727) is also included.

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE:
SERIAL No.: U-020668

and hereby designates

NAME: Atlantic Richfield Company -
ADDRESS: 555 E. 17th/Denver, CO 80202

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

T16S - R7E

Sec 25: SE $\frac{1}{2}$ NE $\frac{1}{2}$, NE $\frac{1}{2}$ SE $\frac{1}{2}$

T16S - R8E

Sec 30: Lots 1-4, W $\frac{1}{2}$ NE $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, NW $\frac{1}{2}$ SE $\frac{1}{2}$
Sec 31: NE $\frac{1}{2}$ NW $\frac{1}{2}$, NW $\frac{1}{2}$ NE $\frac{1}{2}$
containing 626.32 acres

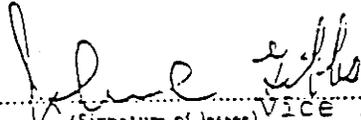
It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

April 21, 1982

(Date)


.....
(Signature of lessee) Vice President
NEVADA ELECTRIC INVESTMENT COMPANY
P. O. Box 230
Las Vegas, Nevada, 89151
.....
(Address)

INCORPORATED UNDER THE LAWS

UTAH

NUMBER
730

SHARES
800.00

HUNTINGTON-CLEVELAND IRRIGATION COMPANY

HUNTINGTON, UTAH

W. S. Coffey, Cash

Hardy Coal Company

IS THE OWNER OF

Eight Hundred and no/100 * * * * * SHARES OF THE CLASS A CAPITAL STOCK OF
HUNTINGTON-CLEVELAND IRRIGATION COMPANY
TRANSFERABLE ONLY ON THE BOOKS OF THE CORPORATION ON SURRENDER OF THIS CERTIFICATE
PROPERLY ENDORSED.

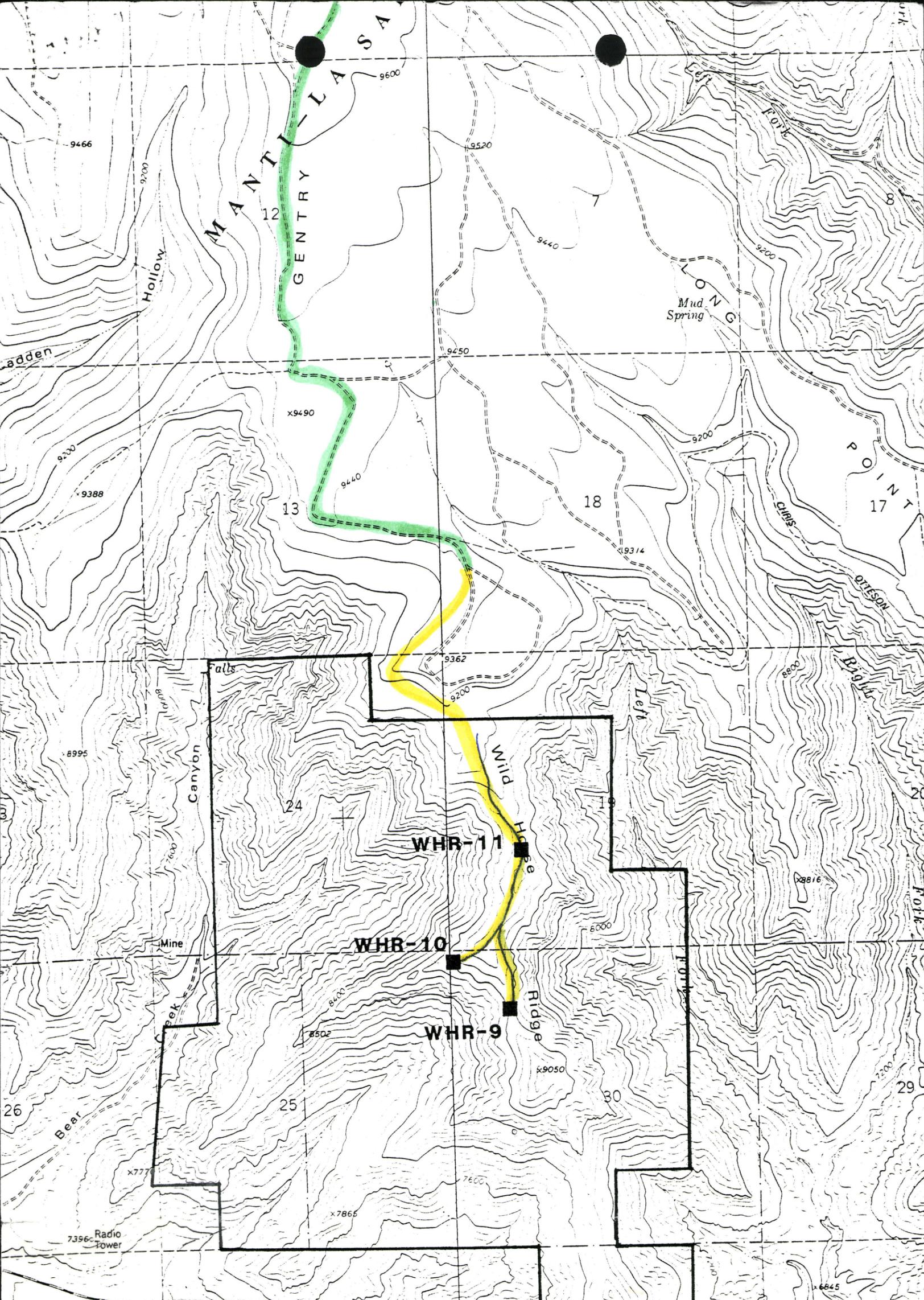
*In Witness Whereof, the said Corporation has caused this Certificate to be signed by its
duly authorized officers and its Corporate Seal to be hereunto affixed*

this 21 *day of* May *A. D.* 19 75

L. W. Latt
SECRETARY

W. S. Coffey
PRESIDENT





**WILD HORSE RIDGE TRACT
EMERY COUNTY, UTAH**
Federal Leases U-020668
and U-38727

- Proposed 1983 Drill Holes
- Proposed Road Construction
- Proposed Waterlines