

**NOTICE OF INTENT TO CONDUCT
MINOR COAL EXPLORATION
AT THE EMERY MINE**

SUBMITTED TO

UTAH DIVISION OF OIL, GAS & MINING
Salt Lake City, Utah

SUBMITTED BY

CONSOLIDATION COAL COMPANY
P.O. Box 566
Sesser, IL

AUGUST 2006

FILE IN: Expandable 07132006
Refer to Record No. _____
in CO150015 2006 INCOMING
for additional information

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TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
R645-200. COAL EXPLORATION: INTRODUCTION	1
R645-200-100. Scope	1
R645-200-200. Responsibilities.....	1
R645-201. COAL EXPLORATION: REQUIREMENTS FOR EXPLORATION APPROVAL	2
R645-201-100. Responsibilities for Coal Exploration Plan Review	2
R645-201-200. Notices of Intention to Conduct Minor Coal Exploration.....	2
R645-201-300. Major Coal Exploration Permits.....	5
R645-201-400. Requirements for Commercial Sale.....	5
R645-202. COAL EXPLORATION: COMPLIANCE DUTIES	5
R645-202-100. Required Documents	5
R645-202-200. Performance Standards	6
R645-203. COAL EXPLORATION: PUBLIC AVAILABILITY OF INFORMATION.....	8
R645-203-100. Public Records.....	8
R645-203-200. Confidentiality	9

LIST OF APPENDICES

- Appendix A – Vegetation Survey
- Appendix B – Cultural Resource Inventory (in Confidential File)
- Appendix C – Wildlife Information
- Appendix D – Results of May 2006 Raptor Survey

LIST OF FIGURES

- Figure 1 – Location of Proposed Emery Mine Drill Holes
- Figure 2 – Typical Drill Site Layout

**NOTICE OF INTENT TO CONDUCT
MINOR COAL EXPLORATION
ON THE HIDDEN VALLEY PROPERTY**

R645-200. COAL EXPLORATION: INTRODUCTION

Consolidation Coal Company ("Consol") proposes to drill three coal exploration holes at the Emery Mine in Emery County, Utah during 2006. The holes have been designated as EM-06-01 through EM-06-03 and will be located in Sections 21, 22, and 27 of T. 22 S., R. 6 E., SLBM.

This Notice of Intent is submitted pursuant to State of Utah rules for minor coal exploration as administered by the Utah Division of Oil, Gas and Mining ("the Division"). For ease of reference, this plan follows the format of the applicable rules (R645-200 through R645-203).

R645-200-100. Scope

Consol intends to drill three 5- to 6-inch diameter rotary and 3- to 4-inch diameter core holes that will intercept one or more coal seams each. The exploration will occur on private surface and coal. Less than 250 tons of coal will be removed under this plan. Consol is filing this Notice of Intention to Conduct Minor Coal Exploration pursuant to the requirements of R645-201-200.

R-645-200-200. Responsibilities

210. Responsibility to Comply with Regulations. Consol will comply with the requirements of R645-200 through R645-203.

220. Responsibility of the Division to Review and Reply. The Division will receive and review this Notice of Intention to Conduct Minor Coal Exploration. The Division will review and reply within 15 days.

230. Responsibility of the Division to Coordinate with Other Agencies. The Division will coordinate review of this Notice of Intent with the other appropriate government agencies (if any). Consol will provide enough copies of this notice to the Division for distribution to these agencies.

R645-201. COAL EXPLORATION: REQUIREMENTS FOR EXPLORATION APPROVAL

R645-201-100. Responsibilities for Coal Exploration Plan Review

The surface lands on which this exploration will be conducted are privately owned and not subject to 43 CFR Parts 3480-3487. Therefore, exploration plan review will be the responsibility of the Division. As a result, this Notice of Intent is being submitted to the Division as the lead agency for review and approval.

R645-201-200. Notices of Intention to Conduct Minor Coal Exploration

210. Division Review Requirement. This Notice of Intent requires Division review prior to conducting exploration. Consol is submitting this Notice to the Division in August 2006, with the goal of beginning exploration activities in September 2006.

220. Required Applicant Information. The following information is provided in support of this Notice of Intent:

Applicant:

Consolidation Coal Company
Emery Mine
P.O Box 566
Sesser, Illinois, 62884
618-625-2041

Responsible Representative:

Consolidation Coal Company
John Gefferth
P.O Box 566
Sesser, Illinois, 62884
618-625-2041

Proposed Exploration Area:

The proposed drill holes are located as indicated on Figure 1 in Emery County, Utah. Hole EM-06-06 will be drilled on land owned by Lloyd Jensen. Drilling of holes EM-06-02 and 03 will occur on lands owned by Consol. A summary of hole elevations and anticipated drilling depths is provided in Table 1.

TABLE 1

Summary of Anticipated Drill Hole Information^(a)

Drill Hole Number	Approx. Elev. (ft)	Estimated Depth (ft)
HV-06- 01	6166	652
HV-06- 02	6082	282
HV-06- 03	6085	282

^(a) Total estimated depths include 30 feet of drilling beneath target seam floor.

Period of Intended Exploration:

Planned startup date: September 15, 2006

Planned completion date: December 15, 2006

It is anticipated that all drilling and reclamation activities associated with this project will be completed within 90 days following the date of implementation. However, given the high demand for drilling services, the actual startup date may be pushed back from the intended start, thereby delaying the completion date. All holes will be sealed and the associated disturbed areas reclaimed within two weeks of completion.

Method of Exploration:

Drilling Methods: The method of exploration to be used is rotary/core drilling. Support equipment will include a water truck, flatbed truck to haul pipe and materials, a down-hole geophysical logging truck, pickup trucks to transport personnel, and equipment to reclaim the drill sites once drilling is complete.

It is anticipated that each hole will be rotary drilled to within approximately 20 feet of the top of the "Upper I" coal seam, at which time the rest of the hole will be cored to a depth approximately 5 feet below the "Lower I5" seam. Drilling will be accomplished using a contractor experienced in rotary and core drilling. The drilling shall be accomplished without the aid of drilling fluids if possible. If drilling fluids are required, a portable mud pit will be used. No excavated mud pits are planned.

Amount of Coal to be Removed: A 5- to 6-inch diameter hole will be rotary drilled and then cored through the "Upper I" seam, the "Lower I1" seam, and the "Lower I5" seam. The diameter of the coal will be about 3 inches. The core and cuttings will be examined and/or analyzed to determine the characteristics of the roof, coal, and floor. It is anticipated that a maximum of about 100 pounds of coal

will be removed from each hole, resulting in less than 1 ton of coal being removed for study and analysis under this plan from all of the holes combined.

Site Access: Existing public and private roads will be used to access the sites to the extent possible. A small amount of construction may be needed to build short sections of road to each well location or to improve existing access route. These short road sections will all be on property owned by Consol or Mr. Jensen. Since the areas where the exploration holes are to be drilled are relatively flat, it is not anticipated that extensive pad construction will be required (see photos in Appendix A). It is anticipated that access route grading will be accomplished with a small dozer or backhoe.

After drilling has been completed, each site will be graded to approximate original contour, if necessary, and reclaimed. All materials, tools and equipment will be removed immediately upon completion of drilling and reclamation activities.

Drill hole Completion: All drill holes will be plugged with cement from bottom to top after all data are collected from the holes. Following completion of drilling and cementing activities, the drill rig and all associated equipment and materials will be removed from the area by vehicle. All trash and extraneous materials will be removed from the property and disposed of at an approved, off-site location.

Practices to Protect from Adverse Impacts and to Reclaim the Area: Access to all boreholes will be by existing tracked routes to the maximum extent practical. Some grading of local areas may be necessary to permit efficient access to the drilling sites. Grading of drill sites will be kept to a minimum, and then only as necessary to allow efficient operation of the equipment. If major grading is necessary in an area that is currently undisturbed, the top 6 inches of soil will be removed prior to disturbance. This soil will be stockpiled, protected from erosion, and redistributed on the disturbed area during reclamation of the site.

Drilling will be accomplished using only air, if possible. This will eliminate the need for a mud pit and the potential for spills of drilling fluids. If drilling fluids are needed, water and drilling fluids will be contained in a portable mud pit and recirculated to the extent possible. Any contents of the portable mud pit will be removed from the site at the completion of drilling. Cuttings will be removed from the site to a State-approved landfill prior to reclamation.

All areas disturbed under this drilling program that were not previously disturbed (e.g., roads) will be regraded after drilling to the approximate original contour during reclamation. All existing dirt roads will be left in place at a serviceability

at least equal to that which existed prior to drilling. During reclamation, soils compacted by vehicle and equipment traffic will be loosened to promote revegetation. Final grading will be along the contour to control erosion. After soils have been loosened the impacted area will be reseeded with the following seed mix:

<u>Common Name</u>	<u>Scientific Name</u>	<u>Pounds Pure Live Seed/Acre</u>
Indian ricegrass	<i>Oryzopsis hymenoides</i>	3.0
Alkali sacaton	<i>Sporobolus airoides</i>	0.5
Galleta hiliaria	<i>Hilaria jamesii</i>	2.5
Western wheatgrass	<i>Agropyron smithii</i>	3.0
Winterfat	<i>Eurotia lanata</i>	4.0
Fourwing saltbush	<i>Atriplex canescens</i>	4.0
Desert globemallow	<i>Sphaeralcea ambigua</i>	0.5
Blueleaf aster	<i>Aster laevis</i>	0.5
Sand dropseed	<i>Sporobolus cryptandrus</i>	0.25
Castle valley clover	<i>Atriplex gardneri (var. cuneata)</i>	4.0
Black sagebrush	<i>Artemesia nova</i>	0.25
Mat saltbush	<i>Atriplex corrugate</i>	<u>4.0</u>
TOTAL		26.5

Seed will be placed by broadcasting. Following placement of seed, the soil will be lightly raked to cover the seed.

R645-201-300. Major Coal Exploration Permits

The regulations contained in R645-201-300 do not apply to this Notice of Intent.

R645-201-400. Requirements for Commercial Sale

The regulations contained in R645-201-400 do not apply to this Notice of Intent.

R645-202. COAL EXPLORATION: COMPLIANCE DUTIES

R645-202-100. Required Documents

While in the exploration area, Consol will have available a copy of this Notice of Intent for review by an authorized representative of the Division upon request.

R645-202-200. Performance Standards

210. Substantial Disturbance. Neither substantial disturbance of natural land nor the removal of more than 250 tons of coal is anticipated under this Notice of Intent.

220. Violation of State Program. Consol will comply with all coal exploration requirements of the State Program, and any conditions on approval of the exploration plan. Consol welcomes inspection of its exploration operations at any time during exploration.

230. Operational Standards.

Habitats of Unique or Unusually High Value:

A vegetation survey of the drill sites and access routes has been performed by Mt. Nebo Scientific (see Appendix A). As indicated, vegetation in the area is typical of a greasewood plant community. No threatened or endangered plant species have been identified at the drill hole locations or along their access routes.

The primary land use associated with the area is wildlife habitat. The area is classified by the Utah Division of Wildlife Resources as potentially providing winter range habitat for elk (see <http://atlas.utah.gov/wildlife/viewer.htm> - see also Appendix C). Data obtained from the Utah Division of Wildlife Resources web site indicates that the project area is at the edge of a quadrangle where threatened or endangered wildlife species may occur. Threatened, endangered, or candidate wildlife species that may occur in Emery County are listed in Appendix C. No threatened or endangered wildlife species are known to occur in the project area, and the proposed drilling is not expected to have a detrimental impact on any such species. In the event that drilling activities extend beyond November 20 (the approximate start of the elk winter range exclusionary period), Consol will schedule a site visit with a wildlife biologist from the Utah Division of Oil, Gas and Mining or the Utah Division of Wildlife Resources to discuss continued operations.

Results of a raptor survey conducted by the Utah Division of Wildlife Resources in the area in May 2006 are provided in Appendix D. As indicated, the closest raptor nest is located approximately 1 mile from the area of the Emery drilling program. Given this distance, drilling and reclamation operations should not disturb raptors in the area.

Roads:

Consol will use only existing roads for this project. No new roads will be constructed. Any routes that may need upgrading for equipment access are within lands owned or controlled by Consol.

Topsoil Removal and Storage:

It is anticipated that topsoil will not be disturbed under this exploration plan except where small excavations are necessary for leveling the rig and associated components. Brattice ground cover will be used under and adjacent to the rig to protect the topsoil and surface vegetation (see Figure 2).

Diversions:

No diversions of overland flows and ephemeral, perennial, or intermittent streams are anticipated under this plan. If diversions become necessary, these will be made in accordance with R645-301-742.3.

It is anticipated that drilling will be primarily completed utilizing air as the method to retrieve cuttings from the borehole. However, if necessary, water may be added to facilitate lubrication of the drilling bit.

Minimizing Disturbance to the Hydrologic Balance:

Coal exploration will be conducted in a manner which minimizes disturbance to the prevailing hydrologic balance. During exploration, surface disturbance will consist only of that which is necessary to level the rig and associated equipment. Since surface disturbance will be minimized, no additional runoff during precipitation events is anticipated. No impoundments to contain runoff will be necessary.

Acid- or Toxic-Forming Materials:

No acid- or toxic-forming materials or coal waste will be produced, used, or handled during this exploration program.

Archeological Information:

A cultural resource inventory of the drill sites was performed by Montgomery Archeological Consultants (see Appendix B). As indicated, no previously documented archeological sites were identified in the project area. Furthermore, an intensive pedestrian survey of the drill-hole areas revealed no cultural resources. Hence, no historic properties will be affected by this project.

In the unlikely event that cultural resources are discovered during operations, all operations which may result in disturbance to these resources will cease and care will be taken to cordon off the area and leave it undisturbed.

240. Reclamation Standards

Excavations:

Small shovel and similar cuts may be made for leveling the rig and associated equipment: These will be filled in to approximate original contour as soon as the drilling equipment is removed from each site.

Revegetation:

Areas disturbed under this exploration plan will be revegetated as described above. All drilling areas will be re-seeded as soon as practical upon completion of each hole, removal of equipment, and recontouring of the site. The seed mix consists of native species that are capable of re-establishing in the area, thereby providing cover that will stabilize the soil surface from erosion. No crops are raised in the project area, making crop replacement unnecessary.

Reclamation of Boreholes:

No mine openings or exploration openings will be created under this plan. Although it is not currently anticipated that any of these holes will be converted to water monitoring wells, Consol will comply with rules R645-301-738 and R645-301-765 if that decision is made in the future.

Upon completion of down-hole procedures, each drill hole will be sealed with cement from the bottom of the hole to ground level. A brass monument marker will be placed in the top of the cement surface plug with the hole number. All holes will be sealed and the associated disturbed areas reclaimed within two weeks of completion.

Removal of Equipment:

When no longer needed for the project, all equipment mobilized for this exploration effort will be removed from the area to facilitate reclamation work. Consol does not anticipate needing this equipment for other purposes in the exploration area.

R645-203. COAL EXPLORATION: PUBLIC AVAILABILITY OF INFORMATION

R645-203-100. Public Records

It will be the responsibility of the Division to maintain non-confidential records and make them available for public inspection and copying.

Consolidation Coal Company
Emery Mine

Minor Exploration Permit NOI
August 11, 2006

R645-203-200. Confidentiality

The cultural resource information referenced in Appendix B is confidential and should not be made available to the public.

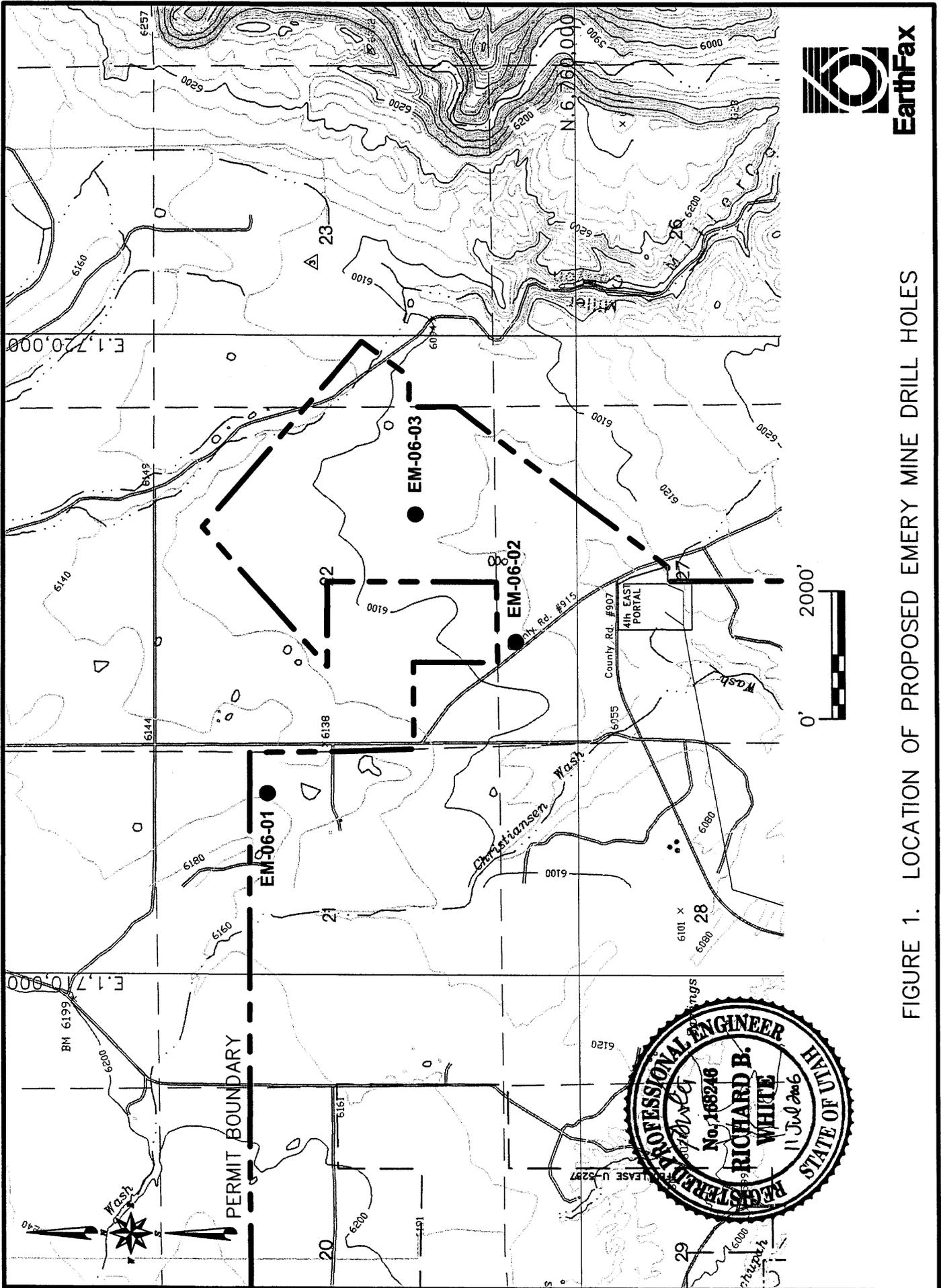
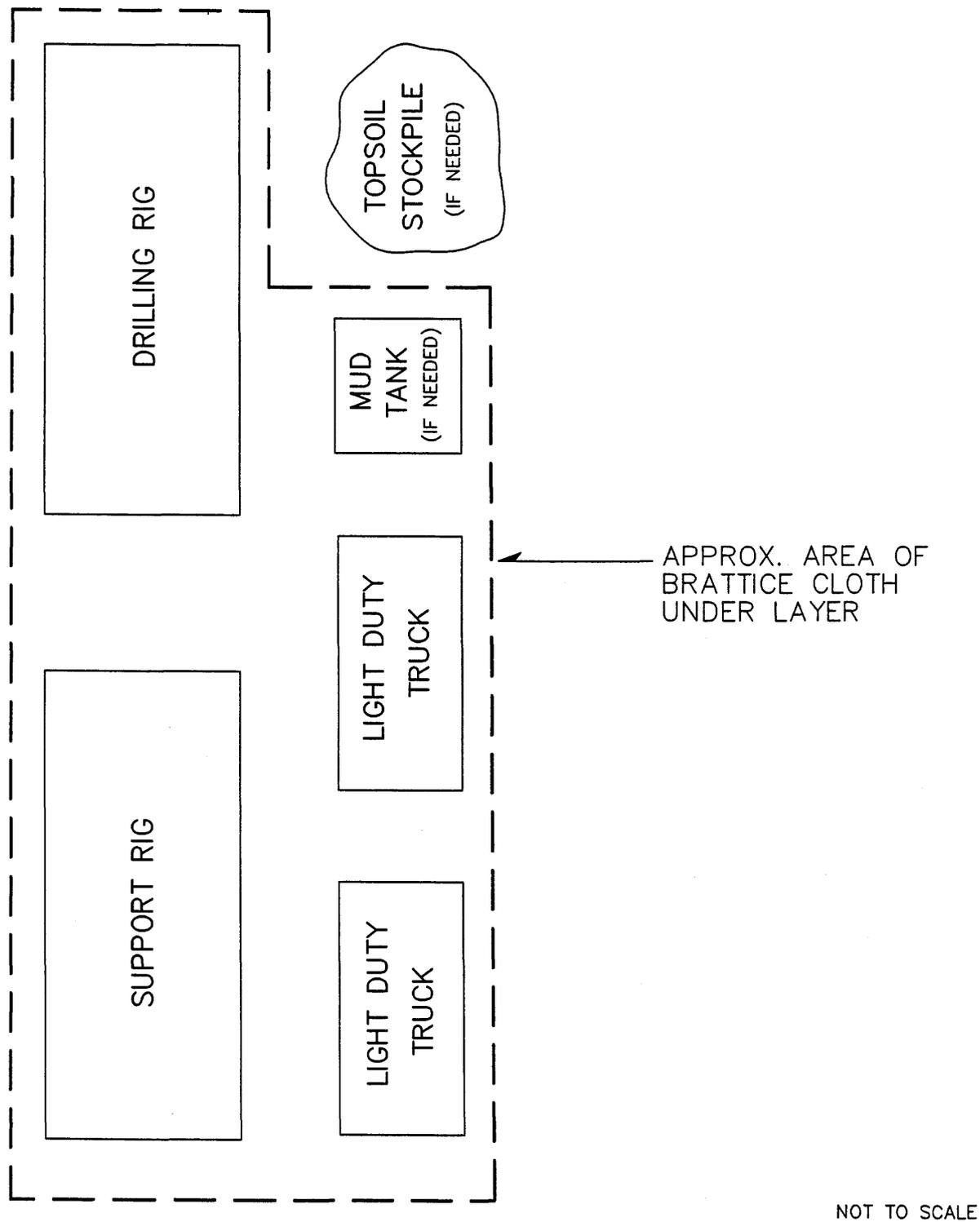


FIGURE 1. LOCATION OF PROPOSED EMERY MINE DRILL HOLES



NOT TO SCALE

- NOTES:
1. Site Layout may change to accomodate efficient operation.
 2. Brattice cloth to be placed beneath all areas where equipment or materials will be stored at the drill site, except beneath the topsoil stockpile (if needed).
 3. Disturbed areas to be reclaimed as indicated in the text.

FIGURE 2. TYPICAL DRILL SITE LAYOUT



Consolidation Coal Company
Emery Mine

Minor Exploration Permit NOI
August 11, 2006

APPENDIX A
Vegetation Survey

**VEGETATION OF THE
EMERY MINE DRILL SITES:
EM-06-01 *through* EM-06-03**

**for
CONSOL ENERGY**



Prepared by

MT. NEBO SCIENTIFIC, INC.
330 East 400 South, Suite 6
Springville, Utah 84663
(801) 489-6937

Patrick D. Collins, Ph.D.

for

CONSOL ENERGY
P.O. Box 566
Sesser, Illinois 62844



July 2006

TABLE OF CONTENTS

INTRODUCTION	1
METHODS	1
RESULTS	2
Plant Communities at the Drill Sites	2
Drill Site EM-06-01	2
Drill Site EM-06-02	2
Drill Site EM-06-03	3
Threatened & Endangered Species	3
COLOR PHOTOGRAPHS	5

**VEGETATION OF THE
EMERY MINE DRILL SITES:
EM-06-01 *through* EM-06-03**

INTRODUCTION

Consolidation Coal Company (Consol) has applied for a drilling permit in the Emery Mine area. This study area is located approximately 60 miles south of the town of Price in Emery County, Utah. More specifically, the area is located in section 22, T22S, R6E, Salt Lake Base & Meridian (Emery East, Utah 7.5 minute series USGS quadrangle map). This report has been prepared to address the plant communities of the drill sites as well as potential threatened and endangered species within the drill sites and access roads to them.

METHODS

Field surveys were conducted to provide data for community and habitat descriptions as well as potential threatened, endangered or otherwise sensitive plant species on July 6, 2006.

Potential threatened and endangered species lists were compiled after consulting with the U.S. Fish & Wildlife Service, Salt Lake City, Utah and files located at *Mt. Nebo Scientific, Inc.*, Springville, Utah.

RESULTS

Plant Communities at the Drill Sites

Below is a brief description of the plant communities that would be impacted by the drilling activities proposed by Consol. Color photographs of each drill site as well as a map of each have been included in this report.

Drill Site EM-06-01

Drill Site EM-06-01 was located in a greasewood plant community. The community was once disturbed, probably to increase pasture for livestock, but the native plant community is returning. Adjacent to this drill site there was also disturbance to provide pasture lands, but it is currently dominated mostly by “weedy” species such as halogeton (*Halogeton glomeratus*).

The dominant plant species in the drill site area were greasewood (*Sarcobatus glomeratus*), broom snakeweed (*Gutierrezia sarothrae*), and galleta (*Hilaria jamesii*). The access road to the drill site would disturb greasewood or dry pasture lands.

Drill Site EM-06-02

The drilling activities proposed at this site would disturb a greasewood/seepweed community. The

proposed drill pad is located very close to an existing country road. Therefore, access to it would disturb the same plant community as the drill pad. The dominant plant species in this community were almost exclusively greasewood and Torrey's seepweed (*Suaeda torreyana*). The greasewood plants were relatively young suggesting they may have cleared the area in the past.

Drill Site EM-06-03

Drill Site EM-06-03 was located in another greasewood community. Dominant plants were greasewood and an array of "weedy" species such as halogeton and Western stickseed (*Lappula occidentalis*). Access to the site could be made from several locations, each of which would disturb only disturbed pasture land or, to a lesser extent, other greasewood communities.

Threatened & Endangered Species

There are several federally listed plant species that are known to occur in Emery County, Utah (Table 1). Because it was late in the flowering season for some of the target species, the field survey was to include an assessment of the habitats as well as a search for sensitive species in the proposed drill sites and access roads. If the species were not visually observed, assessment of the habitat provided clues to the probability of one of these species existing at each site.

No threatened or endangered plant species were found on the proposed drill sites or access roads

to them. Additionally, the habitat assessment suggested a very low probability (or almost no chance) that any of these species could occur at the sites.

Table 1: Potential Threatened or Endangered Plant Species of the Emery Mine Project Area.

Scientific Name	Common Name	Status
<i>Pediocactus winkleri</i>	Winkler Footcactus	T
<i>Pediocactus despainii</i>	Despain Footcactus	E
<i>Schoenocrambe barnebyi</i>	Barneby's schoenocrambe	E
<i>Sclerocactus wrightiae</i>	Wright Fishhook Cactus	E
<i>Townsendia aprica</i>	Last Chance Townsendia	T
<i>Erigeron maguirei</i>	Maguire Daisy	T
<i>Cycladenia humilis</i> var. <i>jonesii</i>	Jones Cycladenia	T

E = Federal Protection, Endangered
T = Federal Protection, Threatened

COLOR PHOTOGRAPHS
of the
PLANT COMMUNITIES



EM-06-01



EM-06-02



EM-06-03

Consolidation Coal Company
Emery Mine

Minor Exploration Permit NOI
August 11, 2006

APPENDIX B

Cultural Resource Inventory

CONFIDENTIAL

Consolidation Coal Company
Emery Mine

Minor Exploration Permit NOI
August 11, 2006

Copies of this document have been placed
in the Confidential File

Consolidation Coal Company
Emery Mine

Minor Exploration Permit NOI
August 11, 2006

APPENDIX C
Wildlife Information

APPENDIX C

Wildlife Information

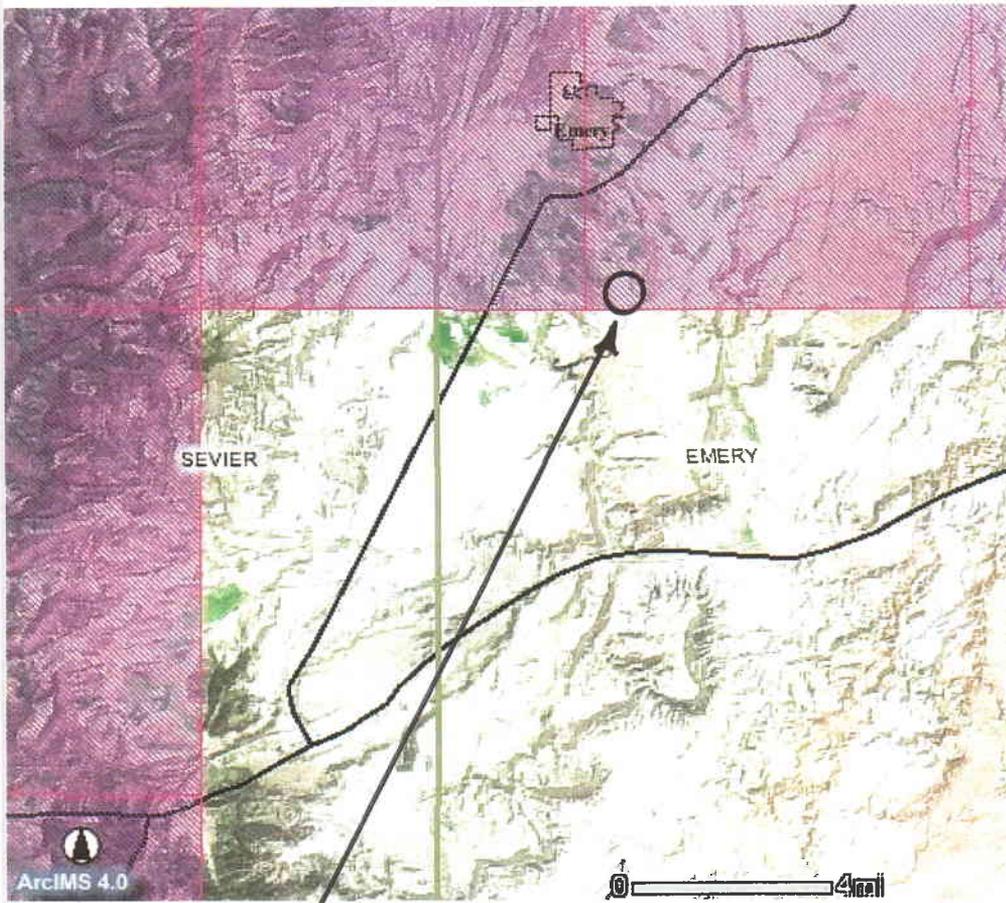
Information concerning threatened and endangered wildlife species was obtained from the Utah Division of Wildlife Resources web site (<http://dwrcdc.nr.utah.gov/ucdc/>). Data obtained from this site indicate that the following Federally-listed threatened (T), endangered (E), or candidate (C) wildlife species may occur in Emery County, Utah:

<u>Common Name</u>	<u>Scientific Name</u>	<u>Status</u>
Humpback Chub	<i>Gila cypha</i>	E
Bonytail	<i>Gila elegans</i>	E
Colorado Pikeminnow	<i>Ptychocheilus lucius</i>	E
Razorback Sucker	<i>Xyrauchen texanus</i>	E
Bald Eagle (breeding)	<i>Haliaeetus leucocephalus</i>	T
Yellow-billed Cuckoo (possibly)	<i>Coccyzus americanus</i>	C
Mexican Spotted Owl	<i>Strix occidentalis lucida</i>	T
Southwestern Willow Flycatcher	<i>Empidonax trailii extimus</i>	E
Black-footed Ferret (unconfirmed)	<i>Mustela nigripes</i>	E (extirpated)

While these species may occur within Emery County, none of these threatened, endangered, or candidate species are known to occur within the area of the Emery Mine drilling project.

Additional information obtained from the above web site indicates that the Emery drilling project will occur within habitat defined by the Utah Division of Wildlife Resources as elk winter range (see the attached map).

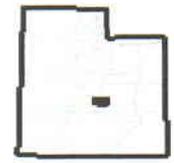
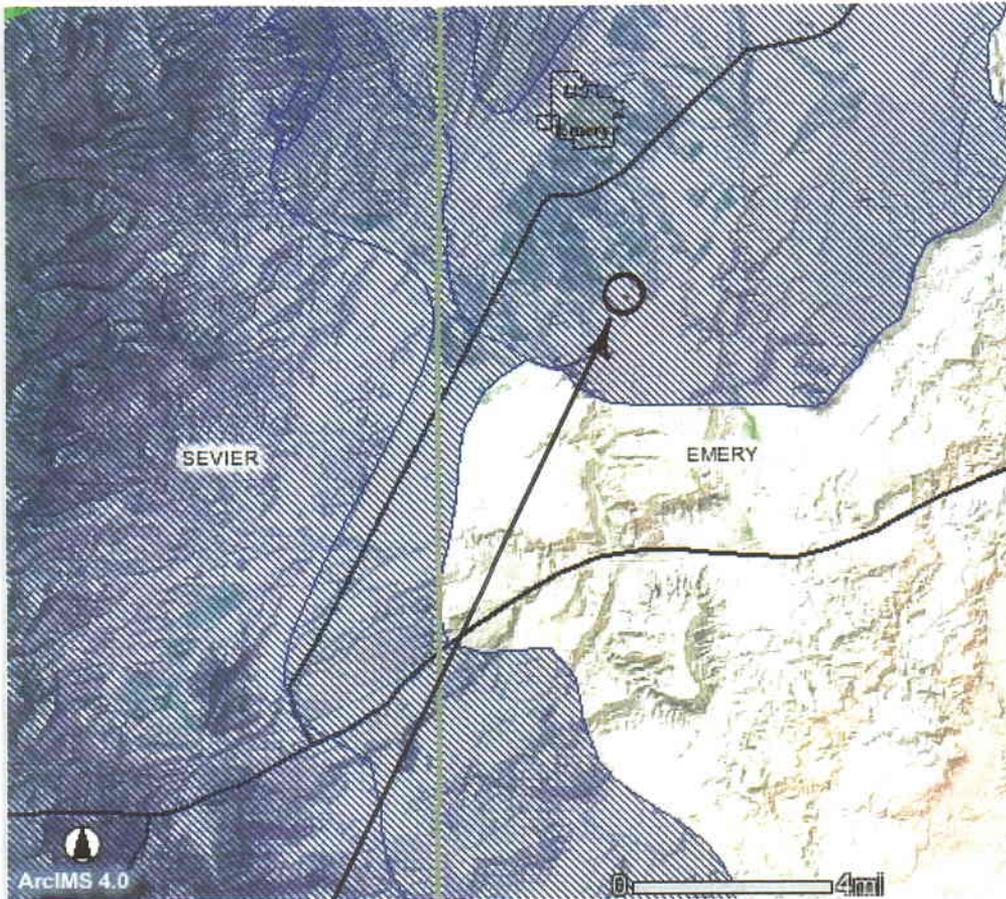
Emery area threatened and endangered animal species



- Legend**
-  Quad Areas Containing Threatened, Endangered, and Sensitive Animal Species Occurrences
 -  Utah Counties
 -  City Labels
 -  Roads
 -  Cities
 -  Utah Boundary
 -  Utah Satellite Image

APPROX. AREA OF EMERY DRILLING PROJECT

Emery area elk range



Legend

-  Utah Counties
-  Elk Habitat
-  winter
-  summer
-  year long
-  Other
-  City Labels
-  Roads
-  Cities
-  Utah Boundary
-  Utah Satellite Image

APPROX. AREA OF EMERY DRILLING PROJECT