

JUL 10 2000

Utah Div. Of Corp. & Comm. Sec. 700-25 (02/99)
OMB NO. 0596-0082

Authorization ID PRI12
Contact ID ENERGY WEST
Expiration Date: 08/31/2000

**U.S. DEPARTMENT OF AGRICULTURE
Forest Service
TEMPORARY SPECIAL - USE PERMIT
(FSH 2709.11, sec. 54.6)**

**AUTHORITY:
ORGANIC ADMINISTRATION ACT June 4, 1897**

PACIFICORP - ENERGY WEST MINING, hereinafter called the Holder, is hereby authorized to use, subject to the terms and conditions of this permit, National Forest System land identified within the unit area and described as resource survey as shown on the attached Exhibit(s). This authorization covers approximately .04 acres.

The holder is authorized to conduct the following activities and/ or install the following temporary improvements on the permitted area:

Helicopter assisted minor coal exploration surface drilling of the Mill Fork State Lease ML-48258 in the Right Fork of Rilda Canyon, southeast corner of Section 12, T15S, R6E. Appendix A, Stipulations, is hereby attached and made part of this permit.

TERMS AND CONDITIONS

1. Use under this permit shall begin on July 1, 2000 and end on August 31, 2000. The permit shall not be extended.
2. The fee for this use is \$45.00. It shall be paid in advance and is not refundable.
3. The holder shall conduct the authorized activities according to the attached approved plans and specifications, Exhibits: Appendix A.
4. The holder shall not install any improvements not specifically identified and approved above.
5. No soil, trees, or other vegetation may be destroyed or removed from National Forest System lands without specific prior written permission from the authorized officer.
6. The holder shall comply with all Federal, State, county, and municipal laws, ordinances, and regulations which are applicable to the area or operations covered by this permit.
7. The holder shall maintain the improvements and premises to standards of repair, orderliness, neatness, sanitation, and safety acceptable to the authorized officer. The holder shall fully repair and bear the expense for all damage, other than ordinary wear and tear, to National Forest System lands, roads and trails caused by the holder's activities.
8. The holder has the responsibility of inspecting the use area and adjoining areas for dangerous trees, hanging limbs, and other evidence of hazardous conditions which would pose a risk of injury to individuals. After securing permission from the authorized officer, the holder shall remove such hazards.
9. The holder shall be liable for any damage suffered by the United States resulting from or related to use of this permit, including damages to National Forest resources and costs of fire suppression.
10. The holder shall hold harmless the United States from any liability from damage to life or property arising from the holder's occupancy or use of National Forest lands under this permit.
11. The holder agrees to permit the free and unrestricted access to and upon the premises at all times for all lawful and proper purposes not inconsistent with the intent of the permit or with the reasonable exercise and enjoyment by the holder of the privileges thereof.
12. This permit is subject to all valid existing rights and claims outstanding in third parties.
13. This permit may be revoked upon breach of any of the conditions herein or at the discretion of the authorized officer. Upon expiration or revocation of this permit, the holder shall immediately remove all improvements except those owned by the United States, and shall restore the site within day(s), unless otherwise agreed upon in writing. If the holder fails to remove the improvements, they shall become the property of the United States, but that will not relieve the holder of liability for the cost of their removal and restoration of the site.
14. This permit is a license for the use of federally owned land. It does not grant any interest in real property. This permit is not transferable. The holder shall not enter into any agreements with third parties for occupancy of the authorized premises and improvements.

15. Appeal of any provisions of this permit or any requirements thereof shall be subject to the appeal regulations at 36 CFR, Subpart C, or revisions thereof.
16. This permit is accepted subject to the conditions set forth herein, condition(s) and Exhibit(s) Appendix A attached to and made a part of this permit.
17. The above clauses shall control if they conflict with additional clauses or provisions.

I have read and understand the terms and conditions and agree to abide by them.

HOLDER

By: Charles A. Semberowski
ENERGY WEST MINING CO.

U. S. DEPARTMENT OF AGRICULTURE
 Forest Service

By: Ann L. Howe

Address: P.O. Box 310 HUNTINGTON, UT
84528

Name: Ann L. Howe

Acting Forest Supervisor
 (Authorized Officer)

Phone #: (435) 687-4720

Date: 6/28/2000

Date: 6/30/2000

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082.

This information is needed by the Forest Service to evaluate requests to use National Forest System lands and manage those lands to protect natural resources, administer the use, and ensure public health and safety. This information is required to obtain or retain a benefit. The authority for that requirement is provided by the Organic Act of 1897 and the Federal Land Policy and Management Act of 1976, which authorize the Secretary of Agriculture to promulgate rules and regulations for authorizing and managing National Forest System lands. These statutes, along with the Term Permit Act, National Forest Ski Area Permit Act, Granger-Thye Act, Mineral Leasing Act, Alaska Term Permit Act, Act of September 3, 1954, Wildemess Act, National Forest Roads and Trails Act, Act of November 16, 1973, Archeological Resources Protection Act, and Alaska National Interest Lands Conservation Act, authorize the Secretary of Agriculture to issue authorizations for the use and occupancy of National Forest System lands. The Secretary of Agriculture's regulations at 36 CFR Part 251, Subpart B, establish procedures for issuing those authorizations.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.

Public reporting burden for collection of information, if requested, is estimated to average 1 hour per response for annual financial information; average 1 hour per response to prepare or update operation and/or maintenance plan; average 1 hour per response for inspection reports; and an average of 1 hour for each request that may include such things as reports, logs, facility and user information, sublease information, and other similar miscellaneous information requests. This includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

**Energy West Exploration 2000
Special Use Permit for drill hole on State of Utah
Lease # ML-48258 (Mill Fork Tract)
And Mill Fork Road Use Permit
Stipulations**

APPENDIX A

STIPULATIONS

Stipulations to be included in the Coal Drilling Permit/License

1. A pre-work meeting including the responsible company representative(s), contractors, and the Forest Service must be conducted at the project location prior to commencement of operations. Site-specific Forest Service requirements will be discussed at this time.
2. A Road Use Permit must be obtained from the Forest Service before equipment is transported onto National Forest System lands. The location of new roads is subject to Forest Service review and approval. No construction may begin prior to approval. Any modifications or changes to approved locations are also subject to review and approval.
3. All surface disturbing activities including reclamation must be supervised by a responsible representative of the permittee/licensee who is aware of the terms and conditions of the projects permits/licenses. A copy of the appropriate permits/licenses must be available for review at the project site and presented upon demand to any Forest Service official.
4. The Forest must be notified 48 hours in advance that heavy equipment will be moved onto National Forest System lands and that surface disturbing activities will commence.
5. Establishment of campsites and staging areas on National Forest System lands in support of this project is subject to Forest Service approval.
6. The Forest Service must be notified of any proposed alterations to the plan of operations. Any changes to the existing plan are subject to Forest Service review and approval.
7. Fire suppression equipment must be available to all personnel working at the project site. Equipment must include at least one hand tool per crew member consisting of shovels and pulaskis and one properly rated fire extinguisher per vehicle and/or internal combustion engine.

8. All gasoline, diesel, and steam-powered equipment must be equipped with effective spark arrestors or mufflers. Spark arresters must meet Forest Service specifications discussed in the "General Purpose and Locomotive (GP/L) Spark Arrester Guide, Volume 1, April, 1988"; and "Multi-position Small Engine (MSE) Spark Arrester Guide, April, 1989". In addition, all electrical equipment must be properly insulated to prevent sparks.
9. The permittee/licensee will be held responsible for damage and suppression costs for fires started as a result of operations. Fires must be reported to the Forest Service as soon as possible.
10. The Forest Service reserves the right to suspend operations during periods of high fire potential.
11. Water needed in support of operations must be properly and legally obtained according to Utah State water laws. The location of diversions, if on National Forest System lands, are subject to Forest Service review and approval. Water diversion structures, if needed, must be constructed as specified by the Forest Service.
12. Unauthorized off-road vehicular travel is prohibited.
13. Section corners or other survey markers, including claim corners, in the project area must be located and flagged for preservation prior to commencement of surface disturbing activities. The removal, displacement, or disturbance of markers must be approved by the proper authority. Replacement will be done by the proper authority at the expense of the permittee/licensee.
14. If cultural or paleontological resources are discovered during operations, all operations which may result in disturbance to the resources must cease and the Forest Service must be notified of the discovery.
15. Gates must be closed after entry unless otherwise specified.
16. The permittee/licensee will be held responsible for all damage to fences, cattleguards, resource improvements, roads, and other structures on National Forest System lands which result from their operations. The Forest Service must be notified of damages as soon as possible.
17. Operations must be coordinated with grazing permittees to prevent conflicts.
18. Harrassment of wildlife and livestock is prohibited.
19. Topsoil must be stripped from areas occupied by parked vehicles and mud pits and stockpiled for use during reclamation. Topsoil stockpiles will be located to minimize contamination or loss. Rock material will be stockpiled seperately.

general elk hunt nor during the opening weekend of the general deer hunt and during holiday weekends. The water truck must be preceded by a pilot vehicle when hauling water for the project during the hunting season.

30. Contaminated soil and gravel must be stripped and hauled off Forest prior to site reclamation.
31. Mud pits must be allowed to dry or pumped before they are backfilled and reclaimed. If pumped, fluids will be disposed off Forest, at a Utah State approved site. They must be enclosed by a 4-strand barbed wire fence while they are left to dry.
32. Drill sites, roads to be obliterated, and mud pits when they are dry, must be reclaimed by selectively backfilling excavated materials, topsoil last, such that the disturbed area is replaced to approximate original contour. The disturbed area must be seeded with the specified seed mix.
33. Upon completion of the project, compacted soils must be scarified and seeded with the specified seed mix.
34. All disturbed drainages must be replaced to their approximate original configuration when the project area is reclaimed.
35. The reclaimed roads must be signed and blocked off to discourage vehicle access by the public.
36. Reclamation efforts will be diligently pursued to insure that a minimum ground cover is established on all disturbed areas which is equal to or greater than the surrounding undisturbed areas.
37. Seeding will be done with the following certified seed mix:

Name	Scientific Name	Lbs./acre (PLS)
Intermediate Wheatgrass	Agropyron intermedium	2
Slender Wheatgrass	Agropyron trachycaulum	2
Western Wheatgrass	Agropyron smithii	2
Blue Bunch Wheatgrass	Agropyron spicatum	1
Perennial Ryegrass	Lolium perenne	1
Ladak Alfalfa	Medicago sativa ladak	1
Blue Aster	Aster glaucodes	0.25
Northern Sweet Vetch	Hedysarum boreale	0.50
	TOTAL	9.75 lbs./acre

This seed mixture must be 99 percent pure live seed containing a maximum of 1% weeds none of which are noxious.

38. The operator will be held responsible for control of noxious weed infestations found to be a result of this drilling operation.
39. Timber removed during the project that meets sawlog utilization standards (minimum 8 inch diameter, 8 feet long, and 33 1/3 % sound) will be removed from the area by the permittee. Timber not meeting sawlog utilization standards but which is suitable for fuelwood will be cut into four foot lengths and decked at a location that is accessible to the public.
40. Outside berms will not be constructed on any roads.
41. **Stipulation for Lands of the National Forest System Under Jurisdiction of the Department of Agriculture.** ..

The licensee/permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest Development Roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed

to: Forest Supervisor

at: Manti-La Sal National Forest
599 West Price River Drive
Price, Utah 84501

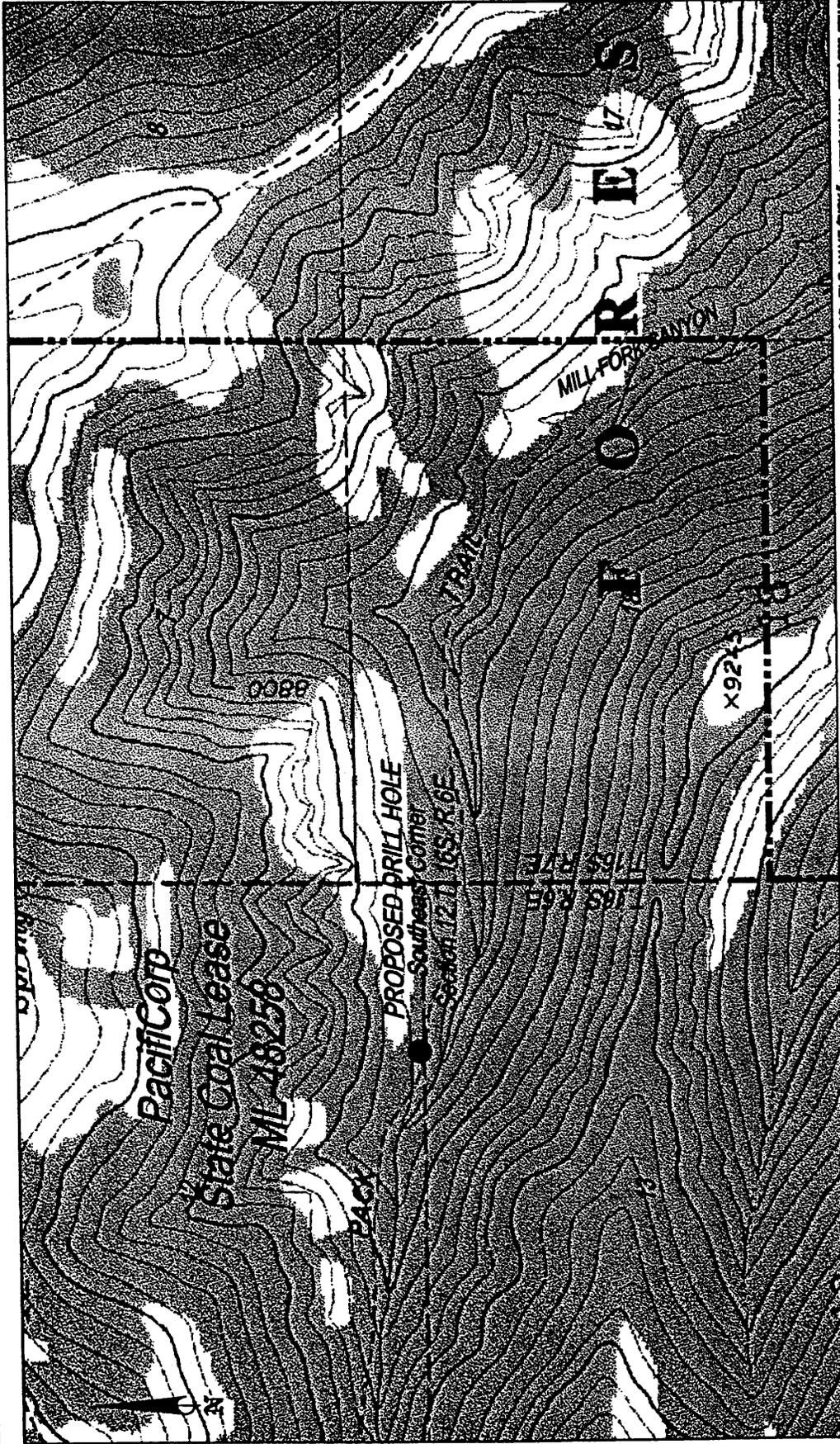
Telephone No. (801) 637-2817

who is the authorized representative of the Secretary of Agriculture.

42. Prior to commencing operations, Energy West will contact and coordinate with the Livestock Permittees- Lee McElphrang (cattle) 687-2236, John Larson (sheep) at 435-462-0223 and/or Justin Hammon (sheep) at 435-462-9217.

Stipulations to be Included in the Road Use Permit

43. Roads must not be used when they are wet and susceptible to damage.
44. The permittee is responsible for repair of any damages to roads which are caused by his operations.
45. All traffic must maintain safe speeds commensurate with existing conditions.
46. Roads must be watered if dust becomes a problem or if excessive loss of road material occurs.



CAD FILE NAME/DISK#: C:\ENERGY\MIL-CAN\JOB\JOB MILL FORK PLAN.DWG

ENERGY WEST
MINING COMPANY
 HUNTINGTON, UTAH 84528

MILL FORK CANYON
COAL EXPLORATION
GENERAL LOCATION MAP

DRAWN BY: **K. LARSEN**

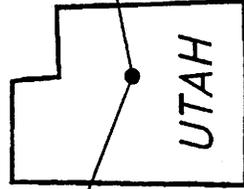
SCALE: **NONE**

DATE: **APRIL 12, 2000**

DRAWING #

SHEET 1 OF 1

REV.



Modified from
 Rilda Quadrangle
 7.5 Minute Series