

*Incoming
6/15/03*

June 12, 2003

Utah Coal Regulatory Program
Division of Oil, Gas and Mining
1594 North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

**RE: 2003 ENERGY WEST DRILLING PROGRAM: SPECIAL REQUEST TO
RELOCATE DRILL HOLE EM-187 FROM CRANDALL CANYON TO RILDA
CANYON (RIGHT FORK) - UTAH STATE COAL LEASE ML-48258;
PACIFICORP, ENERGY WEST MINING CO., EMERY COUNTY, UTAH**

As stated in our June 9, 2003 letter, Energy West requests to relocate drill hole EM-187 from Crandall Canyon to Rilda Canyon - Right Fork. Due to the results of the recently completed hole in Mill Fork Canyon (EM-180), the site approved in Crandall Canyon (EM-187) is not needed for a foreseeable period. Currently Energy West is developing a set of mains to access the Mill Fork reserves from the Deer Creek Mine. A drill site in Rilda Canyon would assist Energy West in predicting geologic conditions within the projected Mill Fork Access Mains and the quality of coal delivered to the Huntington Power Plant. The number of holes within the approved plan would remain the same, five (5).

This request would be considered an addendum to the Notice of Intent to Conduct Minor Coal Exploration approved on May 29, 2003 (EX01J). The proposed location in Rilda Canyon is located in the SW1/4NE1/4 of Section 24, Township 16 South, Range 6 East (south 2550 feet, west 2460 feet from the northeast corner). The site proposed for Rilda Canyon was selected utilizing the criteria by established by U.S.F.S. biologist: open country away from dense timber. Energy West/DWR annual raptor review conducted on May 23, 2003 did not identify any active nest within the Rilda Canyon area.

All aspects in terms of engineering principals, geologic setting, hydrology, soils, biology related to the proposed site in Rilda Canyon are similar to the sites in Mill Fork and Crandall canyons. Energy West carefully selects the exploration sites to minimize environmental affects.

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Energy West will comply with the performance standards and conditions stated in the approved Notice of Intent to Conduct Minor Coal Exploration (approved on May 29, 2003: EX01J), including all stipulations listed in the U.S.F.S. approval. The method of exploration to be used, amount of coal to be removed, and practices to be used to protect the area from adverse impacts and reclaim the area will comply with the approved plan:

The method of exploration to be used is helicopter-assisted drilling, in which the primary mode of transportation for drilling equipment and personnel is by helicopter, rather than by road. By using this method, drilling equipment can be transported into remote areas inaccessible by road to conventional drilling rigs, and environmental impact to the surface is minimized. All drills, drilling equipment, and personnel will be transported to the individual drilling sites by helicopter from staging areas located in Mill Fork Canyon.

No access road or pad construction will be necessary for the proposed site in Rilda Canyon. Drilling equipment and materials will be transported to the drill site by helicopter. Personnel will access the site by vehicle and helicopter via existing roads and on foot. The drill site are relatively level (20 percent or less slope); therefore, minimal site preparation will be necessary. Vegetation, in the form of trees, grasses, forbs and sparse, low shrubs, will not be removed. However, it may be necessary to remove dead-fall and some "taller" shrubs (mahogany, etc.)/aspen trees for safety reasons. This will be minimized and accomplished using hand tools. The dead-fall will be replaced upon completion of drilling. An area no larger than approximately 40' by 40' will be occupied at the drill site. Leveling of drilling equipment will be accomplished using hand tools and supports (wood blocks, etc.) transported to the site by helicopter. All materials, tools and equipment will be removed immediately upon completion of drilling and reclamation activities.

Energy West will comply with Practices to Protect from Adverse Impacts and to Reclaim the Area: section stated in the approved plan.

"During drilling, water and drilling fluids will be recirculated to the extent possible. Any returned cuttings and other materials will be captured in a container at the drill site. The cuttings will be transported from the drill site to the staging area by helicopter and then by vehicle to the Deer Creek or Cottonwood Waste Rock sites for disposal. Containment of possible fluid spills will be achieved through the use of brattice ground cover, silt fence, and if necessary, earthen berms. If spills occur, all affected materials will be removed from the site and disposed of at an approved location. If soil is removed during spill containment and clean-up, the site of removal will be recontoured and seeded with the approved seed mixture."

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Pacificorp has obtained the necessary permissions and water rights actions to take water for drilling from local drainages in the vicinity of the proposed drill holes. Where water is taken from streams, this is done by laying an intake hose directly in the stream. No disturbance is made to the stream course.

As required by the U.S.D.A. Forest Service for the 2002 drilling program (including the approved modified program), PacifiCorp contracted SENCO-PHENIX Archeological Services (Price, Utah) to conduct a file search for the proposed drilling activities. After the archeological field survey for the 2001 drilling program, SENCO-PHENIX recommended that PacifiCorp ask the U.S.D.A. Forest Service to waive the requirement for a field inspection of all drill sites due to the remoteness, small size, and minimal impact of the sites examined, and the limited probability of any future drill sites in the area impacting archaeological resources. SENCO-PHENIX Archeological Services (Price, Utah) has conducted a file search for the proposed drilling activities in Rilda Canyon.

Energy West estimates that projected startup time for EM-187 would be June 16, 2003. Time to completed the hole would be approximately seven (7) days.

If you require any additional information please call me at (435) 687-4720.

Thank you for your assistance in this special request.

Sincerely,

Charles A. Semborski

Charles A. Semborski
Geology/Permitting Supervisor