

November 20, 2003

Chuck Semborski, Environmental Supervisor  
Energy West Mining Company  
P.O. Box 310  
Huntington, Utah 84526

Re: Conditional Approval of Minor Coal Exploration, Energy West Mining Company, Deer Creek Mine, C/015/0018, Task ID #1743, Outgoing File

Dear Mr. Semborski:

The above-referenced amendment is conditionally approved upon receipt of an approval to proceed from SITLA and a special use permit from USFS. Once the Division receives this information, a final approval letter will be sent. The Division has the required number of copies of the exploration permit. A copy of our Technical Analysis is enclosed for your information.

If you have any questions, please call me at (801) 538-5268 or Karl R. Houskeeper at (435) 613-5330.

Sincerely,

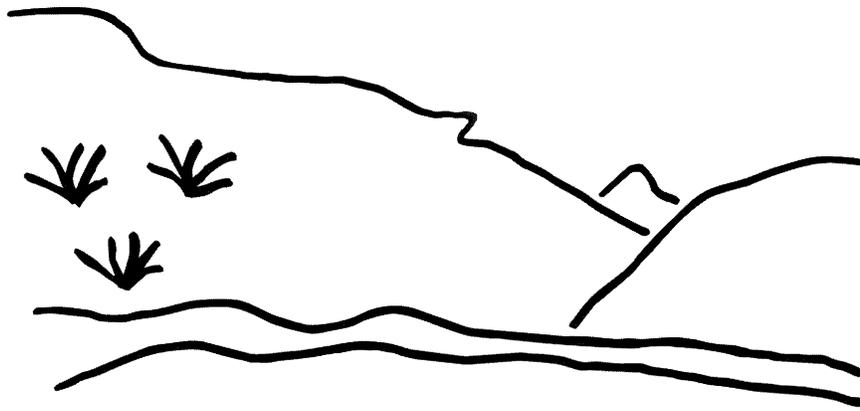
Pamela Grubaugh-Littig  
Permit Supervisor

KRH/sd  
Enclosure

cc: Tom Faddies, SITLA w/o  
Alice Carlton, USFS  
Jim Kohler, BLM w/o  
Price Field Office

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# State of Utah



## Utah Oil Gas and Mining

### Coal Regulatory Program

Deer Creek Mine  
2004 Exploration of ML-48258  
C/015/018  
Task ID #1743  
Minor Exploration Analysis and Findings  
November 10, 2003







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# EXPLORATION TECHNICAL ANALYSIS

## INTRODUCTION

Energy West is proposing to conduct a helicopter-assisted minor coal exploration drilling during the year 2004. The permittee has plans to core-drill four holes by using this method. The drilling will take place in Crandall Canyon, tributary to Huntington Canyon, and un-named drainages reporting to Indian Creek. The proposed drilling is located within the current Utah State Coal Lease ML-48258, and the United States Forest Service administrates the surface land. This project is to analyze seam characteristics and coal thickness.

The holes will be drilled using a helicopter-transported drill rig in accordance with the Utah State Coal Lease ML-48258 application for the Notice of Intention of Conduct Minor Coal Exploration. Less than 250 tons of coal will be removed. The permittee has recently conducted minor exploration using this method at Mill Fork Canyon and adjacent areas.

The Division will need concurrence from School and Institutional Trust Lands Administration and US Forest Service with this proposed notice of intent to conduct minor coal exploration on coal lease ML 48258.

The minor exploration project is scheduled to start on May 15, 2004 and be completed by June 30, 2004.



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COAL EXPLORATION

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## COAL EXPLORATION

Regulatory Reference: R645-200.

### SCOPE AND RESPONSIBILITIES

Regulatory Reference: 30 CFR 772.1; 30 CFR 772.10; 30 CFR 772.11; R645-100-400; R645-200-100; R645-200-200; R645-201-100.

#### Analysis:

PacifiCorp has proposed to conduct minor exploration by drill four holes within the Mill Fork Coal Lease ML-48258 in the year 2004.

The permittee has committed to comply with the requirements of R645-200 through R645-203.

This minor coal exploration will be conducted on Utah State Coal Lease ML-48258 and the United States Forest Service administrates the surface land; therefore, 43 CFR Part 3480-3487 does not apply.

#### Findings:

The information given is to address the requirement of the State program and R645-200 through R645-203. The information that was submitted is complete but not necessarily adequate until a review of each regulation is made within this document.

### REQUIREMENTS FOR NOTICE OF INTENTION TO CONDUCT MINOR COAL EXPLORATION

Regulatory Reference: 30 CFR 772.10; 30 CFR 772.11; R645-100-412; R645-201-200.

#### Analysis:

Coal Rule R645-201-221 requires the applicant to give name, address, and telephone number of the applicant's representatives, who will be present at and responsible for conducting the exploration operations. This information has been submitted in the Notice of Intent on Page 2.

R645-100-400, R645-200-100, R645-200-200, and R645-201-100; Energy West Mining has given a Notice of Intention to Conduct Minor Coal Exploration with a narrative and map describing the exploration area and indicating where the exploration will occur.

The permittee will transport drilling equipment, materials, and personnel by helicopter. The drill sites will be relatively level (20 percent slope or less). There will be no removal of vegetation such as grasses and trees, but dead-fall and some taller shrubs (mahogany) or aspen trees will be removed for safety reasons.

The drill site will not be greater than 40 feet by 40 feet area. Brattice or other similar material will be placed on the ground beneath the drill rig. Minor digging, using hand tools may be necessary to level the drill rig using wood block or other materials.

A maximum of twenty pounds of coal will be removed per drill hole with a total of about 80 pounds from all the drill holes. This will be achieved by drilling a three-inch diameter hole. Upon completion, the drill hole will be sealed with cement from the bottom of the hole to ground level.

The exploration is projected to start on May 15, 2004 and end on or near June 30, 2004.

**Findings:**

The applicant has given all of the necessary information as requirements of R645-201-221 such as name, address, and telephone number.

The permittee has submitted the necessary information to comply with regulations R645-100-400, R645-200-100, R645-200-200, and R645-201-100 in the analysis.

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## COMPLIANCE DUTIES

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# COMPLIANCE DUTIES

Regulatory Reference: 30 CFR 772.13; R645-202.

## REQUIRED DOCUMENTS

Regulatory Reference: 30 CFR 772.13; R645-202-100.

### Analysis:

The permittee stated to have a copy of the Notice of Intent to Conduct Minor Coal Exploration for review by an authorized representative of the Division upon request.

### Findings:

The permittee has met the minimum requirements of this section in the R645 Coal Rules.

## OPERATIONAL STANDARDS

Regulatory Reference: 30 CFR 772.13; R645-202-100.

### Analysis:

The Permittee plans to core-drill four holes EM188, EM189, EM190, and EM191 in 2004. The plan shows that all drill holes are located within the Mill Fork Lease. Drill holes EM188, EM189, and EM190 are near the northwestern edge, while drill hole EM191 is near the northern edge in the middle of the Mill Fork Lease.

In 2001, SENCO-PHENIX recommended that PacifiCorp obtain waivers from the USFS archeologist for drill hole projects. They based their recommendation on PacifiCorp using helicopters for drill hole procedures, which minimizes impact to environmental resources. The drill hole project conducted in 2003 received a USFS waiver. The Permittee submitted the request for the waiver for this 2004 project. The USFS will conduct a file search and provide the Permittee with their decision sometime this winter (Charles Semborski, Personal communications 11/04/03).

R645-202-200; Energy West Mining will not substantially disturb the land surface and will remove less than 250 tons of coal.

PacifiCorp has committed to comply with all coal exploration requirements of the State Program, and any conditions on approval of the exploration plan.

### **Biology**

The operator will drill the holes using a helicopter-transported drill rig. The staging area for all drill holes is in Joe's Valley. There is a secondary staging area located east of the Mill Fork Lease. This area is just within or immediately outside the 0.5-mile buffer zone for Golden Eagle nests 80 and 81 as well as Red Tail Hawk nest 1207. DWR and the Permittee will conduct the yearly raptor surveys in May 2004. If the nests are active or tended in 2004, the Permittee will not use this secondary staging area unless they implement the "special monitoring program" established in 2002 (pg. 12). The need for this secondary staging area is to provide the Permittee with reduced response times to address staff emergencies and requests. Time for the Permittee to get to the Joe's Valley staging area would take considerably longer. (Charles Semborski, Personal communications 11/04/03).

The Permittee must implement the special monitoring program, developed by the USFS, before initiation of operations if any nests are listed active. The Permittee must immediately cease operations and contact the Division, if the Permittee observes any disturbance to the eagles or nests during operations. The Division will immediately coordinate a meeting with USFWS, DWR, USFS, and Energy West to develop an action plan.

The special monitoring program includes the action items listed below. The text in bold details additional action items the Division requires of the Permittee.

- 1) Establish ground-monitoring point(s) three days prior to drilling near nests determined to be active or "verified in consultation with the DWR biologist to observe activity".
- 2) Establish baseline data for raptor activity from the advanced monitoring.
- 3) Position Guy Davis (PacifiCorp biologist; USFS approved 2002), prior to daily drilling, to conduct the special monitoring program.
- 4) Observe active nest(s) near Mill Fort staging area.  
**The Permittee must immediately cease operations and contact the Division if the Permittee observes any disturbance to the eagles or nests during operations. The Division will immediately coordinate a meeting with government agencies to develop an action plan.**
- 5) Conduct all helicopter flights in a manner to minimize potential disturbance by applying "low-impact" flight patterns.  
"Apparent impacts include but not limited to; alteration to daily nest activity, feeding routines and general chick behavior. If apparent impacts are identified, PacifiCorp will mitigate impacts by altering flight paths, timing of flight not to disrupt feeding schedules and minimize the number of flight."

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**COMPLIANCE DUTIES**

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- 6) Conduct all non-essential helicopter flights at least 1,000 feet above ground elevation and 30 miles/hour (USFW Guidelines).
- 7) Monitor raptor activity during drilling within ½ mile buffer zone of active nests based on raptor monitoring data for a minimum of three days. USFS biologist may terminate the special monitoring program once no apparent impacts are determined.
- 8) Report all raptor monitoring information to the Division, DWR, and USFS.

The primary land uses associated with the area are wildlife habitat, critical winter range for elk, and high priority summer range for deer and elk. The Permittee expects that the small size of the project will not impact these uses. The Permittee plans to initiate and complete the drill project on May 15, 2004 and 45 days after initiation, respectively. Winter range exclusion date is from November 1 through May 15. The elk calving and deer fawning sensitive dates are from May 1 through July 1 and May 16 through July 1, respectively. The Permittee discussed the starting dates with the USFS for the 2003 drill project. The USFS recommendation was to begin on May 15<sup>th</sup> rather than the original proposed date in July (Charles Semborski, Personal communications 11/04/03). The Permittee applied the 2003 recommendation for this 2004 drill project to start on May 15<sup>th</sup> to minimize impact.

PacifiCorp conducted several surveys for Threatened, Endangered and Sensitive (TES) plant and animal species for various projects associated with this area. The projects associated with this area were Rilda Canyon (Surface Facilities, Permit Extension and Powerline) and the Mill Fork coal leasing process. The MRP states that there are no TES within the permit area (Volume 12; pg. 3-9).

The drill-hole operations will require a total of 0.24 acre-feet of water (pgs. 5, 13). The USFWS requires mitigation for endangered fish species of the Colorado River when the amount of water consumption exceeds 100 acre-feet.

### **Roads**

PacifiCorp will use only existing roads for this project no new roads will be constructed. The applicant of the Notice of Intent will be using US Forest Service roads for staging areas of heavy equipment. The US Forest Service will be notified 48 hours in advance of heavy equipment traveling on the road.

The applicant will be using U.S. Forest Development Roads #245 and #040 and #017. Prior to drilling, Energy West will obtain a permit for the use of these roads.

### **Topsoil**

Topsoil will be separately removed, stored, and redistributed on areas disturbed by coal exploration activities. The method of drilling used by PacifiCorp will disturb a small amount of topsoil. The leveling of the drill rig and associated equipment may require a small amount of excavation. Brattice cloth is to be used to cover the ground to protect the topsoil and surface vegetation.

### **Diversions of Overland flows and streams**

The applicant will not construct diversions or affect overland flows and streams. However, the applicant will be pumping water from streams for the drilling operation. The method is to lay an intake hose directly into the stream and pump the water to the drill site. The pump will be located near the stream. Using this method will not disturb the stream.

PacifiCorp has obtained the necessary permissions and water rights actions to take water for drilling from local drainages. The amount of water required for the project is estimated at 80,000 gallons for the entire drilling project or 20,000 gallons per hole.

### **Hydrologic Balance**

The minor exploration project will have minor surface disturbance. The disturbance is limited to leveling the rig and associated structures. There will be no construction of a drill pad or impoundments; therefore, the impact on the hydrologic balance will be minimal, if any.

### **Acid- or toxic forming materials**

The applicant has committed to handle and dispose of acid or toxic forming materials in accordance with R645-301-731.100 and R645-301-731.300.

During the drilling operation, water and drilling fluids will be recirculated to the extent possible. Any returned cuttings and other material will be captured in a container at the drill site. The cutting material 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.

If spills occur, all affected material 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 reconstructed and seeded with the approved seed mixture.

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COMPLIANCE DUTIES

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**Findings:**

The information given is found to meet the requirements of the R645 Minor Coal Exploration performance/operational standards.

**RECLAMATION STANDARDS**

Regulatory Reference: 30 CFR 772.13; R645-202-200.

**Analysis:**

**Approximate original contour**

The drill site areas will be basically flat with no major excavation occurring. Minor shoveling may be needed for leveling the drill rig. The area will be at approximate original contour.

**Revegetation**

The Permittee expects minor surface disturbances from the drilling activities. The size of the work pads for the holes are 40' x 40'. The Permittee will remove deadfall from the sites in preparation for the drill-hole pads. Preparation will not include removing vegetation unless removal is necessary for staff safety. The reclamation project includes removing debris and contaminated soil, recontouring, seeding, and replacing deadfall.

The proposed seed mixture meets the requirements of the regulations. The mix contains: *Stipa columbiana*, *Elymus trachycaulus*, *Poa secunda*, and *Aster chilensis*. The Permittee will supplement this mix with *Eriogonum umbellatum* and *Penstemon strictus*.

**Boreholes**

Groundwater is not anticipated. However, if ground water is present it will be reported to (SITLA, USFS, and DOGM) and a determination will be made regarding the modification of the drill hole to a monitoring well.

Upon completion, each drill hole will be completely sealed with cement/bentonite from the bottom of the hole to ground level. Enough cement will be mixed and pumped into the hole to completely seal the coal horizon. The remainder of the hole will be filled completely with bentonite slurry to within five feet of the surface. A cement surface plug will fill the top five feet. A brass monument marker will be placed in the top of the cement surface plug with the hole number and year.

### **Facilities and Equipment**

All drilling equipment and materials will be removed from the drill area once drilling is completed. Sealing will start thereafter and all equipment and material for sealing drill holes will be removed when sealing is completed.

### **Findings:**

The information for this section is considered adequate to meet the requirements of this section of the Letter of Intent.