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United States Department of Agriculture
Forest Service
Manti-La Sal National Forest

Ferron/Price Ranger District
Ferron Work Center
115 West Canyon Road
P.O. Box 310
Ferron, UT 84523
Phone # (435) 384-2372
Fax # (435) 384-3296

File Code: 1950-1/2820-4
Date: July 11, 2005

Mary Ann Wright
Associate Director, Mining
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114

INCOMING gk
C0150018
Task 2177

Dear Mary Ann:

I have decided to authorize Pacificorp/ Energy West occupancy of National Forest System lands to conduct the proposed 4-hole helicopter assisted coal drilling project on Utah State Coal Lease ML-48258. The general location is the Upper Joes Valley area about 16-20 miles northwest of Huntington, Emery County, Utah (Sections 11, 14, 22; T16S, R6E, SLBM).

This decision is categorically excluded from preparation of an Environmental Assessment (EA) or Environmental Impact Statement (EIS) under Forest Service Handbook 1909.15, Chapter 30, Section 31.2(3). This category was determined to be appropriate because impacts to the area affected by this decision are short-term with ground disturbance of less than 1 acre.

Copies of the Decision Memo, Attachment 1 (Map), and Attachment 2 (Stipulations), are included with this cover letter.

For additional information concerning this decision, please contact Tom Lloyd (435 636-3596), Manti-La Sal National Forest, 115 West Canyon Road, P.O. Box 310, Ferron, Utah, 84523.

Sincerely,

for

MESIA NYMAN
District Ranger

RECEIVED
JUL 14 2005
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DIV. OF OIL, GAS & MINING

cc: Don Stephens

Decision Memo

PacifiCorp-Energy West Mining Company
Upper Joes Valley/Crandall Canyon 2005
Helicopter Assisted Drilling Program
Utah State Coal Lease ML-48258

USDA Forest Service, Intermountain Region
Manti-La Sal National Forest
Ferron-Price Ranger District
Emery County, Utah

I. INTRODUCTION

The Forest Service has evaluated an application(s) submitted by Energy West Mining Company (proponent), a subsidiary of PacifiCorp, for a 4-hole helicopter-assisted drilling project on Utah State Coal Lease ML-48258. This project would be on lands in which the surface is administered by the USDA Forest Service, Manti-La Sal National Forest (USFS); and the subsurface coal estate is owned by the State of Utah, School & Institutional Trust Lands Administration (SITLA). The general location is Upper Joes Valley area about 16-20 miles northwest of Huntington, Utah. The project lies within the East Mountain Inventoried Roadless Area; however, no new roads or road reconstruction are proposed.

The proposed project would consist of drilling 4 holes during summer, 2005 (Attachment 1, Map). The project would be done using helicopter assistance resulting in very little surface use (0.04 acres/site—0.16 acres total). Helicopter staging areas would be in Mill Fork Canyon and Upper Joes Valley (about 1/3 mile South of Indian Creek Camp Ground, East side of road).

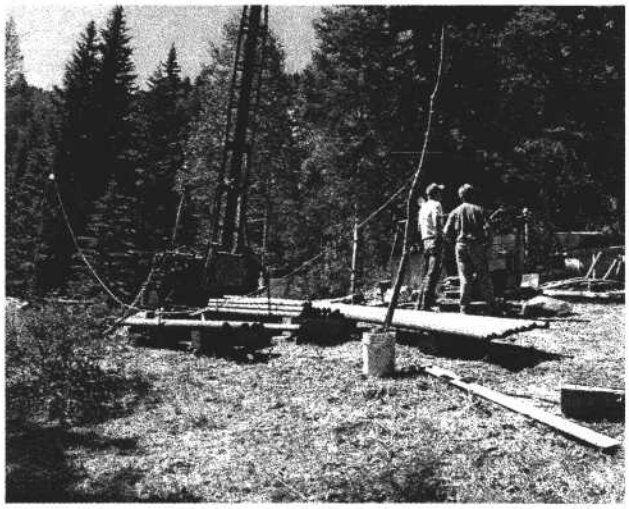


Figure 1 Helicopter Drill Rig

The purpose of the drilling would be to provide Energy West information necessary to evaluate the coal seam thickness, coal quality, and further characterize the geology of the area's coal reserves. These data are needed for mine plan development. The original proposal (dated March 3, 2005) was to drill six (6) holes. As new coal seam information was revealed and mapped through underground development mining, the company determined the March 3, 2005 plan did not adequately meet their planning needs. As a result, a revised plan (dated May 3, 2005) was submitted, in which (2) hole locations were dropped and three (3) holes were relocated.

The drilling technique would consist of helicopter-assisted wireline coring from the surface to total depth, 1600 to 1800 feet, about 10 to 20 feet below the Hiawatha seam. Cores samples would be obtained from the two potential mineable seams, the Blind Canyon and the Hiawatha seam.

Below is a basic outline of the proposed helicopter assisted drilling project, needed support and decision points:

- The drill rig(s), equipment, and supplies would be transported by truck to the Upper Joes staging area. From there equipment would be flown to each site including a diesel powered water pump, baskets of drill rod, water tanks and other miscellaneous items.
- A Road Use Permit would be obtained prior to commencement of drilling operations for access by FDR 50040 (Cottonwood Canyon), FDR 50017 (Upper Joes Valley), and the secondary helicopter staging area FDR 50245 (Mill Fork Canyon).
- Drill site preparation would include minor digging with hand tools to achieve a suitable area for drill platform placement. Brattice cloth (a sheet of rugged impermeable yellow material) would be temporarily placed on ground at each site prior to equipment placement to protect soils from potential contamination.
- Drilling water would be pumped/gravity fed directly from the un-named drainages located near the drill sites or from a pump located near Indian Creek. The total amount of water necessary for the project is estimated to be 40,000 gallons per hole.
- A Temporary Exchange Application would be filed with the State of Utah, Division of Water Rights. Diversions will be made in accordance with Rule R–645-301-742.3 of the Utah Division of Oil, Gas, and Mining (UDOGM).
- Water and drilling fluid would be captured into portable tubs and re-circulated to eliminate soil and stream contamination.
- Drill cuttings would be collected and removed off USFS administered lands to an approved waste rock site.
- When drilling is complete and the necessary down-hole geophysical data are acquired, holes would be plugged with cement slurry and bentonite per BLM and USFS approved drill hole plugging and abandoning procedures.
- Drilling and other support equipment would be removed via helicopter from the drill sites. Minor reclamation and scarification would be done with hand tools.
- Disturbed areas would be reseeded with approved USFS seed mixture. Any contaminated soil would be removed and taken to an approved waste site off of USFS administered lands.
- As required by the Forest Service, Pacificorp will obtain a Special-Use Permit for the proposed exploration to authorize occupancy of National Forest System lands.

Figure 2 – Location Before Drilling

Figure 3 – Location After Drilling

SITLA, the coal estate owner for the Mill Fork Lease area, has an outstanding right to occupy USFS administered lands for the purpose of exploring for and developing its coal estate. Therefore, authorization of surface occupancy is non-discretionary under Federal Regulations 36 CFR 251. However, the Ranger must issue a special-use permit authorizing surface occupancy of NFS lands and can require mitigations to minimize the effects to other resources in the area.

In addition, the operator must obtain a Road-Use Permit from the Forest Supervisor authorizing commercial hauling on NFS Roads with an appropriate bond and stipulations protect the road surface from degradation.

II. DECISION

I have decided to authorize occupancy of National Forest System lands to conduct the proposed 4 hole helicopter assisted coal drilling project on State Coal Lease ML-48258 by issuing Special-Use and Road Use Permits to EnergyWest Mining (PacifiCorp) subject to terms and conditions of the permits and provisions of the drilling plan as altered by the attached stipulations (Attachment 2).

III. DECISION RATIONALE

This decision was made after careful consideration of the proposal, public involvement, and the entirety of the supporting record. No one fact or single piece of information led to the decision. Rather, a combination of factors contributed to it. The key considerations are discussed in the following sub-parts.

Attainment of Agency Goals:
The general purpose and need for this project is to accomplish the following goal of the Forest Plan: "Provide appropriate opportunities for and manage activities related to locating, leasing, development, and production of mineral and energy resources," (Forest Plan, p. III-4). Another related goal of the

Forest Plan is: "Manage geologic resources, common variety minerals, ground water, and underground spaces (surficial deposits, bedrocks, structures, and processes) to meet resource needs and minimize adverse effects." The Forest Plan, as amended, and Final Environmental Impact Statement are programmatic documents that considered coal development activities in conjunction with other activities on the Manti-La Sal National Forest. The proposal is consistent with all Forest Plan requirements. The total temporary disturbance (occupation) would be less than 1 acre. There will be negligible impacts to surface resources, and surface uses would remain essentially the same.

The effects of coal leasing, reasonably foreseeable coal development activities, and other past, present, and reasonably foreseeable actions were disclosed in the Mill Fork Federal Coal Lease Tract UTU-71307, Environmental Assessment, Lease-by-Application No. 11, 1997. The proposed exploration project is consistent with that analysis.

The decision wholly meets the project's purpose and need. SITLA and the permittee (Pacificorp/ Energy West) have an outstanding right to conduct reasonable exploration drilling within the State coal lease.

Absence of Extraordinary Circumstances:
Existing resource conditions and potential extraordinary circumstances have been considered in making the decisions:

Threatened , endangered and sensitive species or their critical habitat- A Biological Assessment and Biological Evaluation (BA/BE) for this project was prepared and signed on June 30, 2005. It was determined that the project will have no effect on T&E or Sensitive plant, fish or wildlife species or habitat.

There is suitable Northern goshawk (Manti – La Sal Management Indicator Species) nesting and foraging habitat and active goshawks nests were found in the proposed project area during the 2005 survey. The nesting birds could be impacted by originally proposed helicopter flight lines; however the flight lines have been adjusted so that active nest areas would not be impacted. The altered flight lines are documented in the Conditions of Approval (Attachment 2) and must be strictly adhered.

The proposed project would not impact nesting golden eagles or nesting habitat.

Floodplains, wetlands, or municipal watersheds- Very little surface disturbance will occur on each drill site. Floodplains or wetlands are not present in the project area and there will not be an effect to any floodplains or wetland further down in the drainage.

Congressionally designated areas, such as wilderness, wilderness study areas, or National Recreation Areas- There are no wilderness, wilderness study areas, or National Recreation Areas in or around the project area.

Inventoried roadless area- The project area is within the East Mountain Inventoried Roadless Area. Roadless characteristics considered and determined to have no effect include:

- Soil, water and Air resources

- Sources of public drinking water
- Diversity of plant and animal communities
- Habitat for TES and species dependent on large undisturbed areas of land
- Primitive and semi-primitive classes of recreation.
- Reference landscapes for research study or interpretation
- Landscape character and integrity
- Traditional cultural properties and sacred sites
- Other locally unique characteristics.

Research Natural Area- The project area is not located within or near any Research Natural Areas (RNAs).

Native American religious or cultural sites, archeological sites, or historic properties or areas- In accordance with Section 106 of the National Historic Preservation Act, an archaeological evaluation of the proposed project area was conducted by John Senulis of Senco-Phenix Archaeological Consultants and Energy West. Based on the findings of the cultural resource evaluation, consistent with 36 CFR 800.3 and 800.16(y), it was determined by the authorized officer that there is no potential to cause effects based on the following:

- Project area has been inventoried for cultural resources and no sites were found.
- The project area does not threaten to violate a federal, state, local or tribal law or requirement imposed for the protection of the environment.

IV. PUBLIC INVOLVEMENT

Public scoping for the March 3, 2005 plan consisted of sending 30 letters (dated March 14, 2005) to interested parties by mail. Public notices were published in the Emery County Progress and the Sun Advocate (March 15, 2005 publications). After the May 3, 2005 revised plan was submitted, an additional scoping letter was sent to UEC on May 11, 2005.

Public Response: Utah Environmental Congress (UEC) responded to the scoping letter based on the March 3, 2005 and also responded to the additional scoping letter based on the May 3, 2005 plan.

V. FINDINGS REQUIRED BY OTHER LAWS AND REGULATIONS

To the best of my knowledge, the decision complies with all applicable laws and regulations. The association of the decision to some pertinent legal requirements is summarized below:

National Forest Management Act of 1976: The Forest Plan was approved November 5, 1986, as required by this Act. This long-range land and resource management plan provides guidance for all resource management activities in the Forest. The National Forest Management Act requires all projects and activities to be consistent with the Forest Plan. The Forest Plan has been reviewed in consideration of this project. The decision is consistent with the Forest Plan.

Federal Land Planning and Management Act of 1976: The decision is consistent with FLPMA and Forest Service Regulations contained in 36 CFR 250. Operations will not involve disposal of waste materials or unacceptable risks to public safety or forest resources.

National Historic Preservation Act: The proposal would not result in any impacts to cultural or historic resources (Project file).

Endangered Species Act: The Biological Assessment/Biological Evaluation has disclosed that this project will not effect threatened, endangered plant, fish or wildlife species. It was also determined there will be no impact on sensitive plant, fish, and amphibian species.

National Environmental Policy Act: The entirety of documentation for this project supports that the project analysis complies with this Act.

Environmental Justice: Based on experience with similar projects on the Ferron-Price Ranger District, it is believed that this project would not have any disparate impacts on individual groups of peoples or communities. Implementation of this project will produce no adverse effects on minorities, low-income individuals, Native Americans or women. No civil liberties will be affected.

Transportation (Roads Analysis FSM 7712)

A separate project-specific roads analysis was not needed for the following reasons:

- No new roads are needed for this project. Drill sites will be accessed by helicopter.
- Forest Service classified roads will be used for access to helicopter staging areas, however, no road improvements will be necessary.
- Classified roads serving the project area were assessed in the Forest Scale Roads Analysis, which calls for retention of the roads proposed for use to support this project.

VI. IMPLEMENTATION DATE AND APPEAL OPPORTUNITY

It is my determination that this decision may be categorically excluded from preparation of an Environmental Assessment (EA) or Environmental Impact Statement (EIS) under Forest Service Handbook 1909.15, Chapter 30, Section 31.2(3) "Approval, modification, or continuation of minor special use of National Forest System lands that require less than five contiguous acres of land." This category was determined appropriate because impacts to the area affected by this decision are short-term with little ground disturbance.

My decision will be implemented via transmittal of a concurrence letter to UDOGM with terms and conditions (Attachment 2). A Special Use Permit and Road Use Permit, with terms and conditions needed to protect non-mineral resources, will be issued to Energy West Mining Company to authorize access to and surface occupancy of National Forest System lands in the Utah State Coal Lease ML-48258. Implementation of the decision may occur immediately upon my signature of this document and issuance of the required permits.

This decision is subject to appeal pursuant to 36 CFR 251.82. Notice of appeal must be postmarked or received by the Appeal Reviewing Officer within 45 days of the date of this decision. A notice of appeal, including the reasons for appeal, must be filed with the Regional Forester, Intermountain Region, Federal Building, 324 25th Street, Ogden, Utah 84401. A copy of the notices must be filed simultaneously with the Forest Supervisor, Manti-La Sal National Forest, 599 West Price River Drive, Price, Utah 84501. Appeals must meet the content requirements of 36 CFR 251.90.

VII. CONTACT PERSON

For additional information concerning the Forest Service decision, please contact Tom Lloyd at the USDA Forest Service, Manti-La Sal National Forest (address: 115 West Canyon Road, P.O. Box 310, Ferron, Utah 84523; telephone: (435-636-3596).

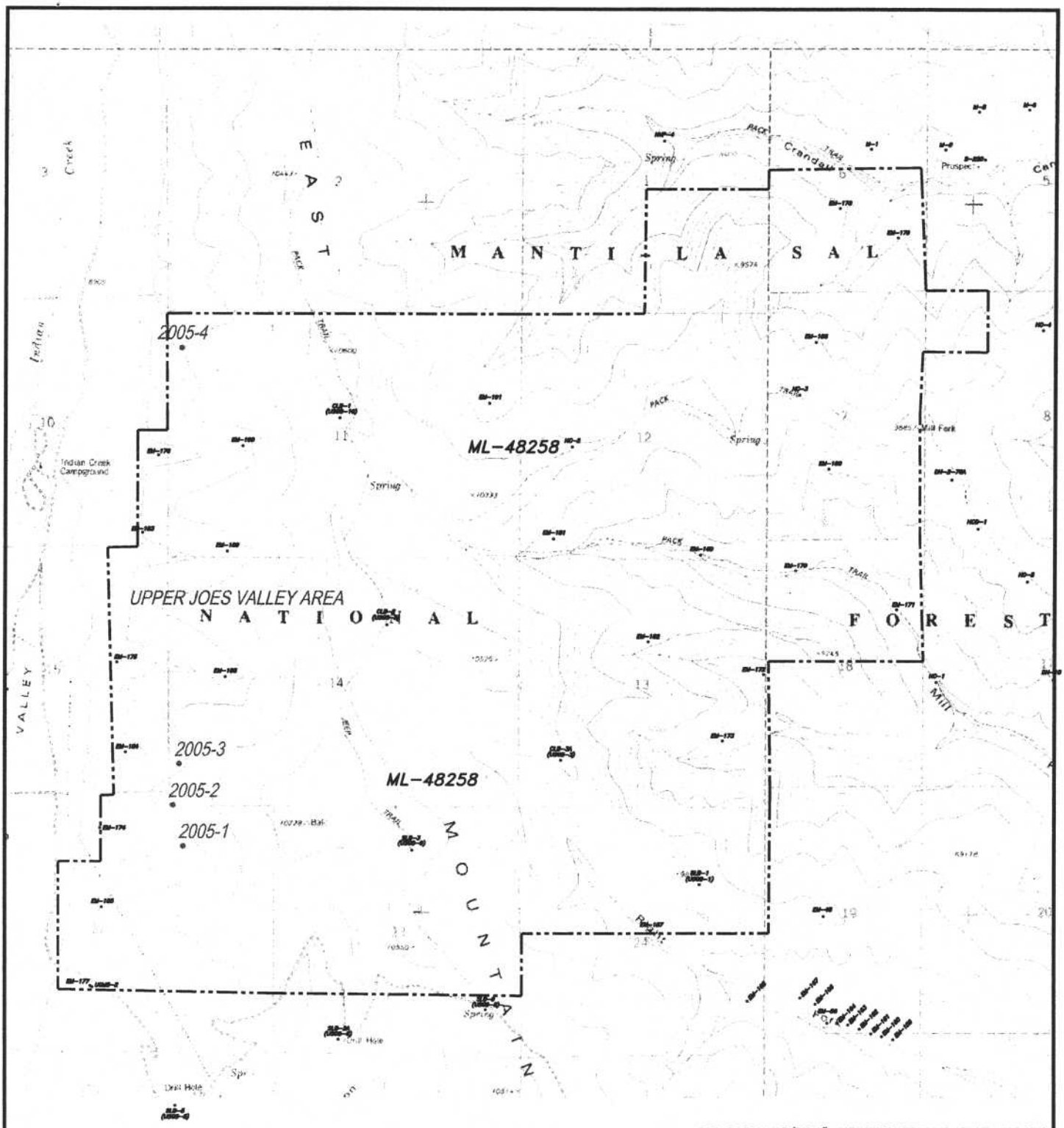
VIII. SIGNATURE AND DATE

for Rod Plym

ALICE B. CARLTON
Forest Supervisor

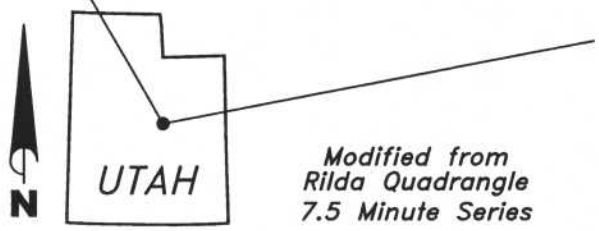
7/7/2005
Date

Attachments: (#1) Map (#2) Stipulations



CAD FILE NAME/DISK#: MF-2003-DRILLING-BASE-MAP.DWG

2005-1 Proposed 2005 Drilling Plan



Modified from
Rilda Quadrangle
7.5 Minute Series

ENERGY WEST
MINING COMPANY
HUNTINGTON, UTAH 84528

2005 COAL EXPLORATION
UTAH STATE COAL LEASE ML-48258
GENERAL LOCATION MAP

DRAWN BY:	K. LARSEN	....	
SCALE:	1" =3000'	DRAWING #:	
DATE:	MAY 3, 2005	SHEET 1 OF 1	REV. ___

Attachment 1

ATTACHMENT 2

Conditions of Approval

PacifiCorp-Energy West Exploration 2005
Special Use Permit for Helicopter Assisted Drill Hole on State of Utah
Lease # ML-48258 (Mill Fork)

1. A pre-work meeting including the responsible company respresentative(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.

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. 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.

6. 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.

7. 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 Arrestor Guide, April, 1989". In addition, all electrical equipment must be properly insulated to prevent sparks.

8. 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.

9. Operations are subject to Forest Service fire restrictions and the Forest Service reserves the right to suspend operations during periods of high fire potential.

10. 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. The operator shall assure that continuous stream flow is maintained below take out points at each source of water to minimize impact to wildlife, and livestock.

11. Unauthorized off-road vehicular travel is prohibited.

12. 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.

13. 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.

14. 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.

15. Operations must be coordinated with grazing permittees to prevent conflicts. Range permittees must be notified of operations at least one week prior to starting drilling operations.

16. Harrassment of wildlife and livestock is prohibited.

17. Drill pads will be designed to prevent soil contamination by placing brattice or other similar material on the ground prior to placement of equipment. Only minor digging with hand tools is authorized for site preparation.

18. An acceptable spill containment/spill removal contingincy plan must be submitted to the Forest Service prior to commencement of opertations. MSDS sheets required on site for fuel, oils, and drilling additives.

19. All drilling fluids, mud and cuttings must be contained on the project site in portable containers and removed to an approved site as part of reclamation. No fluids will be discharged or dumped into streams or onto the ground.

20. During the drilling operations all trash, garbage and other refuse must be properly contained on the project site prior to disposal at authorized sites.

21. All significant water encountered during drilling must be reported to the Forest Service, including the depth and formation at which it was encountered, and an estimate of the flow.

22. If any of the drill holes encounter artesian groundwater flow, the District Ranger must be notified prior to plugging the hole to determine whether or not the Forest Service would elect to establish a permanent water development at the site.

23. All drill holes must be plugged in accordance with Federal and State regulations.

24. The operator must remove all drilling equipment, trash, garbage, flagging, vehicles and other materials from National Forest System lands as part of reclamation. Oil and fuel contaminated materials including contaminated soils and gravel must be removed and transported to approved location.

25. Drill rigs and heavy equipment (not including water trucks) must not be transported over National Forest System roads during the opening weekend of the general elk hunt nor during the opening weekend of the general deer hunt and during holiday weekends (Friday through Monday for Federal Holiday weekends and Friday through Sunday for the opening weekends of the hunts).

26. Drill Sites must be reclaimed upon hole completion scarification and reseeding. Exceptions require Forest Service approval.

27. Seeding will be done with the following certified seed mix:

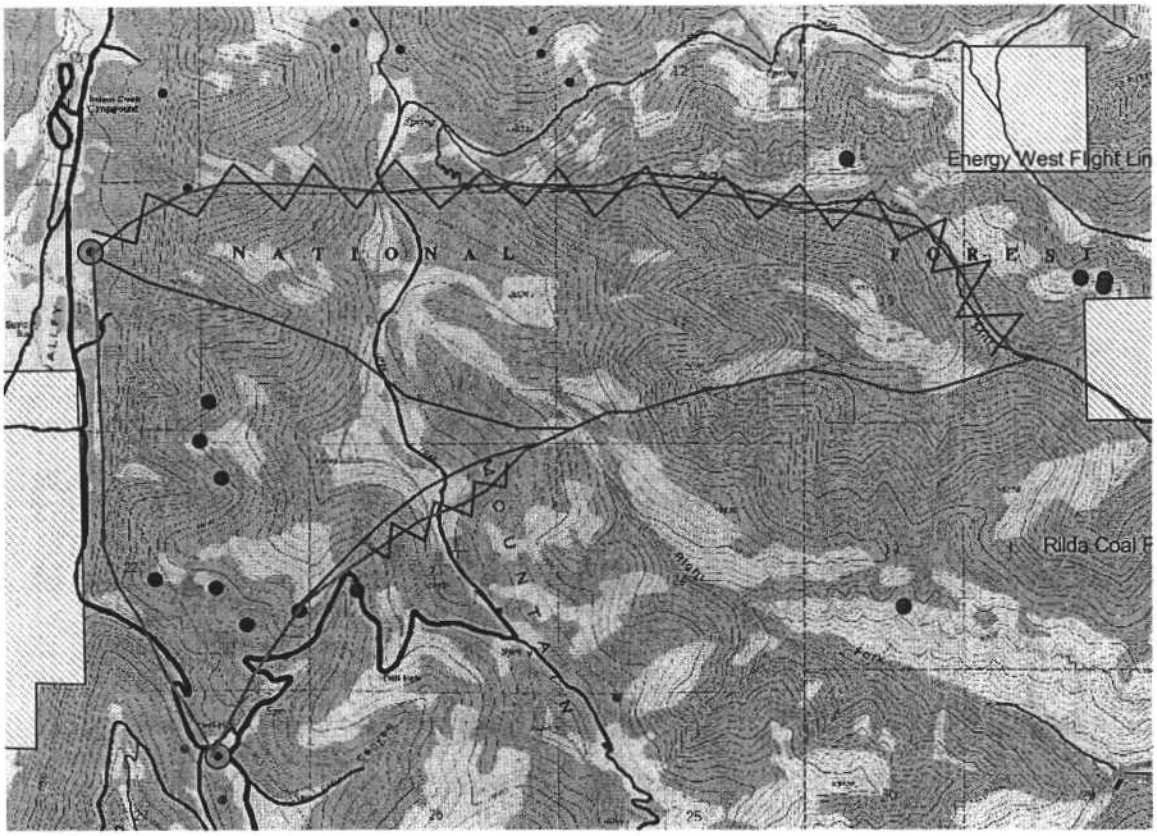
Basic Mix:		lbs./acre
Mountain Brone (Bromus carinatus)		3.0
Slender wheatgrass (Elymus trachycaulus)		3.0
Sandbergs Blue Grass		1.0
Columbia Needle Grass		1.0
Blue Wild Rye (Elymus Glenus)		1.0
Pacific aster (Aster chilensis)		0.2
Total		9.2

The certified weed-free seed mixture must be 99 percent pure live seed containing a maximum of 1% weeds none of which are noxious.

28. 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.

29. The operator will be held responsible for control of noxious weed infestations found to be a result of this drilling operation. Vehicles and drilling equipment are to be cleaned prior to entering National Forest System lands.

30. Helicopter flight lines must be adhered to and the quantities of flights must be minimized. Flights are to keep a safe (one half mile) distance from active raptor nest.



- Area map, Altered flight lines

31. Stipulation for Lands of the National Forest System Under Jurisdiction of the Departmenmt 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 Service 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: Mesia Nyman
Ferron/Price Ranger District
at: Manti-La Sal National Forest
115 West Cany Road,
Box 310
Ferron, Utah 84523

Telephone No. (435) 384-2372

who is the authorized representative of the Secretary of Agriculture.