



State of Utah
Department of
Natural Resources

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Division of
Oil, Gas & Mining

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Governor

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Lieutenant Governor

June 27, 2005

Chuck Semborski, Environmental Supervisor
Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528

Subject: Conditional Approval of Letter Of Intent to Conduct Minor Exploration, PacifiCorp, Deer Creek Mine, C/015/018, Task ID #2177, Outgoing File

Dear Mr. Semborski:

PacifiCorp originally submitted an exploration plan in March 2005 to drill a total of six exploration holes within the Mill Fork Coal Lease ML-48258 in 2005. However, development mining in the Mill Fork Lease intercepted a complex series of rock splits that required revision of the exploration plan to assist in the interpretation of the geology. PacifiCorp now proposes to reduce the total number of exploration holes from six to four. The plan is formatted to follow the applicable portions of Coal Exploration Rules R645-200 through R645-203.

The helicopter supported drilling is planned for July 15 to August 15 2005. The Permittee anticipates completing all drilling and reclamation activities associated with this project within 60 days following the date of implementation.

State Institutional Trust Lands Administration (SITLA) agreed to the proposed action to conduct exploration drilling on ML 48258 (Mill Fork Lease). SITLA received a \$50,000 bond from Energy West Mining Company to ensure reclamation of the drill site. All drilling reports, logs and coal resource analysis relating to this project must be submitted to SITLA at the conclusion of the drilling operation.

This exploration project is conditionally approved. PacifiCorp must obtain a Special Use Permit and Road Use Permit from the Manti La Sal National Forest prior to exploration activities.

file In C 0150018 Outgoing
Date: 062705, Refer to:

- Confidential
- Shelf
- Expandable

For additional information

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Chuck Semborski
June 29, 2005

If you have any questions, please call me at (801) 538-5268 or
Stephen J. Demczak at (435) 613-1146 ext. 202.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

Enclosure
cc: Alice Carlton, Manti-La Sal National Forest
Tom Faddies, SITLA
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