

**From:** "Semborski, Chuck" <Charles.Semborski@PacifiCorp.com>  
**To:** "Wayne Hedberg" <waynehedberg@utah.gov>  
**Date:** 3/13/2006 1:32:49 PM  
**Subject:** RE: February 14, 2006 - Mill Fk. NOI to Conduct Minor Exploration ( Amended drilling date)

If you need anything more let me know.

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Energy West Mining Company  
P.O. Box 310  
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-----Original Message-----

From: Wayne Hedberg [mailto:waynehedberg@utah.gov]  
Sent: Friday, March 10, 2006 8:43 AM  
To: Semborski, Chuck  
Cc: Pam Grubaugh-Littig; Steve Demczak  
Subject: February 14, 2006 - Mill Fk. NOI to Conduct Minor Exploration ( Amended drilling date)

Chuck,  
I appreciate the phonecall you made to me regarding this notice earlier this week. Would you please send us another copy of this letter with the colored map attachment. Steve Demszak emailed a copy (black and white) a couple days ago, but I haven't been able to locate the original you sent to our office. I'm not sure what happened to it, but we have no record of receiving it.  
Thanks a lot,  
Wayne

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February 14, 2006

John Blake  
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Mr. Tom Lloyd, Geologist  
U.S. Forest Service  
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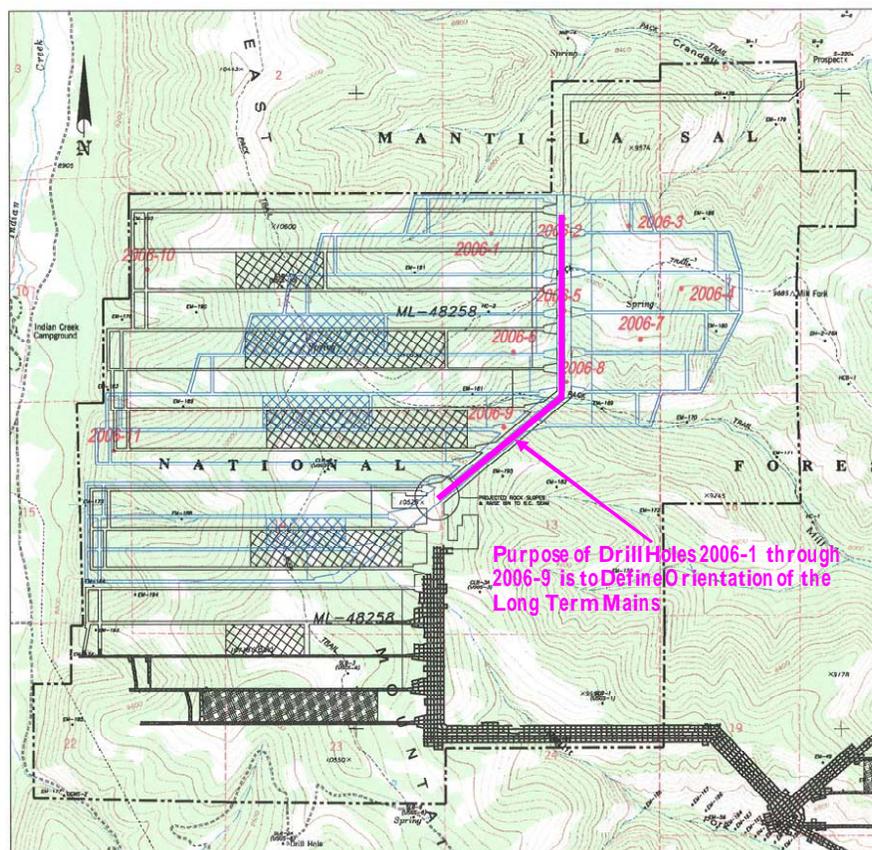
**RE: NOTICE OF INTENTION TO CONDUCT MINOR COAL  
EXPLORATION - UTAH STATE COAL LEASE ML-48258;  
PACIFICORP, ENERGY WEST MINING CO., EMERY COUNTY, UTAH**

PacifiCorp, by and through its wholly-owned subsidiary, Energy West Mining Company ("Energy West") as mine operator, submitted an Notice of Intention to Conduct Minor Coal Exploration - Utah State Coal Lease ML-48258 on October 14, 2005. The proposed drill sites are located within the current Utah State Coal Lease ML-48258, in Section 7, Township 16 South, Range 7 East and Sections 11, 12, 13, and 15, Township 16 South, Range 6 East, Salt Lake Base and Meridian. Drilling will occur on lands in which the surface is administered by the U.S.D.A. Forest Service (USFS) and the subsurface by the State of Utah.

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As stated in the Notice of Intention to Conduct Minor Coal Exploration plan, Energy West proposed initiating exploration activities on July 15, 2006. With this notification, Energy West hereby requests modifying the startup to May 15, 2006.

As shown on the following figure, the purpose for drilling drill holes 2006-1 through 2006-9 (shown in red, example 2006-1) is to define the orientation of the long term mains in both the upper seam – Blind Canyon (mine layout in cyan) and lower seam - Hiawatha (mine layout in black). These are our priority drill sites for 2006. Proposed drill hole locations 2006-10 and 11 are lower priority in scheduling and may or may not be drilled this year depending on budgetary constraints. Energy West proposes utilizing two drill rigs simultaneously to minimize the duration of the project.



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Based on previous exploration programs, the proposed mine plans for each seam have been developed based on the extent of the reserve base for each seam. Placement of the long term stacked mains (Blind Canyon mine workings superimposed directly over the Hiawatha mine workings) is currently dictated by the reserve margin in the Hiawatha seam. Mining in the Blind Canyon will reach the mains intersection pivot point by September 2006. To develop mine plans for each seam which maximizes economic recovery, additional information is required to prior to September 2006. Modifying the startup date to May 15, 2006 will allow Energy West the necessary time to conduct the exploration program, evaluate the data and adjust the mine plans to accommodate the reserve base for each seam.

Over the past ten years, Energy West has successfully utilized helicopter supported drilling in and adjacent to the Mill Fork Lease in remote areas where road construction was not feasible. We believe that the techniques developed in these ten years enable us to perform this exploration work with little to no effect on wildlife or the environment. Startup dates for the various programs in years past have varied from as early as May 29<sup>th</sup> in 2003 to as late as July 15<sup>th</sup> in 2001. Energy West has strategically selected the proposed drill hole locations to minimize environmental impacts and to maximize geologic data. As outlined in the Notice of Intention, no site preparation (building roads or drill pads) will be necessary. Energy West goes to great extents to minimize environmental impacts, including selecting minimal impact drilling techniques, developing flight paths to minimize impacts to raptors, protecting existing vegetation with a protective cover, selecting drill equipment that can be leveled without excavating the ground, and complete cleanup and reclamation of drill sites. In addition to the environmental commitments listed above, Energy West commits to assisting the regulatory agencies in evaluating the potential impacts to wildlife associated with short duration helicopter assisted coal exploration, if any. We believe the environmental advantages offered by this exploration technique justify the May 15 start date.

Energy West stresses the startup date of May 15<sup>th</sup> is necessary to evaluate the geologic setting and to determine the long term mine plan layout of the Deer Creek Mine. Your timely action on this request is appreciated.

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

Thank you for your assistance in this matter.

Sincerely,

Charles A. Semborski  
Charles A. Semborski  
Manager Geology/Permitting

cc: Steve Demczak, (DOGM-PriceOffice) w/end.  
Chris Colt, (DWR) w/end.  
Don Stephens (BLM) w/end.  
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