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PO Box 310  
Huntington, Utah 84528

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DIV. OF OIL, GAS & MINING

April 28, 2006

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

**RE: NOTICE OF INTENTION TO CONDUCT MINOR COAL EXPLORATION -  
UTAH STATE COAL LEASE ML-48258; TASK ID #2362, 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, hereby submits three (3) copies of the revised Notice of Intention to Conduct Minor Coal Exploration - Utah State Coal Lease ML-48258. Revisions to the plan address the deficiencies cited in the Minor Exploration Analysis and Findings dated February 2, 2006.

The attached document attempts to answer the deficiencies in the order they were received. The Division's findings will be first listed by regulation and explanation. Energy West will follow by a response in *italics*.

Accompanying this letter and deficiency responses are clean copies of the following information:

- ✓ Text section of the plan (three copies)
- ✓ Supplemental Information
  - Division of Water Rights: Temporary Change Application Approval
- ✓ Confidential Envelope
  - Cultural resource report stamped "Confidential"
  - Raptor nest location map stamped "Confidential"
  - Raptor nest location map with 1/2 mile buffer stamped "Confidential"

\*Note: please remove/discard raptor location maps located within the original submittal.

Huntington Office:  
(435) 687-9821  
Fax (435) 687-2695  
Purchasing Fax (435) 687-9092

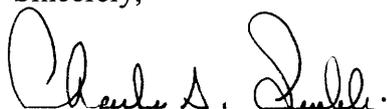
Deer Creek Mine:  
(435) 687-2317  
Fax (435) 687-2285

**April 28, 2006**  
**Division of Oil, Gas and Mining**  
**Notice of Intention to Conduct Minor Coal Exploration**  
**Page Two**

Hopefully, the changes made to Minor Coal Exploration plan will address concerns document in the technical analysis. 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  
Geology/Permitting Supervisor

Enclosures    Text section of the plan  
                  Supplemental Information  
                  Confidential Envelope

cc:    File

The following responses to deficiencies are formatted as found in the technical analysis document. They are broken down into logical section headings similar to the R645 regulations. In each section, the regulation number along with the associated deficiency is followed by the permittee's italicized response.

## **Drilling Plan**

### **Deficiency:**

**R645-201-200.223**, The permittee must remove or relocate, to a Confidential Binder, the site-specific description of 42EM856 provided on page 4-5.

### *Response:*

*The reference cited above is related to Deer Creek Mine Volume 12 Mill Fork Lease: Land Use Section and is not applicable to the Minor Exploration submittal. Energy West has amended the Land Use section of Volume 12 in a separate amendment.*

### **Deficiency:**

**R645-201-200.223**, The permittee must include a description of the goshawk habitat within the project area as well as any relative information.

### *Response:*

*Section R645-202-200. Performance Standards 230 Operational Standards.231 Non-Disturbance of Habitats has been updated to include the following:*

*In recent years the surface management agency (Forest Service) has expressed concern related to potential impacts to the Northern Goshawk (management indicator species for the Manti-La Sal National Forest). As stated in the: State of Utah School and Institutional Trust Lands Administration (SITLA) Access Road on East Mountain Final Environmental Impact Statement prepared by the Forest Service (page 76), Goshawk nest sites are usually located in dense, mature forests with relatively large trees, near water, and on benches of relatively little slope. On page 78 the Final Environmental Impact Statement states that, "In order to reduce potential direct impacts to the goshawk, known goshawk territories will be monitored prior to implementation of project activity. If a territory is active, no project related activity would occur within a 30-acre buffer around the active nest between March 1 and September 30. In addition, no construction, drilling activity or commercial traffic will be allowed within 0.5 mile of an active goshawk nest between March 1 and August 15, unless a Forest Service biologist determines that the activity would not likely lead to nest abandonment or reduce survival potential for fledglings.*

*In past drilling activities associated with the Mill Fork lease, Forest*

*Service biologist have identified two active goshawk territories. Proposed drilling activities and associated flightlines for 2006 have been situated to minimize potential impacts to the goshawk territories. In 2003 Energy West was allowed to initiate drilling activities in late May due to the continuing drought experienced in Central Utah. Exploration activities (drill hole locations and flightlines) proposed for in 2006 are in the same vicinity as the 2003 project.*

**Deficiency:**

**R645-201-200.223**, The permittee must relocate to a Confidential folder the site-specific description of raptor nest provided on the 2006 Raptor Location map

*Response:*

*Energy West has revised the text section of the drilling plan removing the site-specific descriptions of the raptor nest. Raptor information is included in an separate envelope stamped "Confidential".*

**Deficiency:**

**R645-201-200.225**, The Division requests that the Permittee confirm that these holes or staging area are not within 0.5 mile buffer zones.

*Response:*

*Energy West has provided a copy of the Raptor Nest Locations with a 0.5 mile buffer zone at each nest site. As stated in the drilling plan "Raptor activity in Mill Fork Area will be evaluated during the 2006 survey scheduled for May 18, 2006. PacifiCorp proposes to commence helicopter supported drilling operations on July 15, 2006. To further reduce potential raptor impacts, all non-essential flights will be conducted at 1000 feet above ground level. All proposed drill sites are outside the 1/2 mile buffer zones of known nest active in 2005. The secondary staging area located in Mill Fork is near nests 80 and 81. As stated previously, all helicopter drilling activities will be initiated on July 15, 2006".*

**Deficiency:**

**R645-201-200.235**, The applicant must show necessary proof of obtaining water rights to conduct drilling in the exploration area.

*Response:*

*Energy West has enclosed a copy of the approved temporary change application.*

**NOTICE OF INTENTION TO CONDUCT  
MINOR COAL EXPLORATION  
UTAH STATE COAL LEASE ML-48258**

**OCTOBER 2005**

**(Revised April 28, 2006)**

C/O Interwest Mining Company  
(Managing Agent)



Energy West Mining Company  
(Mine Operator)



**NOTICE OF INTENTION TO CONDUCT  
MINOR COAL EXPLORATION  
UTAH STATE COAL LEASE ML-48258**

**OCTOBER 2005  
(Revised April 2006)**

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- 2006 COAL EXPLORATION - AERIAL PHOTOS (Crandall Canyon 1 Photo, Mill Fork Canyon - 2 Photos, Upper Joes Valley - 2 Photos)
- 2006 COAL EXPLORATION - SURFACE OWNERSHIP MAP
- 2006 COAL EXPLORATION - COAL OWNERSHIP MAP
- 2006 COAL EXPLORATION - RAPTOR LOCATIONS, FLIGHT PATHS AND STAGING AREAS MAP (Refer to separate Confidential envelope)
- 2006 COAL EXPLORATION - WATERLINE AND PUMP LOCATION MAPS

**NOTICE OF INTENT TO CONDUCT  
MINOR COAL EXPLORATION  
UTAH STATE COAL LEASE ML-48258**

**R645-200. Coal Exploration: Introduction.**

PacifiCorp proposes to drill up to a total of eleven (11) coal exploration holes within the Mill Fork Coal Lease ML-48258 in the year 2006. For ease of reference, this plan follows the format of the applicable portions of the Utah Division of Oil, Gas, and Mining (hereinafter referred to as "the Division") rules (R645-200 through R645-203) regarding Coal Exploration.

**R645-200-100. Scope. (Minor Coal Exploration):**

- 122. Minor Coal Exploration.** PacifiCorp intends to drill eleven (11) 3" diameter core holes that will intercept 1 or more coal seams each. The exploration will occur on a designated Utah state coal lease (ML-48258). Less than 250 tons of coal will be removed. PacifiCorp is hereby filing a Notice of Intention to Conduct Minor Coal Exploration under the requirements of R645-201-200.

**R-645-200-200. Responsibilities.**

- 210. Responsibility to Comply with Regulations.** PacifiCorp will comply with the requirements of R645-200 through R645-303.
- 220. Responsibility of the Division to Review and Reply.** The Division will receive and review this Notice of Intention to Conduct Minor Coal Exploration. The Division will review and reply within 15 days.
- 230. Responsibility of the Division to Coordinate with Other Agencies.** The Division will coordinate review of this Notice with the other appropriate government agencies (SITLA, U.S.D.A. Forest Service, BLM, OSM, etc.). PacifiCorp will provide enough copies of this notice to the Division for distribution to these agencies.

**R645-201. Coal Exploration: Requirements for Exploration Approval.**

**R645-201-100. Responsibilities for Coal Exploration Plan Review.**

- 110. Coal Exploration Plan Review, Responsibility of Division.** The lands on which this exploration will be conducted, being a state coal lease issued to PacifiCorp, are not subject to 43 CFR Parts 3480-3487. Therefore, exploration plan review will be the responsibility of the Division.
- 120. Requirements of 43 CFR 3480-3487.** N.A.

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- 130. Division Responsibility to Coordinate with Other Agencies.** This Notice of Intention to Conduct Minor Coal Exploration and Drilling Plan will be submitted to the Division as the lead agency for review and approval.

**R645-201-200. Notices of Intention to Conduct Minor Coal Exploration.**

- 210. Division Review Requirement.** Notices of Intention to Conduct Minor Coal Exploration where 250 tons or less of coal will be removed require Division review prior to conducting exploration. PacifiCorp is submitting this Notice to the Division in October of 2005, allowing the Division and other agencies time to review and approve the Notice before exploration activities begin on July 15, 2006.
- 220. Required Applicant Information.** This Notice of Intention to Conduct Minor Coal Exploration is required to include the following pertinent information.

**221. Name, Address, and Telephone Number of Applicant:**

**APPLICANT:**

PacifiCorp  
One Utah Center  
201 South Main, Suite 2100  
Salt Lake City, Utah 84140-0021  
(801)220-4612

**OPERATOR:**

Energy West Mining Company  
15 North Main Street  
Huntington, Utah 84528  
(801)687-9821

**NOTICE OF INTENT TO CONDUCT  
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**222. Name, Address, and Telephone Number of the Applicant's Representatives:**

**RESPONSIBLE REPRESENTATIVE:**

Chuck Semborski or Ken Fleck  
Energy West Mining Company  
15 North Main Street  
P.O. Box 301  
Huntington, Utah 84528  
(435)687-4720  
(435)687-6638

**223. Description of Exploration Area.** Narrative and map describing the exploration area and indicating where exploration will occur:

**PROPOSED EXPLORATION AREA:**

The proposed drill holes are located within the current Utah State Coal Lease ML-48258, in Sections 7, 11, 12, 13, and 15, Township 16 South, Range 6 East, Salt Lake Base and Meridian. The 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 (see accompanying maps entitled Mill Fork Coal Lease - Coal Exploration - General Location Maps, Aerial Photos, Surface Ownership Map, Coal Ownership Map, Waterline and Pump Location Map).

The proposed holes will be drilled in Crandall Canyon, Mill Fork Canyon and in Upper Joes Valley. Sites 2006-1 through 2006-3 are located in Crandall Canyon, sites 2006-4 through 2006-9 area located in Mill Fork Canyon, and sites 2006-10 and 2006-11 are located in Upper Joes Valley near the Indian Creek Campground. All eleven sites will be located at or above the Castlegate Sandstone. Access to these locations will be from Upper Joes Valley and/or Mill Fork staging areas (see Raptor Locations, Helicopter Flight Paths and Staging Areas map).

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Table 1. Mill Fork Coal Lease Proposed Drilling for 2006:

HOLE NUMBER	LOCATION	ELEVATION (Feet)	DEPTH (ft)	SURFACE OWNERSHIP	COAL OWNERSHIP
2006-1	970' South, 1185' East of the NW Corner of Sec. 12, T. 16S., R. 6E.	9210'	1220'	USFS	State Coal Lease ML-48258
2006-2	610' South, 2350' West of the NE Corner of Sec. 12, T. 16S., R. 6E.	9490'	1550'	USFS	State Coal Lease ML-48258
2006-3	810' South, 760' West of the NE Corner of Sec. 12, T. 16S., R. 6E.	9520'	1600'	USFS	State Coal Lease ML-48258
2006-4	2545' North, 495' East of the SW Corner of Sec. 7, T. 16S., R. 7E.	9580'	1650'	USFS	State Coal Lease ML-48258
2006-5	2430' North, 2345' West of the SE Corner of Sec. 12, T. 16S., R. 6E.	9620'	1650'	USFS	State Coal Lease ML-48258
2006-6	1455' North, 1720 East of the SW Corner of Sec. 12, T. 16S., R. 6E.	9660'	1650'	USFS	State Coal Lease ML-48258
2006-7	1760' North, 505' West of the SE Corner of Sec. 12, T. 16S., R. 6E.	9570'	1625'	USFS	State Coal Lease ML-48258
2006-8	730' North, 2305' West of the SE Corner of Sec. 12, T. 16S., R. 6E.	9040'	1100'	USFS	State Coal Lease ML-48258
2006-9	355' South, 1490' East of the NW Corner of Sec. 13, T. 16S., R. 6E.	9460'	1450'	USFS	State Coal Lease ML-48258
2006-10	1810' South, 435' East of the NW Corner of Sec. 11, T. 16S., R. 6E.	9490'	1550'	USFS	State Coal Lease ML-48258
2006-11	1145' South, 415' West of the NE Corner of Sec. 15, T. 16S., R. 6E.	9425'	1480'	USFS	State Coal Lease ML-48258

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**224. Period of Intended Exploration:**

**PROJECT STARTUP DATE:**

**Helicopter Supported Drill Holes 2006 1-11            July 15, 2006**

**PROJECT COMPLETION DATE:**

**August 30, 2006**

It is anticipated that all drilling and reclamation activities associated with this project will be completed within 60 days following the date of implementation.

**225. Method of Exploration.** 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 in accordance with R645-202:

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 on existing roads (see Raptor Locations, Flight Paths and Staging Areas Map).

Pre-Work Meeting:

A pre-work meeting including the responsible company representatives, contractors, State of Utah Institutional Trust Lands Administration, and the Forest Service will be conducted at the project location prior to commencement of operations.

Drill Methods & Procedures: Three inch maximum diameter holes will be core or rotary drilled the entire length to the approximate depths stated previously in the drill hole location and depth table. Drilling depth will be sufficient to accomplish penetration through both the Blind Canyon and Hiawatha coal seams, and to enter the Star Point Sandstone. The drilling will be done by a drilling contractor(s) experienced in helicopter supported drilling. The drills used are diesel powered rotary drill rigs mounted on 6' x 8' skids. Drilling will utilize water and, as

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necessary, a biodegradable polymer drilling "mud" such as MINEX 1330 (MSDS available upon request).

The following support equipment will be required:

- 3 pickup trucks: stationed at the staging area
- 1 Flatbed semi-trailer for mobilization/de-mobilization of the drill rig
- 1 Lama helicopter and support truck
- 1 Storage trailer to be stationed at the staging area

The drill rig components and associated materials, tools and equipment will be transported by truck to the helicopter staging areas indicated on the accompanying map. The tools and materials and personnel necessary for site preparation will be transported to the drill site by helicopter. Site preparation will include removal of dead-fall and brush as necessary. Minor digging, using hand tools, may be necessary at some locations to achieve effective placement of the leveling support materials (wood blocks, etc.). Brattice or other similar material will be placed on the ground beneath the drill rig. The drill rig is made up of several components which will be transported to the site by helicopter in several "lifts". The drill rig components will then be assembled at the drill site, the rig will be leveled and other necessary materials will be flown to the site.

Drill Hole Access and Pad Construction:

No access road or pad construction will be necessary for the proposed project. 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 sites are relatively level (30 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.

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A 1" diameter high-pressure hose will be laid overland from the pump stations to each drill site. This will be accomplished by hand and/or helicopter. No clearing of vegetation will be necessary for placement of the water hose. Existing openings among the trees will be utilized for water line placement. No vegetation clearing will occur at the water tank/pump sites or the helicopter staging areas. Activities will be confined to the existing roads in Cottonwood Canyon, Mill Fork Canyon and Indian Creek. The necessary approvals will be obtained from the U.S. Forest Service for activities associated with the respective roads.

Amount of Coal to be Removed: As previously discussed, a 3" maximum diameter hole will be core or rotary drilled for the entire depth of the hole. The hole will penetrate through both the Blind Canyon and Hiawatha coal seams. The core and/or cuttings will be examined to determine coal seam characteristics. This will result in approximately a maximum of 20 pounds of coal being removed per hole, with a total of about 220 pounds removed for study and analysis.

Practices to Protect from Adverse Impacts and to Reclaim the Area: 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.

In order to minimize impacts to wildlife, particularly raptors, all non-essential helicopter flight paths will be 1,000 feet above terrain whenever possible between landing zones or drill sites.

Fire Suppression Equipment:

All gasoline and diesel powered equipment will be equipped with effective mufflers or spark arresters which meet applicable Forest Service specifications. Fire suppression equipment will be available to all personnel working at the project site. Equipment will include at least one hand tool per crew member consisting of shovels and pulaskis and one properly rated fire extinguisher per vehicle and/or combustion engine.

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Fuel and/or lubricating oil containers not stored in a truck will be placed on brattice or other acceptable ground cover at a site located away from drainage channels and surrounded by brattice, earthen berm or other acceptable containment structure. If spills occur, clean-up will be conducted as stated above.

Access by personnel associated with the drilling project will be via vehicle or helicopter to Mill Fork Canyon and Indian Creek and by foot to the drill site. Therefore, no additional access facilities will be constructed.

Following completion of drilling and cementing of the hole, the drill rig and all associated equipment and materials will be removed by helicopter to the helicopter staging areas and transported from the area by vehicle. The water hose, tanks and pumping station and all associated materials and equipment will be removed. All trash and extraneous materials will be removed from the US Forest Service property and disposed of at an approved location. The sites will be reclaimed by: 1) Removing all trash, cuttings, and contaminated soil. 2) Recontouring site to original contour, and 3) Re-seeding with the approved seed mix, and scattering deadfall over the site.

**R645-202. Coal Exploration: Compliance Duties.**

**R645-202-100. Required Documents.**

“Each person who conducts coal exploration which substantially disturbs the natural land surface will, while in the exploration area, have available a copy of the Notice of Intention to Conduct Minor Coal Exploration...for review by an authorized representative of the Division upon request.”

**Road Use Permits:**

The Forest Service will be notified 48 hours in advance that heavy equipment will be moved onto National Forest System lands and that surface disturbing activities will commence.

Mill Fork Canyon (U.S. Forest Development Road #245): Prior to drilling, Energy West will obtain a permit from the U.S. Forest Service for the helicopter staging area located along U.S. Forest Service Road #245 in Section 21, Township 16 South, Range 7 East.

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*Cottonwood Creek (U.S. Forest Development Road #040):* Prior to drilling, Energy West will obtain a permit from the U.S. Forest Service for the helicopter staging area at the head of Cottonwood Canyon (Flat Canyon), and for use of U.S. Forest Service Road #040 in Sections 22, 27, 35, Township 16 South, Range 6 East and Sections 2,3, 10, 11, 14, 23, 24 and 25, Township 17 South, Range 6 East.

*Indian Creek (U.S. Forest Development Road #017):* Prior to drilling, Energy West will obtain a permit from the U.S. Forest Service for the helicopter staging area located along the east side of U.S. Forest Service Road #221 in Section 15, Township 16 South, Range 6 East.

**Special Use Permit:**

As required by the U.S. Forest Service, PacifiCorp will apply for a Special-Use Application (Form 2700-3) for the proposed exploration. Each drill site will occupy approximately 0.04 acre for a total area of use of approximately 0.44 acres.

**Archeological Information:**

The proposed locations in Crandall and Mill canyons are located on the eastern flank of East Mountain, whereas the Upper Joes Valley sites located on the western flank of East Mountain above Indian Creek. As detailed in the previous section, no earthwork or excavation is necessary utilizing helicopter supported drilling techniques.

As required by the U.S.D.A. Forest Service for the 2005 drilling program, PacifiCorp contracted EarthTouch, LLC. (Scott Billat) to conduct a file search for the proposed 2006 drilling activities. The file search was completed on February 27, 2006 (EarthTouch Cultural Resource Rpt. No. 06-05). As stated in the report, no known sites are situated at the proposed drill locations. Findings of the file search were transmitted to the Forest Service on March 1, 2006. In addition, a copy of the report stamped "confidential" has been transmitted to the Division of Oil, Gas and Mining to document the findings of the report.

In the unlikely event that cultural or paleontological resources are discovered during operations, all operations which may result in disturbance to the resources will cease and the Forest Service will be notified as soon as possible of the discovery.

PacifiCorp will make sufficient copies of all coal exploration permit documents, including the Notice of Intent, the Forest Service drilling stipulations, and all applicable road use, special use, and other permit documents at each drill site, and in each field vehicle used during the exploration program, for the duration of the program.

*October 2005  
(Revised April 28, 2006)*

*PacifiCorp*

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**R645-202-200. Performance Standards.**

- 210. Requirements of the State Program.** All coal exploration and reclamation operations which substantially disturb the natural land surface will be conducted in accordance with the coal exploration requirements of the State Program, and any conditions on approval for exploration and reclamation imposed by the Division.

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

- 220. Inspection and Enforcement.** Any person who conducts any coal exploration in violation of the State Program will be subject to the provisions of 40-10-20 of the Act and the applicable inspection and enforcement provisions of the R645 Rules.

PacifiCorp will comply with all coal exploration requirements of the State Program, and any conditions on approval of the exploration plan. PacifiCorp welcomes inspection of its exploration operations at any time during exploration.

**230. Operational Standards.**

- 231. Non-Disturbance of Habitats.** Habitats of unique or unusually high value for fish, wildlife, and other related environmental values and critical habitats of endangered or threatened species identified pursuant to the Endangered Species Act of 1973 (16 U.S.C. 1531 et. seq.) will not be disturbed during coal exploration.

The vegetation in the area consists of a Cottonwood/Aspen/Fir/Dogwood community in the bottom of the canyons and Spruce-Fir Coniferous Forest inter-mixed with aspen communities on the south side slopes and dense Spruce-Fir Coniferous Forest on the north slopes. The primary land uses associated with the area are wildlife habitat, livestock grazing and recreation. The area is presently classified for the following wildlife uses by the Utah Division of Wildlife Resources (DWR):

Mule Deer  
Elk

High Priority Summer Range  
Critical Winter Range and High Priority Summer Range

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The proposed drilling is not expected to have a detrimental impact on any of these species, their habitat or other land uses associated with the area.

Surveys for Threatened, Endangered and Sensitive (TES) plant and animal species have been conducted in connection with various projects in this area of Rilda Canyon (Surface Facilities, Permit Extension and Powerline) and the Mill Fork coal leasing process. Results of these surveys have been provided to the various regulatory agencies in the applications for the projects. No TES plants and animals have been found in the area of the proposed drill holes.

Energy West in corporation with the Division of Wildlife Resources, conducts annual raptor surveys in and adjacent to permit boundaries, including the Mill Fork State Lease ML-48258 (refer to Raptor Location and Status - 2005 Survey Data results located in the Minor Exploration Coal Exploration confidential envelope).

Raptor activity in Mill Fork Area will be evaluated during the 2006 survey scheduled for May 18, 2006. PacifiCorp proposes to commence helicopter supported drilling operations on July 15, 2006. To further reduce potential raptor impacts, all non-essential flights will be conducted at 1000 feet above ground level. All proposed drill sites are outside the ½ mile buffer zones of known nest active in 2005. The secondary staging area located in Mill Fork is near nests 80 and 81. As stated previously, all helicopter drilling activities will be initiated on July 15, 2006.

In recent years the surface management agency (Forest Service) has expressed concern related to potential impacts to the Northern Goshawk (management indicator specie for the Manti -La Sal National Forest). As stated in the: State of Utah School and Institutional Trust Lands Administration (SITLA) Access Road on East Mountain Final Environmental Impact Statement prepared by the Forest Service (page 76), *Goshawk nest sites are usually located in dense, mature forests with relatively large trees, near water, and on benches of relatively little slope. On page 78 the Final Environmental Impact Statement states that, "In order to reduce potential direct impacts to the goshawk, known goshawk territories will be monitored prior to implementation of project activity. If a territory is active, no project related activity would occur within a 30-acre buffer around the active nest between March 1 and September 30. In addition, no construction, drilling activity or commercial traffic will be allowed within 0.5 mile of an active goshawk nest between March 1 and August 15, unless a Forest Service biologist determines*

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*that the activity would not likely lead to nest abandonment or reduce survival potential for fledglings.*

In past drilling activities associated with the Mill Fork lease, Forest Service biologist have identified two active goshawk territories. Proposed drilling activities and associated flightlines for 2006 have been situated to minimize potential impacts to the goshawk territories. In 2003 Energy West was allowed to initiate drilling activities in late May due to the continuing drought experienced in Central Utah. Exploration activities (drill hole locations and flightlines) proposed for in 2006 are in the same vicinity as the 2003 project.

- 232. Road Construction and Use.** All roads or other transportation facilities used for coal exploration will comply with the applicable provisions of R645-301-358...R645-301-762.

PacifiCorp will use only existing roads for this project. No new roads will be constructed.

- 233. Topsoil Removal and Storage.** Topsoil will be separately removed, stored, and redistributed on areas disturbed by coal exploration activities as necessary to assure successful revegetation or as required by the Division.

The method of drilling used by PacifiCorp for these holes assures that topsoil is not disturbed except where small excavations are made necessary for leveling the rig and associated components. Brattice ground cover is used under the rig to protect the topsoil and surface vegetation; therefore the topsoil is not disturbed.

- 234. Diversions of Overland Flows.** Diversions of overland flows and ephemeral, perennial, or intermittent streams will be made in accordance with R-645-301-742.3.

PacifiCorp will obtain the necessary permissions and water rights actions to take water for drilling from local drainages in the vicinity of the proposed drill holes. Water for the Crandall and Mill Fork drill holes will be pumped/gravity fed directly from the un-named drainages located near the drill holes and for the sites in Upper Joes Valley water will be pumped/gravity fed directly from the un-named drainages adjacent to the drill sites or from a pump located near Indian Creek itself. A gasoline/diesel powered water pump will be stationed near the

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creek/canal and water will be pumped to water tanks located at each drill site. No disturbance is made to the stream course.

The amount of water required for the project is estimated at 40,000 gallons per hole. Therefore, the maximum total quantity of water to be used is estimated at approximately 440,000 gallons (1.35 acre feet). A *Temporary Exchange Application* will be filed and approved with the State of Utah, Division of Water Rights prior to commencement of operations.

- 235. Minimizing Disturbance to Hydrologic Balance.** Coal exploration will be conducted in a manner which minimizes disturbance to the prevailing hydrologic balance in accordance with R645-301-356.300 and R645-301-763. The Division may specify additional measures which will be adopted by any person engaged in coal exploration.

During exploration, surface disturbance will consist only that which is necessary to level the rig and associated structures. No drill pad will be constructed, so there will be no additional runoff during precipitation events. No impoundments to contain runoff will be necessary. Overall impact on the hydrologic balance will be minimal, if any.

- 236. Acid- or Toxic Forming Materials.** Acid- or toxic-forming materials will be handled and disposed of in accordance with R645-301-731.110, 731.300, and 553.260.

No Acid- or Toxic earth materials or coal waste will be produced used, or handled during this drilling program.

- 240. Reclamation Standards.**

- 241. Excavations.** If excavations, artificially flat areas, or embankments are created during exploration, these areas will be returned to the approximate original contour promptly after such features are needed for coal exploration.

The only excavations that will be made will be small shovel cuts made for leveling the rig and associated equipment. These will be promptly filled in

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to original contour as soon as the drilling equipment is removed from each site.

**242. Re-Vegetation.** All Areas disturbed by coal exploration activities will be revegetated in a manner that encourages prompt revegetation and recovery of a diverse, effective, and permanent vegetative cover. Revegetation will be accomplished in accordance with the following :

**242.1 Re-Seeding.** All areas disturbed by coal exploration activities will be seeded or planted to the same seasonal variety native to the areas disturbed. If the land use of the exploration area is intensive agriculture, planting of the crops normally grown will meet the requirements of R645-202-242.100.

All drilling areas will be promptly re-seeded upon completion of each hole, removal of equipment, and recontouring of the site, if necessary, with a seed mix approved by the surface management agency and the Division.

The following is the seed mix specified from previous years approved drilling permits, and will be used unless changes are indicated by the agencies.

<u>Species</u>	<u>lbs/acre (PLS)</u>
<b>Basic Mix</b>	
Columbia needle grass - <i>Stipa columbiana</i>	4.5
Slender wheatgrass - <i>Elymus trachycaulus</i>	4.5
Sandbergs bluegrass - <i>Poa secunda</i>	0.75
Pacific aster - <i>Aster chilensis</i>	0.2
<b>Supplement*</b>	
Sulfur flower - <i>Eriogonun umbellatum</i>	2.0
Rocky Mountain penstemon - <i>Penstemon strictus</i>	0.75

*\* Seed should be purchased in individual seed packets, not as mixture.*

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The seed mixture will be hand broadcast and the area will be hand raked following seeding to cover the seed. Following seeding, any dead-fall that was removed from the drill site will be replaced.

**242.2 Soil Surface Stability.** The vegetative cover will be capable of stabilizing the soil surface from erosion.

Since the soil and vegetative cover will not be removed, and the vegetation will spring back up as soon as the drilling equipment is removed, this requirement will be met.

No crops are raised in the project area. Crop replacement will not be necessary.

**243. Reclamation of Boreholes.** Each exploration hole, borehole, well, or other exposed opening created during exploration will be reclaimed in accordance with R645-301-529, R645-301-551, R645-301-631, R645-301-738, and R645-301-765.

No mine openings or exploration openings will be created, therefore R645-301-529 and R645-301-551 do not apply in this case. None of these holes will be turned into water monitoring wells, due to the lack of measurable groundwater in the area and the remote locations of the holes. Therefore, R645-301-738 and R645-301-765 do not apply.

Groundwater is not anticipated to be encountered; therefore, the proposed holes will not be retained as water monitoring wells. However, if groundwater is present, it will be reported to the appropriate agencies (SITLA, USFS, DOGM) and a determination will be made regarding the transfer and possible modification of the drill hole to a monitoring well.

Upon completion of down-hole procedures, each drill hole will be completely sealed with cement/bentonite from the bottom of the hole to ground level. The cement slurry mixture used to plug and seal the hole will be mixed in compliance with standard cement mixing tables (e.g. Halliburton). Enough cement will be mixed and pumped into the hole to completely seal the coal horizon. The remainder of the hole will be filled with a bentonite slurry to within 5' of the surface and a cement surface

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plug will fill the top 5'. A brass monument marker will be placed in the top of the cement surface plug with the hole number and year. The Bureau of Land Management: Price Field Office will be contacted prior to completion to verify the abandonment procedures. Any variance from this procedure will be approved in advance by SITLA and DOGM.

**244. Removal of Equipment.** All facilities and equipment will be promptly removed from the exploration area when they are no longer needed for exploration, except for those facilities and equipment that the Division determines may remain to:

244.1 Provide additional environmental data;

244.2 Reduce or control the on-site and off-site effects of the exploration activities;

244.3 Facilitate future coal mining and reclamation operations by the person conducting the exploration.

When each drill rig setup is no longer needed for the project, the complete assemblage of equipment will be removed immediately from the area to facilitate reclamation work and free this equipment for use elsewhere by the contractor.

PacifiCorp does not anticipate needing this equipment for any further use in the exploration area.

**R645-203. Coal Exploration: Public Availability of Information.**

**R645-203-100. Public Records.**

Except as provided in R645-203-200, all information submitted to the Division under R645-200 will be made available for public inspection and copying at the Division.

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**SUPPLEMENTAL INFORMATION**

**DIVISION OF WATER RIGHTS**

**TEMPORARY CHANGE APPLICATION APPROVAL**

*October 2005  
(Revised April 28, 2006)*

*PacifiCorp*



JON M. HUNTSMAN, JR.  
*Governor*  
GARY R. HERBERT  
*Lieutenant Governor*

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

### Division of Water Rights

MICHAEL R. STYLER      JERRY D. OLDS  
*Executive Director*      *State Engineer/Division Director*

March 13, 2006

PacifiCorp – Energy West Mining Co.  
P.O. Box 310  
Huntington, UT 84528

RE:    Temporary Change Application  
      t31166 (93-243)

Dear Applicant

The above referenced Temporary Change Application has been **APPROVED**. This application will expire **March 13, 2007**. It is expected that no diversion or use of the water will be done after this date unless another proposal has been made and approved.

Your contact with this office, should you need it, is with the Price Regional Office. The telephone number is (435) 637-1303.

Sincerely,

Marc Stilson  
Regional Engineer

MS/lr

cc:    Huntington Cleveland Irrigation Company  
      P. O. Box 327  
      Huntington, Ut. 84528