

EXPLORATION TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

February 2, 2006

TO: Internal File

THRU: Stephen J. Demczak, Environmental Scientist III/Engineering, Team Lead

FROM: Priscilla W. Burton, Environmental Scientist III/Soils

RE: Notice Of Intent To Conduct Minor Coal Exploration, PacifiCorp, Deer Creek Mine, C/015/018, Task ID #2362

SUMMARY:

On October 24, 2005, the Division received an application from PacifiCorp, Energy West Mining Co. and C/O Interwest Mining Co. to drill at eleven remote locations in the Manti La Sal National Forest, using helicopter-assisted technology. The locations are at the headwaters of Crandall Canyon and Mill Fork Canyons, and in Upper Joes Valley. Two staging areas will be established outside of the permit area: one at Joes Valley and one in Mill Fork Canyon. All drilling locations are within State coal lease ML-48258 and on land managed by the U.S. Forest Service. Forest Development Roads #245 and #040 and #017 will be used for access to staging areas.

The eleven exploration holes are located on the Rilda U.S.G.S. 7.5 minute quadrangle map in Sec. 11, 12, 13, & 15 of T. 16 S., R. 6 E. and Sec. 7 in R. 7 E, as shown on the 2006 Coal Exploration Maps included with the application. Archaeological investigations were conducted in this area for the Mill Fork lease, except that sec. 15 (R. 6 E.) was not included in the Class II evaluation.

Volume 12 (Mill Fork Lease) of the MRP provides archaeology information for the ML-48258 lease area.

EXPLORATION TECHNICAL ANALYSIS:

COMPLIANCE DUTIES

Regulatory Reference: 30 CFR 772.13; R645-202.

EXPLORATION TECHNICAL MEMO

OPERATIONAL STANDARDS

Regulatory Reference: 30 CFR 772.13; R645-202-230.

Analysis:

Archeology

The application indicates that a file search of cultural resources in the vicinity of the eleven drilling locations will be undertaken by SENCO-PHENIX. A copy of the report will be provided to the USFS. The Division must also receive a copy of this report prior to approval, so that a Finding on Suitability can be made. (R645-103-223).

Information on file in the Confidential binder for the mine pertains only to the Rilda Canyon and lower Mill Fork canyon locations and is not pertinent to the proposed drilling activity.

Volume 12 describes cultural information for Sec. 11, 12, 13, and 14 of T. 15 S., R. 6 E. and Sec 7 in T. 15 S., R. 7 E. within the ML-48258 lease area. (However, Sec. 15 T. 15 S., R. 6 E was not included in the Mill Fork lease survey area). None of the reports cited in Vol. 12 could be found in the Division's confidential folder for the mine. The Permittee indicated that the information came from the Manti-La Sal National Forest and the Bureau of Land Management, June 1997, Mill Fork Federal Coal Lease Tract UTU-71307 Environmental Assessment Lease-By-Application No. 11.

The Mill Fork permit was issued with 4 conditions on March 5, 2003, Task #1568. None of the four conditions pertains to cultural resources within the lease. The Mill Fork TA reads as follows:

An historic and archeological resource evaluation was conducted in the Mill Fork area in 1995 by archeological Environmental Research Corporation. A stratified sample or Class II survey was the survey method used. This survey actually sampled 15 percent of the lease area. No significant resources were found. Two non-significant prehistoric lithic scatters, no historic and no paleontological resources occur on the lease area. The EA states that the 2 non-significant prehistoric sites were found in the Star Point Sandstone and not in the Castlegate Sandstone. The Star Point Sandstone is not likely to be effected by subsidence.

The EA lists several mines and access roads in areas surrounding the lease area developed in the late 1930's and 1940's. The old mines include the Tip Top, Old

EXPLORATION TECHNICAL MEMO

Leamaster, Johnson, Comfort, Rominger, and Helco Mines. A gas field to the southwest of the lease area was developed in the 1950's. One well lies within the proposed permit area. No evaluation of the historic significance of these mines and gas field is provided in the MRP. No effects of subsidence are expected to occur on these sites.

A letter dated February 8, 2002 from James Dykman, State Historic Preservation Officer, concurs with a determination of No Historic Properties Affected.

Findings:

The information provided is not adequate to meet the regulatory requirements for determination of suitability. Prior to approval, the Permittee must provide the following information in accordance with:

R645-301-223, The application indicates that a file search of cultural resources in the vicinity of the eleven drilling locations will be undertaken by SENCO-PHENIX. A copy of the report will be provided to the USFS. The Division must also receive a copy of this report prior to approval, so that a Finding on Suitability can be made. (R645-103-223).

RECOMMENDATIONS:

This Applicant has not met the minimum requirements of the Notice of Intent to conduct minor exploration on state lease ML-48258. Prior to approval of drilling, the Permittee must provide the details of the SENCO-PHENIX file report to the Division, so that a Finding on Suitability can be made (R645-103-223).