

**From:** Mary Ann Wright  
**To:** James\_Kohler@blm.gov; Pam Grubaugh-Littig  
**Date:** 3/28/2006 12:05:25 PM  
**Subject:** Re: Deer Creek Exploration Letter

An email was also sent by Wayne Hedberg to Energy West on March 7, 2006, regarding this matter. I have copied it here in its entirety.

Dear Mr. Semborski:

This email is sent as followup to our phone conversation on March 6, 2006 regarding our regulatory position for the above referenced BLM coal exploration license proposal. After evaluating this proposal under the pertinent State and Federal mining regulations, and following a consultation with representatives of the Office of Surface Mining, we have determined that the proposed action will not require a permit from the Division of Oil, Gas & Mining.

The proposal involves a westward extension of the underground development entries (14th, 15th & 16th West), from the western boundary of the Mill Fork SITLA Lease Tract (ML-48258) into unleased federal coal located outside of the approved mine permit area. New setups, bleeders and 2 horizontal drill holes are proposed to explore and determine the precise location of the Joe's Valley Fault. This work will be authorized and performed under an approved BLM Exploration License. Coal extracted by the exploration activities will be segregated and stockpiled at the Hunter and/or Huntington Power Plants within current coal storage areas as authorized under the exploration license. This coal cannot be sold or burned under the exploration license provisions. Pacificorp will file LBA extension application(s) for the Mill Fork West Tract with the BLM to allow further coal recovery efforts. The Division will become actively involved in the permitting of these future LBA lease tract extensions as modifications to the approved mine plan for the Deer Creek Mine.

Thank you for keeping us informed of Pacificorp's ongoing mining activities at the Deer Creek Mine. If you have any questions or need further clarification, please contact us at your earliest convenience.

Sincerely,

D. Wayne Hedberg  
Permit Supervisor  
Coal Regulatory Program  
(801) 538-5286

>>> Pam Grubaugh-Littig 3/28/2006 8:18 AM >>>

Thanks, Jim. I just called Chuck and left a message - making sure he knew that there is no permitting action required from DOGM for this exploration.

Pam

>>> <[James\\_Kohler@blm.gov](mailto:James_Kohler@blm.gov)> 3/28/2006 8:14 AM >>>

Pam,

Thank you for your comments. I believe that this fulfills the requirement for consultation with the regulatory authority. Please note that the exploration plan will not result in any mining that could cause subsidence within 200 to 300 feet of the Joes Valley Fault, so the concerns regarding loss of base flow to springs or streams should be minimal. It is my

understanding that the Division has notified the company that no permitting action is required.

The license has been approved effective April 2, 2006. Please let me know if you have any questions.

Jim

James F. Kohler  
Utah State Office  
Chief, Branch of Solid Minerals  
(801) 539-4037

"Pam  
Grubaugh-Littig"  
<PAMGRUBAUGHLITTI  
G@utah.gov> To  
"james kohler"  
<James\_Kohler@blm.gov>, "jeff  
03/27/2006 04:25 mckenzie" <Jeff\_McKenzie@blm.gov>,  
PM <Stan\_Perkes@blm.gov>  
cc

Subject  
Deer Creek Exploration Letter

Here's the letter that we sent to you last Friday... fyi.  
(See attached file: MillForkExp2452.pdf)

**CC:** Sheila Morrison; Susan White; Wayne Hedberg