



State of Utah
Department of
Natural Resources

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Executive Director

Division of
Oil, Gas & Mining

JOHN R. BAZA
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Governor

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Lieutenant Governor

December 28, 2006

Doug Johnson, Manager of Environmental Affairs
Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528

Subject: Conditional Approval of Modification of Letter Of Intent to Conduct Minor Exploration ID No. 2512, Task No.2699, PacifiCorp, Deer Creek Mine, C/015/018

Dear Mr. Johnson:

The above-referenced modification of the Letter of Intent ID #2512 is conditionally approved pending the submittal of the Class III report of the archeological information for drill site 2006-11 and State Historic Preservation Officer (SHPO) clearance. This information must be submitted to the Division prior to construction of the drill pad and the Division will make findings and seek SHPO concurrence on our findings. Final approval will be granted upon SHPO clearance, at which time you may proceed with your plans.

The Manti-LaSal National Forest determined that no additional NEPA is required and therefore, authorizes the proposed drilling subject to Attachment 2 of the Special Use Permit (see enclosed e-mail dated November 27, 2006 from Tom Lloyd to Chuck Semborski).

Additionally, SITLA approved this change (see enclosed e-mail dated November 17, 2006 from John Blake to Chuck Semborski). Please coordinate with Sue Burger at the Bureau of Land Management Price Office as well.

If you have any questions, please call me at (801) 538-5268.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

Enclosures (2)

cc: Price Field Office

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From: Thomas W Lloyd <twlloyd@fs.fed.us>
To: "Chuck Semborski" <chuck.semborski@pacificorp.com>
Date: 11/27/2006 3:29 PM
Subject: 2006-2007 Mill Fork Exploration

CC: "Pamela Grubaugh-Littig" <pamgrubaughlittig@utah.gov>

The FS has reviewed the proposed exploration plan for 2007 for the Mill Fork Lease and determined that no additional NEPA is required. The existing Special Use Permit, signed by Mesia Nyman on 6/2/2006 authorizes the proposed drilling subject to Attachment 2 of the Special Use Permit. The proposed change of location for 2006-9 does not warrant further NEPA analysis.

Tom Lloyd

From: John Blake
To: Chuck Semborski
Date: 11/17/2006 3:18 PM
Subject: Revised 2007 Drilling Season NOI, Mill Fork Coal Tract

CC: dharber@fs.fed.us; Pam Grubaugh-Littig; Sue_Burger@blm.gov
Dear Mr. Semborski (Chuck):

I am in receipt of your revised notification dated Nov. 9, 2006 for the continuation of exploration coal drilling upon lands within the Mill Fork coal tract, SITLA coal lease #ML-48258 during the 2007 drilling season, to commence on or about May 15, 2007. The revised notification replaces your earlier notification dated Nov. 2, 2006. It appears that the revision simply proposes to relocate drill site #2006-9 from the NW4 of Section 13 to the Western edge of Section 14. The revised notification, including the relocation of proposed drill hole #2006-9, is acceptable to the Trust Lands Administration. As before, you are advised to contact Dale Harber (USFS), Pam Grubaugh-Littig (DOGM), and Sue Burger(BLM) to obtain such additional permits and coordination as may be necessary.

Sincerely,
John T. Blake
Trust Land Specialist
School & Institutional Trust Lands Administration
November 17, 2006