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**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

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*JK*

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January 10, 2008

Chuck Semborski, Environmental Supervisor  
Energy West Mining Company  
P.O. Box 310  
Huntington, Utah 84528

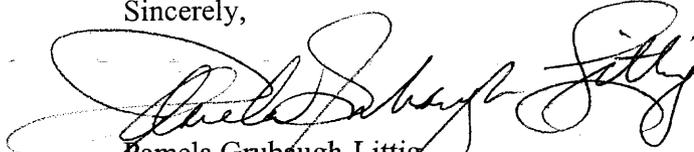
Subject: Letter Of Intent to Conduct Minor Exploration, PacifiCorp, Deer Creek Mine,  
C/015/0018, Task ID #2886, Outgoing File

Dear Mr. Semborski:

The above-referenced amendment has been reviewed. There are deficiencies that must be adequately addressed prior to approval. A copy of our Technical Analysis is enclosed for your information. In order for us to continue to process your application, please respond to these deficiencies by March 10, 2008.

If you have any questions, please call me at (801) 538-5268 or Stephen J. Demczak at (435) 613-3732.

Sincerely,



Pamela Grubaugh-Littig  
Permit Supervisor

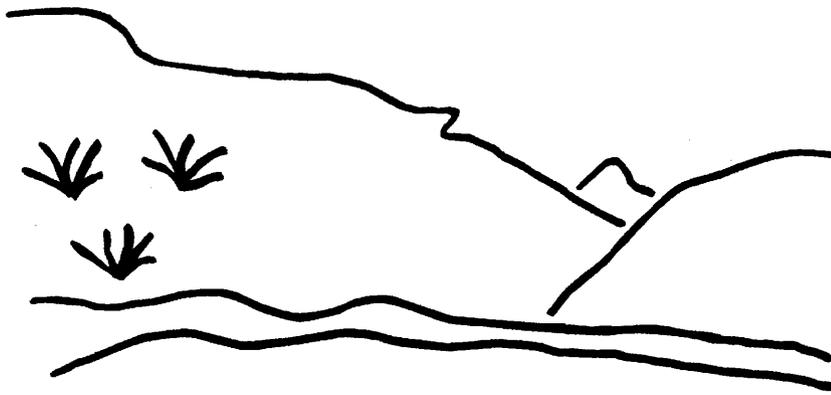
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Enclosure

cc: Price Field Office

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# State of Utah



## Utah Oil Gas and Mining

### Coal Regulatory Program

Deer Creek Mine  
Notice of Intent to Conduct Minor Coal Exploration  
C/015/0018  
Task ID #2886  
Minor Exploration Analysis and Findings  
January 9, 2008

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## INTRODUCTION

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# EXPLORATION TECHNICAL ANALYSIS

## INTRODUCTION

Energy West is proposing to conduct a helicopter-assisted minor coal exploration drilling during the year 2008. The permittee has plans to core-drill two holes by using this method. The drilling will take place in Crandall Canyon. The proposed drill is located within the current Utah State Coal Lease ML-48258, and the United States Forest Service administrates the surface land. This project is to analyze seam characteristics and coal thickness.

The holes will be drilled using a helicopter-transported drill rig in accordance with the Utah State Coal Lease ML-48258 application for the Notice of Intention of Conduct Minor Coal Exploration. Less than 250 tons of coal will be removed. The permittee has recently conducted minor exploration using this method at Mill Fork Canyon and adjacent areas.

The Division received a conditional approval from School and Institutional Trust Lands Administration on November 29, 2007 and US Forest Service with this proposed notice of intent to conduct minor coal exploration on coal lease ML-48258.

The minor exploration project is scheduled to start on May 15, 2008 and be completed by July 15, 2008.

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## **INTRODUCTION**

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**SUMMARY OF OUTSTANDING DEFICIENCIES**

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## **SUMMARY OF OUTSTANDING DEFICIENCIES**

The Technical Analysis regarding the proposed permit changes is not complete at this time, pending submittal of additional information by the Permittee and further review by the Division, to address outstanding deficiencies in the proposal. A summary of those outstanding deficiencies is provided below. Additional comments, concerns, and deficiencies may also be found within the analysis and finding made in the Draft Technical Analysis that have not been presented in this summary. Upon finalization of this review, any outstanding deficiencies will be evaluated for compliance with the regulatory requirements. Such deficiencies may be conditioned to the requirements of the permit issued by the Division, result in denial of the proposed permit changes, or may result in other executive or enforcement actions as deemed necessary by the Division at that time to achieve compliance with the Utah Coal Regulatory Program.

Accordingly, the permittee must address those deficiencies as found within this Draft Technical Analysis and provide the following, prior to approval, in accordance with the requirements of:

**R645-201-100;** A Class I literature search and a Class III ground survey of the proposed exploration sites need to be completed weather permitting and submitted to the Division and SHPO for concurrence prior to approval.

**R645-202-200;** Page 9 of the application includes a description of the vegetation in the canyon bottoms, south and north slopes. The application needs to include a map depicting the vegetative communities and a narrative that describes the communities within the proposed drill site locations.

Page 10 of the application references TES surveys for (surface facilities, permit extension and powerline, and the Mill fork leasing process). The applicant needs to demonstrate which survey or surveys include the locations of the proposed drill sites. The application needs to include a current list of Threatened and Endangered plant and animal species for the drill site locations, (Emery County). The listing may be obtained from [www.fws.gov/mountain-prairie/endspp/CountyLists/UTAH.htm](http://www.fws.gov/mountain-prairie/endspp/CountyLists/UTAH.htm)

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**SUMMARY OF OUTSTANDING DEFICIENCIES**

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**SUMMARY OF PERMIT CONDITIONS**

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## **SUMMARY OF PERMIT CONDITIONS**

As determined in the analysis and findings of this Technical Analysis, approval of the plan is subject to the following Permit Conditions. The applicant is subject to compliance with the following Permit Conditions and has committed to comply with the requirements of these conditions as referenced in the approved Permit.

Accordingly, the permittee has committed to comply with the requirements of the following Permit Conditions, as specified, and in accordance with the requirements of:

This Applicant has met the minimum requirements of the Notice of Intent to conduct minor exploration on state lease ML-48258. However, there are two conditions attached to the TA as follows:

**R645-202-232**, Prior to conducting minor exploration, the applicant must receive Special Road Use Permits from the U. S. Forest Service.

**R645-202-234**, The applicant must show necessary proof of obtaining water rights to conduct drilling in the exploration area.

This Notice of Intent is recommended for approval with the above conditions attached and deficiencies are met.

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**SUMMARY OF PERMIT CONDITIONS**

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## COAL EXPLORATION

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## COAL EXPLORATION

Regulatory Reference: R645-200.

### SCOPE AND RESPONSIBILITIES

Regulatory Reference: 30 CFR 772.1; 30 CFR 772.10; 30 CFR 772.11; R645-100-400; R645-200-100; R645-200-200; R645-201-100.

#### Analysis:

PacifiCorp has proposed to conduct minor exploration by drilling two holes within the Mill Fork Coal Lease ML-48258 in the year 2008.

The permittee has committed to comply with the requirements of R645-200 through R645-203.

This minor coal exploration will be conducted on Utah State Coal Lease ML-48258 and the United States Forest Service administrates the surface land; therefore, 43 CFR Part 3480-3487 does not apply.

#### Archeology

Page 8 of the application refers a Class I literature search and a Class III ground survey of the proposed exploration sites. These surveys need to be completed and submitted to the Division and SHPO for concurrence prior to approval.

#### Findings:

The information is not adequate to meet the requirements of this section of the regulations. Prior to approval the following information must be provided.

**R645-201-100;** A Class I literature search and a Class III ground survey of the proposed exploration sites need to be completed weather permitting and submitted to the Division and SHPO for concurrence prior to approval.

## REQUIREMENTS FOR NOTICE OF INTENTION TO CONDUCT MINOR COAL EXPLORATION

Regulatory Reference: 30 CFR 772.10; 30 CFR 772.11; R645-100-412; R645-201-200.

## COAL EXPLORATION

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### **Analysis:**

Coal Rule R645-201-221 requires the applicant to give name, address, and telephone number of the applicant's representatives, who will be present at and responsible for conducting the exploration operations. This information has been submitted in the Notice of Intent, Page 2.

R645-100-400, R645-200-100, R645-200-200, and R645-201-100; Energy West Mining has given a Notice of Intention to Conduct Minor Coal Exploration with a narrative and maps describing the exploration area and indicating where the exploration will occur. The permittee will transport drilling equipment, materials, and personnel by helicopter. The drill sites will be relatively level (30 percent slope or less). There will be no removal of vegetation such as grasses and trees, but deadfall and some taller shrubs maybe removed.

The drill site will not be greater than 40 feet by 40 feet area. Brattice or other similar material will be placed on the ground beneath the drill rig. Minor digging, using hand tools may be necessary to level the drill rig using wood block or other materials.

A maximum of twenty pounds of coal will be removed per drill hole with a total of about 220 pounds from all the drill holes. This will be achieved by drilling a three-inch diameter hole. Upon completion, the drill hole will be sealed with cement from the bottom of the hole to ground level.

The exploration is projected to start on May 15, 2008 and end on or near July 15, 2008.

### **Findings:**

The applicant has given all of the necessary information as requirements of R645-201-221 such as name, address, and telephone number.

The permittee has submitted the necessary information to comply with regulations R645-100-400, R645-200-100, R645-200-200, and R645-201-100 in the analysis.

## COMPLIANCE DUTIES

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### COMPLIANCE DUTIES

Regulatory Reference: 30 CFR 772.13; R645-202.

#### Analysis:

The permittee stated to have a copy of the Notice of Intent to Conduct Minor Coal Exploration for review by an authorized representative of the Division upon request.

#### Findings:

The permittee has met the minimum requirements of this section in the R645 Coal Rules.

### OPERATIONAL STANDARDS

Regulatory Reference: 30 CFR 772.13; R645-202-100.

#### Analysis:

R645-202-200; Energy West Mining will not substantially disturb the land surface and will remove less than 250 tons of coal.

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

#### Biology

R645-202-200; Page 9 of the application includes a description of the vegetation in the canyon bottoms, south and north slopes. The application needs to include a map depicting the vegetative communities and a narrative that describes the communities within the proposed drill site locations.

Page 10 of the application references TES surveys for (surface facilities, permit extension and powerline, and the Mill fork leasing process). The applicant needs to demonstrate which survey or surveys include the locations of the proposed drill sites. The application needs to include a current list of Threatened and Endangered plant and animal species for the drill site locations, (Emery County). The listing may be obtained from [www.fws.gov/mountain-prairie/endspp/CountyLists/UTAH.htm](http://www.fws.gov/mountain-prairie/endspp/CountyLists/UTAH.htm)

As noted on pages 10 and 11 the Northern Goshawk is a "management indicator specie"

## **COMPLIANCE DUTIES**

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for the Manti-LaSal National Forest. Forest Service Biologists have identified two territories associated with previous exploration drilling activities. They are identified on the 2007 raptor locations, flight path, and staging area map. The proposed flight paths are located such that they should not impact the birds or their territories.

### **Roads**

PacifiCorp will use only existing roads for this project no new roads will be constructed. The applicant of the Notice of Intent will be using US Forest Service roads for staging areas of heavy equipment. The US Forest Service will be notified 48 hours in advance of heavy equipment traveling on the road.

The applicant will be using U.S. Forest Development Roads #245 and #040 and #017. Prior to drilling, Energy West will obtain a permit for the use of these roads.

### **Topsoil**

Topsoil will be separately removed, stored, and redistributed on areas disturbed by coal exploration activities. The method of drilling used by PacifiCorp will disturb a small amount of topsoil. The leveling of the drill rig and associated equipment may require a small amount of excavation. Brattice cloth is to be used to cover the ground to protect the topsoil and surface vegetation.

### **Diversions of Overland flows and streams**

The applicant will not construct diversions or affect overland flows and streams. However, the applicant will be pumping water from streams for the drilling operation. The method is to lay an intake hose directly into the stream and pump the water to the drill site. The pump will be located near the stream. Using this method will not disturb the stream.

PacifiCorp will obtain the necessary permissions and water rights actions to take water for drilling from local drainages. A temporary exchange application will be filed to State of Utah, Division of Water Rights. The amount of water required for the project is estimated at 80,000 gallons for the entire drilling project or 40,000 gallons per hole.

### **Hydrologic Balance**

The minor exploration project will have minor surface disturbance. The disturbance is limited to leveling the rig and associated structures. There will be no construction of a drill pad or impoundments; therefore, the impact on the hydrologic balance will be minimal, if any.

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## COMPLIANCE DUTIES

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### **Acid- or toxic forming materials**

The applicant has committed to handle and dispose of acid or toxic forming materials in accordance with R645-301-731.100 and R645-301-731.300.

During the drilling operation, water and drilling fluids will be recirculated to the extent possible. Any returned cuttings and other material will be captured in a container at the drill site. The cutting material 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.

If spills occur, all affected material 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 reconstructed and seeded with the approved seed mixture.

### **Findings:**

The information provided does not meet the requirements of this section of the regulations, prior to approval the following information.

**R645-202-200;** Page 9 of the application includes a description of the vegetation in the canyon bottoms, south and north slopes. The application needs to include a map depicting the vegetative communities and a narrative that describes the communities within the proposed drill site locations.

Page 10 of the application references TES surveys for (surface facilities, permit extension and powerline, and the Mill fork leasing process). The applicant needs to demonstrate which survey or surveys include the locations of the proposed drill sites. The application needs to include a current list of Threatened and Endangered plant and animal species for the drill site locations, (Emery County). The listing may be obtained from [www.fws.gov/mountain-prairie/endspp/CountyLists/UTAH.htm](http://www.fws.gov/mountain-prairie/endspp/CountyLists/UTAH.htm)

## **RECLAMATION STANDARDS**

Regulatory Reference: 30 CFR 772.13; R645-202-200.

### **Analysis:**

#### **Approximate original contour**

The drill site areas will be basically flat with no major excavation occurring. Minor shoveling may be needed for leveling the drill rig. The area will be at approximate original

## COMPLIANCE DUTIES

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contour.

### **Re-vegetation**

All disturbed areas will be promptly vegetated. All areas disturbed will be seeded or planted with the same seasonal variety native to the areas disturbed. The application includes a seed mix to be used in reclamation of the drill sites as outlined on pages 13 and 14 of the application. The seed will be hand broadcast at the completion of each drill hole.

### **Boreholes**

Groundwater is not anticipated. However, if ground water is present it will be reported to SITLA, USFS, and DOGM and a determination will be made regarding the modification of the drill hole to a monitoring well.

Upon completion, each drill hole will be completely sealed with cement/bentonite from the bottom of the hole to ground level. Enough cement will be mixed and pumped into the hole to completely seal the coal horizon. The remainder of the hole will be filled completely with bentonite slurry to within five feet of the surface. A cement surface plug will fill the top five feet. A brass monument marker will be placed in the top of the cement surface plug with the hole number and year.

### **Facilities and Equipment**

All drilling equipment and materials will be removed from the drill area once drilling is completed. Sealing will start thereafter and all equipment and material for sealing drill holes will be removed when sealing is completed.

### **Findings:**

The permittee has met the minimum requirements of this section in the R645 Coal Rules.

## **PUBLIC AVAILABILITY OF INFORMATION**

Regulatory Reference: 30 CFR 772.15;R645-203.

### **Analysis:**

All information submitted to the Division under R645-200 will be made available for public inspection except as provided in R645-203-200.

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**COMPLIANCE DUTIES**

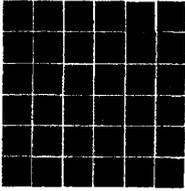
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**Findings:**

The permittee has met the minimum requirements of this section in the R645 Coal Rules.

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State of Utah 0076  
School & Institutional  
Trust Lands Administration

Jon M. Huntsman, Jr.  
Governor

Kevin S. Carter  
Director

675 East 500 South, Suite 500  
Salt Lake City, UT 84102-2818  
801-538-5100  
801-355-0922 (Fax)  
www.trustlands.com

November 29, 2007

Ken Fleck  
Geology and Environmental Affairs Mgr.  
Energy West Mining Co.  
P.O. Box 310  
Huntington, UT 84528

RE: 2008 Exploration Program NOI

Dear Mr. Fleck:

Thank you for your November 27, 2007, Notice of Intent ("NOI") to conduct minor coal exploration upon lands within coal lease ML 48258. This coal lease encompasses the Mill Fork Exchange tract which is subject to reversion to federal ownership in the future. The surface management agency for the tract is the Manti-La Sal NF. Prior to commencing with the proposed exploration drilling in 2008 it is necessary that you do the following.

- 1) Contact the Manti-La Sal NF (Dale Harber) to obtain necessary surface entry and surface use permits required by that agency.
- 2) Contact the Utah Division of Oil, Gas & Mining (Pam Grubaugh-Littig) and obtain a coal exploration permit as may be required by SMCRA.
- 3) Notify the BLM Price Field Office (Sue Wiler) not less than 24 hours before moving a drilling rig onto the drill sites.

Upon completion and analysis of the proposed exploration drilling, please file a copy of all bore-hole logs and interpretations with the Trust Lands Administration. Thank you for your cooperation.

John T. Blake

Mineral Resource Specialist

Cc: Dale Harber  
Sue Wiler  
Pam Grubaugh-Littig

*Income*  
*1/15/2018* *JK*