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P.O. Box 310 cc: Steve D.  
15 North Main Street  
Huntington, Utah 84528

March 19, 2010

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; PACIFICORP, ENERGY WEST  
MINING CO., EMERY COUNTY, UTAH ( DOGM TASK# 3089)**

This Notice of Intention was approved on July 13, 2009. Of the 6 holes approved in this Notice, only 2 (2009-4 and 2009-6) were drilled during the 2009 drilling season. Energy West intends to continue drilling the remaining 4 holes (2009-1, 2009-2, 2009-3, and 2009-5) in 2010, as described in the approved 2009 notice, and requests that DOGM extend approval of the notice for the 2010 drilling season. All the conditions and proposals stated in the 2009 Notice will remain the same. Energy West has obtained a Temporary Change of Water Rights for using water in Mill Fork Canyon for drilling in 2010 (attached). None of the remaining hole locations are within 1/2 mile of known raptor nests. Archaeological clearances for the holes was obtained in 2009. Tom Lloyd at the U.S.D.A. Forest service has advised me that the Special Use Permit approved for these holes last year will apply to this year also, as long as the July 6 startup date remains the same.

If surface water resources appear to be declining at high rates, Energy West may ask the U.S.D.A. Forest Service for permission to begin the project earlier than the usual date of July 6.

If you require any additional information please call me at (435) 687-4712.

Thank you for your assistance in this matter.

Sincerely,

Ken Fleck  
Geology and Environmental Affairs Manager  
Enclosure - Copy of Water Rights Approval  
cc: Scott Child (Interwest) w/encl.

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DIV. OF OIL, GAS & MINING



GARY R. HERBERT  
Governor  
GREG BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

### Division of Water Rights

MICHAEL R. STYLER      KENT L. JONES  
*Executive Director*      *State Engineer/Division Director*

## ORDER OF THE STATE ENGINEER

### For Temporary Change Application Number 93-243 (t36202)

Temporary Change Application Number 93-243 (t36202) in the names of Huntington Cleveland Irrigation Company and PacifiCorp-Energy West Mining Co, was filed on January 17, 2010, to change the point of diversion, place of use, and change the nature of use of 0.74 acre-foot (af) of water as evidenced by Water Right Number 93-243. Heretofore, the water has been diverted from a surface source located North 1740 feet and East 160 feet from the S $\frac{1}{4}$  Corner of Section 9, T17S, R8E, SLB&M. The water has been used for the irrigation of 0.178 acres from April 1 to November 1, and the stockwatering requirements of one head of livestock (in cattle or horses or equivalent species) from January 1 to December 31. The water was used in all or portion(s) of Sections 32-34, T15S, R10E, SLB&M; Sections 13, 24, 25 & 36, T16S, R9E, SLB&M; Sections 3-10, 15, 17-22 & 26-36, T16S, R10E, SLB&M; Sections 20, 21, 28, 29, 31 & 32, T16S, R11E, SLB&M; Sections 9-15, 25 & 26, T17S, R8E, SLB&M; Sections 1, 2, 3, 7-16 & 22-26, T17S, R9E, SLB&M; Sections 1-12, 15-21, 28 & 29, T17S, R10E, SLB&M; Sections 5-7, T17S, R11E, SLB&M.

Hereafter, it is proposed to divert 0.74 acre-foot of water from surface source located North 1500 feet and West 2500 feet from the SE Corner of Section 11, T16S, R6E, SLB&M. The nature of use of the water is being changed to industrial uses involved in Coal Exploration Drilling. The place of use of the water is being changed to all or portion(s) of Section 11, T16S, R6E, SLB&M.

Notice of this temporary change application was not published in a newspaper. It is the opinion of the State Engineer that it meets the criteria of Section 73-3-3 of the Utah Code for the approval of temporary change applications.

It is the opinion of the State Engineer that this change application can be approved without adversely affecting existing rights. The applicants are put on notice that diligence must be shown in pursuing the development of this application which can be demonstrated by the completion of the project as proposed in the change application.

It is, therefore, **ORDERED** and Temporary Change Application Number 93-243 (t36202) is hereby **APPROVED** subject to prior rights.

- 1) To accommodate the approval of this temporary change application, the use of 0.74 acre-foot of water for the irrigation of 0.178 acres, and the stockwatering requirements of one head of livestock (in cattle or horses or equivalent species) at the historic point of diversion and place of use must cease.

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DIV. OF OIL, GAS & MINING

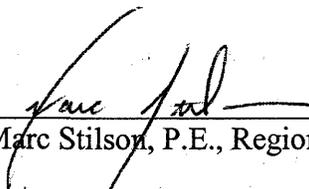
- 2) **This application shall automatically expire one year from the date hereof.**

**It is the applicants' responsibility to maintain a current address with this office and to update ownership of their water right. Please notify this office immediately of any change of address or for assistance in updating ownership.**

Your contact with this office, should you need it, is with the Southeastern Regional Office. The telephone number is 435-613-3750.

This Order is subject to the provisions of Administrative Rule R655-6-17 of the Division of Water Rights and to Sections 63G-4-302, 63G-4-402, and 73-3-14 of the Utah Code which provide for filing either a Request for Reconsideration with the State Engineer or an appeal with the appropriate District Court. A Request for Reconsideration must be filed with the State Engineer within 20 days of the date of this Order. However, a Request for Reconsideration is not a prerequisite to filing a court appeal. A court appeal must be filed within 30 days after the date of this Order, or if a Request for Reconsideration has been filed, within 30 days after the date the Request for Reconsideration is denied. A Request for Reconsideration is considered denied when no action is taken 20 days after the Request is filed.

Dated this 18 day of FEBRUARY, 2010.

  
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Marc Stilson, P.E., Regional Engineer

Mailed a copy of the foregoing Order this 18 day of FEBRUARY, 2010 to:

Huntington Cleveland Irrigation Company  
PO Box 327  
Huntington UT 84528

PacifiCorp-Energy West Mining Co  
PO Box 310  
Huntington, UT 84528