



State of Utah
School & Institutional
Trust Lands Administration

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CL015/018 Incoming
CC: PFO

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April 6, 2011

Mr. Ken Fleck
Geology & Environmental Affairs Manager
Energy West Mining Company
P.O. Box 310
15 North Main Street
Huntington, UT 84528

RE: Notice of Intention to Conduct Minor Coal Exploration – Coal lease ML 48258

Dear Mr. Fleck:

I have reviewed your April 4, 2011 NOI to conduct minor coal exploration upon the lands within coal lease ML 48258. You propose three drill holes, i.e., #11 in conjunction with the drilling of federal lands to the south, and #2011-1 and #2011-2 in the northern part of the Mill Fork coal tract. The lease is currently in good standing with Pacificorp as the lessee and Energy West Mining Company as the operator.

The Trust Lands Administration heartily approves and supports your proposal to drill these three holes in 2011 in order to facilitate maximum economic recovery of the coal resource. Pacificorp currently has reclamation Surety Bond #103908996, in the amount of \$50,000, on file with the Trust Lands Administration to cover exploration drilling activities performed upon the lands leased under ML 48258.

The surface is owned and managed by the Manti-La Sal National Forest. I note that you are in the process of securing the necessary surface permits from that agency, as well as a coal exploration permit from the Division of Oil, Gas and Mining. It is hoped that these permits will be shortly forthcoming so that the three proposed holes may be included in the 2011 exploration drilling season.

Sincerely,

John T. Blake
Trust Land Specialist

CC: Tom Lloyd
Daron Haddock