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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
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#4159
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September 4, 2012

Kenneth S. Fleck
Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528

Subject: Minor Coal Exploration, PacifiCorp, C/015/0018, Task ID #4159

Dear Mr. Fleck:

The above-referenced Minor Exploration Letter of Intent has been reviewed as of September 4, 2012. Please have a copy of the Letter of Intent at the exploration site upon inspection.

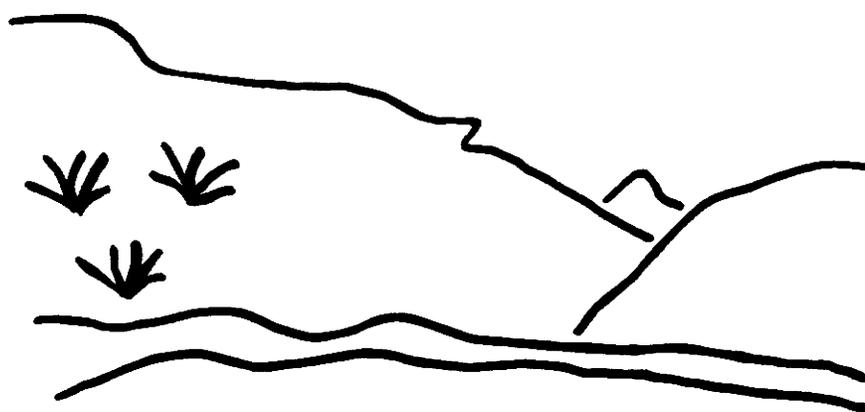
If you have any questions, please feel free to call me at (801) 538-5325 or Stephen J. Demczak at (435) 613-3732.

Sincerely,

Daron R. Haddock
Coal Program Manager

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Cottonwood Tract

PacifiCorp

C/015/0018

Task ID #4159

Minor Exploration Analysis and Findings

September 4, 2012

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EXPLORATION TECHNICAL ANALYSIS

INTRODUCTION

PacifiCorp proposes to drill a total of two (2) coal exploration holes within federal coal lease U-084924. It is schedule to begin October 1, 2012 and end October 31, 2012.

The Applicant in 2012 will drill two (2) holes using truck-mounted portable drilling equipment on an existing dirt road. The applicant has conducted minor exploration using this drilling method in the past.

The applicant will remove less than 250 tons of coal will be removed and there will be no major disturbance to the land.

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 (2) exploration holes on top of East Mountain on Federal Coal Lease U-084924.

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

This minor coal exploration will be conducted on Utah State Coal Leases U-084924 and the United States Forest Service administrates the surface land; therefore, 43 CFR Part 3480-3487 does not apply.

Findings:

The applicant has met the minimum requirements of this section.

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.

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; Fossil Rock Fuel, LLC 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 Applicant will transport drilling equipment, materials, and personnel by truck for nine (2) drill holes.

All drill sites will be relatively level (5 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 nine (2) drill holes using truck mounted drilling will be drill on or next to the road.

The drill pad area will be no greater than a 40 ft. x40 ft. area.

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

The drill is schedule to start on October 1, 2012 and end October 31, 2012.

Findings:

The applicant has met the minimum requirements of this section.

COMPLIANCE DUTIES

Regulatory Reference: 30 CFR 772.13; R645-202.

Analysis:

The applicant 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 applicant 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:

Biology

The drilling time in the fall months will not have a detrimental impact on wildlife. US Forest Service has regulatory requirements exceeding the requirements of Minor Exploration of the Division. The Division will concur with the US Forest Service on Plants and Wildlife.

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 road for staging areas of heavy equipment.

The applicant will be using U.S. Forest Development Roads #040. A U.S. Forest Service Special-Use Permit is not required because it is within the existing permit area.

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. An average drill hole uses 40,000 gallons of water.

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.

Acid- or toxic forming materials

The applicant states, "Acid or toxic forming materials will be handled and disposed of in accordance with R645-301-731.110, R645-301-731.300 and R645-301-553.260". Past drilling has shown "No acid- toxic earth materials or coal waste will be produced used or handled during the drilling program. If material exists it will be transported to Deer Creek or Cottonwood Refuse sites.

Findings:

The applicant does meet the minimum requirements of this section.

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 contour.

Revegetation

All disturb area will be promptly vegetated. All areas disturb will be seeded or planted with the same seasonal variety native to the areas disturbed. The seed mix is indicated on Page 18 of the Letter of Intent. The Division recommends the removal of Columbia needle grass, Sandbergs, and Sulfur flower from the seed mix. The Division fill that these are plants perform better at lower elevations. The Division would recommend Mountain Brome, Dryland Orchardgrass, Timothy, and Triticale.

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 applicant has met the minimum requirements of this section in the R645 Coal Rules. However, the Division has made recommendation in the seed mix.

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.

Findings:

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