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Subject: Bulkhead Monitoring Wells:

As part of the final closure procedures for the Deer Creek Mine, to prevent high-iron groundwater from reaching the surface, several preventive measures will be instituted, including 2 sets of water-tight bulkheads to ensure that will prevent groundwater flow from the Mill Fork workings of the mine to the Rilda Canyon Portals. Among these measures will be a series of boreholes drilled between the surface and the interior workings of the mine at strategic points updip from the bulkheads to monitor the presence, depth, and quality of groundwater, if any, that might accumulate behind the bulkheads.

Two pairs (a primary borehole and secondary backup borehole) of boreholes were drilled in July and August, 2014, from the surface in Rilda Canyon into the Deer Creek workings. These were drilled under the Notice of Intent to Conduct Minor Exploration, DOGM Task #4589. One pair intersected the mine at Crosscut 66 in the Mill Fork Access #2 Mains. The other pair intersected the mine at Crosscut 28 in the 1<sup>st</sup> Right Mains. Both pairs of holes were cased and cemented in place to be completed as water monitoring wells upon final construction of the bulkheads at Crosscut 61.5, MFA #2 Mains and Crosscut 28.5, 1<sup>st</sup> Right Mains. The final steps to complete these holes as monitoring wells have not been taken, as the bulkhead plans (submitted by PacifiCorp on Jan. 20, 2015) have not yet been approved by MSHA.

Since the original bulkhead plans were submitted to MSHA in January, the plans have changed, moving the 1<sup>st</sup> Right XC-28.5 bulkheads to 1<sup>st</sup> Right XC-4.5, further into the mine, where chances of groundwater leakage to the surface are less and where head pressure will be less if groundwater accumulates behind the bulkheads. A new pair of boreholes will be necessary to monitor the potential groundwater accumulations behind the bulkheads at this location. The boreholes already placed at XC-28 will still be used to monitor for potential water accumulations inside the concrete surface plugs at the Rilda Canyon Portals.

Energy West will be drilling a pair of boreholes at 1<sup>st</sup> Right, Entry #3, XC-3.5, to be completed as water monitoring holes behind (updip from) the proposed 1<sup>st</sup> Right XC-4.5 bulkheads. The procedure for installation of these boreholes will be different than for the first two pairs, as these holes will be drilled from inside the mine to the surface. This procedure will eliminate the need for placing any drilling equipment on the surface to complete the wells. Depth of the holes will be approximately 400 feet upward from the drill site in 1<sup>st</sup> Right XC-3.5, Entry 3. The surface hole locations will be on the south-facing hillside about 1 mile up the canyon from the portal facilities. Only minor foot traffic access will be needed on the surface to complete these holes as wells. When the holes are completed, only the 2" casing (PVC) and small metal boxes to protect the well heads will be at the sites.

When the holes are completed as wells, they will be added to the Deer Creek Mine permit monitoring plan, reclamation plan, and reclamation bond.

If you have any questions concerning this action, please contact myself at 435-687-4712, or Chuck Semborski at 435-687-4720.

Sincerely,



Kenneth Fleck  
Geology and Environmental Affairs Manager  
Energy West Mining Company

Cc: Kyle Beagley, USDA Forest Service  
Steve Rigby, BLM