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State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor
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Director

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August 21, 1998

VIA BUILDING MAIL

6.2

MEMORANDUM

TO: Daron Haddock, DOGM
FROM: John Blake
SUBJECT: Canyon Fuel Company Drilling Permit; Flat Canyon Area

ACT/007/005 #2
Copy Daron: Joe

It has come to my attention that DOGM recently approved a coal exploration permit for Canyon Fuel Company to drill several exploratory holes in the Flat Canyon and Winter Quarters areas, Sanpete and Carbon counties. Two of the proposed drill sites in the Flat Canyon area, #99-20-1 (Section 20, T13S, R6E) and #99-29-2 (Section 29, T13S, R6E), are upon lands where mineral title was transferred to the State of Utah on August 5, 1983, via approved Indemnity List No. 324. I am enclosing a copy of the title instrument describing the lands.

The Trust Lands Administration has not authorized any entry of the described lands for coal exploration or mining. The DOGM permit, as to the above reference drill sites, should only be approved conditional upon Canyon Fuel Company obtaining a coal lease or exploration permit from the Trust Lands Administration.

The Trust Lands Administration is very interested in developing its coal resources in Sections 20 and 29. We will be pleased to talk with Canyon Fuel Company regarding the possible issuance of a coal lease or exploration agreement.

Please contact me if you have any questions regarding the mineral title of the State of Utah.

Approved Aug. 5, 1983

ERIOR
GEMENT

S APPROVED LIST

proved List Number
L 324

State
Utah

Serial Number
U-52672

or, the corresponding school lands, or losses to its grant for the support of common schools, assigned as bases for the selections, which were

AREA (in acres) TRACTS	AREA (in acres) BASES (TOTAL)	FILING DATE	SERIAL NUMBER	DESCRIPTION OF TRACTS SELECTED	SECTION	TOWNSHIP	RANGE	MERIDIAN	AREA (in acres) TRACTS	AREA (in acres) SELECTED
40.00	40.00	1/31/83	U-52672	all;	21	30 S.	1 E.	SLM	640.00	
				all;	22	30 S.	1 E.	"	640.00	
640.00	640.00			all;	23	30 S.	1 E.	"	640.00	
				all;	24	30 S.	1 E.	"	640.00	
91.20	91.20			all;	25	30 S.	1 E.	"	640.00	
				all;	26	30 S.	1 E.	"	640.00	
35.00				all;	27	30 S.	1 E.	"	640.00	
				all;	28	30 S.	1 E.	"	640.00	
280.00	315.00			all;	33	30 S.	1 E.	"	640.00	
				all;	34	30 S.	1 E.	"	640.00	
640.00				all;	35	30 S.	1 E.	"	640.00	
				S½NE¼, NW¼.	36	30 S.	1 E.	"	240.00 30/160	14,167.52
640.00	1,280.00			E½;	24	23 S.	5 E.	"	320.00	
				all.	25	23 S.	5 E.	"	640.00	960.00
7.00				NW¼NE¼, NE¼NW¼, S½N½, S½ (mineral estate only);	20	13 S.	6 E.	"	560.00 40/40/160/320	
400.00	407.00			SE¼NW¼, S½ (mineral estate only).	29	13 S.	6 E.	"	360.00 40/320	920.00
25.14				lots 1, 2, 3, 4, 5, 6, 7, S½NE¼, SE¼NW¼, E½SW¼, SE¼;	19	23 S.	6 E.	"	682.04	322.04/80/40 80/160
395.27	420.41									
52.70	52.70			lots 1, 2, 3, 4, E½, E½W½;	30	23 S.	6 E.	"	664.96	184.96/320/160
248.96	248.96			lots 1, 2, 3, 4, E½, E½W½.	31	23 S.	6 E.	"	662.84 182.84/320/160	2,009.84
87.07				lots 2, 3, 4, 5, SE¼NW¼ (mineral estate only);	4	3 S.	21 E.	"	208.11 168.11/40	
169.92										
193.92	450.91			lots 1, 4, SW¼NW¼ (mineral estate only);	5	3 S.	21 E.	"	103.68	63.68/40
112.57	112.57			lots 1, 2, 3, 4, 5, S½NE¼, SE¼NW¼ (mineral estate only).	6	3 S.	21 E.	"	294.54 174.54 80/40	606.33
640.00										
640.00	1,280.00			E½, NW¼, E½SW¼, NW¼SW¼;	13	5 S.	22 E.	"	600.00 320/160/80/40	
				E½NE¼, NW¼NE¼;	14	5 S.	22 E.	"	120.00 80/40	
597.84				NE¼, NE¼NW¼.	24	5 S.	22 E.	"	200.00 160/40	920.00
				all;	25	27 S.	22 E.	"	640.00	
1.91	599.75			all;	26	27 S.	22 E.	"	640.00	
				all.	35	27 S.	22 E.	"	640.00	1,920.00
3.10	3.10			NW¼;	8	5 S.	23 E.	"	160.00	
				lots 1, 2, 3, 5, 6, W½NE¼NW¼NE¼, NW¼NW¼NE¼, 10	18	5 S.	23 E.	"	227.10	387.10
640.00	640.00						LOTS	144.60	5 10 2.5/40 5/20	5 10 2.5 40 5 20
270.15	270.15			NW¼SW¼NW¼NE¼, NE¼NW¼, W½NE¼SE¼NW¼, W½SE¼NW¼.						
75.72	75.72			S½SE¼;	11	12 S.	24 E.	"	80.00	82.50
				S½S½;	12	12 S.	24 E.	"	160.00	
107.92	107.92			N½N½, SW¼NW¼, SW¼, S½SE¼;	13	12 S.	24 E.	"	440.00 160/40/160/80	
474.04	474.04			S½NE¼, SE¼NW¼, N½SE¼ (mineral estate only);	13	12 S.	24 E.	"	200.00 80/40/80	
280.00	280.00			E½;	14	12 S.	24 E.	"	320.00	
40.00				E½;	23	12 S.	24 E.	"	320.00	
				all.	24	12 S.	24 E.	"	640.00	2,160.00
123.56	163.56			SE¼;	19	9 S.	25 E.	"	160.00	
				S½	28	9 S.	25 E.	"	320.00	
94.00	94.00			lots 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, N½NE¼, SE¼NE¼;	30	9 S.	25 E.	"	398.54 118.54 80/40	
37.46	37.46									
				NW¼;	31	9 S.	25 E.	"	160.00	