



Ark Land Company  
 c/o Canyon Fuel Co., LLC  
 Skyline Mines  
 HC35Box 380  
 Helper, Utah 84526  
 435-448-2633

July 26, 2007

Pam Grubaugh-Littig  
 Permit Supervisor  
 Utah Coal Regulatory Program  
 Division of Oil, Gas & Mining  
 1594 West North Temple, Suite 1210  
 PO Box 145801  
 Salt Lake City, Utah 84114-5801

*Incoming*  
*C/007/0005*  
*TASK ID# 2835*

Re: Intent to Conduct Minor Coal Exploration, Canyon Fuel Fee Coal Lease Winter Quarters Canyon, 2007

Dear Pam:

Attached are five copies of an Intent to Conduct Minor Coal Exploration for one exploration borehole (designated C-06) in Winter Quarters Canyon just west of the town of Scofield. Also included are the DOGM application forms C-1 and C-2. The type of exploration proposed is heli-portable wireline core drilling which results in very minor surface disturbance with no need for drill site or access road construction.

If possible we would like to initiate drilling as early as August 22, 2007. Sections of the application dealing with wildlife, raptors and cultural history sites are enclosed in separate folders for inclusion in Skyline's confidential files as needed. Also included in the document is the Temporary Water Change approval for use of Skyline Mine water for drilling, the surface landowner agreement, and the fee coal lease document. I appreciate your consideration of this application.

If you have any questions, please contact me at (435-448-2633).

Sincerely,

*Mark Bunnell*

Mark Bunnell  
 Geologist  
 Ark Land Company

Encl.  
 MDB:mdb

File in: *C/007/005, 2007, Incoming*  
 Refer to:  
 Confidential  
 Shelf  
 Expandable  
 Date *7/26/07* For additional information

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DIV. OF OIL, GAS & MINING

# APPLICATION FOR COAL PERMIT PROCESSING

Permit Change  New Permit  Renewal  Exploration  Bond Release  Transfer

**Permittee:** Canyon Fuel Company, LLC **Permit Number:** C/007/005

**Mine:** SKYLINE

**Title:** NOTICE OF INTENT TO CONDUCT MINOR COAL EXPLORATION -- CANYON FUEL FEE COAL LEASE WINTER QUARTERS CANYON, 2007

**Description,** Include reason for application and timing required to implement:  
ONE HELICOPTER-SUPPORTED COAL EXPLORATION BOREHOLE TO BE DRILLED END-AUGUST, 2007

**Instructions:** If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- |   |   |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?                                     |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice publication?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies?  |
| <i>Explain:</i> _____   |   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)                                |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information?   |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement?   |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities?  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities?   |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures?  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities?   |

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Mark Bunnell  
Print Name

Mark Bunnell Coalologist, 7-26-07  
Sign Name, Position, Date

Subscribed and sworn to before me this 26<sup>th</sup> day of July, 2007

Kathleen Atwood  
Notary Public

My commission Expires: 12/2, 2007

Attest: State of Utah } ss:  
County of Carbon

**KATHLEEN ATWOOD**  
 NOTARY PUBLIC - STATE OF UTAH  
 100 N. 200 W. #13  
 HUNTINGTON, UT 84528  
 COMM. EXPIRES 12-2-2007

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<b>For Office Use Only:</b>	<b>Assigned Tracking Number:</b>	<b>Received by Oil, Gas &amp; Mining</b>
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Form DOGM- C1 (Revised March 12, 2002)

