

0052



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

Aug. 23, 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

Joe Helfrich
8/23/07
#2835

Re: Intent to Conduct Minor Coal Exploration, Canyon Fuel Fee Coal Lease Winter Quarters Canyon, 2007. Revisions to pages 3 and 4.

Dear Pam:

Attached are five copies of revised pages 3 and 4 to the Intent to Conduct Minor Coal Exploration for one exploration borehole (designated C-07) in Winter Quarters Canyon just west of the town of Scofield. The changes, suggested by Joe Helfrich, include a better designation of the plant community in the vicinity of the proposed drillsite as well as the removal of a sentence stating reptiles may be present in the area. Also included are the DOGM application forms C-1 and C-2 for the revised pages.

I have also emailed these revised pages and C-1/C-2 forms to Steve Demczak in the Price Field Office.

Again, I appreciate the work of the DOGM staff on this application.

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

Sincerely,

A handwritten signature in black ink that reads "Mark Bunnell".

Mark Bunnell
Geologist
Ark Land Company

Attach.
MDB:mdb

RECEIVED

AUG 24 2007

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: SKYLINE

Permit Number: C/007/005

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 REVISED PAGES 3 & 4

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

- 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ increase decrease.
2. Is the application submitted as a result of a Division Order? DO# _____
3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
4. Does the application include operations in hydrologic basins other than as currently approved?
5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
6. Does the application require or include public notice publication?
7. Does the application require or include ownership, control, right-of-entry, or compliance information?
8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
9. Is the application submitted as a result of a Violation? NOV # _____
10. Is the application submitted as a result of other laws or regulations or policies?
11. Does the application affect the surface landowner or change the post mining land use?
12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
13. Does the application require or include collection and reporting of any baseline information?
14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
15. Does the application require or include soil removal, storage or placement?
16. Does the application require or include vegetation monitoring, removal or revegetation activities?
17. Does the application require or include construction, modification, or removal of surface facilities?
18. Does the application require or include water monitoring, sediment or drainage control measures?
19. Does the application require or include certified designs, maps or calculation?
20. Does the application require or include subsidence control or monitoring?
21. Have reclamation costs for bonding been provided?
22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
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 Geologist 8-23-07
Sign Name, Position, Date

Subscribed and sworn to before me this 23 day of Aug, 2007

Kathleen Atwood
Notary Public

My commission Expires: Utah 12/2, 2007
Attest: State of Utah } ss:
County of Carbon



RECEIVED

AUG 24 2007

DIV. OF OIL, GAS & MINING

For Office Use Only:

**Assigned Tracking
Number:**

Received by Oil, Gas & Mining

RECEIVED

AUG 24 2007

DIV. OF OIL, GAS & MINING

Form DOGM- C1 (Revised March 12, 2002)

At times a consulting geologist may act as representative of the applicant. The UDOGM and USFS will be notified of the consulting geologist's name and address if one is used.

R645-201-223

The exploration area is generally located in central Utah 2.5 miles west of Scofield (Map 1). The legal description of the Canyon Fuel Company fee coal lease is as follows:

T. 12 S., R. 6 E., Salt Lake Base and Meridian

Sec. 24, E1/2, E1/4

Sec. 25, E1/2, E1/2

Sec. 36, N1/2, N1/2; S1/2, S1/2

T.12 S., R. 7 E., Salt Lake Base and Meridian

Sec. 30, SW1/4

Sec. 31, NW1/4, NW1/4; SW1/4, SW1/4

T.13S., R. 6 E., Salt Lake Base and Meridian

Sec. 1, W1/2

Sec. 12, NW1/4, NW1/4; SW1/4, SW1/4

Containing 1,200 acres more or less

The lease is entirely located in Carbon County, Utah. The lease document is included in Appendix D. Map 2 shows the proposed borehole (C-07) location and the helicopter staging location which is permitted under an approved Federal Exploration Plan. Site C-07 is located on private surface land belonging to the Allred Family Trust. The surface access and use agreement is included in Appendix C.

The proposed exploration area is located in Winter Quarters Canyon (Map 2). The area lies within the Wasatch Plateau physiographic province. Winter Quarters Canyon drains eastward into Mud Creek just south of the town of Scofield. Topography in the area is mountainous with narrow east-west trending ridges and deep canyons. Elevation ranges from approximately 8000 ft. to 8800 ft.

The exploration area is underlain by sedimentary rocks of late Cretaceous age. Two formations crop out in the area including the coal-bearing Blackhawk Formation and the overlying Price River Formation. At least two potentially mineable coal seams occur in the area including the Lower O'Connor A seam and the Flat Canyon (also called Woods Canyon) seam.

Strata in the area dip uniformly from 2 to 8 degrees west-northwest. Several faults have been identified in the area. A number of igneous dike zones also exist in the exploration area.

Rock types are predominantly sandstones, siltstones, shale and coal.

Vegetation in the exploration area occurs in the sage brush/snowberry with interspersed

Pg revised 8-23-07

Replaces 7-26-07 submittal

pockets of aspen and choke cherry plant communities. Winters Canyon Creek supports game fish. The exploration area is important habitat for raptors, elk, mule deer, cougar, bobcat, black bear, and small mammals. Drill hole C-07 is located on a south-facing sagebrush-covered slope.