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# State of Utah

DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

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Outgoing  
C0070005  
#4152  
K

August 7, 2012

Paul Jensen, Senior Geologist  
Ark Land Company  
c/o Skyline Mine  
HC 35 Box 380  
Helper, Utah 84526

Subject: Minor Coal Exploration, Ark Land Company, C/007/005, Task ID #4152

Dear Mr. Bunnell:

The above-referenced Minor Exploration Letter of Intent has been reviewed as of August 10, 2011. Please have a copy of the Letter of Intent at the exploration site upon inspection.

There are several recommendations that would be helpful to you and the Division.

- 1) Ark Land Company must comply with all terms and condition of all State and Federal Permits.

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

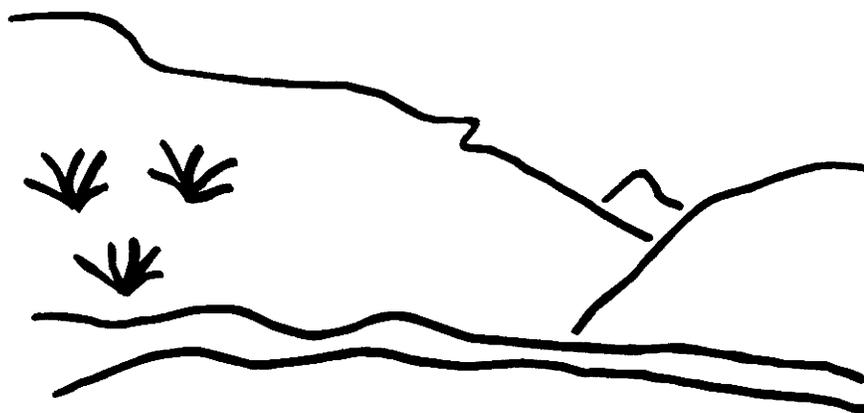
Sincerely,

Daron R. Haddock  
Coal Program Manager

DRH/SKC/ss  
Attachment  
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# State of Utah



## Utah Oil Gas and Mining

### Coal Regulatory Program

Skyline Mine  
Ark Land Company  
ACT 007/005  
Task ID #4152  
Minor Exploration Analysis and Findings  
August 7, 2012

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# **EXPLORATION TECHNICAL ANALYSIS**

## **INTRODUCTION**

Ark Land Company (a subsidiary of Arch Coal Inc.) has submitted a Notice of Intent to Conduct Minor Coal Exploration on behalf of Skyline Mine. The Applicant will drill four drill holes in Woods Canyon just west of Scofield. All drilling will be conducted on Fee land. All four drill holes will be drilled on the (Allred Family Trust). The coal lease belongs to Canyon Fuel Company. A helicopter will be used for transportation of drilling equipment. The staging area will be on fee ground. Personnel may access the site by helicopter, horseback, or on foot. The drilling is scheduled for August 20, 2012. The reclamation will take place once the exploration is finished approximately four weeks from the beginning of the drill program.

The Applicant will use helicopter drilling for all four drill holes.

## **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:**

Ark Land Company (a subsidiary of Arch Coal Inc.) has submitted a Notice of Intent to Conduct Minor Coal Exploration on behalf of Skyline Mine. The permittee will remove approximately 60 lb of coal from the total of the four drill holes. This drill hole will be located on Fee Land. This exploration action is under the jurisdiction of the Division of Oil, Gas and Mining.

#### **Findings:**

The applicant has submitted the necessary information to meet 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:**

The applicant has submitted the appropriate information such as name, address, phone number and contact person.

The applicant has submitted the location of the four drill hole and the Right of Entry (access agreement) information from the landowner.

A timeline was given with the start-up of August 20, 2012 and the site will be reclaimed four weeks afterwards.

#### **Findings:**

The applicant has met the minimum requirements of this section.

## **COMPLIANCE DUTIES**

Regulatory Reference: 30 CFR 772.13; R645-202.

## **OPERATIONAL STANDARDS**

Regulatory Reference: 30 CFR 772.13; R645-202-100.

### **Analysis:**

#### **Biology**

The Applicant has conducted a Biological survey in 2012. The exploration and reclamation activities will not occur within ½ mile of known breeding and nesting areas during breeding and nest periods.

#### **Historic and Archeological**

The Applicant had Earth Touch Inc. to conduct a cultural Resource Survey in Woods Canyon. The results were no cultural resources sites were found in the inventory of the drill locations.

#### **Roads**

The no new roads will be constructed. Access will be by existing roads, foot, horseback, or via helicopter.

#### **Topsoil**

Minor excavation will be used to level the drill rig all by handwork. This topsoil will be stored on site. The topsoil will be used for reclamation. The reclamation will be to the original contours of the ground. The topsoil areas will be seeded. The Applicant has submitted a seed mix which was approved by the US Forest last year for drilling in 2011.

#### **Diversions of Overland flows and streams**

There will be no diversion of overland flow. The applicant has received a temporary

water right change to use near by water for drilling.

### **Hydrologic Balance**

#### **Acid- or toxic forming materials**

All drilling fluids and cutting will be stored in a tank and removed from the drilling site.

### **Findings:**

The applicant has met the minimum requirements of this section.

## **RECLAMATION STANDARDS**

Regulatory Reference: 30 CFR 772.13; R645-202-200.

### **Analysis:**

#### **Approximate original contour**

The applicant will reclaim the drill pad to approximate original contours. The Applicant will be helicopter drilling and the disturbance is small.

#### **Revegetation**

The applicant will seed areas of disturbance with the approved USFS in 2011 for drilling in this area.

#### **Boreholes**

The borehole will be reclaimed using cement/bentonite slurry. The full depth of the hole will be reclaimed using this mixture. A brass tag will be placed on top of the hole stating the applicant name, drill hole number and legal description.

#### **Facilities and Equipment**

All drilling equipment will be removed once it is no longer needed. There will be no facilities at this drill site.

### **Findings:**

The applicant has met the minimum requirements of this section.

## **PUBLIC AVAILABILITY OF INFORMATION**

Regulatory Reference: 30 CFR 772.15; R645-203.

### **Analysis:**

The applicant has requested this information to remain confidential to the public.

### **Findings:**

The applicant has met the minimum requirements of this section.