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C0070005
Outgoing
#4383
OK

August 7, 2013

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

Subject: Minor Coal Exploration, Ark Land Company, C/007/0005, Task ID #4383

Dear Mr. Jensen:

The above-referenced Minor Exploration Letter of Intent has been reviewed as of August 5, 2013. You have addressed all the requirements of the Minor Coal exploration Rules in the R645 Coal Rules. The Letter of Intent is considered complete. Please have a copy of the Letter of Intent at the exploration site upon inspection.

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

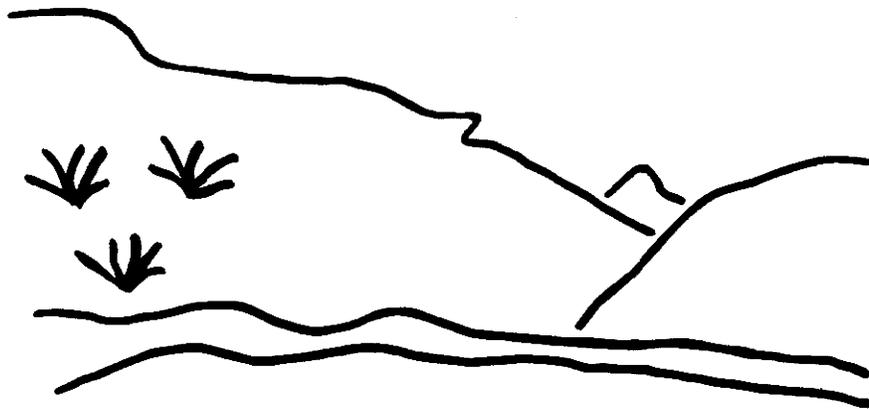
Sincerely,

Daron Haddock
Coal Program Manager

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Woods Canyon Exploration

X/007/005

Minor Exploration Analysis and Findings

August 5, 2013

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EXPLORATION TECHNICAL ANALYSIS

INTRODUCTION

Ark Land Company has submitted a Notice of Intent to conduct Minor Coal Exploration in Woods Canyon just west of the town of Scofield, Utah. The applicant is proposing to drill one hole (F-13) into two coal seams. The coal is on a Carbon County lease and Ark Land/ Arch Coal ownership. The surface owners have given permission (Right of entry) to use their property.

Ark Lands will use helicopter-assisted drilling method to drill hole F-13. It is anticipated that 60 lbs. of coal will be removed. The disturb drill will be .0015 acres.

The applicant will remove less than 250 tons of coal with less than 5 acres of total disturbance.

The Applicant plans to start drilling on this application is reviewed. It is schedule that the project will take two weeks to be completed and reclaim.

SUMMARY OF PERMIT CONDITIONS

As determined in the analysis and findings of this Technical Analysis, approval of the plan is subject to the following Permit Conditions. The applicant is subject to compliance with the following Permit Conditions and has committed to comply with the requirements of these conditions as referenced in the approved Permit.

Accordingly, the permittee has committed to comply with the requirements of the following Permit Conditions, as specified, and in accordance with the requirements of:

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 has submitted information to address the requirements of the state program and to meet requirements of R645-200 through R645-203. The applicant has classified this action as a Notice of Intention to Conduct Minor Coal Exploration and to comply with the State Program. The applicant has specified that certain material not be available to the public.

Findings:

The information given is to address the requirement of State program and R645-200 through R645-203. The information that was submitted is complete.

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:

R645-201-221; This coal rule requires the applicant to give name, address, and telephone number of the applicant's representatives, who will be present at and responsible for conducting the exploration operations. This information was within the Notice of Intent.

R645-100-400, R645-200-100, R645-200-200, and R645-201-100; Ark Land Company has given a Notice of Intention to Conduct Minor Coal Exploration with a narrative and map describing the exploration area and indicating where the exploration will occur.

The drill site F-13 will use helicopter-assisted drilling. The drill site will be reclaimed by the end of the second week. See page 7 in the Notice of Intent.

The exploration will take place on Woods Canyon near Scofield, Utah. The applicant will remove approximately 60 pounds of coal. The drill holes will be 2.4 inch BQ. The casing hole will be 3 inches in diameter. Upon completion, the drill hole will be sealed with cement/bentonite from the bottom of the hole to ground level.

The applicant plans to start drilling will be upon the review of this application. It is planned that the project will take two weeks from start to finish, including the reclamation of the drill site F-13.

Findings:

The Applicant has given all of the necessary information as requirements of R645-201-221 such as name, address, and telephone number.

The Applicant has submitted the necessary information to comply with regulations R645-100-400, R645-200-100, R645-200-200, and R645-201-100 in the analysis.

COMPLIANCE DUTIES

Regulatory Reference: 30 CFR 772.13; R645-202.

Analysis:

Ark Land Company will not disturb the natural land surface for helicopter drilling just to level the drilling rig by using picks and shovels. The drill site will be covered with brattices and leaving vegetation and topsoil in place. The applicant might have to remove a small amount of brush or trees for leveling. No mud pits will be required.

The applicant has committed in the Notice of Intent to clean-up spills and to scarify and seed all disturbed areas.

Findings:

The information submitted complies with the requirements of R645-202-100.

OPERATIONAL STANDARDS

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

Analysis:

Biology

Cultural Resources

Tetra Tech, conducted the Cultural Resource inventory in July 19, 2013. No cultural

resource properties were identified on the proposed drill pad. This was a Class III cultural resource inventory.

Roads

R645-202-232; Ark Land Company will use an Helicopter to gain access to drill hole F-13. No roads will be used to gain access to the exploration site.

Topsoil

Topsoil will be left in place. This is a normal procedure for helicopter drilling.

Diversions of Overland flows and streams

The applicant states on page 9 of the submittal that there will be no diversion of overland flows. The applicant has an approval to "Temporary Change of Water" for this drilling project. The approval came from the Division of Water Rights.

Hydrologic Balance

The applicant states that the drill hole will be sealed using cement or cement/bentonite slurry.

The drill hole will not be completed as a monitoring well.

Acid- or toxic forming materials

Drill fluid and or cuttings will be contained within mud tanks and hauled to a disposal site.

Findings:

The information provided does meet the minimum regulatory requirements of this section

RECLAMATION STANDARDS

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

Analysis:

Approximate original contour

The total disturbed area will be .015 acres. There will be minor disturbance with shovel

to level drilling rig and removal of rocks. This will not affect the approximate original contour.

Revegetation

The seed mix was approved by the US Forest Service in 2012 for the Woods Canyon area. This has been approved by the Division in the past.

Boreholes

The drill casing will be 3 inch diameter. The hole will be case for 100 to 200 feet.

Upon completion of the drilling, the hole will be plugged with cement or cement/bentonite slurry to its full depth. A brass tag will be placed at the top of the drill hole stating the operator's name, drill hole number, and legal description.

Facilities and Equipment

R645-202-244 through R645-202-244.300: All drilling equipment and materials will be removed from the drill area once drilling is completed. Sealing will start thereafter, and all equipment and material for sealing the drill hole will be removed, when sealing is completed.

No facilities are to be built during this exploration program.

Findings:

The information provided meets the minimum regulatory requirements of this section.

PUBLIC AVAILABILITY OF INFORMATION

Regulatory Reference: 30 CFR 772.15; R645-203.

Analysis:

Ark Land Company has requested that the Division not make any drilling information available for public inspection relative to coal seam thickness or quality.

Findings:

The permittee has met the minimum requirements of this section in the Notice of Intent.