



**Canyon Fuel
Company, LLC**

A Subsidiary of Bowie Resource Holdings, LLC

Skyline Mine

Gregg A. Galecki, Environmental Engineer
HC35, Box 380
Helper, Utah 84526
(435) 448-2636
Fax (435) 448-2632

C/007/0005
Received 10/20/16
Task ID #5303

October 18, 2016

Mr. Daron R. Haddock
Division of Oil, Gas, and Mining
1594 West North Temple
Salt Lake City, Utah 84114-5801

RE: Covered Warehouse Storage, Canyon Fuel Company, LLC, Skyline Mine, C/007/0005

Dear Daron:

Attached to this letter are both redline and clean copies of information necessary to add a concrete floor and covered outdoor warehouse storage area to the existing warehouse lay-down area. Included are an updated Surface Facilities map (Plate 3.2.1-1_Rev15_10-18-16) showing the location of the new structures, and modified bond sheets to accommodate demolition/removal of the structures. The storage area/shed dimensions are 50-ft x 23-ft x 15-ft high. The demolition of the steel building and concrete floor add approximately \$7,800 to the Shop-Warehouse demolition sheet, and approximately \$9,900 to the bond. There is adequate funding in the current bond to cover this modification.

Attached to this cover letter are completed C1 and C2 forms. In addition, two clean versions of the M&RP modified bond information located in Chapter 4, Section 4.3, and Plate 3.2.1-1.

If you have any questions regarding this information, please call me at (435) 448-2636.

Sincerely:

Gregg A. Galecki
Canyon Fuel Company, LLC.
Environmental Engineer – Skyline Mines

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: Skyline Mine

Permit Number:

C/007/005

Title: Bond modification, Covered Warehouse Storage

Description, Include reason for application and timing required to implement:

Addition of Covered Warehouse Storage

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

- Yes No 1. Change in the size of the Permit Area? Acres: ___ Disturbed Area: ___ increase decrease.
- Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
- Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes No 6. Does the application require or include public notice publication?
- Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes No 9. Is the application submitted as a result of a Violation? NOV # _____
- Yes No 10. Is the application submitted as a result of other laws or regulations or policies?

Explain: _____

- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Information submitted electronically in Adobe Acrobat .pdf format. (This number includes 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.

Corey Heaps
Print Name

Corey Heaps, GM, 10-12-16
Sign Name, Position, Date

Subscribed and sworn to before me this 12th day of Oct, 2016

Kathleen Atwood
Notary Public

My commission Expires: 12-02, 2019
Attest: State of Utah } ss:
County of Carbon



For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining
-----------------------------	----------------------------------	--

Section 4.3

Red line

Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$2,099,732
Subtotal Backfilling and Grading	\$1,343,339
Subtotal Revegetation	\$313,143
Direct Costs Subtotal	\$3,756,214

Indirect Costs

Mob/Demob	\$375,621	10.0%
Contingency	\$187,811	5.0%
Engineering Redesign	\$93,905	2.5%
Main Office Expense	\$255,423	6.8%
Project Management Fee	\$93,905	2.5%
Subtotal Indirect Costs	\$1,006,665	26.8%

Total Cost 2014	\$4,762,879
------------------------	--------------------

<i>Escalation factor</i>		5
<i>Number of years</i>		0.019
<i>Escalation</i>	\$479,715	

Reclamation Cost Escalated	\$5,242,594
----------------------------	-------------

Reclamation Bond Amount (rounded to nearest \$1,000) 2019 Dollars	\$5,243,000
--	--------------------

Posted Bond March 18, 2015	\$5,799,000
----------------------------	-------------

Difference Between Cost Estimate and Bond	\$556,000
Percent Difference	9.59%

Errors in permittee's total sheet: indirect should be updated, escalation should be held constant at \$479,715, TOTAL rec bond amount in 2019 \$5,455,000

Ref	Description	Materials Reference Number	Unit	Unit Cost	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit Cost
	Shop Warehouse 01																	285626
	Administration Bld 02																	27154
	Mine No 1 Transfer Tower 03																	44106
	BC 2 Drive House 04																	9422
	BC 3 Drive House 05																	42220
	Crusher Raw Coal 06																	20778
	Truck Loadout 07																	4807
	Railcar Loadout 08																	23377
	Conveyors 8 total 09																	114289
	Water Tanks Two 10																	2252
	Pump House 11																	1601
	Well House Three 12																	4756
	Water Treatment Bld 13																	17830
	Misc Storage Bld 14																	8386
	Overland Conveyor 15																	95092
	Guard Rail 16																	18269
	Rock Dust Bld 17																	7075
	Overland Dust Collector 18																	1525
	Substation 19																	2669
	Power Line 20																	528
	Cap Magazine 21																	38
	Fuel Storage 22																	1347
	Propane Tanks 23																	1820
	Stacking Tube 24																	7346
	Reclaim Tunnel 25																	60762
	Slope Protection Apron 26																	23345
	Concrete Lined Ditch 27																	1175
	Raw Coal Silo 28																	21081
	Parking Area Middle 29																	3262
	Truck Loadout Foundation 30																	310
	Road Pad Lower 31																	5054
	Silo Rail Loadout 32																	186868
	Loadout Foundation RR 33																	7683
	Pavement Rail Loadout 34																	48718
	Steel 35																	11075
	James Canyon 36																	126205
	Culvert Backfilling 37																	9041
	Channel Construction 38																	520548
	Equipment 39																	237900
	Portal Face Door 40																	6297
	Concrete Building 41																	2274
	Winter's Quarters Ventilation 42																	54782
	North of Graben Bleeder Shaft 43																	17181
	Swans Canyon Ventilation Facility 44																	13917
	Total																	2,099,732

Ref	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost	
	Shop Warehouse 01																				
	Deduct 50% no interior walls																				
	Structure's Demolition Cost	Mixed Materials Bld. Large	02 41 16 13 0100	0.9/CF														196000	CF	177210	
	Structure's Vol. Demolished																	21878	CY		
	Structure's Demolition Cost	Steel Bld. Large - Covered Yard Storage	02 41 16 13 0020	0.27/CF		50	23	15										17260	CF	6055	
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Non Steel Truck																				
	Transportation Cost Non Steel Drive																				
	Disposal Cost Non Steel	City Services	City Service Price	4.33/CF															21878	CY	94732
	Steel's Weight																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Steel Truck																				
	Transportation Cost Steel Truck Drive																				
	Disposal Cost Steel																				
	Subtotal																				277996.75
	Equipment's Disposal Cost																				
	Dismantling Cost																				
	Equipment's Vol. Demolished																				
	Loading Costs																				
	Transport Costs																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost	Nelson Concrete <15"	Nelson Quote	13.75/CY															246	CY	3383
	Concrete's Vol. Demolished																		320	CY	
	Loading Cost	Front end Loader 3 CY	31 23 16 42 1300	1.07/CF																	
	Transportation Cost	12 CY (16 Ton) Dump Truck 1/2 mi. and Imp	31 23 23 20 1014	2.95/CF																	
	Disposal Costs	On site disposal	02 41 16 17 4200	0.65/CF																	
	Subtotal																				7629
	Total																				285625.75

Note: Volume is in CY

10-18-2016. Added 56 cu-yd concrete and All-Steel demolition for Covered Warehouse storage

Section 4.3

~~4.3~~

clean

Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$2,099,732
Subtotal Backfilling and Grading	\$1,343,339
Subtotal Revegetation	\$313,143
Direct Costs Subtotal	\$3,756,214

Indirect Costs

Mob/Demob	\$375,621	10.0%
Contingency	\$187,811	5.0%
Engineering Redesign	\$93,905	2.5%
Main Office Expense	\$255,423	6.8%
Project Management Fee	\$93,905	2.5%
Subtotal Indirect Costs	\$1,006,665	26.8%

Total Cost 2014	\$4,762,879
------------------------	--------------------

<i>Escalation factor</i>		5
<i>Number of years</i>		0.019
<i>Escalation</i>	\$479,715	

Reclamation Cost Escalated	\$5,242,594
----------------------------	-------------

Reclamation Bond Amount (rounded to nearest \$1,000) 2019 Dollars	\$5,243,000
--	--------------------

Posted Bond March 18, 2015	\$5,799,000
----------------------------	-------------

Difference Between Cost Estimate and Bond	\$556,000
Percent Difference	9.59%

Errors in permittee's total sheet: indirect should be updated, escalation should be held constant at \$479,715, TOTAL rec bond amount in 2019 \$5,455,000

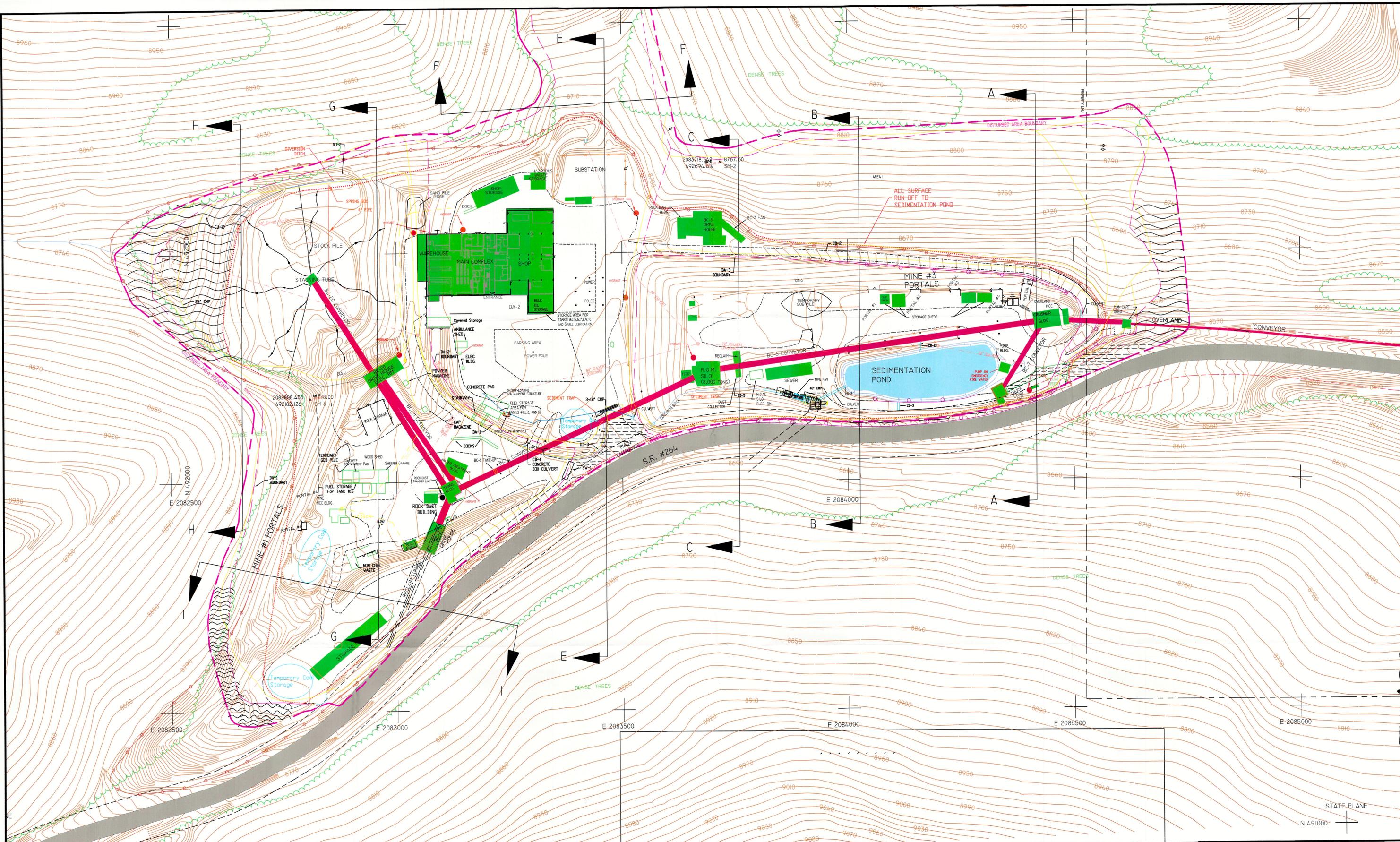
Demolition Costs

Skyline Mine
Warehouse Covered Storage

Ref.	Description	Materials Reference Number	Unit Cost	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit Swell Factor	Quantity	Unit Cost
	Shop Warehouse 01															265626
	Administration Bld 02															27154
	Mine No 1 Transfer Tower 03															44106
	BC 2 Drive House 04															9422
	BC 3 Drive House 05															42220
	Crusher Raw Coal 06															20778
	Truck Loadout 07															4807
	Roller Loadout 08															23377
	Conveyors 8 total 09															114289
	Water Tanks Two 10															2262
	Pump House 11															1601
	Well House Three 12															4756
	Water Treatment Bld 13															17830
	Misc Storage Bld 14															8386
	Overland Conveyor 15															95092
	Guard Rail 16															18269
	Rock Dust Bld 17															7075
	Overland Dust Collector 18															1525
	Substation 19															2609
	Power Line 20															528
	Cap Magazine 21															38
	Fuel Storage 22															1347
	Propane Tanks 23															1820
	Stacking Tube 24															7346
	Reclaim Tunnel 25															60762
	Steps Protection Apron 26															23345
	Concrete Lined Ditch 27															1175
	Raw Coal Silo 28															21081
	Parking Area Middle 29															3262
	Truck Loadout Foundation 30															5054
	Road Pad Lower 31															186868
	Silo Rail Loadout 32															7683
	Loadout Foundation RR 33															11075
	Pavement Rail Loadout 34															48718
	Steel 35															126205
	James Canyon 36															9041
	Culvert Backfilling 37															520548
	Channel Construction 38															237900
	Equipment 39															6297
	Portal Face Door 40															2274
	Concrete Building 41															54782
	Winter's Quarters Ventilation 42															17181
	North of Graben Bleeder Shaft 43															13917
	Svens Canyon Ventilation Facility 44															2,099,732
	Total															

Ref.	Description	Materials	Mears Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost	
	Shop Warehouse 01																				
	Deduct 50% no interior walls																				
	Structure's Demolition Cost	Mixed Materials Bld. Large	02 41 16 13 0100	0.3 /CF	0.3 /CF													1969000	CF	177210	
	Structure's Vol. Demolished																	0.3	21678	CY	
	Structure's Demolition Cost	Steel Bld. Large - Covered Yard Storage	02 41 16 13 0020	0.27 /CF	0.27 /CF	50	23	15										17250	CF	6055	
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Non Steel Truck																				
	Transportation Cost Non Steel Drive																				
	Disposal Cost Non Steel	City Services	City Service Price	4.33 /CY	4.33 /CY																
	Steer's Weight																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Steel Truck																				
	Transportation Cost Steel Truck Drive																				
	Disposal Cost Steel																				
	Subtotal																				277996.75
	Equipment's Disposal Cost																				
	Dismantling Cost																				
	Equipment's Vol. Demolished																				
	Loading Costs																				
	Transport Costs																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost	Nielson Concrete <15"	Nielson Quote	13.75 /CY	13.75 /CY																3383
	Concrete's Vol. Demolished																				
	Loading Cost	Front end Loader 3 CY	31 23 16 42 1300	1.87 /CY	1.87 /CY																534
	Transportation Cost	12 CY (16 Ton) Dump Truck 1/2 mi. ltrg	31 23 23 20 1014	2.95 /CY	2.95 /CY																944
	Disposal Costs	On site disposal	02 41 16 17 4200	8.65 /CY	8.65 /CY																2768
	Subtotal																				7629
	Total																				285625.75

Note: Volume is in CY 10-18-2016. Added 56 cu-yd concrete and All-Steel demolition for Covered Warehouse storage



LEGEND

DISTURBED AREA BOUNDARY: (AREA WITHIN WHICH RECLAMATION MUST TAKE PLACE)

AREA TRIBUTARY TO SEDIMENTATION POND:

SMALL AREA EXEMPTION:

ALTERNATIVE SEDIMENT CONTROL AREAS: (SEDIMENT CONTROLLED WITH STRAWBALES OR OTHER TECHNIQUES)

BEGINNING OR END OF DITCH:

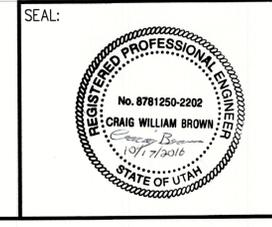
DITCH SLOPE CHANGE:

NOTES

1. THE ALTERNATIVE SEDIMENT CONTROL AREAS WILL BE DISTURBED DURING PHASE 2 RECLAMATION.
2. THE DISTURBED AREAS ARE DESCRIPTIVE. AN ON THE GROUND SURVEY MADE IN 1985 DEFINES THE DISTURBED AREA AS 31.1 ACRES
3. SEE DRAWING 4.4.2-1A AND 4.4.2-1B FOR THE RECLAMATION PLAN AND CROSS SECTIONS.
4. NUMEROUS DEVICES SUCH AS PAVEMENT, TEMPORARY DRAINAGE AND GRADING CONTROLS, WHICH ARE NOT SHOWN ON THIS DRAWING ARE USED AS NECESSARY TO DIRECT RUNOFF TO THE PERMANENT DIVERSION FACILITIES SHOWN ABOVE.

I CERTIFY THAT THE INFORMATION CONTAINED HEREON IS CORRECT TO THE BEST OF MY KNOWLEDGE.

0 100 200 FEET



DATE	No.	REVISIONS
6/9/99	1	ADDED SEDIMENT TRAPS, SPRING BOX AND PIPE
4/27/01	2	ADDED FAN, DELETED FAN AND BUILDINGS
7/19/01	3	ADDED SEDIMENT TRAP TO UPPER YARD AT ENTRANCE TO MINE
1/30/06	4	ADDED MISSING TITLES TO BUILDINGS
7/13/06	5	ADDED TEMPORARY COAL STORAGE
9/12/08	6	ADDED BC-3 FAN
3/18/09	7	ADDED OFF-LOADING CONTAINMENT STRUCTURES, REMOVED FUEL ISLAND
6/30/09	8	ADDED ROCK DUST TRANSFER LINE
3/9/10	9	ADDED AMBULANCE SHED
10/16/10	10	ADDED ASPHALT AT TRUCK LOADOUT

DATE	No.	REVISIONS
10/27/14	11	ADDED CU-2a 48" CULVERT
04/22/15	12	ADDED 2 NEW SURFACE SHEDS
09/16/15	13	ADDED SWEEPER GARAGE
8-1-16	14	ADDED Fuel Bay Catwalk; BC-4 Take-up slab. REMOVED 30Kgal. propane tank
10/18/16	15	ADDED Warehouse covered yard storage

MINE SURFACE FACILITIES

PLOT PLAN

Canyon Fuel Company, LLC
Skyline Mine

P.O. BOX 390 HELPER, UTAH 84526
435-448-6463

DATE: 6-30-06 CK.BY: CWB/GAG
SCALE: 1" = 100' DR.BY: GAG

DWG. NO.: 3.2.1-1_REV15

REVISION 15 10-18-