

December 12, 2016

C/007/0005
Received 12/28/16
Task #5354

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

RE: Permit Renewal, Skyline Mines, Canyon Fuel Company, LLC, C/007/0005, Carbon County, Utah

Dear Mr. Haddock:

Attached to this letter is information necessary to renew the Canyon Fuel Company, LLC, Skyline Mine permit. Pursuant to R645-300-131.112, the renewal application process is required to be submitted 120 days prior to the expiration of the existing permit which is valid through April 30, 2017.

Attached to this cover letter are completed C1 and C2 forms. Additional information includes Evidence of Liability Insurance, Appendix D from the Reclamation Agreement for Bond determination, and a copy of the proposed public notice. Note that I have provided two (2) versions of the public notice; one with the legal description of the permit area; the other outlining the Authorized Mining area description. Please respond with which legal description should be used in the public notice

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: Permit Renewal

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

Renewal of permit expiring April 30, 2017

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.

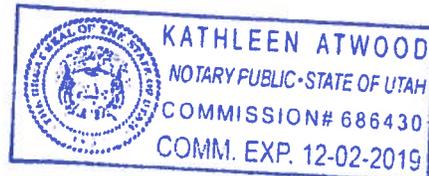
Corey Heaps
Print Name

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

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

Kathleen Atwood
Notary Public

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



For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining
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CERTIFICATE OF LIABILITY INSURANCE

BOWIE-1

OP ID: BH

DATE (MM/DD/YYYY)
01/29/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Taylorsville Road 4630 Taylorsville Rd Louisville, KY 40220 Robert P. Wessel, Jr. CPCU	CONTACT NAME: Robert P. Wessel, Jr. CPCU
	PHONE (INC, Ho, Ext): 502-493-2370 FAX (INC, Ho): 502-493-2320 E-MAIL ADDRESS:
INSURED Canyon Fuel Company, LLC Bowie Resource Holding, LLC Jim Wolff 6100 Dutchman's Lane Ste 900 Louisville, KY 40205	INSURER(S) AFFORDING COVERAGE NAIC #
	INSURER A: National Union Fire 19445
	INSURER B: Lexington Insurance Company
	INSURER C: Apollo Insurance
	INSURER D:
	INSURER E:
INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

DISB. ETR	TYPE OF INSURANCE	ADDL. SUBR. (INSR) (WTD)	POLICY NUMBER	POLICY EFF. (MM/DD/YYYY)	POLICY EXP. (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER		GL 6576428	02/01/2016	02/01/2017	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMPOP AGG \$ 2,000,000 Emp Ben. \$ 1,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> HIRED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTIONS 10000		BE84160078	02/01/2016	02/01/2017	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A			PER STATUTE OTH-ER E L EACH ACCIDENT \$ E L DISEASE - EA EMPLOYEE \$ E L DISEASE - POLICY LIMIT \$
B	Excess Umbrella		02567252	01/01/2016	01/01/2017	Excess Umbrella \$ 15,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Coverage also includes Excess Excess Liability at \$10,000,000 with Apollo Insurance effective 2/1/16 to 2/1/17.
 Permit Skyline Mine C007005 blasting and use of explosives is not excluded under the policy.

CERTIFICATE HOLDER UTAHDEV Utah Dept of Natural Resources Division of Oil Gas and Mining 1694 W. North Temple Suite 1210 Salt Lake City, UT 84114-5801	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Robert P. Wessel Jr</i>
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Permit Number: C/007/0005

Effective Date: _____

Bond Number: _____

COAL

STIPULATION TO REVISE RECLAMATION AGREEMENT

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This **STIPULATION TO REVISE RECLAMATION AGREEMENT** entered into by and between the **PERMITTEE** and **DIVISION** incorporates the following revisions or changes to the **RECLAMATION AGREEMENT**: (Identify and Describe Revisions below)

As a result of the Division of Oil, Gas & Mining's midterm permit review, the required bond to maintain adequate coverage is \$5,799,000. The permittee is required to submit an increase rider for an amount of \$662,000 increasing the current bond of \$5,137,000 to the required total of \$5,799,000.

In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**.

- Replace the Reclamation agreement in its entirety.
- Replace Exhibit "A"- permit area.
- Replace Exhibit "B"- bonding agreement
- Replace Exhibit "C"- liability insurance

The bonding amount is revised from \$ 5,137,000 to \$ 5,799,000.

The bonding type is changed from _____ to _____.

The surface disturbance is revised from _____ acres to _____ acres.

The expiration date is revised from _____ to _____.

The liability insurance carrier is changed from _____ to _____.

The amount of insurance coverage for bodily injury and property damage is changed from \$ _____ to \$ _____.

Exhibit "D"
Stipulation to Revise
Reclamation Agreement
Federal

IN WITNESS WHEREOF, GENE DELMONDO the PERMITTEE has hereunto set its
signature and seal this 7th day of APRIL, 2015.

PERMITTEE

By: *J. E. D. Delmondo*

Title: *Chief Operating Officer*

ACCEPTED BY THE STATE OF UTAH this 17th day of April, 2015

John R. By
Director, Division of Oil, Gas and Mining

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.

LEGAL NOTICE

Canyon Fuel Company, LLC of Grand Junction Colorado, hereby announces its intent to renew its coal mining permit for the Skyline Mines under the laws of the State of Utah and the U.S. Office of Surface Mining. The currently approved mining permit is number C/007/0005.

Canyon Fuel Company, LLC operates the Skyline Mine with surface facilities located in Eccles Canyon which is approximately 4 miles southwest of the town of Scofield, Utah.

Underground coal mining will take place in coal reserves owned or leased by Canyon Fuel Company, LLC. No new leases or modifications to the permit are included with the current permit renewal. A description of both the Permit Area and Authorized Mining Area follows:

Legal Description of Permit Area:

Township 12 South, Range 6 East, SLBM

Section 26: Portions of SW1/4SW1/4
Section 34: Portions of NE1/4NE1/4

Township 12 South, Range 7 East, SLBM

Section 32: Portion SE1/4SE1/4

Township 13 South, Range 6 East, SLBM

Section 1: Portions of S1/2NW1/4, S1/2NE1/4
Section 13: Portions of SW1/4, S1/2SE1/4
Section 23: Portions of E1/2NE1/4
Section 24: Portions of W1/2, NE1/4
Section 25: Portions of S1/2S1/2
Section 26: Portions of NW1/4NE1/4, N1/2NW1/4, SW1/4NW1/4
Section 27: Portions of the S1/2NE1/4, S1/2NW1/4
Section 35: Portions of NE1/4, S1/2
Section 36: Portions of N1/2NW1/4

Township 13 South, Range 7 East, SLBM

Section 4: Portions of SW1/4NW1/4, NW1/4SW1/4
Section 5: Portions of E1/2NE1/4
Section 6: Portions of S1/2N1/2
Section 17: Portions of S1/2S1/2
Section 18: Portions of S1/2S1/2
Section 19: Portions of N1/2N1/2

Township 14 South, Range 6 East, SLBM

Section 2: Portions of W1/2NW1/4
Section 3: Portions of SE1/4NE1/4

Authorized Mining Area

Township 12 South, Range 6 East, SLBM

Section 25: SE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, lots 3 and 4, SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$
Section 26: S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, lots 1-4, N $\frac{1}{2}$ S $\frac{1}{2}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 34: Portions of the S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$
Section 35: All
Section 36: W $\frac{1}{2}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$

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Township 12 South, Range 7 East, SLBM

Section 32: Portions of SE $\frac{1}{4}$ SE $\frac{1}{4}$

Township 13 South, Range 6 East, SLBM

Section 1: Portions of S $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$
Section 2: All
Section 3: All
Section 10: All
Section 11: All
Section 12: W $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$
Section 13: W $\frac{1}{2}$, portions S $\frac{1}{2}$ SE $\frac{1}{4}$
Section 14: All
Section 15: E $\frac{1}{2}$ NE $\frac{1}{4}$
Section 22: All
Section 23: W $\frac{1}{2}$, NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$
Section 24: NW $\frac{1}{4}$, portions of NE $\frac{1}{4}$
Section 25: Portions of SE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 26: W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$
Section 27: All
Section 34: All
Section 35: All
Section 36: Portions of N $\frac{1}{2}$ NW $\frac{1}{4}$

Township 13 South, Range 7 East, SLBM

Section 4: Portions of W $\frac{1}{2}$,
Section 5: Portions of NE $\frac{1}{4}$
Section 6: Portions of S $\frac{1}{2}$ N $\frac{1}{2}$

Section 17: Portions of S $\frac{1}{2}$ S $\frac{1}{2}$
Section 18: Portions of S $\frac{1}{2}$ S $\frac{1}{2}$
Section 19: Portions of N $\frac{1}{2}$ NW

Township 14 South, Range 6 East, SLBM

Section 2: W $\frac{1}{2}$ NW $\frac{1}{4}$
Section 3: E $\frac{1}{2}$ NE $\frac{1}{4}$

These legal descriptions of the Permit Area and Authorized Mining Area for the Skyline Mine are included in the mining and reclamation plan on file at the Division as shown on drawing 1.6-3 Skyline Mines Permit Area.

The address of the applicant is: Canyon Fuel Company, LLC
225 North 5th Street, Suite 900
Grand Junction, CO 81501

After filing, copies of this permit renewal application will be available for inspection at the following locations: Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah, the Carbon County Courthouse, 120 East Main Street, Price, Utah, Sanpete County Courthouse in Manti, Utah.

Written comments or requests regarding this permit renewal must be made within 30 days of the last publication of this notice, and may be addressed to the Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801.

Published in the Sun Advocate, Emery County Progress, and the Sanpete Messenger on (dates).