

C007/005 Incoming
cc: Priscilla
Arati



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District
Price Field Office
125 South 600 West
Price, UT 84501
www.blm.gov



RECEIVED

SEP 14 2017

DIV. OF OIL, GAS & MINING

In Reply Refer to
3482 (UTG0023) MWG
UTU 771 14. UTU 044076

SEP 12 2017

CERTIFIED MAIL RETURN RECEIPT REQUESTED
#7017 0660 0000 0468 3334

Bowie Resource Partner
c/o Canyon Fuel Company, LLC
Skyline Mine Attn: Paul Jensen, Geologist
HC 35, Box 380
Helper, Utah 84526

Dear Mr. Jensen:

Re: Approval of Minor Coal Exploration Plan, Skyline Mine UTU 77114, Sanpete County, Utah

The Bureau of Land Management (BLM) received a plan to conduct coal exploration for the Skyline Mine from Canyon Fuel Company, LLC, a subsidiary of Bowie Partners, LLC, dated April 6, 2017. The proposed plan is to drill up to five (5) exploration holes on their existing lease UTU 771 14 located in the Swen's Canyon area, in Sanpete County, Utah. In addition, correspondence from the Skyline Mine on September 6, 2017, indicated that the mine also wishes to complete two more holes this drilling season which will not be cored, but will be electric logged, and will ultimately be converted into groundwater monitoring wells. BLM will require that copies of the e-logs be submitted after the drilling has been completed in order to meet the requirements of 43 CFR §3485. I(a), (b). Also, according to 43 CFR §3484. I(a)(5) exploration holes may be converted into monitoring wells with the approval of the Authorized Officer and the Regulatory Authority. Part of this approval requires that the operator convert its exploration bond into a reclamation bond, the amount of which must be approved by the Regulatory Authority, and shall become a part of the operator's permanent Mining and Reclamation Plan.

The submitted plan for the initial five exploration holes only, meets the requirements of 43 CFR §3482. I (a). Primary access to the exploration sites will be by helicopter, which will be staged at either the head of Upper Huntington Creek, near "The Kitchen" or in Swen's Canyon, west of Upper Huntington Creek, and on existing roads. This plan involves strictly helicopter assisted drilling activities and no new road construction is required.

Required cultural and wildlife surveys have been performed for the initial five holes, and the Manti-LaSal National Forest (the Surface Management Agency, or SMA) concurred with the proposed exploration on September 8, 2017, as required by 43 CFR §3482.2(a)(1). It should be noted that the aforementioned surveys for the two new

groundwater monitoring wells are underway and will be reviewed by the SMA as soon as possible, once they are received.

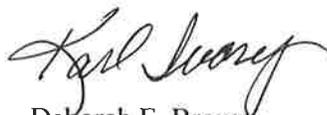
The BLM approves the requested exploration plan for UTU 771 14 for the initial five exploration holes only, subject to the terms and conditions of the Federal Coal Lease and the Special Stipulations attached hereto. The approval is also subject to the attached US Forest Service Required Conditions of Approval.

The existing production bond for the Skyline Mine and this lease is deemed sufficient and no further bonding is required. However, this does not include the two new water monitoring wells and as previously mentioned, new bonding requirements for these two wells must be calculated and approved by the Regulatory Authority.

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations outlined in 43 CFR Part 4, and the enclosed form 1842-1. If an appeal is made, your notice of appeal must be filed in this office (at the above address) within 30 days of your receipt of this decision. The appellant has the burden of showing that the decision is in error.

If you have any questions with this matter, please call Mike Glasson at (435) 636-3651 or Steve Rigby at (435) 636-3604.

Sincerely,



Deborah E. Brown
Field Manager (Acting)

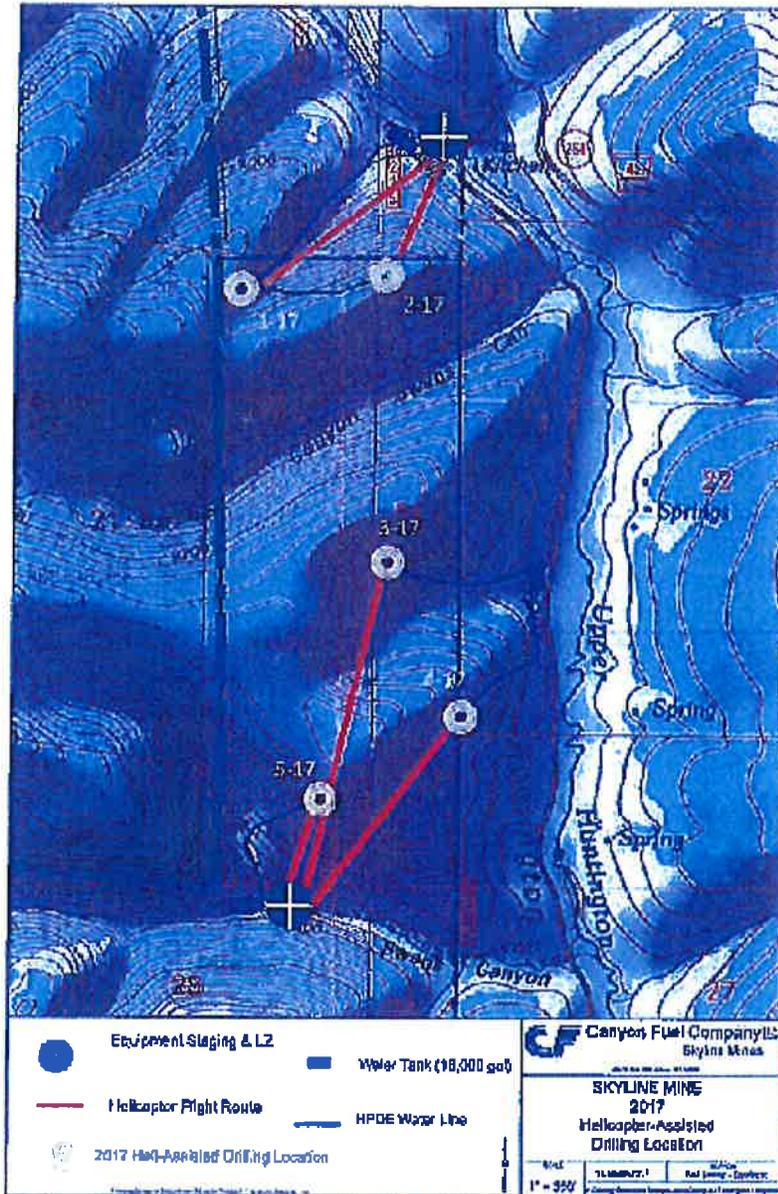
Enclosures:

Location Map I
Special Stipulations
USFS required Conditions for Approval

cc: BLM, Green River District
Attn: Chris Conrad
BLM, Utah State Office
Attn: Roger Bankert

Manti-LaSal National Forest
Attn: Jeff Salow
599 Price River Drive
Price, UT 84501

Utah Division of Oil, Gas and Mining
Attn: Dana Dean
1594 West North Temple
PO Box 145801
Salt Lake City, UT 84114-5801



Map 1

Special Stipulations

1. **Plugging of drill holes** – All drill holes must be plugged in accordance with Federal (BLM) and State regulations. When performing hole plugging, and in combination with requirements for protection of aquifers, coal seam sealing and surface plugging [3484.1(a)(3) and 3484.2(a)], the permittee or licensee shall specifically follow the manufacturer's recommendations for mixing various plugging materials. These materials, including but not limited to "Abandonite" and/or cement for example, shall be mixed strictly according to the manufacturer's instructions unless it is shown to have been blended to *even more effective* mixtures than the minimum recommendation. Records of both the manufacturer's mixing instructions and records of actual mixtures used in the field, (including for example gallons of water used, bags of materials used and etc.), shall be made available to the authorized officer or his/her representative upon request *in the field*. These records shall also be made a part of the exploration reports submitted to the authorized officer upon completion of the exploration project.
2. The Authorized Officer shall be made aware of any proposed changes to the Plan of Operations and shall be approved by the Authorized Officer prior to implementation.
3. All drilling data, including coal thicknesses and coal quality shall be submitted to the BLM Price Field office at the conclusion of the program. This is to include supplemental data such as complete copies of electric logs.
4. The permittee shall notify the BLM at least 24 hours in advance of the anticipated completion of each drill hole and in any event, prior to commencing abandonment procedures.

File Code: 2820
Date: September 7, 2017

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SEP 14 2017

DIV. OF OIL, GAS & MINING

Steve Rigby
Assistant Field Manager – Coal
BLM Price Field Office
125 South 600 West
Price, UT 84501

Dear Mr. Rigby,

The Ferron/Price Ranger District has reviewed Canyon Fuel Company, LLC. 2017 Coal Exploration Plan dated April 06, 2017. This plan proposes the drilling of seven exploration drill holes on-lease, assigned serial number UTU-077114. The drill holes are located within the Manti-La Sal National Forest near Swens Canyon, southwest of Canyon Fuel Company's Skyline Mine facility in Sanpete County, Utah.

Contingent upon the attached Conditions of Approval, as provided in 43 CFR § 3410.2-3 we concur with the proposed Coal Exploration Plan.

If you have any questions or comments on this matter, please feel free to contact Jeff Salow at (435) 636-3596 or jsalow@fs.fed.us

Sincerely,



DARREN OLSEN
District Ranger



Forest Service Required
Conditions of Approval
Coal Exploration Program

BLM Approvals

1. **Conducting a pre-work meeting** – A pre-work meeting including the responsible company representative(s), contractors, and the Forest Service must be conducted at the project location prior to commencement of operations. Site-specific Forest Service requirements will be discussed at this time.
2. **Road Use Permit required** – A Road Use Permit must be obtained from the Forest Service before equipment is transported onto National Forest System lands.
3. **Supervision of reclamation; Onsite copy of permit** – Operations including reclamation must be supervised by a responsible representative of the permittee/licensee who is aware of the terms and conditions of the projects permits/licenses. A copy of the appropriate permits/licenses must be available for review at the project site and presented upon demand to any Forest Service Official.
4. **FS notification of heavy equipment presence and work commencement** – The Forest shall be notified 48 hours in advance that heavy equipment will be moved onto National Forest System lands and that surface disturbing activities will commence.
5. **FS notification of changes to POO** – The Forest Service must be notified of any proposed alterations to the plan of operations and alterations shall be approved prior to commencement.
6. **Fire suppression equipment availability** – Fire suppression equipment must be available to all personnel working at the project site. Equipment must include at least one hand tool per crew member consisting of shovels and pulaskis and one properly rated fire extinguisher per vehicle and/or internal combustion engine.
7. **Muffler, spark arrestor requirement** – All gasoline, diesel, and steam-powered equipment must be equipped with effective spark arrestors or mufflers. Spark arresters must meet Forest Service specifications discussed in the “General Purpose and Locomotive (GP/L) Spark Arrestor Guide, Volume 1, April 1988; and “Multi-position Small Engine (MSE) Spark Arrestor Guide, April, 1989.” In addition, all electrical equipment must be properly insulated to prevent sparks.
8. **Liability for fire suppression damage and costs** – The permittee/licensee will be held responsible for damage and suppression costs for fires started as a result of operations. Fires must be reported to Richfield Interagency Fire Center at 435-896-8404 as soon as possible.
9. **Fire restriction compliance requirement** – Operations are subject to Forest Service fire restrictions and the Forest Service reserves the right to suspend operations during periods of high fire potential.
10. **Compliance with water right law requirement** – Water needed in support of operations must be properly and legally obtained in accordance with Utah State water laws.
11. **Compliance with motorized travel plan** – Unauthorized off-road vehicular travel is prohibited.
12. **Protection and replacement of survey markers** – Section corners or other survey markers, including claim corners, in the project area must be located and flagged for preservation prior to commencement of surface disturbing activities. The removal, displacement, or disturbance of markers must be approved by the proper authority. Replacement will be done by the proper authority at the expense of the permittee/licensee.
13. **Protection of discovered cultural/paleontological resources** – If cultural or paleontological resources are discovered during operations, all operations which may result in disturbance to the resources must cease and the Forest Service must be notified of the discovery.
14. **Liability for damage to roads and other improvements** – The permittee/licensee will be held responsible for all damage to fences, cattleguards, resource improvements, roads, and other structures on National Forest System lands which result from their operations. The Forest Service must be notified of damages as soon as possible.

15. **Coordination with livestock permittees** – Operations must be coordinated with grazing permittees to prevent conflicts.
16. **Wildlife, livestock harassment prohibited** – Harassment of wildlife and livestock is prohibited. Areas of elk calving (nurseries) shall be avoided with adjustments in flight lines
17. **Reporting of water encountered during drilling** – Significant water encountered during drilling must be reported to the Forest Service, including the depth and formation at which it was encountered, and an estimate of the flow.
18. **Plugging of drill holes** – All drill holes must be plugged in accordance with Federal and State regulations.
19. **Busy weekend road use by heavy equipment prohibited** – Drill rigs and heavy equipment (not including water trucks) must not be transported over National Forest System roads during the opening weekend of the general elk hunt nor during the opening weekend of the general deer hunt and during holiday weekends (Friday through Monday for Federal Holiday weekends and Friday through Sunday for the opening weekends of the hunts).
20. **Seed mix requirements** – Seeding of disturbed areas will occur with the following seed mix. Modifications to the seed mix must be approved by the authorized officer for the FS. The seed should be certified and contain less than 1 percent of common weeds and no noxious weeds.

SEED MIX		
Common Name	Scientific Name	PLS lbs/acre
Slender wheatgrass	<i>Elymus trachycaulus</i>	2.0
Western wheatgrass	<i>Elymus smithii</i>	2.0
Intermediate wheatgrass	<i>Elymus hispidus</i>	2.0
Blue Leaf aster	<i>Aster glaucodes</i>	1.0
Small burnet	<i>Sanguisorbia minor</i>	1.0
Basin wild rye	<i>Elymes trachycaulum</i>	1.0
“Paiute” orchardgrass	<i>Dactylis glomeratus</i>	2.0
Mountain brome	<i>Bromus carinatus</i>	2.0
Perennial ryegrass	<i>Lolium perenne</i>	1.0
Lewis flax	<i>Linum lewisii</i>	0.5
Total		14.5

21. **Noxious weed control** – The operator will be held responsible for control of noxious weed infestations found to be a result of this drilling operation. Vehicles and drilling equipment are to be cleaned prior to entering National Forest System lands.
22. **Compliance with all USDA rules and regulations** – The licensee/permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II of the Code of Federal Regulations governing the use and management of the National Forest system (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the license/permit/lease. The Secretary of Agriculture’s rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest Service Roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Darren Olsen
District Ranger
Manti-La Sal National Forest
115 West Canyon Road
Feron, Utah 84523
Telephone Number: 435-636-3586

The Forest Supervisor is the authorized representative of the Secretary of Agriculture.

23. All drilling fluids, mud, cuttings shall be contained and properly disposed of prior to reclamation.
24. During drilling operations all trash, garbage, and other refuse shall be properly contained on the project site prior to disposal at authorized sites.
25. The permittee/licensee shall clean up and remove all drilling equipment, trash, garbage, flagging, vehicles, and other such materials.
26. Disturbed areas shall be reclaimed by the end of the field season.
27. Contaminated soil and gravel shall be stripped and hauled off prior to site reclamation.
28. Drill sites shall be reclaimed by selectively backfilling excavated materials, topsoil last, such that the disturbed area is replaced to its approximate original contour. The disturbed area must be seeded with the specified seed mix.
29. All disturbed drainages shall be replaced to their approximate original configuration when the project area is reclaimed.
30. Equipment used for transportation, storage, or pumping water will be clean and dry prior to entry on the Forest.