

CD41002, 9007/005 Incoming



Gene DiClaudio
225 North 5th Street, Suite 900
Grand Junction, Colorado 81501
Telephone (970) 263-5130
Fax (970) 263-5161

**VIA CERTIFIED DELIVERY/
RETURN RECEIPT REQUESTED**

July 11, 2018

**BUREAU OF LAND MANAGEMENT
UTAH STATE OFFICE**

JUL 13 2018

RECEIVED

Bureau of Land Management
Utah State Office
Attn: Roger Bankert
440 West 200 South, Suite 500
Salt Lake City, UT 84101

Re: Increase of bonding for Canyon Fuel Company, LLC – LMU Bonds UTU-73338 and UTU-73341 and Lease Bond UTU-77114

Dear Mr. Bankert,

Pursuant to the increased bonding requirements of Canyon Fuel Company, LLC (“CFC”) as defined by Director Roberson’s letter dated June 13, 2018, CFC hereby submits the following bond riders:

- Skyline LMU (UTU-73338):
A Rider for Bond Number 1093368 increasing the LMU Bond by \$582,000 to a new total of \$3,252,000.
- Sufco LMU (UTU-73341):
A Rider for Bond Number 1093378 increasing the LMU Bond by \$946,000 to a new total of \$5,209,000.
- Flat Canyon Lease (UTU-77114): *UTB000467*
A Rider for Bond Number 1119479 increasing the Lease Bond by \$3,440,000 to a new total of \$3,449,000.

CFC submitted a request to include lease UTU-77114 into the Skyline LMU (UTU-73338) on May 29, 2018. CFC also plans to request inclusion of lease UTU-84102 into the Sufco LMU (UTU-73341). Upon approval of these leases being incorporated into their respective LMU’s, CFC respectfully requests a review of the bonding requirements for the associated leases.

If you should have any questions, feel free to contact Ryan Wilson at (970) 263-5144 or by email at rwilson@bowieresources.com. CFC also appreciates BLM’s prompt response to reduce the excessive bond amounts for the Dugout Leases.

Sincerely,

Gene DiClaudio
Co-CEO and COO
Canyon Fuel Company, LLC
A Subsidiary of Bowie Resource Partners, LLC

enclosures



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Utah State Office

440 West 200 South, Suite 500

Salt Lake City, UT 84101-1345

<https://www.blm.gov/utah>

In Reply Refer To:
3474 (UT-9223)

AUG 1 2018

CERTIFIED MAIL – 91 7199 9991 7038 2300 2588

CERTIFIED MAIL – 91 7199 9991 7038 2300 2779

DECISION

Principal:	:	
Canyon Fuel Company, LLC	:	Coal Logical Mining Unit
255 North 5 th Street, Suite 900	:	UTU-73338 (Skyline LMU)
Grand Junction, Colorado 81501	:	
	:	
	:	
Surety:	:	Current Bond Amount: \$3,252,000
Lexon Insurance Company	:	Bond No: 1093368
10002 Shelbyville Road, Suite 100	:	UTB000596
Louisville, Kentucky 40223	:	

Bond Rider Accepted

On July 13, 2018, Canyon Fuel Company, LLC submitted a bond rider to surety bond (No. 1093368) increasing the bond amount to provide coverage for Skyline Federal Coal Logical Mining Unit (LMU) UTU-73338.

The rider increases the surety bond from \$2,670,000 by \$582,000 making the new total bond amount to \$3,252,000.

This bond has been examined, with Canyon Fuel Company, LLC as principal, and Lexon Insurance Company, as surety. The bond is found to be satisfactory and is hereby accepted effective the date of filing.

Serial Numbers: UTU-73338, U-044076
U-0147570, U-020305, U-073120, U-0142235
U-67939

GENERAL PURPOSE RIDER

To be attached to and form part of Bond Number 1093368 effective August 15, 2013
issued by the Lexon Insurance Company
in the amount of 2,670,000.00 DOLLARS,
on behalf of Canyon Fuel Company, LLC
as Principal and in favor of Bureau of Land Management
as Obligee:

Now, Therefore, it is agreed that:

This rider will increase the bond amount as follows:

Current Bond Amount: \$2,670,000.00
New Bond Amount: \$3,252,000.00

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

This rider is to be effective the 13th day of June, 2018.

Signed, sealed and dated this 21st day of June, 2018.

Canyon Fuel Company, LLC (Principal)

By: James J. Wolff

Lexon Insurance Company (Surety)

By: Theresa Pickerrell
Theresa Pickerrell
Attorney-in-Fact

Accepted By:

Bureau of Land Management

Serial Numbers: UTU-73341, SL-062583
U-062453, U-0149084, UTU-28297,
UTU-47080, UTU-63214, UTU-76195

GENERAL PURPOSE RIDER

To be attached to and form part of Bond Number 1093378 effective August 15, 2013
issued by the Lexon Insurance Company
in the amount of 4,263,000.00 DOLLARS,
on behalf of Canyon Fuel Company, LLC
as Principal and in favor of Bureau of Land Management
as Obligee:

Now, Therefore, it is agreed that:

This rider will increase the bond amount as follows:

Current Bond Amount: \$4,263,000.00
New Bond Amount: \$5,209,000.00

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

This rider is to be effective the 13th day of June, 2018.

Signed, sealed and dated this 21st day of June, 2018.

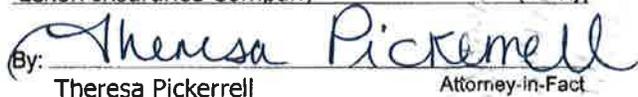
Canyon Fuel Company, LLC (Principal)

By:



Lexon Insurance Company (Surety)

By:


Theresa Pickerrell
Attorney-in-Fact

Accepted By:

Bureau of Land Management



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

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DECISION

Principal:	:	
Canyon Fuel Company, LLC	:	Coal LMU: UTU-73340
255 North 5 th Street, Suite 900	:	Coal Lease: UTU-07064
Grand Junction, Colorado 81501	:	
	:	
	:	
Surety:	:	Bond Amount: \$621,000
Lexon Insurance Company	:	Bond No: 1093377
10002 Shelbyville Road, Suite 100	:	UTB000601
Louisville, Kentucky 40223	:	

Bond Rider Accepted

By decision dated July 5, 2018, Canyon Fuel Company LLC was notified that the Coal Logical Mining Unit (LMU) bond in the amount of \$2,076,000 covering the Dugout LMU, UTU-73340 could be reduced to \$621,000. This change in bond amount is pursuant to regulations at 43 CFR 3474 that allows for the amount of any bond to be adjusted when additional/lesser coverage is determined to be appropriate.

On July 17, 2018, Canyon Fuel Company LLC submitted two riders to surety bond (No. 1093377) decreasing the amount of the bond to \$725,000 then to \$621,000 with Canyon Fuel Company LLC, as principal, and Lexon Insurance Company, as surety. This bond rider has been examined, found to be satisfactory and is hereby accepted effective the date of filing.

If you have any questions, please contact Judy Nordstrom of this office at (801) 439-4108 or jnordstr@blm.gov.

Roger L. Bankert
Chief, Branch of Minerals

GENERAL PURPOSE RIDER

To be attached to and form part of Bond Number 1093377 WTB601 effective August 15, 2013
issued by the Lexon Insurance Company
in the amount of 2,076,000.00 DOLLARS,
on behalf of Canyon Fuel Company, LLC
as Principal and in favor of Bureau of Land Management
as Obligee:

Now, Therefore, it is agreed that:

This rider will decrease the bond amount as follows:

Current Bond Amount: \$2,076,000.00
New Bond Amount: \$725,000.00

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UTAH STATE OFFICE
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It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

This rider is to be effective the 13th day of June, 2018.

Signed, sealed and dated this 21st day of June, 2018.

Canyon Fuel Company, LLC (Principal)

By: [Signature]

Lexon Insurance Company (Surety)

By: [Signature: Theresa Pickerrell]
Theresa Pickerrell Attorney-in-Fact

Accepted By:

Bureau of Land Management



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225 North 5th Street, Suite 900
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BLM-UTSO
2018 JUL 17 PM 12:15

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July 13, 2018

Bureau of Land Management
Utah State Office
Attn: Roger Bankert
440 West 200 South, Suite 500
Salt Lake City, UT 84101

Re: Canyon Fuel Company, LLC – Decrease of Bond Liability for Bond Lease UTU-07064

Dear Mr. Bankert,

Pursuant to the reduced bonding requirement for coal lease UTU-07064 of as defined by your letter dated July 5, 2018, Canyon Fuel Company, LLC (“CFC”) hereby submits bond riders for from Lexon Insurance Company for Surety Bond #1093377 to decrease the bond amount to \$621,000 to meet the requirements approved from your decision.

If you should have any questions, feel free to contact Ryan Wilson at (970) 263-5144 or by email at rwilson@bowieresources.com. CFC appreciates BLM’s prompt response to reduce the excessive bond amounts for this lease.

Sincerely,

Gene DiClaudio
Co-CEO and COO
Canyon Fuel Company, LLC
A Subsidiary of Bowie Resource Partners, LLC

enclosures

GENERAL PURPOSE RIDER

To be attached to and form part of Bond Number 1093377 effective August 15, 2013
Issued by the Lexon Insurance Company
in the amount of 725,000.00 DOLLARS,
on behalf of Canyon Fuel Company, LLC
as Principal and in favor of Bureau of Land Management
as Obligee:

Now, Therefore, it is agreed that:

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UTAH STATE OFFICE

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This rider will decrease the bond amount as follows:

Current Bond Amount: \$725,000.00
New Bond Amount: \$621,000.00

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

This rider is to be effective the 5th day of July, 2018.

Signed, sealed and dated this 12th day of July, 2018.

Canyon Fuel Company, LLC (Principal)
By: E E & D

Lexon Insurance Company (Surety)
By: Theresa Pickerrell
Theresa Pickerrell Attorney-in-Fact

Accepted By:
Bureau of Land Management



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

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Salt Lake City, UT 84101-1345

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CERTIFIED MAIL – 91 7199 9991 7038 2300 2779

DECISION

Principal:	:	
Canyon Fuel Company, LLC	:	Coal Lease
255 North 5 th Street, Suite 900	:	UTU-77114
Grand Junction, Colorado 81501	:	
	:	
	:	
Surety:	:	Current Bond Amount: \$3,449,000
Lexon Insurance Company	:	Bond No: 1119479
10002 Shelbyville Road, Suite 100	:	UTB000667
Louisville, Kentucky 40223	:	

Bond Rider Accepted

On July 13, 2018, Canyon Fuel Company, LLC submitted a bond rider to surety bond (No. 1119479) increasing the bond amount to provide coverage for Coal Lease UTU-77114.

The rider increases the surety bond from \$9,000 by \$3,440,000 making the new total bond amount to \$3,449,000.

This bond has been examined, with Canyon Fuel Company, LLC as principal, and Lexon Insurance Company, as surety. The bond is found to be satisfactory and is hereby accepted effective the date of filing.

GENERAL PURPOSE RIDER

To be attached to and form part of Bond Number 1119479 effective July 21, 2015
issued by the Lexon Insurance Company
in the amount of 9,000.00 DOLLARS,
on behalf of Canyon Fuel Company, LLC
as Principal and in favor of Bureau of Land Management
as Obligee:

Now, Therefore, it is agreed that:

This rider will increase the bond amount as follows:

Current Bond Amount: \$9,000.00
New Bond Amount: \$3,449,000.00

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

This rider is to be effective the 13th day of June, 2018.

Signed, sealed and dated this 21st day of June, 2018.

Canyon Fuel Company, LLC (Principal)

By: James J. Wolff

Lexon Insurance Company (Surety)

By: Theresa Pickerrell
Theresa Pickerrell Attorney-in-Fact

Accepted By:

Bureau of Land Management