

September 10, 2019

Steve Christensen
Permit Supervisor
Utah Coal Regulatory Program
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

Re: Intent to Conduct Minor Coal Exploration, Canyon Fuel Fee Coal Flat Canyon, 2019

Dear Steve:

Attached is an application for an Intent to Conduct Minor Coal Exploration for one exploration boreholes (designated 19-3-1) in Flat Canyon, west of Electric Lake. Also included are the DOGM application forms C-1 and C-2. The type of exploration proposed is conventional truck-mounted core drilling.

If possible, we would like to initiate drilling operations as early as October 1, 2019. Sections of the application dealing with wildlife survey is enclosed in separate folders for inclusion in Skyline's confidential files as needed. Also included in the document is the Temporary Water Change approval for use of Skyline Mine water for drilling, the surface landowner agreements, and the fee coal lease documents. I appreciate your consideration of this application.

If you have any questions, please contact me at (435-448-2693).

Sincerely,



Paul Jensen
Geologist
Canyon Fuel Company, Skyline Mine

Enc: (4)

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: SKYLINE

Permit C/007/005

Number:

Title: NOTICE OF INTENT TO CONDUCT MINOR COAL EXPLORATION -- CUNNINGHAM FEE COAL, FLAT CANYON, 2019

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

ONE CONVENTIONAL-DRILL COAL EXPLORATION BOREHOLE TO BE DRILLED IN FALL, 2019

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

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice publication? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? |
| | <i>Explain:</i> _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2) |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include 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.

Jason D Layton
Print Name

Jason D Layton
Sign Name, Position, Date

Subscribed and sworn to before me this 10 day of Sept, 2019

Melissa S Willden
Notary Public

My commission Expires: 03-19, 2023

Attest: State of Utah } ss:
County of Carbon



**NOTICE OF INTENT TO CONDUCT
MINOR COAL EXPLORATION**

**CANYON FUEL FEE COAL LEASE
FLAT CANYON AREA
2019**

Canyon Fuel Company
A Subsidiary of Wolverine Fuels, LLC

September 2019



Canyon Fuel Company LLC
Skyline Mines

INTRODUCTION

Canyon Fuel Company – Skyline Mine (a subsidiary of Wolverine Fuels, LLC) is submitting this Notice of Intent to Conduct Minor Exploration to the Utah Division of Oil, Gas, and Mining (UDOGM) in order to obtain approval to conduct coal exploration and reclamation activities in the Fall of 2019. The type of exploration proposed is wireline core drilling. A total of 1 hole will be drilled on fee land; one hole on surface owned DG Cunningham et al. The surface owner also owns the mineral rights where the exploration hole will be drilled. This exploration work is being conducted in conjunction with a Federal on-lease exploration plan submitted to the Bureau of Land Management. This application is formatted to address the specific requirements of R645-201-200. Other related information is given in Appendix A through E. Five copies of this notice are submitted.

R645-201 Coal Exploration: Requirements for Exploration Approval

The proposed exploration plan qualifies as minor exploration as described in the State of Utah Coal Mining Rules R645 section R645-201-200.

R645-201-221

The name, address and telephone number of the applicant are:

Canyon Fuel Company
C/O Skyline Mine
HC 35 Box 380
Helper, Utah 84526
435-448-2693

The applicant is the same as the operator of the proposed exploration plan. Correspondence regarding this exploration plan should be addressed to:

Paul Jensen
Canyon Fuel Company
C/O Skyline Mine
HC 35 Box 380
Helper, Utah 84526
435-448-2693

R645-201-222

The name, address and telephone number of the representative of the applicant who will be present during and be responsible for conducting the exploration is:

Paul Jensen
Canyon Fuel Company
C/O Skyline Mine
HC 35 Box 380
Helper, Utah 84526
435-448-2693

At times a consulting geologist may act as representative of the applicant. The UDOGM and USFS will be notified of the consulting geologist's name and address if one is used.

R645-201-223

The exploration area is generally located in central Utah east-central Utah, approximately three miles southwest of Scofield near Flat Canyon and Electric Lake (Map 1). The legal descriptions of the mineral ownership is as follows:

Cunningham/Tracy Fee

Section 3, Township 14 South, Range 6 East, S.L.P.M.

Lots 3 and 4. The North half of the Northwest quarter; The South half of the Northwest quarter; and the Southwest quarter; and the West half of the Southwest quarter of the Southeast quarter; and the Southwest quarter of the Northwest quarter of the Southeast quarter of Section 3, Township 14 South, Range 6 East, Salt Lake Base Meridian.

Acreage from county tax records: 347.76 acres

Tax Serial No: 2-3-1

The private mineral ownership is located in Emery County, Utah. The documents allowing minor coal exploration within the boundaries of the private mineral ownership is included in Appendix D. Map 2 shows the location of the proposed boreholes. The proposed drill sites are located on private surface land belonging to Cunningham et al. The surface access and use agreements are included in Appendix C.

The proposed exploration area is located in Upper Huntington Canyon (Map 2). The area lies within the Wasatch Plateau physiographic province. Upper Huntington Canyon drains southward into Electric Lake, 6 miles southwest of the town of Scofield. Topography in the area is mountainous with narrow east-west trending ridges and deep canyons. Elevation ranges from approximately 8000 ft. to 9200 ft.

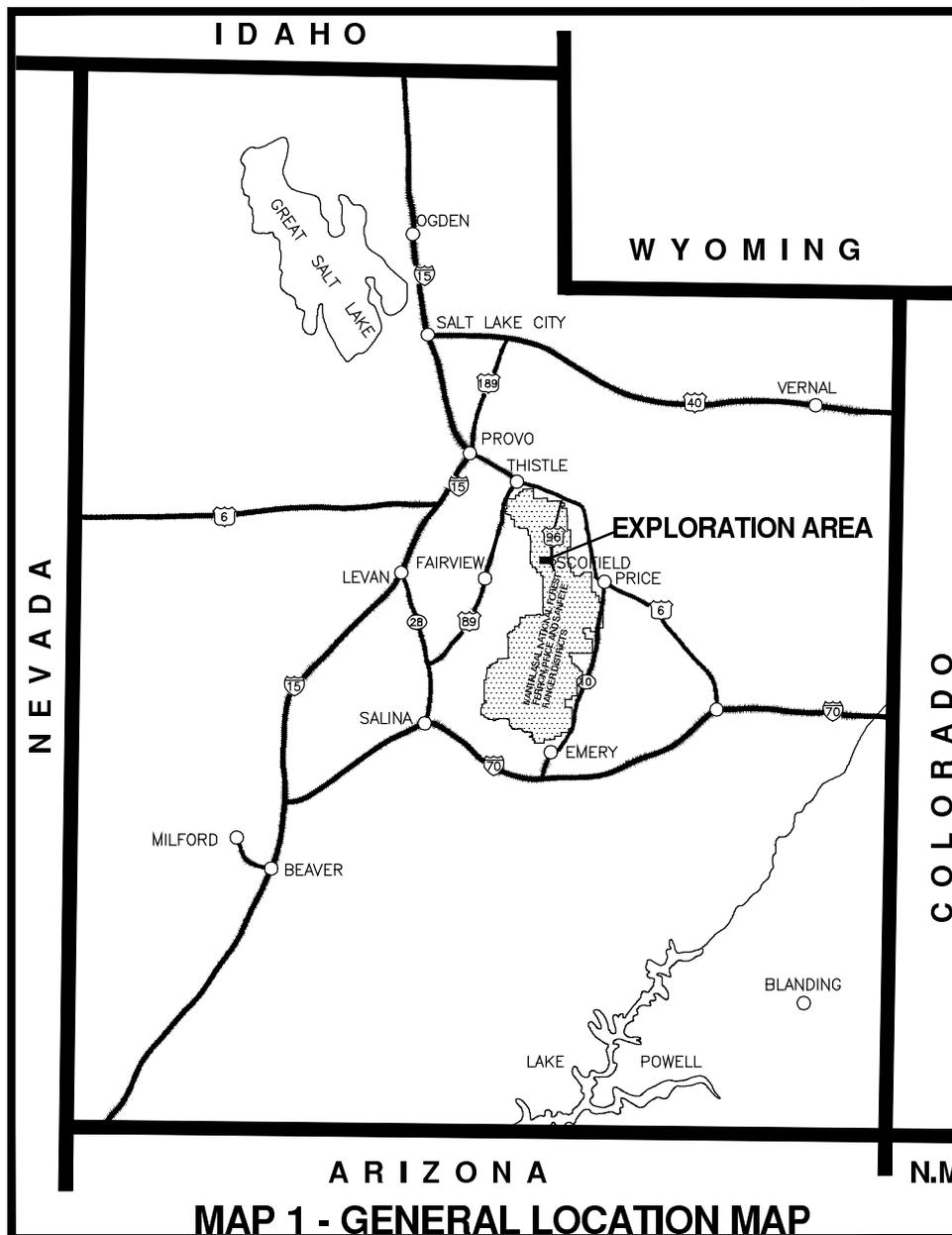
The exploration area is underlain by sedimentary rocks of late Cretaceous age. Two formations crop out in the area including the coal-bearing Blackhawk

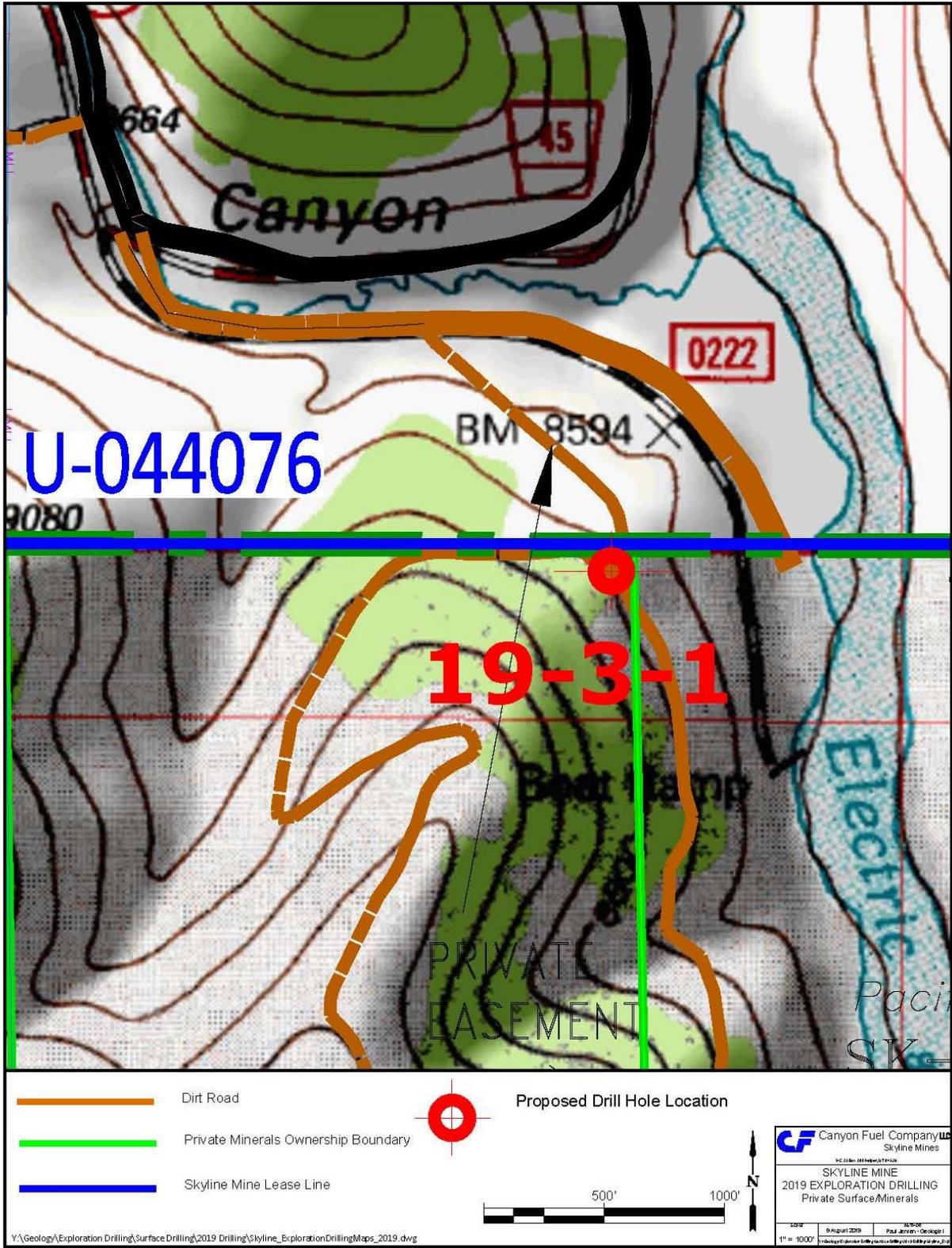
Formation and the overlying Price River Formation. At least three potentially mineable coal seams occur in the area including the Lower O'Connor A and B seams and the Flat Canyon seam.

Strata in the area dip uniformly from 2 to 8 degrees west-northwest. Several faults have been identified in the area. A number of igneous dike zones also exist in the exploration area.

Rock types are predominantly sandstones, siltstones, shale and coal.

Vegetation in the exploration area occurs in the Mountain Brush and White Fur/Spruce plant communities. Upper Huntington Creek supports game fish. The exploration area is important habitat for raptors, elk, mule deer, cougar, bobcat, black bear, and small mammals.





Map 2 – Exploration drilling locations

R645-201-225

Threatened, endangered, or special interest species in the exploration area include the goshawk, sage grouse, bald eagle and peregrine falcon. Exploration and reclamation activities will not occur within one half mile of known breeding and nesting areas during breeding or nesting periods. Appendix A (confidential file) contains the 2005 BEBA and Wildlife Resources reports for the area. Additional biological surveys were completed in the area in 2006 and 2008, and copies are included in Appendix A. A site specific biological survey was conducted in June 2019 by Mace Crane of Alpine Ecological in the area of the proposed drill holes; this is also included in Appendix A. No Mexican Spotted owls are known to occur in the area.

No cultural resource evaluation was completed since the drilling site is located on an existing approved dirt road.

R645-201-224

A timetable for exploration related activities is given below. It is anticipated that exploration activities will start on approx. 1, 2019. This schedule is estimated only and may have to be altered depending on such factors as contractor availability, drilling conditions, weather, water availability, etc.

TABLE 1:

EVENT	WK 1	WK 2	WK 3-6
Prepare access roads and drill pads as needed			
Move drill equipment to site and drilling			
Remove equipment			
Reclaim drill pads and temporary roads			

R645-201-225

The general method to be followed during conventional rotary drill hole exploration, reclamation, and abandonment procedure is: 1) repair the existing roads where needed, make temporary access roads where needed and prepare the drill sites, 2) rotary drill, core, log and complete the exploration drill holes as water monitor wells, 3) reclaim the drill sites and access routes. No blasting will be done for road building or repair.

Conventional drilling will be accomplished utilizing rotary and continuous core drilling techniques. Drilling will involve one rotary/core rig capable of drilling

3,000 ft.; with necessary support equipment such as supply trailers, portable water tanks, fuel tanks, etc. The drilling procedure will be to continuously core from the surface down to bedrock to ascertain the alluvium thickness. Drilling fluid will mainly be water with some foam, polymer, and/or mud as drilling medium.

Water for drilling and dust suppression will be transported from the Skyline Mine site hydrant and/or other permitted areas via 1,500 gal. water trucks. An approved Temporary Water Change from the Division of Water Rights is in place and included in Appendix E.

No coal will be removed during exploration activities. Cores will nominally be 1.78 inches (NQ) in diameter.

The temporary drill pad will use an existing wide spot on an established dirt road for this project. Minimal to no earth excavation will be necessary for drill site.

Drill sites will be approximately 80 ft x 30 ft in size. No mud pits will be necessary for this project. No hazardous material or trash will be disposed of at the drill site. Portable mud tanks will be utilized. Cuttings will be stored and hauled away to the Skyline Mine waste rock site by truck upon completion of drilling. Figure 1 shows the typical layout of a truck-mounted drill rig site. Small leaks of petroleum products will be cleaned-up with absorbent pads and any contaminated subsoil will be removed and contaminated pads and rags will be hauled off the site and disposed of in an approved waste site. No blasting will be done when constructing the drill site. Drill sites have been selected such that no trees will be removed during construction of the drill sites.

No new or temporary access roads will be constructed for this project.

Reclamation is an integral part of the exploration activities and will progress as contemporaneously as practical with the other exploration activities. Reclamation of drill sites and temporary access roads will occur as soon as possible upon completion of drilling operations. No topsoil will be disturbed. Reclamation will include restoring the road to its previous grade. No damage to public or private property will occur.

There will be no diversion of overland flows.

It is not anticipated that acid- or toxic- forming materials will be encountered during exploration because none have been encountered previously. Samples of drill core will be analyzed for acid- and toxic-forming materials. These samples will be taken from the 10 ft. interval above and below each seam of mineable thickness if core recovery has occurred.

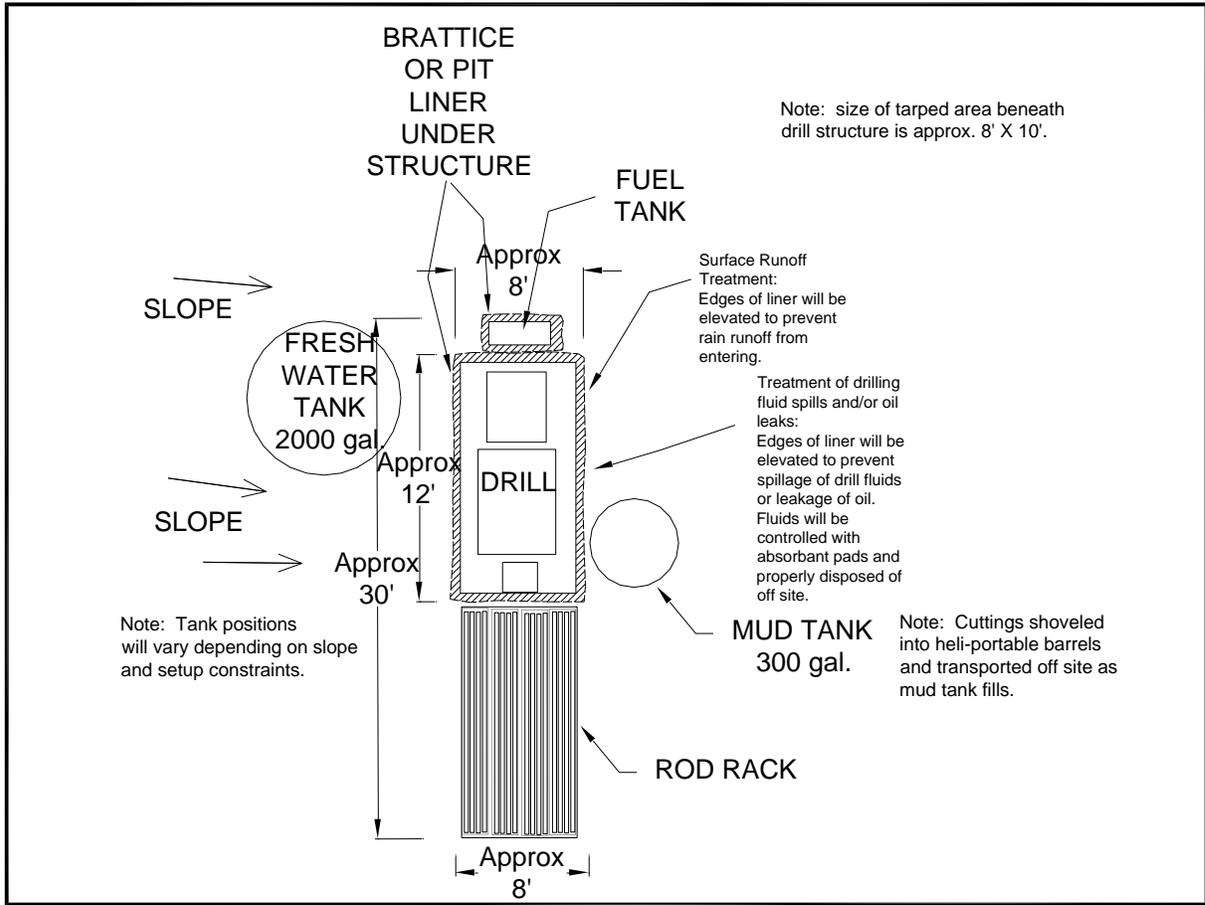


Figure 1. Typical conventional drill site setup.

No reseeding will be necessary due to the site being wholly contained on an established dirt road.

Upon completion of drilling, the hole will be plugged and abandoned with a cement, bentonite, or cement/bentonite slurry to 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. The tag will be placed in cement at ground level.

Estimated depth and other drill hole information is given in Table 1. Disturbed area will include drill pads Total disturbed area acreage is estimated at 3.15 acres as shown on Table 1.

Drill Site	Location	Total Depth (ft)	Disturbed Area (acres)
19-3-1	NE NW Sec 3 T 14S R 6E	250	0.003
		TOTAL	0.003 acres

There are no occupied dwellings or pipelines located in the exploration area. No trenches will be dug and no structures will be constructed nor will debris be

disposed of in the exploration area. The permittee or his representative will have a copy of this Notice of Intention to Conduct Minor Coal Exploration while in the exploration area available for review by an authorized representative of the Division by request.

R645-203-200

Canyon Fuel Company requests that the Division not make any drilling information available for public inspection relative to coal seam thickness or quality. This information is considered crucial to Canyon Fuel Company's competitive rights.

R645-202.230

No adverse impacts to stream channels will occur during water pumping or drilling activities. An approved "Temporary Change of Water" is in place with the Division of Water Rights (Appendix E). It is projected that approx. 0.3 acre/ft. of water will be utilized during the project.

R645-202-231

A cultural resource survey has been conducted for the area on and near the drillhole site. A copy of the cultural resource survey is included in Appendix B (confidential). Threatened, endangered, and sensitive plant and animal survey information has been developed by the U.S.F.S. and Maxim Technologies during their work relative to Canyon Fuel/Canyon Fuel Company's 2005 Exploration License and Plan approvals (Appendix A, confidential). Tetra Tech conducted a site specific biological survey on the proposed drill site (Appendix A). No nests were observed during those surveys.

R645-202-232

No temporary drilling access road construction is planned for this project as previously described. Regulations cited in R645-202-232 relative to roads will be followed as they apply.

R645-202-235 (R645-301-624.210, R645-301-731.121, R645-301-731.218))

Geologic logs of drilling will be kept. Any appreciable water encountered during drilling will be logged, noting depth, geology, and estimated flow. Any such zones will be evaluated for potential water monitoring.

Figure 1 shows a drawing of the approximate drillsite setup.

If the drill hole begins to make excess water, such water will be pumped into the constructed mud pits at the drill site. From there it will be hauled to an approved waste water disposal site. At no time will excess drill water generated in the drill hole be allowed to run on topsoil on the surface.

Fresh water pumped to the drill site to be utilized for the drilling process will be allowed to run off the site over topsoil as long as it contains no drilling additives. This is necessary to allow cooling of the engine during rod tripping or when water

tanks overflow at the drill site. Measures will be taken to disperse the water flow over the topsoil such that no erosion occurs.

R645-301-525-200

No major utilities pass over, under, or through the exploration area. Use of roads and development of the exploration site will not disrupt or damage any utility service.

R645-301-527.230

Roads utilized as part of this minor coal exploration plan will be maintained in a safe condition, including proper control of fugitive dust to minimize effects to fish, wildlife, and related environmental values.

R645-301-731.100

An approved Temporary Change of Water for water to be used in the drilling process is in place (Appendix E).

R645-301-742.410 thru 742.420

Surface disturbance will be limited to drill sites and temporary access roads. No changes will occur to drainage patterns. No perennial or intermittent stream drainages will be crossed by temporary access roads or drill sites. Excess water will be placed in the mud pits and then hauled to an approved waste water disposal site. Contributions of suspended solids will not occur.

The potential for water pollution will be minimized by keeping pollutants away from the drill hole and in their containers. Materials used during drilling operations will be selected to be as non-polluting as possible. All spills of polluting materials will be removed from the area and properly disposed of.

No mixing of surface and ground waters is possible because all drill sites will be above perennial and ephemeral stream drainages.

Drill fluids and/or cuttings will be contained within mud pits. If necessary, excess fluids will be pumped out and excess drill cuttings and core will be hauled off and disposed of properly.

Canyon Fuel Company will retain all drill and geophysical logs.

APPENDIX A

**(CONFIDENTIAL FILES)
WILDLIFE SURVEYS**

2019 BIOLOGICAL SURVEYS

**APPENDIX B
(CONFIDENTIAL FILES)**

**CULTURAL RESOURCE INVENTORY NOT
NEEDED DUE TO SITE LOCATION ON
ESTABLISHED DIRT ROAD**

APPENDIX C

SURFACE ACCESS AND USE AGREEMENTS

CUNNINGHAM et ux

This space reserved for recording

MEMORANDUM OF SURFACE ACCESS AND EXPLORATION AGREEMENT

NOTICE IS HEREBY GIVEN BY THIS MEMORANDUM (this "Memorandum"), that under and pursuant to a separate agreement entitled Surface Access and Exploration Agreement ("Agreement") dated effective as of May 31, 2018 ("Effective Date"), by and between David G. Cunningham and Rene L. Cunningham, Trustees, of the **David George Cunningham and Rene Annette Launer Cunningham Irrevocable Family Trust**, dated November 25, 2002, with an address of 995 East Hillside Drive, Provo, UT 84604 ("Owner"), and **Canyon Fuel Company, LLC**, ("CFC") a Delaware limited liability company with an address of 225 North 5th Street, Suite 900, Grand Junction, CO 81501.

Whereas, Owner has granted access and use to, and does hereby confirm a grant of access and use to CFC of the following described lands located in Emery County, Utah ("Lands"):

Township 14 South, Range 6 East, S.L.P.M.

Section 10: SE $\frac{1}{4}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$;
(Tax Serial No. 02-0004-0005)

Section 11: SW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ (Tax Serial No. 02-0005-0008)

Section 15: NW $\frac{1}{4}$ NE $\frac{1}{4}$; N $\frac{1}{2}$ S $\frac{1}{2}$ NE $\frac{1}{4}$; W $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$;
(Tax Serial No. 02-0009-0006)

Containing 420 acres more or less

The Agreement contains the following principal terms among others:

1. Grant of Use. Owner has granted, and hereby confirms a grant to CFC for the benefit of the Skyline Mine, of a license to enter, upon, access, cross, use and occupy so much of the Lands including the right to drill through and extract coal as needed for coal exploration drilling and water monitoring activities ("Exploration and Monitoring Activities").

2. Term. This Agreement shall be effective as of the Effective Date and shall remain in force to and until CFC has completed its Exploration and Monitoring Activities on the Lands, such term not to exceed Five (5) years from the Effective Date (the "Initial Term"). If at the end of the Initial Term CFC has not completed its Exploration and Monitoring Activities on the Lands, CFC shall have the right, but not the obligation, to renew for Four (4) additional five-year terms upon the same terms and conditions of this Agreement (the "Extended Term").

3. Notice. All notices and other communications to either party shall be delivered as follows:

If to CFC:

If to Owner:

Canyon Fuel Company, LLC
Attn: Land Manager
225 North 5th Street, Suite 900
Grand Junction, CO 81501
Phone: (970) 263-5144
Fax: (970) 263-5161
Email: rwilson@bowieresources.com

David and Rene Cunningham
995 East Hillside Drive
Provo, UT 84604
Phone: (801) 226-8272
Email: bankersrealtyutah@gmail.com

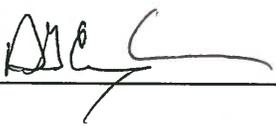
4. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Neither party shall assign this Agreement, or any rights or obligations herein, without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that CFC may assign this Agreement without consent to an affiliate or in connection with sale of all or substantially all of its assets constituting the Skyline Mine.

5. No Waiver or Modification. This Memorandum is executed for the purpose of placing of record notice of the Agreement and the terms and provisions thereof. Nothing herein shall, nor shall it be interpreted to, amend, modify or waive any of the terms and conditions of the Agreement. All capitalized terms used in this Memorandum, not otherwise defined, shall have the meanings assigned to them in the Agreement.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be signed and executed as of the Effective Date.

**David G. Cunningham and Rene L. Cunningham
Irrevocable Family Trust, dated November 25, 2002**

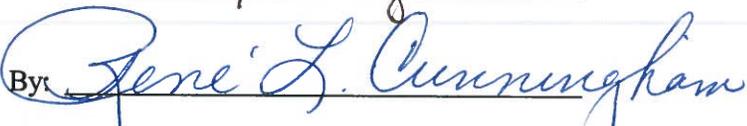
CANYON FUEL COMPANY, LLC

By: 

By: 
Gene DiClaudio

Its: member / manager

Its: Co-CEO and COO

By: 

Its: member / manager

STATE OF UT)
) ss.
COUNTY OF UT)



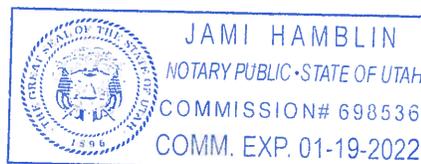
On this 31 day of May, 2018, personally appeared before me **David G. Cunningham**, as **Trustee of the David George Cunningham and Rene Annette Launer Cunningham Irrevocable Family Trust**, and signer of the above Surface Access and Exploration Agreement, who duly acknowledged to me that he executed the same on behalf of the Trust.

WITNESS my hand and official seal.

Jami Hamblin
Notary Public

My Commission expires: 1/19/22

STATE OF UT)
) ss.
COUNTY OF UT)



On this 31 day of May, 2018, personally appeared before me **Rene L. Cunningham**, as **Trustee of the David George Cunningham and Rene Annette Launer Cunningham Irrevocable Family Trust**, and signer of the above Surface Access and Exploration Agreement, who duly acknowledged to me that she executed the same on behalf of the corporation.

WITNESS my hand and official seal.

Jami Hamblin
Notary Public

My Commission expires: 1/19/22

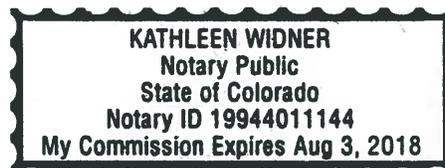
STATE OF COLORADO)
) ss.
COUNTY OF MESA)

On this 5th day of JUNE, 2018, personally appeared before me **Gene DiClaudio**, **Co-Chief Executive Officer and Chief Operating Officer of Canyon Fuel Company, LLC**, a Delaware limited liability company, and signer of the above Surface Access and Exploration Agreement, who duly acknowledged to me that he executed the same on behalf of the company.

WITNESS my hand and official seal.

Kathleen Widner
Notary Public

My Commission expires: 8-3-18



APPENDIX D

APPROVAL FOR MINOR COAL EXPLORATION ON FEE MINERALS

This space reserved for recording

MEMORANDUM OF SECOND AMENDMENT TO UNDERGROUND COAL LEASE

THIS MEMORANDUM OF SECOND AMENDMENT TO UNDERGROUND COAL LEASE ("Memorandum"), dated effective as of May 22, 2018 ("Effective Date"), is by and between David G. Cunningham and Rene L. Cunningham ("Lessor"), whose mailing address is 995 East Hillside Drive, Provo, UT 84604, and Canyon Fuel Company, LLC ("Lessee"), whose mailing address is 225 North 5th St., Suite 900, Grand Junction, CO 81501.

Recitals

A. WHEREAS, Lessor and Lessee entered into an Underground Coal Lease dated as of May 22, 1998 ("Lease") and was later amended by the First Amendment dated July 8, 2015.

B. WHEREAS, Lessor granted to Lessee, among other rights, the exclusive right to prospect, explore, develop, test, and mine by underground mining methods, upon, under and through the following described lands situated in Emery County, State of Utah, including all present interest of Lessor, to-wit:

Township 14 South, Range 6 East, SLB&M
Section 3: Lots 3&4, S₂NW₄, SW₄, W₂SW₄SE₄, SW₄NW₄SE₄
Section 10: N₂NW₄, SW₄NW₄

Comprising 466.68 acres, whether there be more or less.

C. WHEREAS, the Lease has been amended by a Second Amendment dated effective as of May 22, 2018. All capitalized terms used in this Memorandum, unless otherwise defined herein, shall have the meanings assigned to them in the Lease, as amended.

D. WHEREAS, the parties desire to enter into this Memorandum for purposes of placing of record a notice of the Lease, as amended, by the Second Amendment.

Memorandum

NOW, THEREFORE, for and in consideration of the mutual promises, terms and conditions contained in the Lease, as amended, by the Second Amendment, the parties agree as follows:

1. Term. The Term of the Lease shall be extended from the initial twenty (20) year period for an additional twenty (20) year term through and including May 22, 2038 ("Secondary Period") and for so long thereafter as Coal is being mined, produced, processed or marketed from the Leased Premises, or so long as the Lease may be held in force and effect by some other provision thereof.

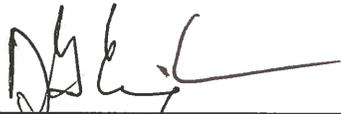
2. Ratification. The parties have ratified the Lease, as amended by the Second Amendment, and hereby represent that the Lease, as amended, is in full force and effect.

3. Memorandum. This Memorandum is executed for the purpose of placing of record notice of the Lease, as amended, and the terms and provisions thereof. The Lease, as amended, contains terms and conditions that are not set forth in this Memorandum, but which nevertheless are by reference made a part hereof. Nothing herein shall, nor shall it be interpreted to, amend, modify or waive any of the terms and conditions of the Lease, as amended. If there is a conflict between the terms of this Memorandum and the terms of the Lease, the terms of the Lease shall control in all respects.

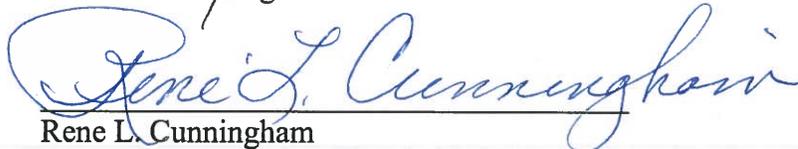
4. Counterparts. This Memorandum may be executed in counterparts.

IN WITNESS WHEREOF, the Parties have executed this Memorandum effective as of the date set forth above.

LESSOR:



David G. Cunningham



Rene L. Cunningham

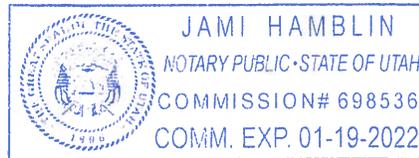
LESSEE:

Canyon Fuel Company, LLC

By: 

Its: Co-CEO & COO

STATE OF UT)
) ss.
COUNTY OF UT)



On this 31 day of May, 2018, personally appeared before me **David G. Cunningham**, signer of the above Memorandum of Second Amendment to Underground Coal Lease, who duly acknowledged to me that he executed the same.

WITNESS my hand and official seal.

Jami Hamblin
Notary Public

My Commission expires: 11/19/22

STATE OF UT)
) ss.
COUNTY OF UT)



On this 31 day of May, 2018, personally appeared before me **Rene L. Cunningham**, signer of the above Memorandum of Second Amendment to Underground Coal Lease, who duly acknowledged to me that she executed the same.

WITNESS my hand and official seal.

Jami Hamblin
Notary Public

My Commission expires: 11/19/22

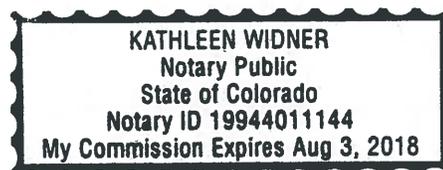
STATE OF MESA)
) ss.
COUNTY OF COLORADO)

On this 5th day of JUNE, 2018, personally appeared before me **Gene DiClaudio** of **Canyon Fuel Company, LLC**, a Delaware limited liability company, and signer of the above Memorandum of Second Amendment to Underground Coal Lease, who duly acknowledged to me that he executed the same on behalf of the company.

WITNESS my hand and official seal.

Kathleen Widner
Notary Public

My Commission expires: 8-3-18



APPENDIX E

TEMPORARY WATER CHANGE
UTAH STATE ENGINEER



GARY R. HERBERT
Governor
SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Water Rights

BRIAN C. STEED
Executive Director

KENT L. JONES
State Engineer/Division Director

ORDER OF THE STATE ENGINEER For Temporary Change Application Number 93-228 (t45056)

Temporary Change Application Number 93-228 (t45056) in the names of Canyon Fuel Company and Huntington Cleveland Irrigation Company was filed on August 22, 2019, to change the point of diversion, places of use, and uses of 0.5 acre-foot (af) of water as evidenced by Water Right Number 93-228. Heretofore, the water has been diverted from a surface source located North 960 feet and West 440 feet from the E $\frac{1}{4}$ Corner of Section 15, T17S, R8E, SLB&M. The water has been used in all or portion(s) of Sections 12, 13, 14, 25, & 26, T17S, R8E, SLB&M; Sections 7, 8, 9, 10, 12, 16, 17, 18, 19, 20, 22, 27, 28, 29, 33, & 34, T17S, R9E, SLB&M; and Sections 2, 3, 4, 8, 9, 10, 11, 15, 16, & 17, T18S, R9E, SLB&M.

Hereafter, it is proposed to divert 0.5 acre-foot of water from surface source located South 955 feet and East 693 feet from the N $\frac{1}{4}$ Corner of Section 3, T14S, R6E, SLB&M. The water is to be used for other purposes (Exploratory drilling incidental to mining) from June 15 to November 30. The place of use of the water is being changed to all or portion(s) of Section 3, T14S, R6E, SLB&M.

Notice of this temporary change application was not published in a newspaper. It is the opinion of the State Engineer that it meets the criteria of Section 73-3-3 and 73-3-8 of the Utah Code for the approval of temporary change applications.

It is the opinion of the State Engineer that this temporary change application can be approved without adversely affecting existing rights.

It is, therefore, **ORDERED** and Temporary Change Application Number 93-228 (t45056) is hereby **APPROVED** subject to prior rights and the following condition(s):

- 1) **This application shall automatically expire one year from the date of this approval.**

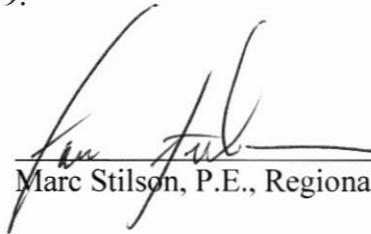
It is the applicants' responsibility to maintain a current address with this office and to update ownership of their water right. Please notify this office immediately of any change of address or for assistance in updating ownership. Additionally, if ownership of this water right or the property with which it is associated changes, the records of the Division of Water Rights should be updated. For assistance in updating title to the water right please contact the Division at the phone number below.

Your contact with this office, should you need it, is with the Southeastern Regional Office. The telephone number is 435-613-3750.

ORDER OF THE STATE ENGINEER
Temporary Change Application Number
93-228 (t45056)
Page 2

This Order is subject to the provisions of Administrative Rule R655-6-17 of the Division of Water Rights and to Sections 63G-4-302, 63G-4-402, and 73-3-14 of the Utah Code which provide for filing either a Request for Reconsideration with the State Engineer or for judicial review with the appropriate District Court. A Request for Reconsideration must be filed in writing with the State Engineer within 20 days of the date of this Order. The written request shall be filed in-person, by mail, or electronically. If the request is filed electronically it shall be submitted to: waterrights@utah.gov, which is the authorized general email for the Division. However, a Request for Reconsideration is not a prerequisite to filing for judicial review. A petition for judicial review must be filed within 30 days after the date of this Order or, if a Request for Reconsideration has been filed, within 30 days after the date the Request for Reconsideration is denied. A Request for Reconsideration is considered denied when no action is taken 20 days after the Request is filed.

Dated this 3 day of September, 2019.



Marc Stilson, P.E., Regional Engineer

Mailed a copy of the foregoing Order this 3 day of September, 2019 to:

Canyon Fuel Company
Attn: Land Department
1401 North 1st Street, Suite A
Grand Junction CO 81501

Huntington Cleveland Irrigation Company
P.O. Box 327
Huntington UT 84528

BY: 

Michele Gabb, Regional Secretary