



**Canyon Fuel  
Company, LLC**

A Subsidiary of Bowtie Resource Holdings, LLC

**Dugout Canyon Mine**

P.O. Box 1029  
Wellington, Utah 84542  
(435) 637-6360  
Fax (435) 636-2897

C/007/0018  
Received 9/30/16  
Task ID #5286

September 29, 2016

Coal Regulatory Program  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

Subject: Permit Renewal, Soldier Canyon Mine, Canyon Fuel Company, LLC, C/007/018, Carbon County, Utah

Dear Mr. Haddock:

Canyon Fuel Company, LLC hereby files application for renewal of permit C/007/018, to operate under provisions of the Utah Coal Mining and Reclamation Act pursuant to R645-303-300 of the Utah Coal Program Regulations. The legal description of the area associated with Soldier Canyon Mine can be found in the newspaper notice attached.

The permit renewal package includes the following in compliance with the application requirements (R645-303-232):

- Evidence of a liability insurance policy;
- Evidence of a performance bond in effect for the operation;
- A copy of the proposed newspaper notice as required by R645-300-121.100 and;
- Proof of publication of newspaper notice (submitted after completion of publication).

Should you have any questions please contact Bill King at (435) 636-2898 or David Spillman at (435) 636-2872.

Sincerely,

David G. Spillman, P.E.  
Technical Services Manager

cc: Kirt Tatton  
Chris Hansen  
Bill King

# APPLICATION FOR COAL PERMIT PROCESSING

Permit Change  New Permit  Renewal  Exploration  Bond Release  Transfer

**Permittee:** Canyon Fuel Company, LLC

**Mine:** Soldier Canyon Mine

**Permit Number:** C/007/018

**Title:** Permit Renewal

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

**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?

**Please attach one (1) review copy of the application.**

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.

David Spillman  
Print Name

David Spillman, Engineering Manager  
Sign Name, Position, Date

Subscribed and sworn to before me this 29<sup>th</sup> day of Sept, 2016

Mon S. Claus  
Notary Public

My commission Expires: 11-7-19, 20   }

Attest: State of UT } ss:  
County of Carbon



|                             |                                  |  |
|-----------------------------|----------------------------------|--|
| <b>For Office Use Only:</b> | <b>Assigned Tracking Number:</b> | <b>Received by Oil, Gas &amp; Mining</b> |
|-----------------------------|----------------------------------|--|



# Public Notice

**Public Notice**  
**Soldier Canyon Mine Permit Renewal**  
**Dugout Canyon Mine**  
**Canyon Fuel Company**  
**P.O. Box 1029**  
**Wellington, UT 84542**  
**MSHA # 42-00077**  
**Permit # C/007/018**  
**Permit Renewed 2/3/2012**

Canyon Fuel Company, LLC of Grand Junction, Colorado hereby announces its intent to renew its Coal Mining Permit for the Soldier Canon Mine under the laws of the State of Utah and the U.S. Office of Surface Mining. The currently approved mining permit is number C/007/018.

Canyon Fuel Company, LLC operates the Soldier Canyon Mine with facilities located approximately 12 miles northeast of Wellington, Utah.

Underground coal mining will take place in coal reserves owned or leased by Canyon Fuel Company, LLC. A description of the permit area follows:

## **Township 13 S, Range 11 E, Salt Lake Base and Meridian**

Section 1: All  
Section 2: All  
Section 3: Lots 5, 6, 7  
Section 10: N1/2, E1/2 SE1/4, NW1/4 SE1/4, NW1/4 SW1/4  
Section 11: All  
Section 12: All  
Section 13: W1/2, NW1/4 NE1/4, E1/2 NE1/4, NE1/4 SE1/4  
Section 14: N1/2, N1/2 S1/2, SE1/4 SE1/4  
Section 15: NE1/4 NE1/4  
Section 23: N1/2 NE1/4 NE1/4  
Section 24: N1/2 N1/2 NW1/4, Portion of E1/2 SE1/4 SE1/4  
Section 25: Portions of N1/2 NW1/4 SE1/4 and S1/2 SW1/4 NE1/4

## **Township 13 S, Range 12 E, Salt Lake Base and Meridian**

Section 4: All  
Section 5: All  
Section 6: All  
Section 7: All  
Section 8: All  
Section 9: NW1/4  
Section 17: NW1/4  
Section 18: NW1/4, NW1/4 NE1/4, E1/2 NE1/4, NW1/4 NE1/4 SW1/4 NE1/4, NW1/4 SW1/4 NE1/4 SW1/4 NE1/4, NE1/4 SE1/4 NW1/4 SW1/4 NE1/4  
Section 19: Portion of the W1/2 SW1/4 SW1/4

The address of the applicant is: Canyon Fuel Company, LLC  
225 North 5<sup>th</sup> Street, 9<sup>th</sup> Floor  
Grand Junction, CO 81501

A copy of the Soldier Canyon Permit Renewal application may be examined at the office of Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801, and the Carbon County Recorder's Office, 751 E 100 N, Price, Utah. Written comments, objections, or requests for an informal conference may be submitted to the Salt Lake City address. Said comments must be submitted thirty (30) days from the date of the last publication of this notice. This notice is being published to comply with the Surface Mining Control and Reclamation Act of 1977, and State and Federal regulations promulgated pursuant to said Act.



**EXHIBIT “B”**

**Bonding Agreement  
Surety Bond**

(Federal Coal)

Surety Bond Number 1093365

**EXHIBIT "B"**  
**SURETY BOND**  
**(FEDERAL COAL)**  
--000000--

This **SURETY BOND** entered into and by and between the undersigned **PERMITTEE/PRINCIPAL** Canyon Fuel Company, LLC, and **SURETY** Lexon Insurance Company, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining (hereafter referred to as the "**DIVISION**"), and the U.S. Department of the Interior, Office of Surface Mining Reclamation and Enforcement (hereafter referred to as "**OSM**") in the penal sum of One Million Five Hundred Ninety-Three Thousand and 00/100 (\$1,593,000.00) (Surety Bond Amount) for the timely performance of reclamation responsibilities of the Permittee in the Bonded Area described in Exhibit "A" of that certain **RECLAMATION AGREEMENT**, dated the 15th day of August, 2013 by and between the **DIVISION** and the **PERMITTEE/PRINCIPAL**.

This **SURETY BOND** shall remain in effect until all of the **PERMITTEE'S/PRINCIPAL'S** reclamation obligations have been met and released by the **DIVISION** with the concurrence of **OSM** and is conditioned upon faithful performance of all of the requirements of the Utah Coal Mining Reclamation Act, Utah Code Ad. §40-12-2 et. seq. (the **ACT**), the Surface Mine Control and Reclamation Act ("**SMCRA**"), and all lawful regulation adopted under the authority of those statutes, and the approved Permit (which is based upon the approved Permit Application Package).

The **SURETY** will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the **PERMITTEE/PRINCIPAL** during the period of liability.

The **SURETY** and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the **DIVISION** and **OSM** from any and all expenses which the **DIVISION** may sustain as a result of the **PERMITTEE'S/PRINCIPAL'S** failure to comply with the condition(s) of the reclamation obligation.

The **SURETY** will give prompt notice to the **PERMITTEE/PRINCIPAL**, the **DIVISION** and **OSM** of any notice received or action alleging the insolvency or bankruptcy of the **SURETY**, or alleging any violations or regulatory requirements which could result in suspension or revocation of the **SURETY'S** license.

Upon incapacity of the **SURETY** by reason of bankruptcy, or suspension or revocation of license, the **PERMITTEE/PRINCIPAL** shall be deemed to be without Bond coverage in violation of state and federal law and subject to enforcement in accordance with **SMCRA**, the **ACT**, and the applicable regulations.

Surety Bond Number 1093365  
Mine Name/Number Soldier Canyon Mine, C/007/0018

The terms for release of this **BOND** are as written and agreed to by the **DIVISION** and the **PERMITTEE/PRINCIPAL** in the **RECLAMATION AGREEMENT**, incorporated by reference herein, to which this **SURETY AGREEMENT** has been attached as Exhibit "B".

In the event the Utah Cooperative Agreement is terminated, this **SURETY BOND** shall be payable only to the OSM to the extent that lands covered by the Federal Lands Program are involved and otherwise to the **DIVISION**.

**IN WITNESS WHEREOF**, the **PERMITTEE/PRINCIPAL** has hereunto set its signature and seal this 15th day of August, 2013.

Canyon Fuel Company, LLC  
By: Bowie Resource Holdings, LLC, its sole member  
By: Bowie Resource Partners, LLC, its sole member

**PERMITTEE/PRINCIPAL**

By: James Wolff  
James Wolff  
Title: Chief Financial Officer

**IN WITNESS WHEREOF**, the **SURETY** has hereunto set its signature and seal this 15th day of August, 2013.

Lexon Insurance Company

**SURETY**

By: Jackie C. Koestel  
Jackie C. Koestel

Title: Attorney-in-Fact

**SURETY BONDING AGREEMENT ACCEPTED BY THE STATE OF UTAH:**

John R. Bay  
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 the Agreement. If the **PERMITTEE** is a corporation, the Agreement shall be executed by its duly authorized officer.

**AFFIDAVITS**  
**OF**  
**QUALIFICATION**



POWER OF ATTORNEY

LX - 073569

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that LEXON INSURANCE COMPANY, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Brook T. Smith, Mark A. Guidry, Raymond M. Hundley, Jason D. Cromwell, James H. Martin, Sandra L. Fusinetti,

Deborah Neichter, Jill Kemp, Jackie C. Koestel, Sheryon Quinn, Dawson West, Bonnie J. Wortham, Amy Meredith, Lynnette Long, Barbara Duncan \*\*\*\*\*

its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of LEXON INSURANCE COMPANY on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$ 4,000,000.00 Four million dollars\*\*\*\*\* dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, LEXON INSURANCE COMPANY has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 21st day of September, 2009.



LEXON INSURANCE COMPANY

BY [Signature] David E. Campbell President

ACKNOWLEDGEMENT

On this 21st day of September, 2009, before me, personally came David E. Campbell to me known, who being duly sworn, did depose and say that he is the President of LEXON INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.

OFFICIAL SEAL MAUREEN K. AYE Notary Public, State of Illinois My Commission Expires 09/21/13

[Signature] Maureen K. Aye Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of LEXON INSURANCE COMPANY, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the foregoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Sealed at Woodridge, Illinois this 15th Day of August, 2013.



[Signature] Philip G. Lauer Assistant Secretary

WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.





RECEIVED

OCT 29 2013

Permit #C/007/0018  
Soldier Canyon Mine

**DIV. OF OIL, GAS & MINING**  
**GENERAL PURPOSE RIDER**

To be attached to and form part of Bond Number 1093365 effective August 15, 2013  
issued by the Lexon Insurance Company  
in the amount of \$1,593,000.00 DOLLARS,  
on behalf of Canyon Fuel Company, LLC  
as Principal and in favor of Department of Natural Resources Division of Oil, Gas and Mining  
as Obligee:

Now, Therefore, it is agreed that:

Ironshore Indemnity Inc. is providing this rider as a full guarantee for the obligations undertaken by Lexon Insurance Company as surety for the above mine. This additional guarantee is required by the State of Utah to meet the requirement that the surety provided must have an A.M. Best rating of A- or better. In the event of any failure by Lexon Insurance Company to satisfy its surety obligations, Ironshore Indemnity Inc. shall be liable for their performance or payment.

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 15th day of August, 2013.

Signed, sealed and dated this 15th day of August, 2013.

Canyon Fuel Company, LLC (Principal)

By:



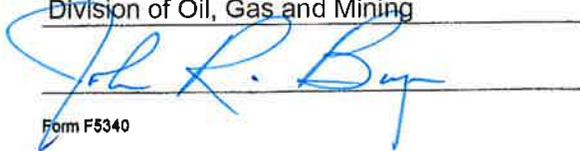
Ironshore Indemnity Inc. (Surety)

By:

Brook T. Smith

Attorney-in-Fact

Accepted By:  
Department of Natural Resources  
Division of Oil, Gas and Mining



Bond Number 1093365

**AFFIDAVIT OF QUALIFICATION  
SURETY COMPANY**

**--ooOOoo--**

I, Brook T. Smith, being first duly sworn under oath, deposes and says that he/~~she~~ is the (officer or agent) Attorney-in-Fact of Ironshore Indemnity Inc.; and that he/~~she~~ is duly authorized to execute and deliver the foregoing obligations; and that said SURETY COMPANY is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations herein.



(Signed) Brook T. Smith, Attorney-in-Fact  
Surety Company Officer - Position

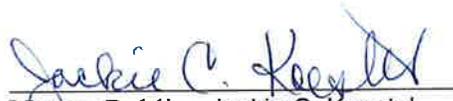
Attest:

STATE OF Kentucky )

) ss:

COUNTY OF Jefferson )

Subscribed and sworn to before me this 15th day of August, 2013.



Notary Public Jackie C. Koestel

My Commission Expires:

February 13, 2016.

POWER OF ATTORNEY

III-

Ironshore Indemnity Inc.

KNOW ALL MEN BY THESE PRESENTS, that IRONSHORE INDEMNITY INC., a Minnesota Corporation, with its principal office in New York, NY does hereby constitute and appoint: Brook T. Smith, Raymond M. Hundley, Jason D. Cromwell, James H. Martin, Sandra L. Fusinetti, Deborah Neichter, Jill Kemp, Jackie C. Koestel, Sheryon Quinn, Dawson West, Bonnie J. Wortham, Amy Meredith, Lynette Long, Barbara Duncan, Mark A. Guidry, Michele Lacrosse and Summer A. Betting its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of IRONSHORE INDEMNITY INC. on the as follows:

Resolved, that the Director of the Company is hereby authorized to appoint and empower any representative of the company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$2,500,000 dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the Director and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, IRONSHORE INDEMNITY INC. has caused this instrument to be signed by its Director, and its Corporate Seal to be affixed this

IRONSHORE INDEMNITY INC.



By:   
Daniel L. Sussman  
Director

ACKNOWLEDGEMENT

On this 1<sup>st</sup> Day of May, 2013, before me, personally came Daniel L. Sussman to me known, who being duly sworn, did depose and say that he is the Director of Ironshore Indemnity, Inc. , the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.

ALYSSA TURKOVITZ  
Notary Public, State of New York  
No. 01TU6044514  
Qualified in Westchester County  
Commission Expires July 10, 2014

  
Alyssa Turkovitz  
Notary Public

CERTIFICATE

I, the undersigned, Secretary of IRONSHORE INDEMNITY INC. , A Minnesota Company, DO HEREBY CERTIFY that the original Power of Attorney of which the foregoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Sealed at this 15<sup>th</sup> Day of August 2013.



  
Paul S. Giordano  
Secretary

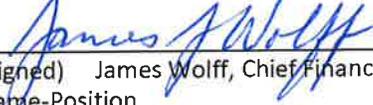
"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

**AFFIDAVIT OF QUALIFICATION  
PERMITTEE  
--ooOOoo--**

I, James Wolff, being first duly sworn under oath, deposes and says that he/~~she~~ is the (officer or agent) Chief Financial Officer of Canyon Fuel Company, LLC and that he/~~she~~ is duly authorized to execute and deliver the foregoing obligations; and that said PERMITTEE is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.

Canyon Fuel Company, LLC  
By: Bowie Resource Holdings, LLC, its sole member  
By: Bowie Resource Partners, LLC, its sole member

Attest:   
Secretary of the Corporation

  
(Signed) James Wolff, Chief Financial Officer  
Name-Position

STATE OF Kentucky )  
COUNTY OF Jefferson ) ss:

Subscribed and sworn to before me this 25<sup>th</sup> day of Oct, 2013.

  
Notary Public

My Commission Expires:

Dec. 6, 2015.

