



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 13, 2019

Larry Johnson, Manager
Coal Energy Group 2, LLC
6602 Ilex Circle
Naples, Florida 34109

Subject: Chapter 1 Revisions, Coal Energy Group 2, LLC, Wildcat Loadout, C/007/0033,
Task #5854

Dear Mr. Johnson:

The Division has reviewed your application. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. The plans as submitted are denied. Please resubmit the entire application by March 11, 2019.

If you have any questions, please call me at (801) 538-5350.

Sincerely,

Steve Christensen
Permit Supervisor

SKC/sqs

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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0070033
TaskID: 5854
Mine Name: WILDCAT LOADOUT
Title: CHAPTER 1 REVISIONS

Summary

The Division received an Application for Permit Transfer to transfer the Wildcat Loadout permit C/007/0033 from Intermountain Power Agency to Coal Energy Group 2, LLC on September 13, 2018. The permit transfer was approved on November 9, 2018 and a revised permit was issued. Coal Energy Group 2, LLC submitted application on January 4, 2019 to amend the Wildcat Loadout Mining and Reclamation Plan with the updated ownership information. The application was resubmitted on January 30, 2019.

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General Contents

Identification of Interest

Analysis:

The application does not meet the State of Utah R645 requirements for Identification of Interest.

The application identifies the revised Chapter 1 information resulting in the sale of the Wildcat Loadout from Intermountain Power Agency to Coal Energy Group 2, LLC: Type of Business; Names, Locations, Resident Agent; Other than Single Proprietorships; Officers and Shareholders; Ownership and Control Relationship to Applicant.

Appendix A Part 1 Ownership and Control and Appendix A Part 2 Current and Previous Permits have been updated and moved to the Confidential binder of the MRP; however, Appendix A Part 2 is not considered confidential information and this information is already included in the Chapter 1 text under R645-301-112.400 Pending, Current and Previous Coal Permits. Appendix A Part 2 Current and Previous Permits should be removed from the MRP.

Deficiencies Details:

The application does not meet the State of Utah R645 requirements for Identification of Interest.

Appendix A Part 1 Ownership and Control and Appendix A Part 2 Current and Previous Permits have been updated and moved to the Confidential binder of the MRP; however, Appendix A Part 2 is not considered confidential information and this information is already included in the Chapter 1 text under R645-301-112.400 Pending, Current and Previous Coal Permits. Appendix A Part 2 Current and Previous Permits should be removed from the MRP.

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Violation Information

Analysis:

This application meets the State of Utah R645 requirements for Violation Information.

R645-301-113 Any State or Federal violations received in the last three years by the applicant or any subsidiary, affiliate, or persons controlled by or under common control with the applicant. Appendix B, Part B History of Violations has been updated to include a list of all violation notices and a reference added to it's location in Chapter 1.

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Right of Entry

Analysis:

The application does not meet the State of Utah R645 requirements for Right of Entry.

The Operator updated Appendix B Part A-1 with the DOGM Permit issued on November 9, 2018 with the Permittee Coal Energy Group 2, LLC and also provided the permit transfer affidavit of publication.

The Operator provided the following documents: 2018 UTU-4827 Wildcat ROW Assignment Approval, 2018 Assignment & Assumption of ROW, Lease & Real Property Agreement, Quitclaim Deed Recorded 2018 in Carbon County and Quitclaim Deed-Access Road Recorded 2018 in Carbon County.

However, the Operator is submitting these Right of Entry Documents as confidential information to be added to the confidential MRP binder. The right of entry information is not confidential information and should be updated in the existing Appendix B Part A.

Deficiencies Details:

The application does not meet the State of Utah R645 requirements for Right of Entry.

The Operator provided the following documents: 2018 UTU-4827 Wildcat ROW Assignment Approval, 2018 Assignment & Assumption of ROW, Lease & Real Property Agreement, Quitclaim Deed Recorded 2018 in Carbon County and Quitclaim Deed-Access Road Recorded 2018 in Carbon County.

However, the Operator is submitting these Right of Entry Documents as confidential information to be added to the confidential MRP binder. The right of entry information is not confidential information and should be updated in the existing Appendix B Part A.

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Permit Application Format and Contents

Analysis:

The application meets the requirements of R645 Permit Application Format and Contents.

The application includes a revised Chapter 1 Table of Contents as well as a revised Table of Contents for the Mining and Reclamation Plan.

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Reporting of Technical Data

Analysis:

The application meets the R645 Reporting of Technical Data.

Appendix B, Part C Insurance has been updated to the current certificate of insurance listing the insured as Coal Energy Group 2, LLC.

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