

# 3301

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**Canyon Fuel Company, LLC**  
**Dugout Canyon Mine**  
P.O. Box 1029  
Wellington, Utah 84542

June 2, 2009

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

RE: Notice of Intent (NOI) to Conduct Minor Coal Exploration on behalf of Canyon Fuel Company, LLC – Dugout Canyon Mine, Task ID #3255, C/007/039

Dear Sirs:

Ark Land Company (a subsidiary of Arch Coal Inc.) and Dugout Canyon Mine are submitting this Notice of Intent (NOI) to Conduct Minor Coal Exploration to the Utah Division of Oil, Gas and Mining (Division) in order to obtain approval to conduct coal exploration in 2009. One hole is planned to be drilled utilizing rubber-tired drilling rigs to obtain spot cores of the coal seams and associated strata. All exploration activities will occur on private surface held by the Canyon Fuel Company. Coal ownership is leased through the State of Utah (42648). The drill site is located within the Mining Permit Boundary of the Dugout Canyon Mine (Permit number C/007/039). This NOI follows the format of the applicable parts of Division rules (R645-200 through R645-203) regarding the exploration of coal. We will need to start the exploration drilling following the wildlife exclusionary period (late July).

Deficiencies have been addressed and included in this submittal. The parts of the NOI necessary to make the original submittal complete and correct will be submitted upon approval of the enclosed revisions.

Ark Land Company has provided four copies of the NOI revisions to the Division for review and distribution to other agencies. The archeological report was provided under separate cover for review by the Division and has been approved by SHPO. An additional copy of the NOI has been delivered to the Price Field office.

Please call with questions (435) 636-2869 (Vicky Miller) or Wade Robinson at (435) 613-2830.

Sincerely yours,

Vicky S. Miller

cc: Dave Spillman  
Wade Robinson

RECEIVED

JUN 03 2009

DIV. OF OIL, GAS & MINING

# APPLICATION FOR COAL PERMIT PROCESSING

Permit Change  New Permit  Renewal  Exploration  Bond Release  Transfer

**Permittee:** Canyon Fuel Company, LLC

**Mine:** Dugout Canyon Mine **Permit Number:** C/007/039

**Title:** Minor Coal Exploration, Task ID# 3255

**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 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.

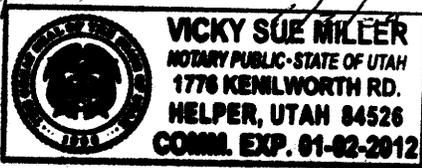
David Spillman  
Print Name

David Spillman Engineering Manager  
Sign Name, Position, Date

Subscribed and sworn to before me this 2 day of June, 2009

Vicky Sue Miller  
Notary Public

My commission Expires: 1-2, 2012 }  
Attest: State of UTAH } ss:  
County of CARBO



<p><b>For Office Use Only:</b></p>	<p>Assigned Tracking Number:</p>	<p>Received by Oil, Gas &amp; Mining</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">RECEIVED</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">JUN 03 2009</p> <p style="text-align: center;">DIV. OF OIL, GAS &amp; MINING</p>
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COMM. EXP. 07-05-2012  
HELPER, UTAH 84208  
1778 KENILWORTH RD  
MONTICELLO, UT 84503  
VICKY SUE MILLER





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

**UTAH STATE COAL LEASE ML-42648**

**March 2009**

**Revised June 2, 2009**

**Ark Land Company  
A Subsidiary of Arch Coal, Inc.**

**NOTICE OF INTENT TO CONDUCT  
MINOR COAL EXPLORATION**  
*Utah State Coal Lease ML-42648,*

**R645-200. Coal Exploration: Introduction**

Ark Land Company (a subsidiary of Arch Coal Inc.) is submitting this Notice of Intent (NOI) to Conduct Minor Coal Exploration on behalf of Canyon Fuel Company, LLC – Dugout Canyon Mine to the Utah Division of Oil, Gas and Mining (Division) in order to obtain approval to conduct coal exploration and reclamation activities in 2009. One hole is planned, to be drilled utilizing rubber-tired drilling rigs to obtain spot cores of the coal seams and associated strata. The drill hole will be drilled on private surface owned by Canyon Fuel Company and the coal ownership is leased through Utah State Coal Lease (ML-42648). The drill site is located within the Mining Permit Boundary of the Dugout Canyon Mine (Permit number C/007/039). This NOI follows the format of the applicable parts of Division rules (R645-200 through R645-203) regarding the exploration of coal.

Ark Land Company has provided four copies of the NOI to the Division for review and distribution to other agencies. An additional copy has been delivered to the Price Field office.

**R645-200-100. Scope (Minor Coal Exploration)**

**122. Minor Coal Exploration**

Ark Land Company intends to drill in order to verify the thickness, perceived mining conditions and quality of the Gilson Coal Seam in Utah State Coal Lease ML-42648. Less than 250 tons of coal will be removed during this drilling program. Ark Land is hereby filing a NOI to Conduct Minor Coal Exploration under the requirements of R645-201-200.

**R-645-200-200. Responsibilities**

**210. Responsibility to Comply with Regulations**

Ark Land Company, Canyon Fuel Company and Dugout Canyon Mine will comply with the requirements of R645-200 through R645-303.

**220. Responsibility of the Division to Review and Reply**

Rules and regulations state that the Division will review and reply to this NOI within 15 days of submission.

**230. Responsibility of the Division to Coordinate with Other Agencies**

Rules and regulations state that the Division will coordinate review of this NOI with the other appropriate government agencies (i.e., SITLA, BLM, OSM, etc.). **Prior to conduction minor exploration associated with this application, the Division must receive concurrence from SITLA and SHPO. SHPO concurrence was received on April 13, 2009.**

**R645-201. Coal Exploration: Requirements for Exploration Approval**

**R645-201-100. Responsibilities for Coal Exploration Plan Review**

**110. Coal Exploration Plan Review, Responsibility of the Division**

The lands upon which exploration will be conducted are a state lease issued to Ark Land Company and, therefore not subject to 43 CFR Parts 3480-3487. Therefore, the exploration plan review will be the responsibility of the Division.

**120. Requirements of 43 CFR 3480-3487.**

As stated in R645-201-110 above, this requirement is not applicable.

**130. Division Responsibility to Coordinate with Other Agencies.**

This NOI will be submitted to the Division as the lead agency for review and approval.

**R645-201-200. Notices of Intention to Conduct Minor Coal Exploration.**

**210. Division Review Requirement.**

Ark Land Company is submitting a notice of intention to Conduct Minor Coal Exploration where removal of 250 tons or less of coal is planned.

**220. Required Applicant Information.**

**221. Name, Address and Telephone Number of Applicant**

Ark Land Company  
C/o Canyon Fuel Company  
Dugout Canyon Mine  
P.O. Box 1029  
Wellington, Utah 84542  
(Main Phone) 435-637-6360

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

Wade Robinson  
Mine Geologist  
Ark Land Company  
C/o Canyon Fuel Company  
Dugout Canyon Mine  
P.O. Box 1029  
Wellington, Utah 84542  
(Office Phone) 435-613-2830

**222. Name, Address and Telephone of Applicant's Representative**

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:

Wade Robinson  
Mine Geologist  
Ark Land Company  
C/o Dugout Canyon Mine  
P.O. Box 1029  
Wellington, Utah 84542  
(Office Phone) 435-613-2830  
(Cell Phone) 303-478-4133

At times a consulting geologist may act as representative of the applicant. The Division will be notified of changes regarding the representatives in charge of the exploration drilling program.

**223. Description of Exploration Area**

The exploration area is contained within the Dugout Canyon Mine permit boundary and is located approximately 20 miles northeast of the town of Wellington, Carbon County, Utah (Figure 1). Drilling will occur within specific portions of State Coal Lease ML 42648 (Appendix B). The legal description of the leases is as follows:

**State Coal Lease ML-42648**

T.13 S., R 12 E., SLB&M

Sec. 8: E/2;  
Sec. 10: S/2;  
Sec. 11: S/2;  
Sec. 14: All;  
Sec. 15: All;  
Sec. 17: NE/4, E/2SW/4, SE/4;  
Sec. 20: E/2NW/4, SW/4NW/4, N/2NE/4;  
Sec. 21: N/2NW/4, NE/4;  
Sec. 22: N/2, N/2S/2;  
Sec. 23: W/2NW/4.

Containing 3,640 acres, more or less

The proposed exploration hole is located north of Pace Canyon in Section 14 in T12S, R13E. Figure 2 provides the location of exploration drill site and access routes. Heavy Equipment access is via a county road through Clark Valley east of Wellington, herein called the Clark Valley Road. A well-maintained dirt road referred to as the Pace Canyon Road connects the Clark Valley Road to the exploration area. A second access will be the Dugout Canyon Road, which is used to access the Dugout mine site. Existing drilling access routes will receive minor grading and localized repairs as needed. Vehicles associated with a degasification drilling program may share the roads with exploration drilling vehicles and coal trucks when the Dugout Canyon Road is used.

The elevation in the area ranges from 7,200 feet in the south along the base of the Book

Cliffs to 8,700 feet in the north atop the high mesas. The terrain is rugged with relatively gently sloping mesas bounded by the steep slopes of the Book Cliffs. Relatively deep and narrow valleys bisect the highlands and drain southward away from the Book Cliffs. The major drainages in the area are Pace Creek, Rock Creek and Dugout Creek.

Rocks exposed in the exploration area belong to the Cretaceous age Blackhawk and Price River formations, and the Cretaceous-Tertiary age North Horn Formation. The rock types are predominantly sandstone, siltstone, shale, and coal. Quaternary alluvium and colluvium deposits of sand, silt, clay and boulders exist within the confines of the canyons. The major geologic features in the exploration area are the escarpments created by the various sandstone outcrops including the 200 ft thick Castlegate Sandstone, a member of the Price River formation. Some faults are present within the area of the exploration program.

**Threatened and Endangered Plant and Wildlife Species** - There are no known federally or state listed threatened and endangered plant and wildlife species within the sites planned for the exploration drill hole.

There is no known groundwater or surface water flows to the Colorado or Green Rivers with potential for impact by the drilling of the exploration hole. Potential adverse affects to the four Colorado River endangered fish species would not be likely since there is no direct route to the Colorado River or Green River from the proposed drill hole location. Per meetings with Division of Water Quality personnel during application for a UPDES permit in 2004, "there is no data supporting the premise that surface waters associated with the area of the mine operations reached the Price River or Colorado River prior to or since mining disturbance". A letter report by Mt. Nebo Scientific listing cover and the existence of Threatened and Endangered species is provided in Appendix C.

**Vegetation** – A vegetation report prepared by Mt. Nebo Scientific has been provided in Appendix C. The report covers species and cover for the area of the drill hole.

**Wildlife** - Drilling of DUG-09 will be post-July 15, eliminating the sites from the wildlife exclusionary period.

**Raptors** - Aerial raptor nest surveys done of the area by the Utah Division of Wildlife Resource are available for review in the confidential folder of the Dugout Canyon Mine's M&RP.

**Goshawks** - A Northern Goshawk calling survey was performed for four weeks. According to the survey there was no response from a northern goshawk. A copy of this survey is located in the confidential binder.

**Bats** - No known open mine shafts, caves, adits or other man made structures that might provide habitats for bats are known to exist in the project area. The sites are open and the lack of a food source would force the bats to seek habitat and nourishment elsewhere.

**Mexican Spotted Owl** – A calling point survey was conducted in the area by EIS Environmental and Engineering Consulting. The survey report concluded that “within the project area, a thorough search did not reveal the presence of any Mexican spotted owls”. Additional studies by DW Wiley and F. Howe indicate that the habitat for the owls is in the southern parts of Utah, not in the Bookcliff area proposed for exploration drilling.

**Cultural Resources** - There are no known districts, sites, buildings, structures, or objects listed on, or eligible for listing on, the National Register of Historic Places within the proposed exploration area. There are no known archeological resources located in the proposed exploration area, refer to the Confidential Folder of the Dugout Canyon M&RP. Appendix D (Confidential File) is a site-specific cultural resource evaluation for the drilling location.

Ark Land Company will notify the Division should the unlikely event of a cultural or paleontologist resource is discovered during operations. If discovered, the operation will cease and the Division will be notified as soon as possible of the discovery.

#### **224. Period of Intended Exploration**

Ark Land Company plans to commence drilling operations in mid July 2009 and end on or around October 31, 2009. During the first week the pump will be set, the frac/water tank will be placed and the waterline will be run. The drilling equipment will then be moved to the drill pad and the hole will be drilled. Following the completion of the hole the frac/water tank will be removed from the pad and then the disturbance will be reclaimed as described in Section 240.

#### **225. Method of Exploration**

The general method to be followed during drill hole exploration, reclamation, and abandonment is: 1) repair the existing roads as needed, repair of roads may include hauling gravel to fill rough areas on bedrock ledges and grading rutted areas 2) set temporary water tank, pump, and water line as needed, 3) drill and log hole, 3) reclaim the drill site and remove the tank and pump. Water lines may remain to facilitate future exploration drill and degasification drilling. Access to the drill site will be accomplished along an existing road and on foot. No blasting is planned.

Water will be pumped and/or hauled from Dugout Creek to the drill site (Figure 2). When necessary, water will be stored in water/frac tanks.

Core drilling typically involves one truck-mounted 2,000 ft rated core drill, one 3,000 gallon water truck, one drill pipe truck, one auxiliary air compressor, one supply trailer, four pick-up trucks, a geophysical logging truck and one covered trailer. The drilling procedure for the exploration hole will likely be rotary drilling and spot coring of selected zones. It is anticipated that casing will be set into the top of the Castlegate Sandstone.

Additional equipment potentially used for the drilling of the exploration hole follows. A supply trailer will carry drill steels, coring equipment, drilling additives, cutting and welding equipment, a dog house and other supplies. Two pick-up trucks will be used by

the drillers to carry personnel, fuel, and supplies and two pickup trucks will be used by the dirt contractor. A water truck will be used to supply water to the drilling equipment and/or the removal of water from the pit for disposal. The company representative and geological consultant will also use pick-up trucks for transportation. Support vehicles such as pickup trucks and geophysical logging truck will be parked at the drill sites or on adjacent existing roads.

The only coal removed during exploration activities will be cores. Cores will be a nominal three inches in diameter. Assuming an average thickness of 7 ft for the Rock Canyon Coal Seam and 8 ft for the Gilson Coal Seam, an estimated 20 pounds of coal will be removed. The drilling procedure will be to continuously core to total depth utilizing water, foam, polymer and/or mud as drilling medium.

The drill hole may range from 4 inches to 10 inches in diameter, depending on the drilling method. Most drilling will likely produce a 6 1/2" hole. The larger diameter will be associated with the installation of surface casing. The estimated depths of the proposed drill hole and disturbance area are as follows:

Drill Site	Location	Total Depth (ft)	Pad Area Disturbance (ft)	Disturbed Area (acres)
DUG-09-09	T13S, R12E SE1/4, NE1/4, SEC. 14	1,205	100 X 100	0.5

All gasoline and diesel powered equipment will be equipped with mufflers or spark arresters. Fire suppression equipment will be available to personnel on the project site.

There are no occupied dwellings and no pipelines located in the exploration area. No trenches will be dug and no structures constructed.

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 biodegradable. All spills of polluting materials will be removed from the area and disposed of in a proper manner.

The drill pad will be constructed approximately 100 ft. X 100 ft., including a mud pit. Approximately 12" of topsoil/growth medium will be salvaged. The site is immediately adjacent to an existing road. A qualified individual will be present at the site during construction to identify topsoil, should any be located and to direct topsoil/growth medium salvage. A one to three foot berm of subsoil will be constructed around the perimeter of the pad to ensure no runoff from the pad. The pad will be constructed such that fluids will drain toward the mud pit, which will be lined. When the pad is immediately adjacent to an ephemeral or perennial drainage the pit and pad slope will be opposite the drainage. Figure 3 shows a typical drill pad layout. Cutting, excess drill core and used drill foam/mud will be placed in the mud pits and buried at a depth greater than 3.5 feet prior to distribution of soils during reclamation. The pit liner not buried beneath the cuttings will be cut off and removed from the site for proper disposal. The liquids in the mud pit will be allowed to evaporate or will be pumped and hauled for

disposal before the site is reclaimed. Mud pits will be fenced when unattended to prevent wildlife from possible entry. The site will be kept free of trash and debris.

As an integral part of the exploration activities reclamation will progress as contemporaneously as practical following the exploration activities. The site will be returned to approximate original contour, pocked and gouged. An approved seed mix will be applied following gouging.

## **R645-202. Coal Exploration: Compliance Duties**

### **R645-202-100. Required Documents**

A copy of the NOI to Conduct Minor Coal Exploration including appendices will be available to personnel at the site and will be available for review by an authorized representative of the Division upon request. No road use or special permits are required for the project site.

### **R645-202-200. Performance Standards**

#### **210. Requirements of the State Program**

Ark Land Company will comply with all coal exploration requirements of the State Program, and any conditions on approval of the exploration plan

#### **220. Inspection and Enforcement**

Ark Land Company and Dugout Canyon Mine accept the Divisions rights to inspect the exploration operations.

#### **230. Operational Standards**

##### **231. Non-Disturbance of Habitats**

Dugout Canyon will apply all methods necessary to minimize disturbances or any adverse effects to habitats of unique or unusually high value to T & E species. Refer to Section 223 for commitments and information related to threatened and endangered species.

##### **232. Road Construction and Use**

No new road construction is planned for this drilling project. The roads existing prior to starting the exploration program will not be reclaimed. Regulations cited under R645-202-232 relative to roads will be followed, when they apply to existing road.

##### **233. Topsoil Removal and Storage**

Topsoil/growth medium will be selectively removed, stored, and redistributed on areas disturbed by coal exploration activities as necessary to assure successful re-vegetation or as required by the Division. Refer to Section 225 for additional information related to topsoil removal.

### 234. Diversion of Overland Flows

No diversions of overland flows and ephemeral, perennial, or intermittent streams will be made in association with the exploration drill hole. No adverse impacts to the stream channel will occur during pumping activities.

Ark Land Company has obtained the necessary permissions and water rights actions to take water for drilling from local drainages in the vicinity of the drill hole. A copy of the approved "Temporary Change Applications/Approvals" is located in Appendix E.

### 235. Minimizing Disturbance to Hydrologic Balance

Coal exploration will be conducted in a manner which minimizes the disturbance to the prevailing hydrologic balance in accordance with R645-301-356.300 and R645-301-763. Pads and pits will be constructed on each site and measures will be implemented to minimize the effect of run off. Contemporaneous reclamation will follow the completion of the drill hole and collection of the drill hole data.

### 236. Acid-or Toxic Forming Materials

Based on historical drilling results, it is not anticipated that acid- or toxic- forming materials will be encountered during exploration. However, an in-mine floor sample taken in 2008 (Appendix D) exhibited some acid potential. **The excess cores will be taken to the waste rock site.**

**MSDS sheets for the drilling fluids, chemicals and other products used in drilling will be available for review at the drill site.**

## 240. Reclamation Standards

### 241. Excavations

Upon completion of drilling activities on a site, the site will be reasonably restored to its approximate original contour.

### 242. Re-Vegetation

The method of revegetation is intended to encourage prompt re-vegetation and recovery of a diverse, effective, and permanent vegetative cover. The seed mix is of the same seasonal variety native to the area to be disturbed. The following seed mixture will be used:

#### Seed Mix

<u>SPECIES</u>	<u># pls/acre</u>	<u># pls/sq. ft.**</u>
<b>Grasses, Forbs, and Shrubs</b>		
Kentucky Bluegrass (1,390,000 seeds/lb)*	0.5	16
Mountain Brome (64,000 seeds/lb)*	2.0	3
Sandberg Bluegrass (1,100,000 seeds/lb)*	1.0	25
Bluebunch Wheatgrass (126,000 seeds/lb)*	4.0	12
Bottlebrush Squirreltail (192,000 seeds/lb)*	1.0	4

Rocky Mountain Penstemon (478,000 seeds/lb)*	1.0	11
Wyoming Big Sage (2,500,000 seeds/lb)*	<u>0.5</u>	<u>29</u>
TOTAL _____	10.0	100

\* Native Plants

\*\* Rounded nearest whole seed

When necessary a seed substitute may be made, the substitute will be native and of a similar genus. The seed mixture will be broadcasted and raked following the broadcast to assure higher probability for germination. The seed mixture and cultivation methods will assure growth capable of stabilizing the soil surface from erosion.

### 243. Reclamation of Boreholes

The exploration drill hole will be plugged in strict adherence to the requirements stipulated in the NOI. Typically the coal seams will be plugged with cement and the hole above the seam zone would be backfilled with bentonite chips/slurry to their full depth. The completion method includes pulling surface casing when possible; but when not possible, cutting it flush with the ground, and then pumping the cement/bentonite slurry through the drill pipe starting at the bottom of the hole. Plugging will then be done in stages by tripping-out of the hole 3-4 joints (60-80 ft) and pumping again. This process will be repeated to the surface. If bentonite chips are used, the chips will be dumped down the annulus of the hole in such a manner to prevent bridging in the hole and drilling water added to the hole as specified by the manufacturer. A monument marker will be placed in the top of the cement surface plug with the hole number and year. The Division will be notified prior to completion to verify the abandonment procedure if so desired.

### 244. Removal of Equipment

All equipment will be removed from the exploration site upon completion of the program. **Waterlines and materials associated with the drilling of exploration hole DUG-09-09 will be removed once the exploration activities are complete.**

## R645-203. Coal Exploration: Public Availability of Information

### 100. Public Records

Except as provided in R645-203-200, all information submitted to the Division under R645-200 will be available for public inspection.

### 200. Confidentiality

Ark Land 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 Ark Land's competitive rights. Ark Land Company and Dugout Canyon Mine will retain all drill and geophysical logs. In addition, all information submitted with in the NOI which is designated "confidential" will be made unavailable for public inspection.

## **R645-301 Regulation Information and Commitments**

R645-301-358

The operator will to the extent possible using the best technology currently available, minimize disturbances and adverse impacts on fish, wildlife, and related environmental values and will achieve enhancement of such resources where practicable.

Dugout Canyon will minimize disturbances and adverse impacts on wildlife and their related environments as outline in Section 333 of the approved M&RP. See Chapter 7, Section 731.100 of the approved M&RP for methods to protect water sources in the area.

The sites will not be constructed or operated where they might jeopardize the existence of any endangered or threatened species. Refer to Section 322.200 and Attachments 3-1, 3-2 and 3-3 of the M&RP for additional information pertaining to threatened, endangered, and sensitive species. State or federally listed endangered or threatened species will be reported to the Division upon its discovery.

Dugout Canyon understands that there is no permission implied by these regulations for taking of bald or golden eagles, their nests, or eggs. If found eagle nests will be reported to the Division.

Dugout Canyon understands that there is no permission implied by these regulations for taking of endangered or threatened species, their nests, or eggs.

The sites contain no wetland or riparian vegetation.

No potential barriers will exist at any of the well sites, except for the perimeter fence. No ponds exist on the well sites.

R645-301-512.250

R645-301-534.100 thru 300

R645-301-542.600

Do not apply to this NOI, no roads will be constructed.

R645-301-526-200

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.

R645-301-527.100, 230, 240

The roads within the permit area that are not owned by the county (primary) are private roads and all roads are preexisting. The Pace Canyon road within the permit area is a primary road; the remainder of the roads within the permit area are ancillary roads. The existing roads will be maintained by Dugout Canyon Mine as required to permit access for environmental monitoring and subsidence surveying and in accordance with maintenance agreements with the private landowner.

If a road is damaged by a catastrophic event, the road will be repaired as soon as practical after the damage occurs.

R645-301-731.100

An approved Temporary Change of Water for water to be used in the drilling process is in place and will be renewed as needed to complete the drilling program.

R645-301-742.410 thru 742.420

Minimal surface disturbance will be required for the drilling project. Disturbance will be limited to the drill site. No changes will occur to drainage patterns. The drill site will be setup such that the underlying pit liner will not allow water runoff to the surrounding soils. Water that collects in the pit liner will be pumped 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.

Precautions will be taken to prevent the mixing of surface and ground waters. **At a minimum a 3-foot berm will encompass the site and the pad will be sloped to direct water towards the mud pit. If deemed necessary other forms of sediment control such as silt fence, straw bales will be used at the drill site.**

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

**Miller, Vicky**

**From:** Miller, Vicky  
**Sent:** Tuesday, June 02, 2009 6:59 AM  
**To:** Miller, Vicky  
**Subject:** Emailing: chprint.htm

**Utah Division of Water Rights**



Select Related Information

**(WARNING: Water Rights makes NO claims as to the accuracy of this data.)** RUN DATE: 06/02/2009  
CHANGE: **t35510** WATER RIGHT: 91-5024 CERT. NO.: COUNTY TAX ID#: Unknown AMENDATORY? NO  
BASE WATER RIGHTS: 91-5024  
RIGHT EVIDENCED BY: 91-5024 (A5039)  
CHANGES: Point of Diversion [X], Place of Use [X], Nature of Use [X], Reservoir Storage [ ].

NAME: Canyon Fuel Company LLC  
ADDR: City Place One Suite 300  
St. Louis MO 63141  
INTEREST: 100% REMARKS:

FILED: 04/26/2009 | PRIORITY: 04/26/2009 | ADV BEGAN: |  
PROTESTED: [No] | HEARING HLD: |  
EXTENSION: | ELEC/PROOF: [ ] |  
RUSH LETTR: | RENOVATE: |  
Status: Approved

ADV ENDED: | NEWSPAPER: No Adv Required  
SE ACTION: [Approved] | ActionDate: 05/21/2009 | PROOF DUE:  
CERT/WUC: | LAP, ETC: 05/21/2010 | LAPS LETTER:  
TYPE: [ ]

\*\*\*\*\*  
\*\*\*\*\*HERE TO FOR E\*\*\*\*\*  
\*\*\*\*\*

\*\*\*\*\*  
\*\*\*\*\*HERE F E R\*\*\*\*\*  
\*\*\*\*\*

FLOW: 12.0 acre-feet

FLOW: 12.0 acre-feet

SOURCE: Dugout Canyon Creek

SOURCE: Dugout Canyon Creek

6/2/2009





Miller, Vicky

From: Miller, Vicky  
Sent: Tuesday, June 02, 2009 6:49 AM  
To: Miller, Vicky  
Subject: Emailing: chprint.htm

# Utah Division of Water Rights



Select Related Information

**(WARNING: Water Rights makes NO claims as to the accuracy of this data.)** RUN DATE: 06/02/2009  
CHANGE: **135511** WATER RIGHT: 91-409 CERT. NO.: COUNTY TAX ID#: Unknown AMENDATORY? NO

BASE WATER RIGHTS: 91-409  
RIGHT EVIDENCED BY: 91-409(A9502)

CHANGES: Point of Diversion [X], Place of Use [X], Nature of Use [X], Reservoir Storage [ ].

NAME: Canyon Fuel Company LLC  
ADDR: Attn: Property Administration  
CityPlace One Suite 300  
St. Louis MO 63141  
INTEREST: 100% REMARKS: c/o Ark Land Company

FILED: 04/20/2009 PRIORITY: 04/20/2009 ADV BEGAN: [ ] HEARING HLD: [ ]  
EXTENSION: [ ] ELEC/PROOF: [ ]  
RUSH LETTR: [ ] RENOVATE: [ ]  
Status: Approved

ADV ENDED: [ ] NEWSPAPER: No Adv Required  
SE ACTION: [Approved] ActionDate: 05/21/2009 PROOF DUE: [ ]  
CERT/WUC: [ ] LAP, ETC: 05/21/2010 LAPS LETTER: [ ]  
TYPE: [ ]

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\*\*\*\*\* HERE TO FOR E\*\*\*\*\*  
\*\*\*\*\*

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\*\*\*\*\* H E R E A F T E R\*\*\*\*\*  
\*\*\*\*\*

FLOW: 20.0 acre-feet

FLOW: 20.0 acre-feet

SOURCE: Pace Canyon Creek

COUNTY: Carbon

SOURCE: Pace Canyon Creek

COUNTY: Carbon COM DESC: 9.65 miles NW of East Carbon

In addition to normal mining activities, dust suppression, fire protection and coal processing the applicant seeks to use water for a drilling program incidental to coal mining.

POINT(S) OF DIVERSION -----> MAP VIEWER

Point Surface:

(1) N 1280 ft W 1200 ft from SE cor, Sec 03, T 14S, R 12E, SLEB

Dvrtng Wks:

Source:

SAME AS HERETOFORE, AND IN ADDITION TO: (Click link for WRPL)

Point Surface:

(1) S 1900 ft E 100 ft from NW cor, Sec 13, T 13S, R 12E,

Dvrtng Wks:

Source:

(2) S 780 ft E 25 ft from NW cor, Sec 18, T 13S, R 13E,

Dvrtng Wks:

Source:

(3) N 1070 ft W 1100 ft from SE cor, Sec 19, T 13S, R 13E,

Dvrtng Wks:

Source:

(4) N 3500 ft W 850 ft from SE cor, Sec 19, T 13S, R 13E,

Dvrtng Wks:

Source:

(5) N 1070 ft W 900 ft from SE cor, Sec 20, T 13S, R 13E,

Dvrtng Wks:

Source:

(6) N 1060 ft E 2590 ft from SW cor, Sec 20, T 13S, R 13E,

Dvrtng Wks:

Source:

(7) N 790 ft E 1485 ft from SW cor, Sec 21, T 13S, R 13E,

Dvrtng Wks:

Source:

(8) N 1400 ft W 960 ft from SE cor, Sec 21, T 13S, R 13E,

Dvrtng Wks:

Source:

(9) S 1011 ft E 1322 ft from NW cor, Sec 30, T 13S, R 13E,

Dvrtng Wks:

Source:

(10) N 1280 ft W 1200 ft from SE cor, Sec 03, T 14S, R 12E,

Dvrtng Wks:

Source:

Stream Alt?: No

PLACE OF USE ----->

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--NW%-- --NE%-- --SW%-- --SE%--
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|W E W| |W E W| |W E W| |W E W|
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Sec 09 T 14S R 12E SLBM  
Sec 10 T 14S R 12E SLBM  
Sec 15 T 14S R 12E SLBM  
Sec 22 T 14S R 12E SLBM

SAME AS HERETOFORE, AND IN ADDITION TO:

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--NW%-- --NE%-- --SW%-- --SE%--
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|W E W| |W E W| |W E W| |W E W|
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Sec 13 T 13S R 12E SLBM  
Sec 14 T 13S R 12E SLBM  
Sec 16 T 13S R 13E SLBM  
Sec 17 T 13S R 13E SLBM  
Sec 18 T 13S R 13E SLBM  
Sec 19 T 13S R 13E SLBM  
Sec 20 T 13S R 13E SLBM  
Sec 21 T 13S R 13E SLBM  
Sec 28 T 13S R 13E SLBM  
Sec 29 T 13S R 13E SLBM  
Sec 30 T 13S R 13E SLBM

NATURE OF USE ----->

SUPPLEMENTAL to Other Water Rights: Yes

IRR: 196.8400 acs Sol/Sup: acs USED 04/01 - 09/30

STK: 810.0000 Cattle or Equivalent USED 01/01 - 12/31

CHANGED as follows:

SUPPLEMENTAL to Other Water Rights: No

MIN: District: Dugout Canyon  
Name: Dugout  
Ores: Coal

USED 05/01 - 1

OTH: OTHER: Dust suppression, fire protection, coal processing, coal mining and drilling.

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OF DATA  
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