

C/007/039 Incoming ✓



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Green River District, Price Field Office
125 South 600 West
Price, UT 84501

<http://www.blm.gov/ut/st/en/fo/price.html>

JAN 15 2014

RECEIVED

JAN 16 2014

DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:
LMU UTU-73340
3482 (UTG023)

CERTIFIED MAIL – RETURN RECEIPT REQUESTED
#7013-1090-0001-6529-3074

Dave Spillman, Technical Service Manager
Bowie Resource Holdings, LLC
c/o Dugout Canyon Mine
P.O. Box 1029
Wellington, Utah 84542

Dear Mr. Spillman:

On December 18, 2013, the Bureau of Land Management (BLM), Price Field Office received notification that a geological limitation was encountered in the 3rd South Mains causing development to stop. This section is on Utah State Institutional Trust Lands Administration lease ML-42648 and part of the Federal Logical Mining Unit (LMU) UTU-73340.

The BLM acknowledges the uncertainties associated with mining activities near the coal seam outcrop. The BLM is confident the Dugout Mine will continue to maximize coal recovery in this area while minimizing undue safety risks to the miners.

This change will have an effect on the mine plan layout, production timing and recoverable reserves. The BLM requests a revised mine plan map of the Dugout Canyon Mine showing the latest extent of the oxidized coal zone with associated timing and sequencing as per 43 CFR 3482.1(c)(4)(iv)&(v). Also please provide an updated estimated recoverable reserve base on the State lease ML-42648 and the LMU UTU-73340.

If you have any questions, please contact Vaughn Hughes at 435-636-3626.

Sincerely,

Patricia A. Clabaugh
Field Manager

(Acting)

cc: William Stringer
Green River District

Roger Bankert
BLM State Office UT-923

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

State Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102

Mine Safety and Health Administration
P. O. Box 25367
Denver, Colorado 80225-0376