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## Dugout- Phase III Bond Release Additional Information

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To: Bill King <bking@bowieresources.com>, Dave Spillman <dspillman@bowieresources.com>

Cc: Suzanne Steab <suzannesteab@utah.gov>, Daron Haddock <daronhaddock@utah.gov>, Cheryl Parker <cherylparker@utah.gov>, Amanda Daniels <amandadaniels@utah.gov>, Lisa Reinhart <lreinhart@utah.gov>, OGMCOAL DNR <ogmcoal@utah.gov>

Good afternoon,

I'm working on the Phase III bond release for G-3 and G-4 and identified some areas where additional information is needed. By rule, we have 60 days from the time you filed to wrap this up. You submitted on May 26th so we have until July 26th....assuming no one requests a hearing. I'm not anticipating any deal breakers from our staff or OSM, or the public for that matter so I'm working towards getting our approval package wrapped up so we can send it to OSM for their concurrence.

That said, if you would please submit the information to Suzanne Steab we can get it inserted into the application and hopefully not run into that deadline. Basically, the legal description/right of entry information wasn't updated in the application. It should be an easy fix, but there are a couple of areas where the disturbed acreages associated with G-3 and G-4 should be revised.

Additionally, there are several figures, plates etc. that depict G-3 and G-4. I've listed a few specifically down below, but upon further browsing, I noticed several more figures throughout the Dugout Methane Degassification MRP. After talking this over with Daron, there are a couple things you can do to address this.

You could delete them entirely because once Phase III is granted, they don't exist in either of our worlds. Another option, and arguably the preferred one, would be to retain G-3 and G-4 on the figures/plates and denote them differently than the rest of the degas pads and show in the legend that they "Received Phase III Bond Release Summer of 2016"...or are "historical" . .or something to that effect.

The historical information can come in handy so I think there is merit to keeping G-3 and G-4 depicted, but just make it clear that they've received Phase III bond release. Does that make sense? Another option would be to delete G-3 and G-4 from all the other figures and create a new figure and call it "Historical Degas Pads- Phase III Bond Released" and as you receive Phase III bond release going forward, you would add to it.

The other information that is needed is shown below. I've left the references to the few figures I noticed in reviewing just the legal description/right of entry information, but as I said, there are several figures where the G-3 and G-4 are shown in the different disciplines/chapters (i.e. vegetation, soils etc.).

1) The Permittee must revise Section 114, Right of Entry Information, found in Chapter 1 of the main Dugout Canyon Mine MRP. The information must be revised to reflect the reduction in disturbed acreage. Sites G-3 and G-4 are listed within the current 41.5 acres of disturbance associated with the degassification sites. Additionally, the legal description contained in Chapter 1 of the main Dugout Canyon Mine MRP may need to be revised with the Phase III bond release of sites G-3 and G-4.

2) The Permittee must revise Figure 1-1, Methane Degas Bore Hole Locations, as found in Volume 1 of the Methane Degassification Amendment. G-3 and G-4 must be removed to reflect their status or a note made on the figure that the sites have received Phase III bond release.

3) The Permittee must revise Table 1-2, Disturbed Acres by Well Site in the Methane Degassification MRP. The table depicts G-3 and G-4 as having 0.97 acres and 0.85 acres of permitted disturbed acreage respectively.

4) The Permittee must revise Plate 1-4, Dugout Canyon Permit Area of the main Dugout Canyon Mine MRP. The plate depicts methane degassification sites G-3 and G-4.

5) The Permittee must revise Attachment 5-4, Plate 4, Pace Canyon Road System of the Methane Degassification Amendment. The plate depicts G-3 and G-4.

6/28/2016

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Please call me with any questions you have. I'm in the office all this week, but will be out after that for the next two. Back in the saddle on July 18th.

Regards,  
Steve

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