



Suzanne Steab <suzannesteab@utah.gov>

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## Fwd: Emission Reduction Project (ER Project) At West Ridge Mine (Mine): Environmental Benefits

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Daron Haddock <daronhaddock@utah.gov>

Wed, Aug 16, 2017 at 3:54 PM

To: Justin Eatchel <jeatchel@utah.gov>, Beverly Wisner <btwiser@utah.gov>, Suzanne Steab <suzannesteab@utah.gov>, Priscilla Burton <priscillaburton@utah.gov>, Dana Dean <danadean@utah.gov>, Steve Christensen <stevechristensen@utah.gov>, Joe Helfrich <joe Helfrich@utah.gov>

All,

Just forwarding this email. It discusses the Higher and Better use argument.

On Wed, Aug 16, 2017 at 1:55 PM, Collon Kennedy <nolloc08@aol.com> wrote:  
Trying one more time. With Denise's help I think this is the correct address.

Regards,  
Collon Kennedy

-----Original Message-----

From: Collon Kennedy <nolloc08@aol.com>

To: daronhaddock <daronhaddock@utah.gov.com>

Cc: dhibbs <dhibbs@coalsource.com>; ddragoo <ddragoo@swlaw.com>; lavonnegarrison <lavonnegarrison@utah.gov>; stephaniebarber <stephaniebarber@utah.gov>

Sent: Wed, Aug 16, 2017 1:43 pm

Subject: Fwd: Emission Reduction Project (ER Project) At West Ridge Mine (Mine): Environmental Benefits

This email may not have transmitted earlier this morning.

Please let me know if there are any questions.

Regards,  
Collon Kennedy

-----Original Message-----

From: Collon Kennedy <nolloc08@aol.com>

To: daronhaddock <daronhaddock@utah.gov.com>

Cc: dhibbs <dhibbs@coalsource.com>; ddragoo <ddragoo@swlaw.com>; lavonnegarrison <lavonnegarrison@utah.gov>; stephaniebarber <stephaniebarber@utah.gov>

Sent: Wed, Aug 16, 2017 8:15 am

Subject: Emission Reduction Project (ER Project) At West Ridge Mine (Mine): Environmental Benefits

Daron:

Good morning. The following is in response to your request for information regarding the environmental benefits associated with the ER Project. Importantly, the environmental benefits are in addition to the economic benefits to SITLA and Carbon County noted in Sections II and III of West Ridge Resources, Inc.'s Application for Post Mining Land Use Change (APLU). In considering those benefits please keep in mind that the ER Project will be located on less than three (3) acres of SITLA managed Utah Trust Lands.

As previously noted in the APLU, historically, the Mine was a major source of coal mine methane (CMM) emissions. During the course of mining operations, a MMcf/d or more of gas containing upwards of 50 -- 60% methane was routinely removed from the underground workings and released directly into the

atmosphere for the safety of the miners. Those emissions are permitted under applicable law and are a standard operating procedure at every coal mine in the U.S.

Even though the Mine's operations are now suspended, over time the remaining CMM in the underground workings will continue to leak into the atmosphere. The exact volume and rate of CMM emissions is difficult to determine. However, based on the methodology developed in the State of California's mine methane capture protocol, GCS expects to produce about 1,000,000 tons of carbon offsets over the life of the project. The generation of those offsets represent an important "voluntary" reduction undertaken by the private sector in reducing greenhouse gas emissions, which is the foundation for the carbon offset program.

A primary objective of the ER Project is environment stewardship - which seeks to leave the earth in a condition equal to or better than we found it. For GCS, and I believe SITLA, the ER Project meets that stewardship objective. After taking into account the ER Project's economic and environmental benefits, the project clearly meets the legal standard of "highest and best use" required for the postmining land use change. Please let me know if you or DOGM have further questions or need additional information.

Regards,  
Collon Kennedy, Esq.  
Vice President  
Global Carbon Strategies Corporation

-----Original Message-----

From: Dragoo, Denise <[ddragoo@swlaw.com](mailto:ddragoo@swlaw.com)>  
To: daronhaddock <[daronhaddock@utahgov.com](mailto:daronhaddock@utahgov.com)>  
Cc: Hibbs, David <[dhibbs@coalsource.com](mailto:dhibbs@coalsource.com)>; Collon Kennedy <[nolloc08@aol.com](mailto:nolloc08@aol.com)>  
Sent: Mon, Aug 14, 2017 5:13 pm  
Subject: \$75,000 Reclamation Bond - SITLA Plan of Operations for West Ridge GVH Project

Daron, I appreciated the update today on the status of the pending application for alternative post mining land use at the West Ridge Mine. As we discussed, the Division is scheduled to release its technical analysis of the application on Friday, August 18, 2017. In connection with this TA, the Division is seeking further information on two issues: k) the amount of the proposed reclamation bond and ii) the environmental benefits of the GCS methane reduction project.

By letter dated July 10, 2017 addressed to Associate Director Dean, attached, Lavonne Garrison confirmed that SITLA will require a \$75,000 reclamation bond to assure proper plugging and abandonment of the GVH Wells proposed for assignment from West Ridge Resources, Inc to Global Carbon Strategies. See Letter at p. 10. The \$15,000 bond referenced in the SITLA Lease covers lease rentals and payments not reclamation liability.

Also, the application for transfer addresses the environmental benefits of GCS's operation. However, Collon Kennedy will provide a more detailed explanation if the Division so requires.

Thanks, Denise  
Denise A. Dragoo  
Snell & Wilmer L.L.P.  
15 West South Temple  
Suite 1200  
SLC, UT 84101  
Phone: [801-257-1998](tel:801-257-1998)  
Fax: [801-257-1800](tel:801-257-1800)

Snell & Wilmer

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Daron R. Haddock

Coal Program Manager  
Utah Division of Oil, Gas & Mining  
[\(801\) 538-5325](tel:801-538-5325)