

C/007/047 Incoming
X

#2989

21 April 2010

Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116

Attention:
John R. Baza
Division Director

RE: Permit Application, Kinney #2 Mine, C/007/0047

Dear Mr. Baza;

This letter is written in response to your letter of 25 March 2010. We at Carbon Resources thank you for agreeing that we continue the permitting process by answering the deficiencies listed in the 24 September 2008 letter from the Division.

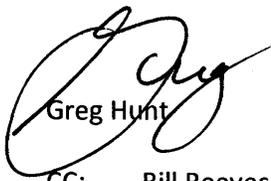
We have been working hard on the deficiency list and have made good progress. We note, however, there are several issues that may require additional field work, wildlife habitat, potential historical inventory of two structures, and other issues, that may take longer to complete than the 2 June 2010 deadline posed in your 25 March 2010. We are therefore asking you to extend the 2 June deadline to 1 September 2010.

We understand your concern about us making steady progress toward the goal of addressing all of the deficiencies adequately and it is our desire to do so in as short a time as possible. Per our verbal agreement, I have been providing weekly updates to Darren Haddock, Coal Program Manager, and have been working with Pricilla Burton, April Abate, and Steve Christensen to clarify their concerns so our response will be adequate.

If for any reason you are unable or unwilling to honor our request and to grant an extension of the deadline from June 2, 2010 as stated in your March 25, 2010 letter, to and including September 1, 2010, notice is hereby given that Carbon Resources hereby appeals to the UDOGM Board each of the rulings, decisions and deadlines stated in said letter. If additional action is required please promptly advise me as to each additional act or thing we must do to perfect said appeal. We are not anxious to appeal to the Board but understand that we must preserve our rights under the regulations.

Will be very happy to meet with you to discuss this further.

Thanking you in advance for your attention to this matter.



Greg Hunt

CC: Bill Reeves
Clay Wisdom
Ben Grimes

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DIV. OF OIL, GAS & MINING