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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 29, 2016

Dan R. Baker, Chief Executive Officer President
Bronco Utah Operations, LLC
P.O. Box 527
Emery, Utah 84522

Subject: Permit Transfer, Bronco Utah Operations, LLC, Emery Deep Mine, C/0150015,
Task ID #5058

Dear Mr. Baker:

On February 18, 2016, the Division met with you, John Gefferth, Kit Pappas, Wells Parker and Senator Hinkins regarding Bronco Utah Operations, LLC's (Bronco's) permit transfer application. One of the major topics of discussion was the ownership and control requirements of the coal rules. It was concluded that additional information was required to be submitted in order for the Division to make its final determination as to your involvement with the Horizon mine and your eligibility to receive a permit. A letter was sent to you on February 17, 2016 which outlines the deficiencies in your transfer application that need to be addressed.

A point of clarification needs to be made regarding the statement in the letter that the proposed transfer is "denied". It should have stated that, "As submitted, the proposed permit transfer cannot be approved." Modification of the transfer application must occur, before it can be approved.

We concluded that the public notice of the transfer application has been satisfied and does not need to be redone.

We look forward to reviewing your response. Please call me if you have any questions.

Sincerely,

Daron R. Haddock

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cc: John Gefferth
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