



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

BRIAN C. STEED
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 3, 2020

Brian Fredrickson, President
Bronco Utah Operations, LLC
P.O. Box 527
Emery, Utah 84522

Subject: Conditional Approval of Permit Area Reduction, Bronco Utah Operations, LLC,
Hidden Valley Mine, C/015/0007, Task #6146

Dear Mr. Fredrickson:

The above-referenced amendment is approved conditioned upon receipt of 2 clean copies prepared for incorporation. Please submit these copies by July 2, 2020. Once we receive these copies, final approval will be granted. Upon final approval, a revised five year permit will be issued to reflect the removal of the 120 acres. A stamped incorporated copy of the approved plans will also be returned to you at that time, for insertion into your copy of the Mining and Reclamation Plan.

The question that arose as to the validity of the Bronco Utah Operations mineral right in the permit reduction area will not be investigated further by the Division. The current permit for the Hidden Valley Mine authorizes *reclamation* only. As such, the Division has determined that the mineral right issue is not germane at this time. Additionally, the resolution of such a mineral right issue is not within the jurisdiction of the Division.

If you have any questions, please call me at (385) 290-9937.

Sincerely,

Steve Christensen
Coal Program Manager

SKC/sqs
O:\015007.HID\WG6146 REDUCTION\CONDITIONALAPPROVAL.DOC



Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0150007
TaskID: 6146
Mine Name: HIDDEN VALLEY MINE
Title: PERMIT AREA REDUCTION

Summary

This amendment reduces the permit boundary to 840 acres, as shown on revised Plate 1. On Chapter 1 page 3 and on Chapter 3 page 8, the 840 acres is described as follows:

Township 23 South, Range 6 East, S.L.B.M. Section 17; W1/2

Section 18: S1/2, W1/2NW1/4, SE1/4NW1/4, SW1/4NE1/4, SE1/4NE1/4

Bronco Utah Operations LLC holds a "reclamation only" Utah mining permit, authorized under R645-303-232.500. The current 6.7 acre disturbed and bonded area, shown on Plate III-1, has not changed. However, this reduction in permit area will require a change to the current Reclamation Agreement Ex A bonded area map.

pburton

General Contents

Right of Entry

Analysis:

This amendment meets the State of Utah R645 requirements for General Contents: Right of Entry Information.

Bronco owns the surface in T 23 S, R 6 E, Sections 17 & 18 as shown on Plate 1. Right of entry to the fee coal is described in MRP Section 114.100. Coal ownership in contiguous areas is described in Attachment C. The sub-surface right of entry does not affect the "reclamation only" permit.

Bronco Utah Operations LLC (Bronco) retains ownership of the surface of the 6.7 disturbed area shown on Plate III-1.

pburton

Environmental Resource Information

Maps Permit Area Boundary

Analysis:

The amendment meets the State of Utah requirements for Permit Area Boundary Maps.

The application satisfies the requirements of R645-301-521.141 because the revised Plate 1 (Surface & Coal Ownership) clearly shows the 840-acre boundary that surrounds the current permit area along with a 120-acre Exclusion Area. Miracle Rock Mining and Research, LLC has a mineral lease within the Exclusion Area but the surface belongs to the Permittee. No part of the 120-acre Exclusion Area was disturbed by the Permittee. Revised Plate 1 displays the Permit boundary using State Plane grid coordinates, not to be confused with the UTM coordinate system that is shown in Plate III-1.

jeatchel

Operation Plan

Hydrologic Transfer Wells

Analysis:

The application meets the State of Utah R645 requirements for Hydrologic: Transfer Wells.

In response to deficiencies under Task ID 6127, the Permittee revised Plate IVa. This plate contains drill hole and well locations within the permit area. Under the proposed revision, the Permittee has clearly displayed all drill holes, historic and more current, and has labeled them to accurately show their reclamation status. There has also been a note added to the plate that indicates where associated information about the wells and drill can be found within the MRP. This information now contains all relevant information in one location, to prevent future drill hole status confusion.

adaniels

Reclamation Plan

Maps Bonded Area

Analysis:

The amendment meets the State of Utah requirements for Bonded Area Maps.

The application satisfies the requirements of R645-301-820.113 because an updated Plate III-1 clearly shows a 120-acre Exclusion Area within the permit boundary. Also depicted are a total of 6.7 acres of disturbed area of which the Permittee desires to proceed with final bond release at some future time. Most of the 6.7 acres depicted on this map have already been backfilled and/or seeded. The 840-acre permit was recently reduced by 120 acres to accommodate a surface agreement between the Permittee and Miracle Rock that was executed on March 27, 2020. No part of the 120 acres were previously disturbed by the Permittee.

jeatchel