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DEPARTMENT OF NATURAL RESOURCES

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Executive Director

Division of Oil, Gas and Mining

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Division Director

September 9, 2016

Dan Baker, President
Bronco Utah Operations, LLC
P.O. Box 527
Emery, Utah 84522

Subject: Additional Permit Boundary, Emery Deep Mine, Bronco Utah Operations, LLC,
C/015/0015, Task ID #5245

Dear Mr. Baker:

The Division of Oil, Gas and Mining is denying and returning the Additional Permit Boundary amendment. Upon initiating review of the amendment, Division staff identified two issues that need to be addressed prior to initiating a formal technical review.

- 1) Division staff indicated that the amendment was woefully inadequate. Numerous sections of the rules had not been adequately addressed and in some instances had not been addressed at all. In order to initiate a technical review of an amendment, it must be complete. Future amendment submissions will be returned without review unless they are complete.
- 2) Additionally, Division staff identified an issue with the disturbed acreage values currently bonded and approved in the Mining and Reclamation Plan (MRP). Table III-2, Existing and Future Surface Disturbance Areas, identifies 375.8 acres of potential disturbance associated with a proposed wash plant that was never constructed. As the Division has never held a bond for this acreage and as the wash plant is identified/qualified in the MRP as "proposed", the Division could not utilize the 375.8 acres in determining whether the newly proposed disturbed acreage of 29 acres exceeded a 15% increase in disturbed area.



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State of Utah Coal Mining Rule R645-303-224 requires a significant permit revision process when there is an *“increase in the size of the surface or subsurface disturbed area in an amount of 15 percent or greater, than the disturbed area under the approved permit”*. With the 375.8 acre reduction in disturbed area, the proposed additional disturbance of 29.0 acres represented an approximately 43% increase in newly disturbed surface area. Based on this calculation, the amendment would need to be processed as a significant revision.

Based on conversations with you and your staff, it's the Division's understanding that the existing disturbed acreage is going to be professionally surveyed so an accurate assessment can be made as to whether the proposed amendment needs to be processed as a significant revision.

Feel free to contact myself or Steve Christensen (801) 538-5350 with any questions or concerns that you have as you move forward with revising your amendment. Once a complete application has been received by the Division, we will endeavor to review it as quickly as we can and work with your staff to resolve any and all issues that arise.

Sincerely,



Daron R. Haddock
Coal Program Manager