

Bronco Utah Operations LLC
P.O. Box 527
Emery Utah, 84522
(435) 286-2447

VIA E-MAIL

February 15, 2019

Dana Dean
Utah Division of Oil, Gas and Mining
Coal Program
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Re: Bronco Utah Operations, LLC.
Emery Mine
Request for Expedited Approval of ROW Minor Revision

Dear Dana:

We at Bronco Utah Operations are in a difficult situation due to business and financial impacts caused by the partial government shut down as it relates to our BLM right of way (ROW) application. This application was submitted in July of 2018 but due to delays caused from the partial government shut down, additional review requirements by the BLM Washington DC office, and resolving a 30-day public notice requirement, the approval for the BLM application was delayed over 2 months. This has caused a critical delay in mining of coal at the Emery Mine which Bronco operates, and now the requirement of your office to review and approve (only after BLM approval) the submittal of the ROW minor revision worsens our already depleted coal inventory. Our situation is indeed dire as the only other area of the mine where mining can occur is in a very high ash, non-saleable, adverse geologic section, leaving the ROW as the only alternative for Emery and its 95 employees. The Division recently expedited approval of the 2nd Left panel full extraction and it was originally thought to allow enough time for Bronco to submit and gain Division approval for the ROW. As you can see from the map sent earlier this week, this is not the case as the 2nd Left full extraction retreat mining has been successful and will be completed by February 28, 2019.

I must apologize in advance if the accelerated completion of the 2nd Left section was a surprise and the 1st Left ROW approval has to be acted on out of the Divisions priority sequence, but the ROW is a very small adjacent area boundary revision, there will be no surface disturbance as it is development mining only, and is not within our major mining area, unless and until we become the successful bidder on the Walker Flat reserve to the south. We have been discussing the ROW with your staff regarding consultation and believed these issues were resolved.

We had originally anticipated the Emery Mine would secure two contracts with Graymont Western for the first half of 2019. We were ready to sign a contract with Graymont's Pilot Peak Plant, but because of the delay issue, we will only be able to supply coal to the end of February. We also lost the contract to another supplier due to awaiting mining approval in our right of way application area. If we do not receive the ROW approval from DOGM, we will lose an additional contract opportunity with Graymont Western's Cricket Mountain cement plant. The lack of saleable product once the 2nd Left section is complete will preclude Bronco from obtaining additional contracts in the short term and could result in idling the mine.

If the mine is idled after February, we will have to lay off key personnel. These are skilled positions from a mining standpoint, and very difficult to replace. In this tight employment market, the workers will likely not return to the Emery Mine when re-opened. This will cause undue hardship to our employees, their families and the several hundred people that rely on the Emery Mine both directly and indirectly. This will also cause a loss in revenue for Emery County and the State of Utah. Notwithstanding, Bronco is requesting that DOGM revise its priorities to review and approve the ROW by February 28, 2019 to allow for continued economic operation.

Bronco stands ready to do whatever is necessary to expedite the approval to start mining in the ROW section of the Emery Mine.

Please feel free to contact myself or my staff with any questions or additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bart J. Hyita', written in a cursive style.

Bart J. Hyita
President & CEO

