FEDERAL **PERMIT**

April 6, 2016
Revised March 4, 2019

C/015/0015

RECEIVED
MAR 25 2019
DIV OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

This permit, C/015/0015, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

Bronco Utah Operations, LLC
P.O. Box 527
Emery, Utah 84522
(801) 286-2301

for the Emery Deep Mine. A surety performance bond in the amount of $4,596,000 payable to the State of Utah, Division of Oil, Gas and Mining and the United States Department of Interior, Office of Surface Mining Reclamation and Enforcement is filed with the Division. Consolidation Coal Company is the lessee of federal coal lease U-5287 and the lessee of certain fee-owned parcels in Sections 29 and 30, Township 22 South, Range 6 East, SLBM.

Sec. 1 **STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 **PERMIT AREA** - The permittee is authorized to conduct surface disturbing activities only as described in the approved Mining and Reclamation Plan and within areas covered by the Performance Bond which are within the described permit area at the Emery Deep Mine, situated in the state of Utah, Emery County, and located as follows:

Township 22 South, Range 6 East, SLBM

Section 27:	**SE1/4NW1/4, N1/2NE1/4SW1/4, W1/2SW1/4NE1/4, consisting of East Portal**
Section 30:	**part of E1/2NE1/4 consisting of Borehole Pump No. 3**
Section 32:	**part of NW1/4, NE1/4, E1/2SE1/4 consisting of Main Portal**
Section 33:	**part of NW1/4, NE1/4, N1/2SW1/4 consisting of Main Portal and Emery 2 Expansion**

Sec. 3 **AUTHORIZED MINING AREA** - The permittee is authorized to conduct underground coal mining and reclamation activities only as described in the approved Mining and Reclamation Plan and on lands where the "Right-of-Entry" has been acquired. This area includes the area above underground works and areas subject to subsidence and is described as follows:

Township 22 South, Range 6 East, SLBM

Section 19:	**S1/2NE1/4, E1/2SW1/4, and SE1/4;**
Section 20:	**S1/2NE1/4, SE1/4 NW1/4 and S1/2;**
Section 21:	**S1/2N1/2 and S1/2;**
Section 22:	**S1/2, SW1/4NW1/4, portions of the following E1/2SE1/4NW1/4, SW1/4SE1/4NW1/4, S1/2NW1/4NE1/4, SW1/4NE1/4, SW1/4SW1/4NE1/4NE1/4, W1/2SE1/4NE1/4, S1/2NE1/4SE1/4NE1/4, SE1/4SE1/4NE1/4**
Section 23:	**S1/2SW1/4, portions of SW1/4SW1/4NW1/4, NW1/4SW1/4, NE1/4SW1/4**
Section 26:	**NW1/4 NW1/4**
Section 27:	**W1/2, W1/2NE1/4, NE1/4NE1/4, part of SE1/4NE1/4**
Section 28:	**All**
Section 29:	**All**
Section 30:	**E1/2, E1/2NW1/4, SW1/4NW1/4, N1/2NW1/4SW1/4, E1/2SW1/4**
Section 31:	**N1/2, W1/2SW1/4, E1/2SE1/4, SW1/4SE1/4**
Section 32:	**All**
Section 33:	**W1/2, NE1/4**

Township 23 South, Range 6 East

Section 5: **NE1/4NW1/4, N1/2NE1/4**

This legal description is for the authorized mining area of the Emery Deep Mine. The permittee is authorized to conduct coal mining and reclamation operations connected with mining on the foregoing described property subject to the conditions of the leases, the approved mining plan, including all conditions and all other applicable conditions, laws and regulations.

Sec. 3 **COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

Sec. 4 **PERMIT TERM** - This permit expires on January 7, 2021.

Sec. 5 **ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Division Director. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13{e} and R645-303.

Sec. 6 **RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

(a) Have the rights of entry provided for in 30 CFR 840.12, R645-400-110, 30 CFR 842.13 and R645-400-220;

(b) Be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-210 and 30 CFR 842, when the inspection is in response to an alleged violation reported to the Division by the private person.

Sec. 7 **SCOPE OF OPERATIONS** - The permittee shall conduct surface disturbing activities only on those lands specifically designated as within the permit area (in section 2 above) on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond. All coal mining and reclamation operations are to be conducted within the bounds of the authorized mining area.

Sec. 8 **ENVIRONMENTAL IMPACTS** - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:

(a) Any accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;

(b) Immediate implementation of measures necessary to comply; and

(c) Warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 **DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 **CONDUCT OF OPERATIONS** - The permittee shall conduct its operations:

(a) In accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and

(b) Utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 11 **EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

Sec. 12 **RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.

Sec. 13 **AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec. 14 **COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq), and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

Sec. 15 **PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 16 **CULTURAL RESOURCES** - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by the Division within the time

frame specified by the Division.

Sec. 17 **APPEALS** - The permittee shall have the right to appeal as provided for under R645-300.

Sec. 18 **SPECIAL CONDITIONS** - There are special conditions associated with this permitting action, as described in Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: John R. Baza

Date: 3/4/19

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of the Permittee

Date: 3/08/19

ATTACHMENT A
Special Conditions

1. Bronco Utah Operations, LLC will submit surface and ground water quality data for the Emery Deep Mine on a quarterly basis in an electronic format through the Electronic Data Input web site, http://linux3.ogm.utah.gov/cgi-bin/appx-ogm.cgi

2. Mining beneath Quitchupah stream buffer zone (shown on Plate V-5) and the Alluvial Valley Floor will be room and pillar mining with no full extraction and no partial extraction, as described in Section IV.A.1 of the MRP.

3. Within two years of the issuance of this permit, the coal seam elevations and coal seam thickness isopachs will be completed on plates V-17 through 25 for the extent of the mining area shown on Plate IV-2, Underground Operations Plan; and prior to mining beneath the stream buffer zone the updated plates V-17 through 25 will be approved for incorporation into the MRP.