



Darron Haddock
Coal Program Manager
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Application for Coal Exploration Plan Approval, Two Exploration Boreholes, Federal Lease U-61049, DOGM Permit C/015/0025.

Mr. Haddock,

Castle Valley Mining LLC, is submitting Notice of Intent to conduct Minor coal exploration for two boreholes (designated FC-15-1, FC-15-2). This exploration is within the Castle Valley Mining Permit area C/015/0025 on the Gentry Mountain, North West of Huntington, Utah. Also included are the DOGM application forms C-1 and C-2. The type of exploration proposed is a helicopter supported wireline core drilling.

If possible we would like to initiate drilling as soon as possible because of the limited time of the season left. If we are not successful in completing the drill holes before the seasons end we will continue the exploration in the spring. Sections in this application dealing with wildlife, and cultural historical sites are enclosed in separate folders for inclusion into Castle Valley Mining confidential file. A Cultural Resource Survey will be completed by Uinta Research October 1, 2015. All data will be submitted to the Division of Oil, Gas, and Mining, BLM, and the Forest Service. Also included in the document is a temporary water usage permit from land and water right owner ANR Company for the use of drilling. Castle Valley Mining is under an operation agreement with COP/ANR Company. Those documents are attached marked Confidential. This operation agreement allows Castle Valley Mining access to privately owned COP/ANR Company properties. I appreciate your consideration of this application.

If you have any questions, please contact me (435) 687-2178.

Sincerely,

A handwritten signature in red ink that reads "JAREN JORGENSEN". The signature is written in a cursive, slightly slanted style.

Jaren Jorgensen
Engineer

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Castle Valley Mining LLC

Mine: Bear Canyon Mine

Title: Notice of Intent to conduct Minor Coal Exploraion

Permit Number: C/015/0025

Description, Include reason for application and timing required to implement:

Two Helicopter-Supported Drill Coal Exploration Boreholes to be drilled in Fall 2015

Instructions: If you answer yes to any of the first eight questions, this application may require Public Notice publication.

- | | | |
|---|--|---|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice publication? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? _____ |

Explain:

- | | | |
|---|--|--|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2) |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 21. Have reclamation costs for bonding been provided? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 24. Does the application include confidential information and is it clearly marked and separated in the plan? |

Please attach three (3) review copies of the application. If the mine is on or adjacent to Forest Service land please submit four (4) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Jaren Jorgensen Engineer Tech 10-1-2015 Jaren Jorgensen
 Print Name Position Date Signature (Right-click above choose certify then have notary sign below)

Subscribed and sworn to before me this 1st day of October, 2015

Notary Public: Kristy Prettyman, state of Utah.

My commission Expires: 03/07/2016

Commission Number: 654095

Address: 82 West Main

City: Price State: UT Zip: 84501



For Office Use Only:

Assigned Tracking Number:

Received by Oil, Gas & Mining

**NOTICE OF INTENT TO CONDUCT
MINOR COAL EXPLORATION**

CASTLE VALLEY MINING
COAL EXPLORATION PLAN
2015

TWO EXPLORATION BOREHOLES
FEDERAL LEASE U-61049 DOGM PERMIT #C/015/0025
EMERY COUNTY, UTAH
MANTI-LA-SAL NATIONAL FOREST

Introduction

Castle Valley Mining is submitting this Notice of Intent to conduct Minor Coal Exploration to the Utah Division of Oil, Gas, and Mining in order to obtain approval to conduct coal exploration in the Fall of 2015 or Spring 2016. The type of exploration proposed is helicopter-assisted wireline core drilling. A total of two holes will be drilled on Federal Forest Service land. Both drill holes proposed for drilling in coal managed by the BLM coal lease U-61049 with surface management by the U.S. Department of Agriculture Forest Service. (Map 1&2) show the location of the exploration area.

R645-201 Coal Exploration: Requirements for Explorations Approval.

The proposed exploration plan qualifies as minor exploration as described in the State of Utah Coal Mining Rules R645 section R645-201-200

R645-201-221

The name, address and telephone number of the applicant are:

Castle Valley Mining
Box 475
Huntington, Utah 84528
(435) 687-2178

The applicant is the same as the operator of the proposed exploration plan. Correspondence regarding this exploration plan should be addressed to:

Jaren Jorgensen
Castle Valley Mining
Box 475
Huntington, Utah 84528
(435) 687-2178
jjorgensen@rhinolp.com

R645-201-222

The names, addresses and telephone numbers of the representatives of the applicant who will be present during and be responsible for conducting the exploration is:

Jaren Jorgensen
Castle Valley Mining
Box 475
Huntington, Utah 84528
(435) 687-2178
jjorgensen@rhinolp.com

Joe Brinton
Castle Valley Mining
Box 475
Huntington, Utah 84528
(435) 687-5454
jbrinton@rhinolp.com

R645-201-223

The Exploration area is about 2.5 miles North East of the Huntington Power Plant on the ridge separating Left and Right Fish Creek.

- There is a nearby exploration drill hole for reference F76-6 drilled at an earlier time (Map 1).
- Federal Lease U-61049 is where the Exploring will occur (Map 1).
- T16 S R 8E Section 20 surface ownership where the Exploring will occur (Map 1).
- No new roads will be constructed. Existing roads will be used for transportation and water hauling (Map 1&2).

R645-201-224

Period of intended Exploration will be approximately 2 weeks. Unless we run into trouble with the time of season and cannot finish. If so, we would like resume drilling the first of spring.

R645-201-225

Castle Valley Mining plans to plug drill and wireline core drill through projected mineable coal seams to at least 20 feet below the Lower Hiawatha seam. The only coal to be removed during exploration activities will be cores. Cores will nominally be 1.4 inches (BQ) in diameter for heli-portable drill holes. Amount of coal removed will be 65 lbs. No water monitor wells are planned.

The general method to be followed during drill hole exploration, reclamation and abandonment is: 1) transport drilling equipment into the site via helicopter, 2) prepare drill site and set water tanks, 3) run 1 to 4 inch HPDE pipe from tank location to the drill site using horses and/or helicopter assistance (Map 2).

4) drill, log and plug the exploration drill hole, 5) remove drilling equipment via helicopter and reclaim the site. No blasting will be done. No roads or drillpads will be constructed. Normally, drilling operations will be conducted during daylight hours only.

Drill site preparation and reclamation will be completed with hand tools. Drill crews will access the drill sites via helicopter from the LZ located on an area known as the Rock Garden south of Fish Creek near Hwy 10 (Map 2).

The drill rig components and associated materials, tools and equipment will be transported by truck to the helicopter LZ area indicated on (Map 2). Tools and materials necessary for site preparation will be transported to the drill site by helicopter and/or horseback. Site preparation will include removal of the dead-fall and small brush as necessary. Minor digging, using hand tools, shovels may be necessary to achieve effective placement of leveling support materials (wood blocks, etc.). Brattice, pit liner or other similar material will be placed on the ground beneath the drill rig. The rig will be transported to the site by the helicopter in several "picks". The drill rig components will then be assembled at the drill site, the drill rig leveled, and other necessary materials will be flown to the site. No more than 5 acres will be disturbed (Typical Drawing).

No mud pits will be excavated. Portable mudtanks will be utilized. Cuttings will be stored and hauled away to the Castle Valley waste storage area site by helicopter and truck upon completion of drilling (Map 2).

A 1 to 4 inch diameter HPDE pipe will be run from the water tank, located as shown on (Map 2) to the drill site. This pipe will be fused near the four 4,000 tanks area or alongside existing roads/trails and dragged downhill to the site by hand, horseback and/or helicopter support. No clearing of vegetation will be necessary for placement of pipe.

During the drilling operation, water and drilling fluid will be recirculated to the extent possible. Any returned cuttings and other materials will be captured in a container at the drill site. Cuttings and unneeded drill core will be transported via helicopter to a truck at the LZ area, and then to Castle Valley's permitted waste storage area behind the coal storage area (Map 2). Containment of possible fluid spills will be achieved by the use of brattice cloth, pit liner material, silt fence, and if necessary earthen berms. If spills occur, all affected materials will be removed from the site and disposed of at an approved location. If soil is removed during spill containment and cleanup, the site of the removal will be recontoured and seeded with the approved seed mixture.

Fuel and/or lubricating oil containers not stored in a truck will be placed on brattice, pit liner, or other acceptable ground cover at a site away from drainage channels and surrounded by pit liner, brattice, silt fence, earthen berm or other acceptable containment structure. If spills occur, cleanup will be conducted as stated above.

Core drilling will involve a helicopter supported, skid-mounted wireline core drill; any necessary helicopter-portable drilling equipment such as water tanks, pumps, generator, etc; one 3000 gallon water truck to supply the four 4,000 gallon tanks, one or two supply trailers at the equipment LZ area; up to 6 pick-up trucks (parked at the staging area); helicopter- portable geophysical logging equipment; and one covered trailer located at the staging area. The drilling procedure for the exploration hole will be to set casing in each hole, plug drill to core depth, and then begin core drilling at 50 to 100 feet from the projected top of the coal seam to 20 feet below the coal seam. Water will be hauled from the Mohrland Portal to four 4,000 storage tanks. The company representative and geological consultant(s) will access the drill site by helicopter, horseback, or on foot.

The exploration drill hole will be plugged with a cement or cement/bentonite slurry to the full depth. The completion method includes pulling surface casing when possible; but when not possible, cutting it flush with the ground; pumping the cement/bentonite slurry through the drill pipe starting at the bottom of the hole. Plugging will then be done in stages by tripping-out of the hole 8-10 joints (160-200 ft) and pumping again. This process will be repeated to the surface. A brass tag will be placed at the top of the drill hole stating the operator's name, drill hole number, and legal description.

Reclamation is an integral part of the exploration activities and will progress as contemporaneously as practical with the other exploration activities. Upon completion of the hole, all hand excavations will be filled in (hand rake) to original contour, topsoil replaced, all equipment will be removed, and all trash will be hauled away. An approved seed mix will then be applied to the drill area.

There will be no diversion of overland flows.

It is not anticipated that acid- or toxic- forming materials will be encountered during exploration because none have been encountered previously. Samples of drill core will be analyzed for acid- and toxic-forming materials. These samples will be taken from the 20 ft. interval above and below each seam of mineable thickness if core recovery has occurred.

Disturbance to wildlife impact will be minimized by utilizing the existing roads and trails and eliminating the need to build roads with heavy equipment. No wetlands or riparian areas are known along the proposed routes. No utility or support facilities are present in the area.

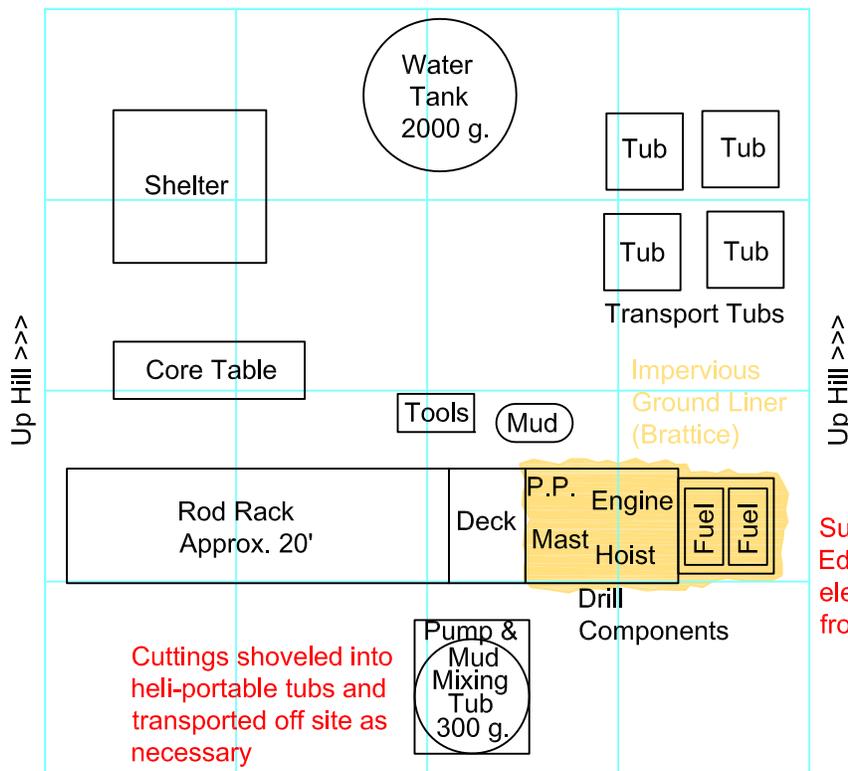
Darris Jones, Wildlife Biologist with Two R Ranches Consulting provided Castle Valley Mining with a report of the Wildlife Impact of this area. He was the biologist that Castle Valley used to perform the Raptor Surveys this past May in this area. His report will be attached in a separate document. The Raptor Survey document will be attached to it as well marked Confidential.

A Cultural Resource Survey is planned on October 1, 2015 by Jerry Spangler of Uinta Research. The survey will be conducted on and near the drill hole sites. A copy of the survey will be sent to the Division of Oil, Gas, and Mining, BLM, and the Forest Service soon after the survey. There are no know Historical sites in this area.

Castle Valley Mining will retain all drill and geophysical logs.

Typical Layout Helicopter - Assisted Drill Setup

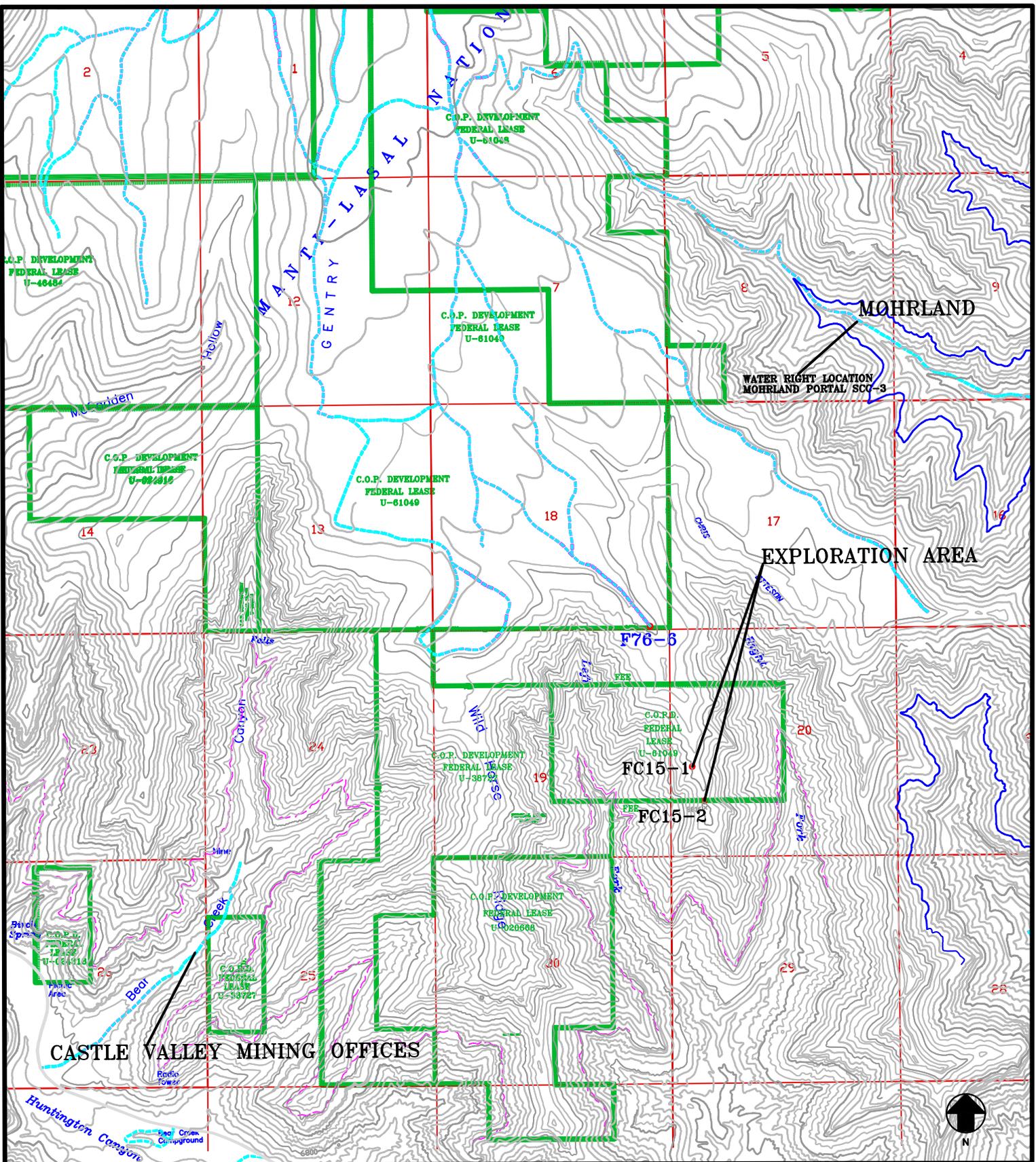
Drill Setup Fits Within 40 x 40' Square



Scale 1" = 10'

Note: Equipment positions will vary depending on slope, vegetation and terrain constraints

Treatment of drilling fluid spills and/or oil leaks: Edges of liner will be elevated to prevent spillage of drill fluids or leakage of oil. Fluids will be controlled with absorbent pads and properly disposed off site. Edges of liner will be elevated to prevent runoff from entering



LEGEND

-  Existing Roads
-  F76-6 PRE Existing Drill Hole
-  FC15-1 2015 Drilling Sites
-  Federal Lease Lines

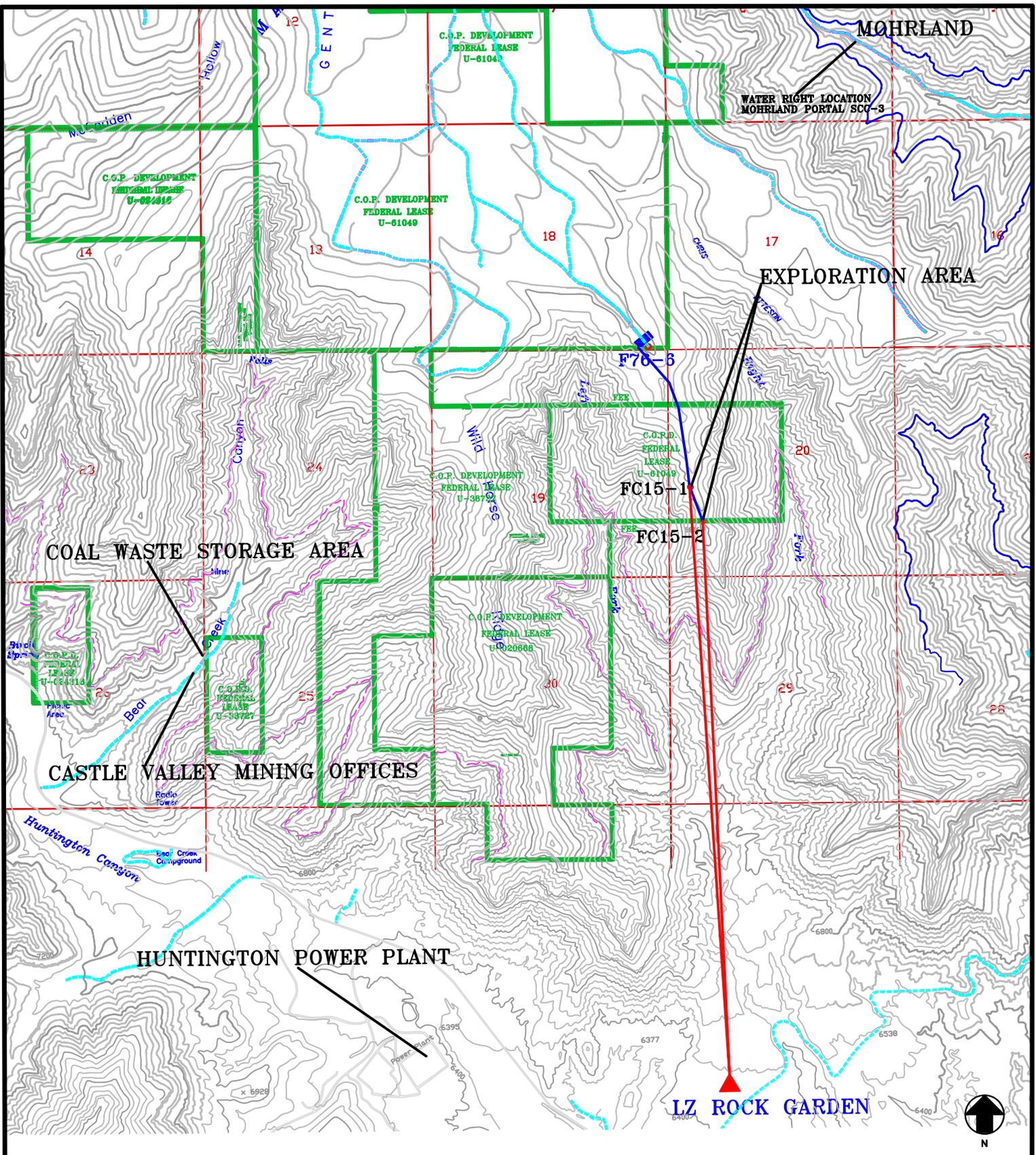


Castle Valley Mining LLC

MAP #1

DOG M PERMIT # C/015/0025

TITLE: GENERAL LOCATION MAP	
SCALE: 1-3000'	DATE: 9/28/2015
DRAWN BY: JJ	ADDRESS: BOX 475 HUNTINGTON, UT 84528



- LEGEND**
- ▲ Helicopter LZ
 - F76-6 PRE Existing Drill Hole
 - FC15-1 2015 Drilling sites
 - 4-4,000 Gallons Tank and Pump
 - ~ Temporary Water Line
 - Helicopter Flight Line
 - - - Existing Roads

	Castle Valley Mining LLC MAP #2 DOGM PERMIT # C/015/0025	
	TITLE: <i>EXPLORATION DRILL LOCATIONS</i>	
SCALE: 1-3000'	DATE: 9/28/2015	
DRAWN BY: JJ	ADDRESS: BOX 475 HUNTINGTON, UT 84528	