



C/015/0025
Received 5/11/18
Task #5676

May 10, 2018

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, Three Exploration Boreholes, Federal Lease U-61049, and FEE DOGM Permit C/015/0025.

Mr. Haddock,

Castle Valley Mining LLC, is submitting Notice of Intent to conduct Minor coal exploration for Three boreholes (designated LP-18-1, LP-18-2, LP-18-3). 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 truck supported wireline core drilling.

If possible, we would like to initiate drilling as soon as possible. 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 Wildlife Survey was conducted by EIS. All data included in this e-mail in a separate attachment marked confidential. A Cultural Resource Survey completed by EIS. All data will be submitted to the Division of Oil, Gas, and Mining, and BLM. Also included in the document is a temporary water/land usage permit from land and water right owner COP/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,

JAREN
Jaren Jorgensen
Engineer

JORGENSEN

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

CASTLE VALLEY MINING
COAL EXPLORATION PLAN
2018

THREE EXPLORATION BOREHOLES
FEDERAL LEASE U-61049/FEE DOGM PERMIT #C/015/0025
EMERY COUNTY, UTAH
PRIVATE COP

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 Summer/Fall 2018. The type of exploration proposed is truck-assisted wireline core drilling. The proposed three drill hole locations in coal managed by the BLM coal lease U-61049 and FEE with surface management by COP coal development. (See General Location Map)

R645-201 Coal Exploration: Requirments 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 4 miles North of the Huntington Power Plant on the Gentry Mountain

- In 2015 FC-15-1, and FC-15-2 were drilled (General Location Map).
- In 2017 LP-17-1, and LP-17-2 were drilled (General Location Map).
- Federal Lease U-61049, and FEE is where the Exploring will occur (See General Location Map).
- T16 S R 8E Section 17, and 18 surface ownership where the Exploring will occur (See General Location Map).
- No new roads will be constructed. Existing roads will be used for transportation and water hauling (General Location Map).

R645-201-224

Period of intended Exploration will be approximately Summer/Fall 2018 (Depending on drilling company availability).

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 2 inches (BQ) in diameter. 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 truck, 2) prepare drill site. (Typical Drawing).

3) drill, log and plug the exploration drill hole, 4) remove drilling equipment via

truck 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 trucks on existing roads(See General Location Map).

The drill rig components and associated materials, tools and equipment will be transported by truck to the drill sites (See General Location Map). Tools and materials necessary for site preparation will be transported to the drill site by truck. 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 drill rig components will then be assembled at the drill site, the drill rig leveled, and other necessary materials will be trucked 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 truck upon completion of drilling (General Location Map).

Castle Valley Mining acquired a Right of water usage agreement, effective as of the 20th day of September, 2017, is by and between ANR Company, Inc., a Utah corporation, whose address is 3212 South State Street, Salt Lake City, Utah 84115-3825, ("Grantor1"), C.O.P. Coal Development Company, a Utah corporation, whose address is 3212 South State Street, Salt Lake City, Utah 84115-3825, ("Grantor 2"), and Castle Valley Mining, LLC, a Delaware limited liability company, whose address is 424 Lewis Hargett Circle, Suite 250, Lexington, Kentucky 40503 ("Grantee").

Water will be hauled from the Mohrland Portal to the drill sites (See General Location Map) A water truck will be hauling water to these sites as needed using existing roads.

Castle Valley Mining acquired a Right of way agreement, effective as of the 20th day of September, 2017, is by and between ANR Company, Inc., a Utah corporation, whose address is 3212 South State Street, Salt Lake City, Utah 84115-3825, ("Grantor1"), C.O.P. Coal Development Company, a Utah corporation, whose address is 3212 South State Street, Salt Lake City, Utah 84115-3825, ("Grantor 2"), and Castle Valley Mining, LLC, a Delaware limited liability company, whose address is 424 Lewis Hargett Circle, Suite 250, Lexington, Kentucky 40503 ("Grantee").

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 truck to a truck to Castle Valley’s permitted waste storage area behind the coal storage area (See General Location Map). 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 recommended by the U.S. Forest Service below:

<u>Basic Mix:</u>		<u>lbs./acre</u>
Columbia needle grass	<i>Stipa columbiana</i>	4.5
Slender wheatgrass	<i>Elymus cetrachycaulus</i>	4.5
Sandbergs bluegrass	<i>Poa secunda</i>	.75
Pacific aster	<i>Aster chilensis</i>	.2
Sulfur flower	<i>Eriogonum umbellatum</i>	2.0
Rocky Mountain penstemon	<i>Penstemon strictus</i>	.75

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 truck supported, skid-mounted wireline core drill. 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 the drill site as needed. The company representative and geological consultant(s) will access the drill site by truck.

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.

Mel Coonrod & Molly Hocanson, Wildlife Biologist with EIS provided Castle Valley Mining with a report of the Wildlife Impact of this area. They were the biologists that Castle Valley used to perform the Raptor Surveys this past in this area. The report will be attached in a separate document. The Raptor Survey document will be attached to it as well marked Confidential. There are no environmental impacts expected in this area. Castle Valley Mining performs yearly Raptor Surveys. The 2018 Survey was just completed. Surveys will continue May 2019

Attached in the email will be Figure 3-1, and pages 3-29 thru 3-32 of the MRP. T & E Utah Threatened, Endangered, and Sensitive Species in Relation to Permit Area (Created by the Utah Division of Wildlife Resources May 3, 2006). Looking at Figure 3-1 the proposed drill holes will be in Block 7, and 8. Joe Helfrich of DOGM and inspector at Castle Valley Mining has reviewed the area with Castle Valley and concurs with the exploration plan.

A Cultural Resource Survey was completed on April 25, 2018 by Ellis Powelson of EIS. The survey was conducted on and near the drill hole sites. A copy of the survey will be sent to the Division of Oil, Gas, and Mining, and BLM. There are no know Historical sites in this area.

Castle Valley Mining will retain all drill and geophysical logs.

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Castle Valley Mining LLC

Mine: Bear Canyon Mine

Permit Number:

C/015/0025

Title: Notice of Intent to conduct Minor Coal Exploration for CVM, Bear Canyon Mine, C/015/0025, Emery County, Utah

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

Three Truck -Supported Drill Coal Exploration Boreholes to be drilled in Summer/Fall 2018

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

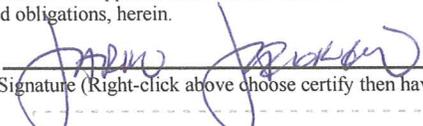
- | | | |
|---|--|---|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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 checked="" 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.

<u>Jaren Jorgensen</u>	<u>Engineer</u>	<u>5-9-2018</u>	
Print Name	Position	Date	Signature (Right-click above choose certify then have notary sign below)

Subscribed and sworn to before me this 9 day of May, 2018

Notary Public: _____, state of Utah.

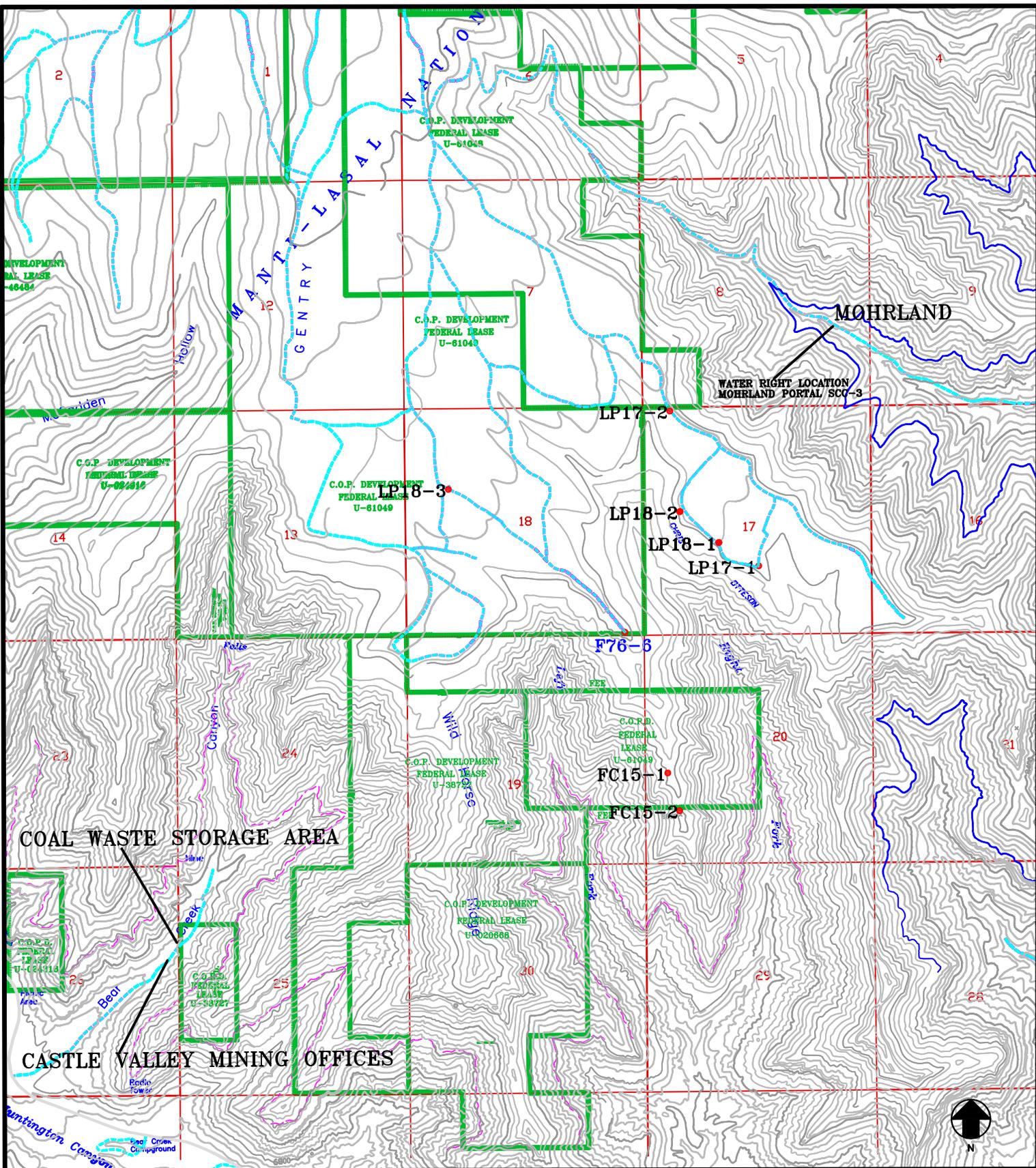
My commission Expires: 12-27-2019
 Commission Number: 692453 } ss:
 Address: 110 East Main }
 City: Castle Dale State: UT Zip: 84513 }



For Office Use Only:

Assigned Tracking Number:

Received by Oil, Gas & Mining



LEGEND

- Existing Roads
- F76-6 PRE Existing Drill Holes
- FC15-1 2015 Drilling Sites
- LP17-1 2017 Drilling Sites
- LP18-1 2018 Drilling Sites
- Federal Lease Lines

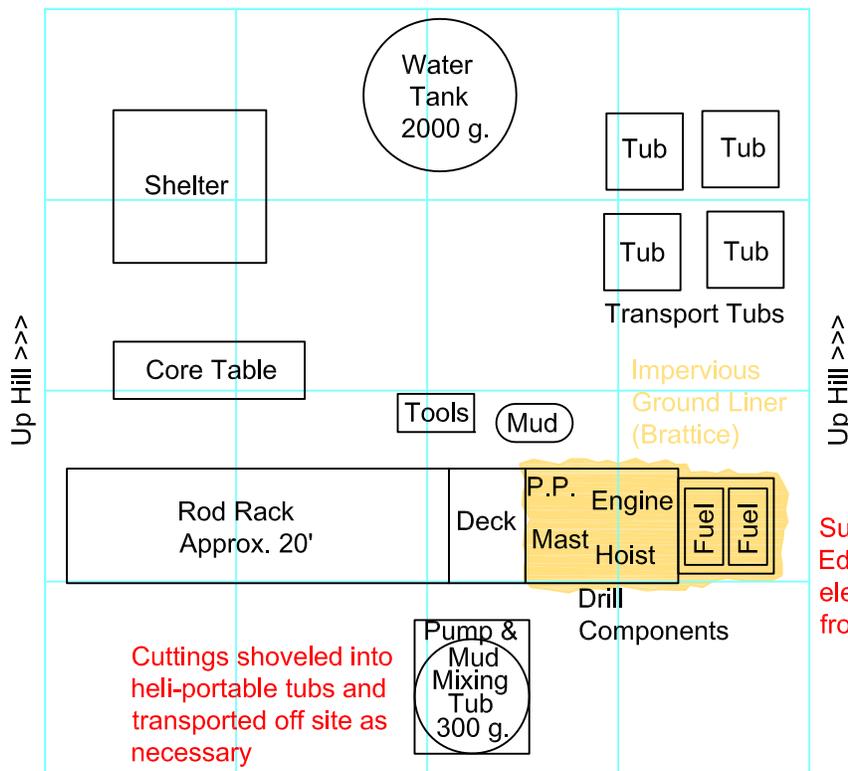


Castle Valley Mining LLC
 BEAR CANYON/GENTRY MTN
 DOGM PERMIT # C/015/0025

TITLE: GENERAL LOCATION MAP	
SCALE: 1-3000'	DATE: 5/8/2018
DRAWN BY: JJ	ADDRESS: BOX 475 HUNTINGTON, UT 84528

Typical Layout Helicopter - Assisted Drill Setup

Drill Setup Fits Within 40 x 40' Square



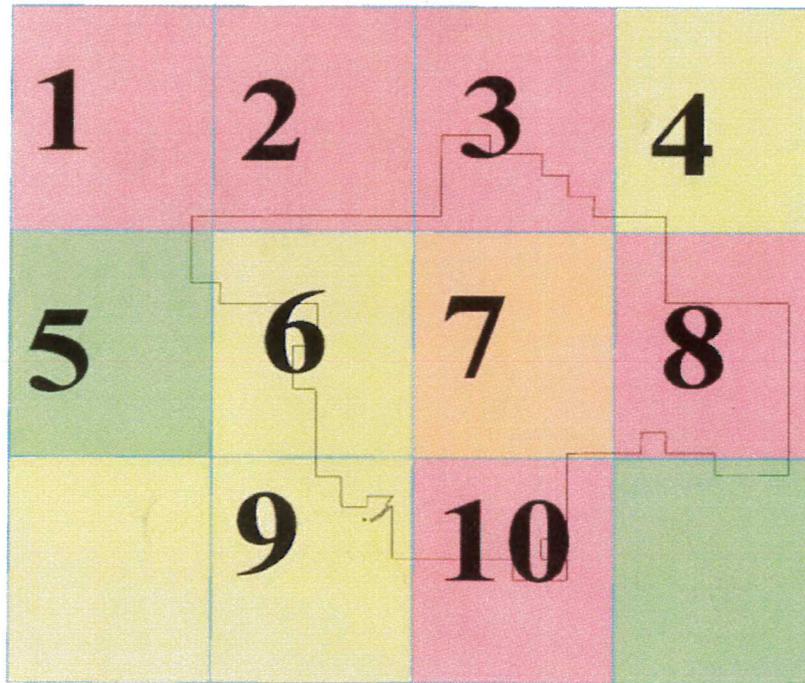
Surface Runoff Treatment:
Edges of liner will be elevated to prevent runoff from entering

Cuttings shoveled into heli-portable tubs and transported off site as necessary

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



See T&E Species List

Figure 3-1 Utah Threatened, Endangered, and Sensitive Species in Relation to Permit Area
(created by the Utah Division of Wildlife Resources May 3, 2006)

T & E Species List

Block 1

Bald Eagle (*Haliaeetus leucocephalus*)

Block 3

American Three Toed Woodpecker (*Picoides dorsalis*)
Townsend's Big-eared Bat (*Corynorhinus townsendii*)
Greater Sage-grouse (*Centrocercus urophasianus*)
Canada Lynx (*Lynx canadensis*)

Block 5

Bonneville Cutthroat Trout (*Oncorhynchus clarkii utah*)
Columbia Spotted Frog (*Rana luteiventris*)
Western Toad (*Bufo boreas*)

Block 7

Northern Goshawk (*Accipiter gentilis*)
Greater Sage-grouse (*Centrocercus urophasianus*)

Block 9

Greater Sage-grouse (*Centrocercus urophasianus*)

Block 2

Northern Goshawk (*Accipiter gentilis*)
Greater Sage-grouse (*Centrocercus urophasianus*)
Canada Lynx (*Lynx canadensis*)

Block 4

Western Toad (*Bufo boreas*)
Ferruginous Hawk (*Buteo Regalis*)

Block 6

Northern Goshawk (*Accipiter gentilis*)
Greater Sage-grouse (*Centrocercus urophasianus*)
Canada Lynx (*Lynx canadensis*)

Block 8

Ferruginous Hawk (*Buteo Regalis*)

Block 10

Wright Fishhook Cactus (*sclerocactus wrightiae*)
Winkler's Pincushion Cactus (*Pediocactus winkleri*)
Bluehead Sucker (*Catostomus discobolus*)
Black-footed Ferret (*Mustela nigripes*)
Bald Eagle (*Haliaeetus leucocephalus*)
Greater Sage-grouse (*Centrocercus urophasianus*)

There are no endangered or threatened species of mammals in the mine plan area, nor are there any in proximity close enough to be considered. Co-Op is committed to notify the Division in the event any T & E species were observed on the permit area, as well as any critical habitat.

Official U.S. Fish and Wildlife Service Section 7 opinions relating to the aquatic resources of Huntington and Eccles Canyon drainages have indicated that no threatened or endangered species of fish or other aquatic organisms have been found in waters upstream of the lowest 2 or 3 mi of the Price or San Rafael rivers. The organisms of Trail Creek, as presently known, are all common and widely distributed throughout streams of Utah. The aquatic organisms of Bear Creek have representatives of several taxonomic classifications that are limited to low quality environs, but none, as far as is presently known, are rare in the intermountain region.

Several species of sensitive raptors may be found in the mine plan area. Known raptor nest sites within the permit area are shown in [Appendix 3-L](#) and on [Plate 5-3A](#).

According to the Utah Division of Wildlife Resources report, there are fifty-eight current or old raptor nest locations within or near the permit area. The location of the nests are shown on [Plate 5-3A](#) and a description of them and of the raptor surveys is in [Appendix 3-L](#).

No plant species listed as threatened or endangered (U.S. Fish and Wildlife Service, 1982) or proposed for threatened or endangered status (Welsh and Thorne, 1979) was observed on the study area. No plants listed as threatened or endangered are known to occur in the Co-Op permit area (Thompson, personal communication, 1983). The U.S.D.A. Forest Service identified no threatened or endangered plants in their correspondence dated 29 Jan 1991 (Appendix 3-B). A survey on November 4, 1993 by Robert M. Thompson, USFS Botanist, revealed no threatened or endangered species within the proposed road extension area for the Tank Seam (letter, Appendix 3-B).

A sensitive species, Canyon Sweetvetch (*Hedysarum Occidental* Var *Canone*), was identified within and adjacent to the Bear Canyon disturbed area. Populations were found to be high, especially in the areas on Federal Lease U-024316. Information on this species is presented in Appendix 3-E. Locations of these plants are shown on Plate 3-1 and 3E-1. And is discussed in Appendix 3-F, populations were also observed within portions of the proposed Wild Horse Ridge disturbed area, and in the lower portion of Fish Creek outside the permit boundary. Where these plants are located, Co-Op will avoid disturbing them to the extent possible during and subsequent to construction.

In order to re-establish the species in this area upon final reclamation, the topsoil stockpile will be seeded with the species to establish a community on the stockpile. This seed will be obtained from the Canyon Sweetvetch communities located in upper Bear Creek, shown on Plate 3E-1. During the season prior to final reclamation, seed will be harvested from the community established on the topsoil pile, as well as from the other communities within Bear

Canyon. These seeds will be incorporated into the seed mix during seeding following the topsoil redistribution.

Link Trail Columbine (*Aquilegia flavescens* Var. *rubicunda*) also classified as a sensitive species, has been found in three locations in Bear Canyon. The first location is in the vicinity of Big Bear Spring. The second location is in the riparian area of the right fork of Bear Canyon, located below spring SBC-14 near the Wild Horse Ridge Coal Storage Bin. The third site is at the confluence of Bear Creek and the right fork of Bear Creek. The third location is the only sight proposed to be disturbed, where two specimens were observed. The plant was also found in the lower portions of Fish Creek below the permit boundary. Where these plants are located, Co-Op will avoid disturbing them to the extent possible during and subsequent to construction.

322.220 Habitats and Areas of High Value

The main areas of high value for vegetation are the riparian areas around springs and streams. These areas extend approximately 0-100 ft. from the spring sources. They also occur intermittently along a 30 ft. corridor in the right fork of Fish Creek starting at a point 1,637 ft. west and 1,151 south of the northeast corner of section 18 T16S R8E, and extending past the permit boundary.

Due to the depth of overburden no impact to these areas are expected. Since these areas are dependent on the springs and streams within them any impacts to them will be the result of loss of water flow. The water monitoring plan outlined in Chapter 7 will catch any impacts to the water flow. If an impact is noticed the land owner and the Division will be consulted and a site specific mitigation plan will be developed. A detailed discussion of subsidence impacts and protection methods is included in Appendix 5C.

Areas of high value for wildlife include deer and elk calving, fawning, and grazing areas, as well as areas of habitat for Black Bears, Bobcats, and Mountain Lions. All information available on these areas are shown on Plates 3-2, 3-3, 3-4, and 3-5. A more detailed discussion of habitats and areas of high value can be found in Appendix 3-I. Appendix 3-K includes a mitigation plan addressing possible impacts to wildlife.

WATER PURCHASE AND RIGHT-OF-WAY AGREEMENT

This Agreement, effective as of the 20th day of September, 2017, is by and between **ANR Company, Inc.**, a Utah corporation, whose address is 3212 South State Street, Salt Lake City, Utah 84115-3825, ("Grantor 1"), **C.O.P. Coal Development Company**, a Utah corporation, whose address is 3212 South State Street, Salt Lake City, Utah 84115-3825, ("Grantor 2"), and **Castle Valley Mining, LLC**, a Delaware limited liability company, whose address is 424 Lewis Hargett Circle, Suite 250, Lexington, Kentucky 40503 ("Grantee").

RECITALS

WHEREAS, Grantee desires to utilize and obtain water for coal exploration drilling, completion and reclamation purposes from a source on property owned by Grantor 1, generally described as being a parcel located in the SE1/4SE1/4 of Section 8, Township 16 South, Range 8 East, S.L.B.&M., Emery County, Utah, being the Mohrland portal discharge point in Emery County ("**Source Location**"), and;

WHEREAS, Grantor 1 is willing, under the terms and conditions contained herein, to allow Grantee and all of its parent, subsidiary, or other affiliated companies, their agents, employees and others authorized by them to access and remove water that is legally available to Grantor 1 for use in drilling, completion and reclamation purposes.

WHEREAS, Grantee desires to perform coal exploration drilling on land belonging to Grantor 2, generally described as being sections 7, 17, and 18 of Township 16 South, Range 8 East, S.L.B.&M., Emery County, Utah ("**Premises**").

WITNESSETH

NOW, THEREFORE, in consideration of the terms included herein, Grantor 1, Grantor 2, and Grantee hereby agree as follows:

1. Grantor 1 hereby grants to Grantee a nonexclusive right-of-way for access to the Source Location. Grantor 1 also hereby grants to Grantee such rights and easements as are necessary for Grantee to use and maintain the access. Grantor 1 further agrees to sell to Grantee water that is legally available to Grantor 1, or which may become legally available to Grantor 1, during the term of this Agreement and agrees that under Water Rights owned by Grantor 1, Grantee may remove the same from the Source Location subject to the terms and conditions herein. Provided, however, that Grantor 1 shall be under no obligation to make any water available to Grantee if the water does not naturally flow from the subject spring. Grantor 1 may continue to divert additional water if needed in the mining, municipal, farming or agricultural operations of Grantor 1 or its current or future tenants.

2. In exchange for all water utilized and obtained by Grantee under the terms of this agreement, Grantee will convey to Grantor 2 all technical information obtained through exploration drilling within 30 days of obtaining or creating such information. Also in exchange for all water


Grantor 1 
Grantor 2 
Grantee

utilized, Grantor 2 shall pay Grantor 1 the sum of One Thousand Dollars (\$1,000) per hole drilled. In the event that no water is used by Grantee, no payment shall be due.

3. Grantor 2 authorizes Grantee to enter the Premises and install up to 6 drill holes as shown in Exhibit A.

4. Upon completion of drilling, Grantee will remove equipment, structures, or appurtenances to drilling from the Premises, and reclaim the drill pad sites. In performing said reclamation, Grantee will meet the requirements and necessary approvals of all applicable government agencies, and the satisfaction of Grantors. This paragraph shall survive the termination or expiration of this Agreement.

5. Grantee understands that there is no guarantee of any particular amount of water at any specific time. The term of this Agreement shall begin on September 20, 2017, and shall end the earlier of; (a) the duration during which exploration drilling operations conducted by or on behalf of Grantee are active on Gentry Mountain, or (b) February 28, 2022. Additionally, either party shall have the right to terminate this agreement by giving the other party ninety (90) days notice of termination.

6. Grantee shall use its best efforts to minimize the disturbance to property owned by Grantor 1 that will be caused by accessing and storing the water and then hauling it to Grantee's well sites. Grantee shall also cooperate with Grantor 1 and Grantor 2 to help minimize water truck traffic, when possible without interfering with Grantee's water use needs, during key elk migration periods when the elk migration and hunting will likely be negatively impacted.

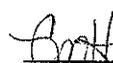
7. Grantors reserve to themselves any and all rights not explicitly granted herein. This Agreement does not convey any right except as stated herein, nor does it prevent Grantors from any use of the Property so long as such use does not interfere with the purposes for which this Agreement is being acquired. Except as permitted herein, Grantee shall not interfere with Grantors' use of Grantors' property.

8. The rights and easements granted herein are non-exclusive. Grantors may grant overlapping easements, other easements, or rights to use Grantors' property to other parties at any time during the term of this agreement, providing that such grants do not allow for interference of Grantee's rights granted herein.

9. Grantee shall be responsible for obtaining any permits, approvals and/or water use change applications required by any government or regulatory agency to purchase and use water owned by Grantor 1. Grantee shall comply with all federal, state and local laws, statutes and regulations pertaining to Grantee's purchase, diversion and use of water on property owned by Grantor 1.

10. Grantee shall be responsible for the engineering, labor, materials, supplies, equipment, construction and maintenance of any necessary diverting works to gain access to the water. However, Grantee shall consult with Grantor and obtain approval from Grantor 1 of the design of any diverting works prior to their construction. Approval from Grantor 1 of such shall not be unreasonably withheld.


Grantor 1


Grantor 2


Grantee

11. Any improvements, diverting works, fixtures and/or water storage facilities added to property owned by Grantor 1 by Grantee during the term of this agreement shall become property of Grantor 1. However, within 30 days after termination of this agreement, Grantee shall remove any improvements or diverting works if Grantor 1 so requests.

12. If Grantee shall at any time fail to perform any of its obligations under the terms and conditions herein, such failure shall constitute a default of this Agreement. In the case of a default, Grantor 1 may give Grantee written notice of the default, specifying the exact nature of the default, and Grantee shall, within thirty (30) days from the receipt of such notification at its address listed above, commence to proceed diligently to cure any such default. If Grantee fails to diligently proceed to cure said default within 30 days or fails to continue diligently proceeding with curing said default until it is cured, Grantor 1 shall have the right to cancel, forfeit, or terminate this Agreement, and may do so upon 30 days written notice.

13. This instrument and the covenants and agreements herein contained shall inure to benefit of, and be binding and obligatory upon, the heirs, executors, administrators, successors and assigns of the parties hereto. However, Grantee may not assign this agreement to a third party without written consent from both Grantor 1 and Grantor 2, which shall not be unreasonably withheld.

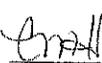
14. The parties hereto agree to execute and deliver any additional documents that may be reasonably required to complete and execute the responsibilities of the parties as set forth herein.

15. No consent or waiver, express or implied, by either party, to or for any breach or default by the other in the performance by the other of its obligations hereunder, shall be deemed or construed to be a consent or waiver to, or of, any other breach or default in the performance by such other party hereunder. Failure on the part of either party to complain of any act, or failure to act of any other party, or to declare any other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

16. Grantee covenants and agrees to fully protect, release, indemnify, defend and forever hold Grantor 1 and Grantor 2, their successors and assigns and representatives (hereinafter collectively referred to as the "indemnified parties"), harmless from and against any and all claims, demands, losses, fines, penalties, suits, causes of actions, judgments, and liabilities of every kind, (collectively referred to hereafter as "claims"), including, without limitation, those relating to injury or death of any persons whomsoever, and/or damage (including environmental damage) to, loss of, or contamination or pollution of any property or resource that may be made or come against the indemnified parties by reason of or in any way arising out of the operation of Grantee's equipment on property owned by Grantor 1 or Grantor 2 and any negligence or deliberate actions by Grantee's employees, contractors or agents.

17. This Agreement may be executed in several counterparts, including exhibits, and all documents so executed shall constitute one agreement which shall be binding on all the parties hereto, notwithstanding that all of the parties are not signatories to the original or the same counterpart. The parties hereto agree to execute a memorandum of this Agreement for recording purposes that shall constitute notice to third parties, but which shall not disclose all the terms of this Agreement. The parties agree to otherwise keep the terms of this Agreement confidential.


Grantor 1


Grantor 2


Grantee

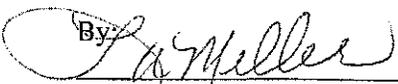
18. No amendment or modification of this Agreement shall be valid or binding unless expressed in writing and executed by the parties hereto in the same manner as the execution of this Agreement.

19. This Agreement is made in, and shall be governed and interpreted in accordance with the laws of the State of Utah, and venue shall be proper in the County of Emery, State of Utah.

IN WITNESS WHEREOF, the Grantor and Grantee have executed this Water Purchase and Right-of-Way Agreement effective as of the day and year first above written.

GRANTOR 1:

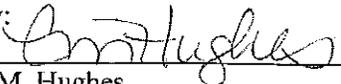
ANR Co. Inc.
A UTAH COPORATION

By: 

L.A. Miller
President

GRANTOR 2:

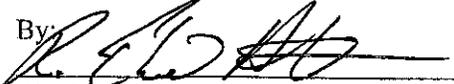
C.O.P. Coal Development Company
A UTAH CORPORATION

By: 

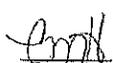
C.M. Hughes
President

GRANTEE:

CASTLE VALLEY MINING LLC
A DELAWARE COMPANY

By: 

Chad Hunt
Vice President


Grantor 1 
Grantor 2 
Grantee

**WATER PURCHASE AND RIGHT-OF-WAY AGREEMENT
ADDENDUM 1**

This Agreement, effective as of the 24th day of April, 2018, is made by and between **ANR Company, Inc.**, a Utah corporation, whose address is 3212 South State Street, Salt Lake City, Utah 84115-3825, ("Grantor 1"), **C.O.P. Coal Development Company**, a Utah corporation, whose address is 3212 South State Street, Salt Lake City, Utah 84115-3825, ("Grantor 2"), and **Castle Valley Mining, LLC**, a Delaware limited liability company, whose address is 424 Lewis Hargett Circle, Suite 250, Lexington, Kentucky 40503 ("Grantee").

RECITALS

WHEREAS, Grantor 1, Grantor 2 and Grantee entered into a certain Water Purchase and Right-Of-Way Agreement dated September 20th, 2017 ("The Agreement"), and;

WHEREAS, Grantee desires permission to add up to three additional drillholes to said agreement within the existing Right-Of-Way;

WITNESSETH

NOW, THEREFORE, in consideration of the terms included herein, Grantor 1, Grantor 2, and Grantee hereby agree as follows:

Paragraph 3 of The Agreement shall be modified as follows:

3. Grantor 2 authorizes Grantee to enter the Premises and install up to 9 drill holes as shown in Exhibit A.

Exhibit A of the agreement shall be replaced by the attached Exhibit A dated April 20, 2018.

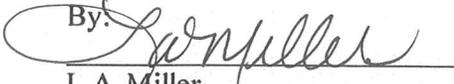
All other terms and conditions of The Agreement shall remain the same.

*Rest
for
Chart*

IN WITNESS WHEREOF, the Grantors and Grantee have executed this Water Purchase and Right-of-Way Agreement Addendum 1 effective as of the day and year first above written.

GRANTOR 1:

ANR Co. Inc.
A UTAH COPORATION

By: 
L.A. Miller
President

GRANTOR 2:

C.O.P. Coal Development Company
A UTAH CORPORATION

By: 
C.M. Hughes
President

GRANTEE:

CASTLE VALLEY MINING LLC
A DELAWARE COMPANY

By: 
Chad Hunt
SVP + Chief Administrative Officer

*Rec'd
for
Grant*