

C/015/025 Incoming
cc: Joe, Steve D.



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Green River District
Price Field Office
125 South 600 West
Price, UT 84501

<http://www.blm.gov/ut/st/en/fo/price.html>

RECEIVED

JUL 30 2018

DIV. OF OIL, GAS & MINING

JUL 25 2018

In Reply Refer to
3482 (UTG0023) MWG
UTU 61049

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
No. 7014 2120 0004 6074 0149

Castle Valley Mining
Attn: Jaren Jorgensen, Engineer
Box 475
Huntington, Utah 84528

Re: Approval of Minor Coal Exploration Plan, Castle Valley Mining, UTU 61048 and UTU 61049, Utah Division of Oil, Gas and Mining Permit # C/015/0025, Emery County, Utah

Dear Mr. Jorgensen:

The Bureau of Land Management (BLM) received a plan to conduct coal exploration for the Castle Valley Mine from Castle Valley Resources, LLC, a subsidiary of Rhino Energy, dated May 11, 2017. The proposed plan is to drill up to three exploration holes on their fee land and on existing lease UTU 61049 located on the Wasatch Plateau Coal Field, on Fee Surface owned and/or leased by Castle Valley Resources. The submitted plan meets the requirements of 43 CFR §3482.1(a), and since the drilling is within the Castle Valley Permit under the Utah Division of Oil, Gas and Mining (UDOGM), the Notice of Intent has been sent to the UDOGM and approved. Primary access to the exploration sites will be by existing roads. This plan involves truck mounted wireline exploratory drilling equipment and the sites will be located along existing roads on the Fee surface.

Required cultural and wildlife surveys have been performed, and the owners of the surface estate Coal Development Company (C.O.P.) and ANR Company have by way of agreement concurred with the proposed exploration on April 28, 2018 as required by 43 CFR §3482.2(a)(1).

The BLM approves the requested exploration plan for UTU 61049, subject to the terms and conditions of the two Federal Coal Leases and the Special Stipulations attached hereto.

The existing production bond for the Castle Valley Mine is deemed sufficient and no further bonding is required by BLM. UDOGM may impose separate bonding.

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations outlined in 43 CFR Part 4, and the enclosed form 1842-1. If an appeal is made, your notice of appeal must be filed in this office (at the above address) within 30 days of your receipt of this decision. The appellant has the burden of showing that the decision is in error.

If you have any questions with this matter, please call Mike Glasson at (435) 636-3651 or Steve Rigby at (435) 636-3604.

Sincerely,



Chris Conrad
Field Manager

Enclosure

cc:

Green River District
Attn: Gary Torres

Utah State BLM Office
Attn: Roger Bankert

Utah Division of Oil, Gas and Mining
Attn: Dana Dean
1594 West North Temple
PO Box 145801
Salt Lake City, UT 84114-5801

Special Stipulations

1. **Plugging of drill holes** – All drill holes must be plugged in accordance with Federal (BLM) and State regulations. When performing hole plugging, and in combination with requirements for protection of aquifers, coal seam sealing and surface plugging [3484.1(a)(3) and 3484.2(a)], the permittee or licensee shall specifically follow the manufacturer's recommendations for mixing various plugging materials. These materials, including but not limited to "Abandonite" and/or cement for example, shall be mixed strictly according to the manufacturer's instructions unless it is shown to have been blended to *even more effective* mixtures than the minimum recommendation. Records of both the manufacturer's mixing instructions and records of actual mixtures used in the field, (including for example gallons of water used, bags of materials used and etc.), shall be made available to the authorized officer or his/her representative upon request *in the field*. These records shall also be made a part of the exploration reports submitted to the authorized officer upon completion of the exploration project.
2. The Authorized Officer shall be made aware of any proposed changes to the Plan of Operations and shall be approved by the Authorized Officer prior to implementation.
3. All drilling data, including coal thicknesses and coal quality shall be submitted to the BLM Price Field office at the conclusion of the program. This is to include supplemental data such as complete copies of electric logs.
4. The permittee shall notify the BLM at least 24 hours in advance of the anticipated completion of each drill hole and in any event, prior to commencing abandonment procedures.