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State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

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Jon M. Huntsman, Jr.
Governor
Kevin S. Carter
Director

RECEIVED

JAN 27 2006

DIV. OF OIL, GAS & MINING

January 25, 2006

Mark Bunnell
Ark Land Co.
C/O Skyline Mine
HC 35 Box 380
Helper, UT 84526

RE: Right of Mineral Entry Application No. ML 50186-ROME and Proposal to Drill Two
Exploration Holes Upon Trust Lands Within the Muddy Coal Tract in 2006

*Joe
1/24/06
Copy Pete*

Dear Mr. Bunnell:

Your application has been received and will be processed by SITLA as soon as possible. I am writing to advise you of other permitting requirements upon which the SITLA right of mineral entry shall be conditioned.

1. The surface management agency is the Manti-La Sal National Forest. Please contact the Mr. Dale Harber in the District office in Price, Utah to obtain necessary surface-use and surface-entry permits from the Forest Service for your proposed drilling operations.
2. Drilling and plugging operations will be monitored for SITLA by the BLM. Please contact Ms. Sue Burger in the Price Field Office before you commence actual drilling operations, and also in advance of plugging operations to coordinate and schedule field inspections.
3. The proposed drilling operations require that you first obtain a coal exploration permit from the Division of Oil, Gas & Mining. Please contact DOGM in this regard.
4. SITLA currently holds reclamation surety bond #400TB0350/104536329 from Ark Land in the amount of \$25,000.00 for reclamation of drilling operations upon the SITLA Muddy Tract. The USFS or DOGM may require additional bonding.

Please contact me if you have any questions.

Sincerely,

John T. Blake
Trust Land Specialist

cc: Dale Harber
Sue Burger
Wayne Hedberg ✓

Utah!