GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 13, 2013

Ken May, General Manager
Canyon Fuel Company, LLC
597 South SR24
Salina, Utah 84654

Subject: Approval of Permit Transfers, Skyline Mine, C/007/0005, Task ID #4438, Soldier Canyon Mine, C/007/0018, Task ID #4439, Banning Siding Loadout, C/007/0034, Task ID #4440, Dugout Canyon Mine, C/007/0039, Task ID #4441, Sufco Mine, C/041/0002, Task ID #4442 and Gordon Creek 2, 7 & 8, C/007/0016, Task ID #4459

Dear Mr. May:

The permit transfers for the Canyon Fuel Company, LLC permits are approved.

Enclosed is a stamped incorporated copy of the General Chapter 1 revisions that reflect the new ownership and control for insertion into the MRPs.

Good luck in your mining endeavors. If you have any questions, please call me at (801) 538-5334 or Daron Haddock at (801) 538-5325.

Sincerely,

John R. Baza
Director

JRB/DRH/sqs
Enclosures
O:\007005.SKY\PERMIT\2013Transfer\BazaLetter.doc

UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
For
PERMIT TRANSFER

Canyon Fuel Company, LLC
Skyline Mine
C/007/0005
Gordon Creek 2, 7 & 8
C/007/0016
Soldier Canyon Mine
C/007/0018
Banning Siding Loadout
C/007/0034
Dugout CanyonMine
C/007/0039
Sufco Mine
C/041/0002

December 13, 2013

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* Administrative Overview
* Permitting Chronology
* Findings
* Affidavits of Publication
* AVS Recommendation

ADMINISTRATIVE OVERVIEW

Canyon Fuel Company, LLC
Skyline Mine
C/007/0005
Gordon Creek 2, 7 & 8
C/007/0016
Soldier Canyon Mine
C/007/0018
Banning Siding Loadout
C/007/0034
Dugout CanyonMine
C/007/0039
Sufco Mine
C/041/0002

December 13, 2013

PROPOSAL

Bowie Resource Holdings, LLC, a Delaware limited liability company, purchased 100% of the equity interests of Canyon Fuel Company, LLC from Arch on August 16, 2013. Canyon Fuel Company, LLC submitted an application to transfer the permits of Canyon Fuel Company, LLC owned mine sites reflecting the ownership transfer from Arch to Bowie Resource Holdings, LLC.

PUBLIC NOTICE

The applicant published notice of the permit transfers on November 5, 2013 in the Emery County Progress, on November 6, 2013 in the Richfield Reaper and on November 7, 2013 in the Sun Advocate. No comments, objections, or requests for informal conference were received by the Division during the 30-day comment period.

AVS CHECK

A review of the AVS system was conducted on December 13, 2013. The system showed that there were no outstanding violations for Canyon Fuel Company, LLC or Bowie Resource Holdings, LLC.

RECOMMENDATION

The Division made the decision on December 13, 2013 to approve the permit transfer on the fact that 1) The terms and conditions of the existing permit are being satisfactorily met; 2) The present coal mining and reclamation operations are in compliance with the environmental protection standards of the State Program; 3) The transfer does not substantially jeopardize the operator's continuing ability to comply with the State Program on existing permit areas; and 4) The operator has provided evidence of having liability insurance and a performance bond which will be in effect for the operation and will continue in full force and effect.

PERMITTING CHRONOLOGY

Canyon Fuel Company, LLC
Skyline Mine
C/007/0005
Gordon Creek 2, 7 & 8
C/007/0016
Soldier Canyon Mine
C/007/0018
Banning Siding Loadout
C/007/0034
Dugout CanyonMine
C/007/0039
Sufco Mine
C/041/0002

December 13, 2013

August 16, 2013	Bowie Resource Holdings, LLC purchases 100% equity interests of Canyon Fuel Company, LLC from Arch.
August 23, 2013	Canyon Fuel Company, LLC submits surety bonds transferring the surety companies from Arch to Lexon Insurance Company effective August 15, 2013 and are accepted by the Division.
November 5, 2013	Canyon Fuel Company, LLC advertises public notice of the permit transfer for the mine sites in the Emery County Progress.
November 6, 2013	Canyon Fuel Company, LLC advertises public notice of the permit transfer for the mine sites in the Richfield Reaper.
November 7, 2013	Canyon Fuel Company, LLC advertises public notice of the permit transfer for the mine sites in the Sun Advocate.
December 7, 2013	End of comment period. No comments received.
December 9, 2013	Conditional Approval of Permit Transfer based on the receipt of clean copies for incorporation into the MRP.
December 12, 2013	The Division receives the requested clean copies.
December 13, 2013	A compliance check through the AVS system is completed showing no outstanding violations.
December 13, 2013	Division approves the transfer of the Canyon Fuel Company, LLC permits.

PERMIT TRANSFER FINDINGS

Canyon Fuel Company, LLC
Skyline Mine
C/007/0005
Gordon Creek 2, 7 & 8
C/007/0016
Soldier Canyon Mine
C/007/0018
Banning Siding Loadout
C/007/0034
Dugout CanyonMine
C/007/0039
Sufco Mine
C/041/0002

December 13, 2013

1. The permit transfer application was submitted and contained all of the information required under R645-303-321.

2. The application for transfer was advertised in a newspaper of general circulation. (R645-303-322).

3. The applicant is eligible to receive a permit. (See AVS Evaluation dated December 13, 2013)

4. The pubic was provided opportunity to provide comment on the transfer application through advertisement in the local newspaper. No comments were received. (R645-303-330).

5. The permittee has provided evidence of maintaining liability insurance. (R645-303-233.140).

6. The operator has posted a reclamation surety in the required amount and has provided evidence that the surety will remain in full effect for the permit periods. (R645-303-342).

7. The operator has submitted all information as required to date, by the Division for this transfer. (R645-303-343).

Permit Supervisor

Associate Director of Mining

Director

AFFIDAVIT OF PUBLICATION

County of Sevier, State of Utah, ss.

I, SHALON PETERSEN, being first duly sworn, depose and say I am the Legal Secretary of THE RICHFIELD REAPER, a weekly paper having a bona fide circulation of more than 200 subscribers in the State of Utah, published every Wednesday at Richfield, Sevier County, Utah, and that said notice was published on Utahlegals.com, a website established by the Utah Press Association through the collective efforts of Utah's newspapers, on the same day as the first newspaper publication and the notice remained on Utahlegals.com until the last day of publication.

That the notice CHANGE OF OWNERSHIP a copy of which is attached hereto, was published in said paper for 1 consecutive issues, the first publication having been made in the issue of the 6 day of NOVEMBER 2013, and the last publication in the issue of the 6 day of NOVEMBER 2013 that the said notice was published in the regular and entire issue of every number of said paper during the period of times and publication, and that the same was published in the newspaper proper and not in a supplement.

Shalon Petersen

Subscribed and sworn to before me this 6 day of NOVEMBER, 2013

Cherry L Niemeyer
Notary Public

Notary Public
CHERRY L NIEMEYER
Commission Number 646723
My Commission Expires
September 23, 2016
State of Utah

PUBLIC NOTICE
CHANGE OF OWNERSHIP AND CONTROL

Bowie Resource Partners, LLC has applied to the Division of Oil, Gas and Mining for the transfer of ownership and control of Canyon Fuel Company, LLC, 225 North 5th Street, 9th Floor, Grand Junction, CO 81501, from Arch Coal, Inc., CityPlace One, Suite 300, St. Louis, MO 63141-7056, to Bowie Resource Partners, LLC, 6100 Dutchmans Lane, 9th Floor, Louisville, KY 40205.

Canyon Fuel Company, LLC owns and operates the following properties:

Gordon Creek Mine - C/007/016, reclamation located in Bryner Canyon, Carbon County, UT

SUFCO Mine - C/041/002, facilities located in East Spring Canyon, Sevier and Emery Counties, UT

Skyline Mine - C/007/005, facilities located in Eccles Canyon, Carbon and Emery Counties, UT

Soldier Canyon Mine - C/007/018, facilities located in Soldier Canyon, Carbon County, UT

Banning Loadout - C/007/034, facilities located in Price, Carbon County, UT

Dugout Canyon Mine - C/007/039, facilities located in Dugout Canyon, Carbon County, UT

Written comments, objections, or a request for an informal conference should be directed to the Utah Division of Oil, Gas and Mining, P.O. Box 145801, Salt Lake City, UT 84114-5801. Copies of the current mining and reclamation plans are available for public inspection at the office of the Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah.

Published in The Richfield Reaper Nov. 6, 2013.
UPAXLP

9583

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Emery,)

I, Richard Shaw, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, State of Utah and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 1 (One) consecutive issues, and on the Utah legals.com webwsite; the first publication was on the 5th day of November, 2013, and that the last publication of such notice was in the issue of such newspaper dated the 5th day of November, 2013.

Richard Shaw – Publisher

Subscribed and sworn to before me this 5th day of November 2013.

Notary Public My commission expires January 10, 2015 Residing at Price, Utah

Publication fee, $ 60.00

LINDA THAYN
NOTARY PUBLIC · STATE OF UTAH
COMMISSION# 604351
COMM. EXP. 01-10-2015

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Published in the Emery County Progress November 5, 2013

UTAH LEGAL NOTICES

PUBLIC NOTICE CHANGE OF OWNERSHIP AND CONTROL

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Published in the Sun Advocate November 7, 2013.

Newspaper Administration

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 13, 2013

TO: Internal File

FROM: Daron R. Haddock, Permit Supervisor

RE: Compliance Review for Section 510 (c) Findings, Canyon Fuel Company, LLC Permits

As of the writing of this memo, there are no NOVS or COs which are not corrected or in the process of being corrected. There are no finalized Civil Penalties, which are outstanding and overdue in the name of Canyon Fuel Company, LLC or Bowie Resources Holdings, LLC. Bowie Resource Holdings, LLC nor Canyon Fuel Company, LLC demonstrate a pattern of willful violations, or have they been subject to any bond forfeitures for any operation in the state of Utah.

The recommendation from the Applicant Violator System (AVS) denotes that all connected entities either do not have any civil penalties or are under a settlement agreement (attached).

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1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

U.S. Department of the Interior Office of Surface Mining
Applicant/Violator System

Click for the Office of Surface Mining Website

suzanne.steab (UT) | Logo

Home ▸ ENTITY ▸ APPLICATION ▸ PERMIT ▸ VIOLATION ▸ REPORTS ▸

HOME > ENTITY EVALUATE

Evaluation on Entity Number: 142816
0 Violations

Print Report

Entity Evaluation

Entity Number	142816
Entity Name	Canyon Fuel Company LLC
Date of Request	12/13/2013 9:49:33 AM
Requestor	suzanne.steab

CAUTION: The Applicant/Violator System (AVS) is an informational database. Permit eligibility determinations are made by the regulatory authority with jurisdiction over the permit application not by the AVS. Results which display outstanding violations may not include critical information about settlements or other conditions that affect permit eligibility. Consult the AVS Office at 800-643-9748 for verification of information prior to making decisions on these results.

There were no violations retrieved by the system

Evaluation OFT

Entities: 9

254566 Bowie Resource Holdings, LLC - ()
---128807 James J Wolff - (Chief Financial Officer)
---129465 Eugene E Diclaudio - (Chief Operations Officer)
---142816 Canyon Fuel Company LLC - (Subsidiary Company)
------128807 James J Wolff - (Chief Financial Officer)
------129465 Eugene E Diclaudio - (Chief Operations Officer)
------129465 Eugene E Diclaudio - (Director)
------129465 Eugene E Diclaudio - (President)
------153972 Paul Warner - (Vice President)
------254572 John Siegel - (Chief Executive Officer)
------254573 Brian Settles - (General Counsel)
------254573 Brian Settles - (Secretary)
------254573 Brian Settles - (Vice President)
------254617 Bruce Lindsay - (Vice President)
------254618 Grant Quasha - (Vice President)
---153972 Paul Warner - (Vice President)

---254572 John Siegel - (Chief Executive Officer)
---254573 Brian Settles - (General Counsel)
---254573 Brian Settles - (Secretary)
---254573 Brian Settles - (Senior Vice President)
---254617 Bruce Lindsay - (Vice President)
---254618 Grant Quasha - (Vice President)

Narrative

Request Narrative