

C/041/002 Incoming

#4969



Canyon Fuel Company, LLC
A Subsidiary of Bowtie Resource Holdings, LLC

SUFACO Mine
Mark Bunnell
Geologist
597 S. SR 24
Salina Utah 84654
(435) 286-4403
Fax (435) 286-4499

Aug. 19, 2015

Daron Haddock
Permit Supervisor
Utah Coal Regulatory Program
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

Re: Modification to NOI, Minor Coal Exploration, 2015, SITLA Muddy Tract and Utah State Coal Lease ML 49443-OBA, Canyon Fuel Co. LLC, Sufco Mine, C/041/002, Task ID #4804, Two Additional Exploration Drill Holes

Dear Daron:

As we discussed on the phone, attached are 5 copies of revised pages to Canyon Fuel Company's Minor Coal Exploration NOI for exploration drilling north of Sufco Mine on the SITLA Muddy Tract. The original NOI was approved on 3/5/2105 under Task ID #4804. Canyon Fuel hereby requests modification of the Minor Coal Exploration Plan to include two additional exploration drill holes. The holes are designated as N-15 and O-15.

The proposed drilling includes 2 additional drill holes, both of which are located on Manti-La Sal National Forest land and SITLA coal ownership. Notification and information has been submitted to Manti-La Sal Forest relative to Canyon Fuel's currently approved Special Use Permit for exploration drilling on the SITLA tract area. Notification has also been submitted to SITLA under Canyon Fuel's current ROME agreement.

Included are 5 sets of pages which have been altered to include the 2 additional holes. Also included are addenda to Appendices C and E of the original Minor Coal Exploration Plan. The addenda include updated wildlife and archeology information and are submitted in file folders for inclusion in the confidential files. The wildlife document includes additional information relative to the Yellow-billed Cuckoo.

If approved, the new pages would replace those in the currently approved plan.

It should be noted that a third drill site is included in the archeo report. This is a proposed shallow water monitor well that does not extend to the coal zone. Because of that, it does not involve

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Sufco Mine

DIV. OF OIL, GAS & MINING

SITLA mineral ownership and is being permitted through the existing Manti-La Sal Special Use Permit. If the monitor well is viable, we will move it into our mining permit at a later date.

The edits to the main plan pages are attached with changes highlighted.

Because the drilling equipment and helicopter are in the area and available now we would like to start work by Aug. 26, 2015, if possible. The two holes should be completed by Sept. 4, 2015.

I appreciate the Division's willingness to consider this modification in such a short time frame.

Attached is the C1/C2 form. If you or your staff have questions please don't hesitate to contact me as follows: Sufco Mine 435-286-4403; cell 435-650-8940; or email at mbunnell@bowieresources.com.

Sincerely,

A handwritten signature in black ink that reads "Mark Bunnell". The signature is written in a cursive style with a large initial "M".

Mark Bunnell
Senior Geologist
Canyon Fuel Company, LLC

Encl.

MDB:mdb

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: SUFCO

Permit Number: C/041/002

Title: MODIFICATION TO NOTICE OF INTENT TO CONDUCT MINOR COAL EXPLORATION -- SITLA MUDDY TRACT AND UTAH STATE COAL LEASE ML49443-OBA, 2015, TASK ID #4804

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

ADDITION OF TWO COAL EXPLORATION BOREHOLES TO BE DRILLED AUG-SEPT 2015

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

- 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ increase decrease.
2. Is the application submitted as a result of a Division Order? DO# _____
3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
4. Does the application include operations in hydrologic basins other than as currently approved?
5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
6. Does the application require or include public notice publication?
7. Does the application require or include ownership, control, right-of-entry, or compliance information?
8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
9. Is the application submitted as a result of a Violation? NOV # _____
10. Is the application submitted as a result of other laws or regulations or policies?

Explain:

- 11. Does the application affect the surface landowner or change the post mining land use?
12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
13. Does the application require or include collection and reporting of any baseline information?
14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
15. Does the application require or include soil removal, storage or placement?
16. Does the application require or include vegetation monitoring, removal or revegetation activities?
17. Does the application require or include construction, modification, or removal of surface facilities?
18. Does the application require or include water monitoring, sediment or drainage control measures?
19. Does the application require or include certified designs, maps or calculation?
20. Does the application require or include subsidence control or monitoring?
21. Have reclamation costs for bonding been provided?
22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) 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.

Mark D Bunnell
Print Name

Mark D. Bunnell
Sign Name, Position, Date

Subscribed and sworn to before me this 19 day of August, 2015

Jacquelyn Nebeker
Notary Public

My commission Expires: _____, 20____ }
Attest: State of _____ } ss:
County of _____



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DIV. OF OIL, GAS & MINING

| | | |
|-----------------------------|--------------------------------------|--|
| For Office Use Only: | Assigned Tracking Number: | Received by Oil, Gas & Mining |
|-----------------------------|--------------------------------------|--|

Form DOGM- C1 (Revised March 12, 2002)

**EDITED PAGES
(EDITS HIGHLIGHTED)**

**NOTICE OF INTENT TO CONDUCT
MINOR COAL EXPLORATION
2015**

**SCHOOL AND INSTITUTIONAL TRUST LANDS
ADMINISTRATION MUDDY TRACT
AND UTAH STATE COAL LEASE
ML 49443-OBA**

CANYON FUEL COMPANY, LLC

FEB. 2015
(Revised Aug. 2015)

INTRODUCTION

Canyon Fuel Co. Company is submitting this Notice of Intent to Conduct Minor Coal Exploration on behalf of Canyon Fuel Company, LLC, Sufco Mine to the Utah Division of Oil, Gas, and Mining (UDOGM) in order to obtain approval to conduct coal exploration and reclamation activities in the summer field seasons of 2015 thru 2019. The type of exploration proposed is wireline core drilling. Up to 7 holes will be drilled on the School and Institutional Trust Lands Administration (SITLA) Muddy Coal Tract. The holes are located within and immediately north of Canyon Fuel Company's leased portion that tract. All exploration activities will occur on U.S. Forest Service, Manti-LaSal National Forest surface and will involve both leased and unleased coal resources administered by the School and Institutional Trust Lands Administration.

The planned project will utilize heli-portable drilling equipment and will require no road or drill pad construction. This application is formatted to address the specific requirements of R645-201-200. The U.S. Forest Service/BLM typical exploration stipulations (utilized during 2014 projects) are addressed in Appendix A. Other related information is given in Appendix B through E (submitted for confidential filing). Five copies of this notice are submitted for distribution by the UDOGM to other agencies.

R645-201 Coal Exploration: Requirements for Exploration Approval

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

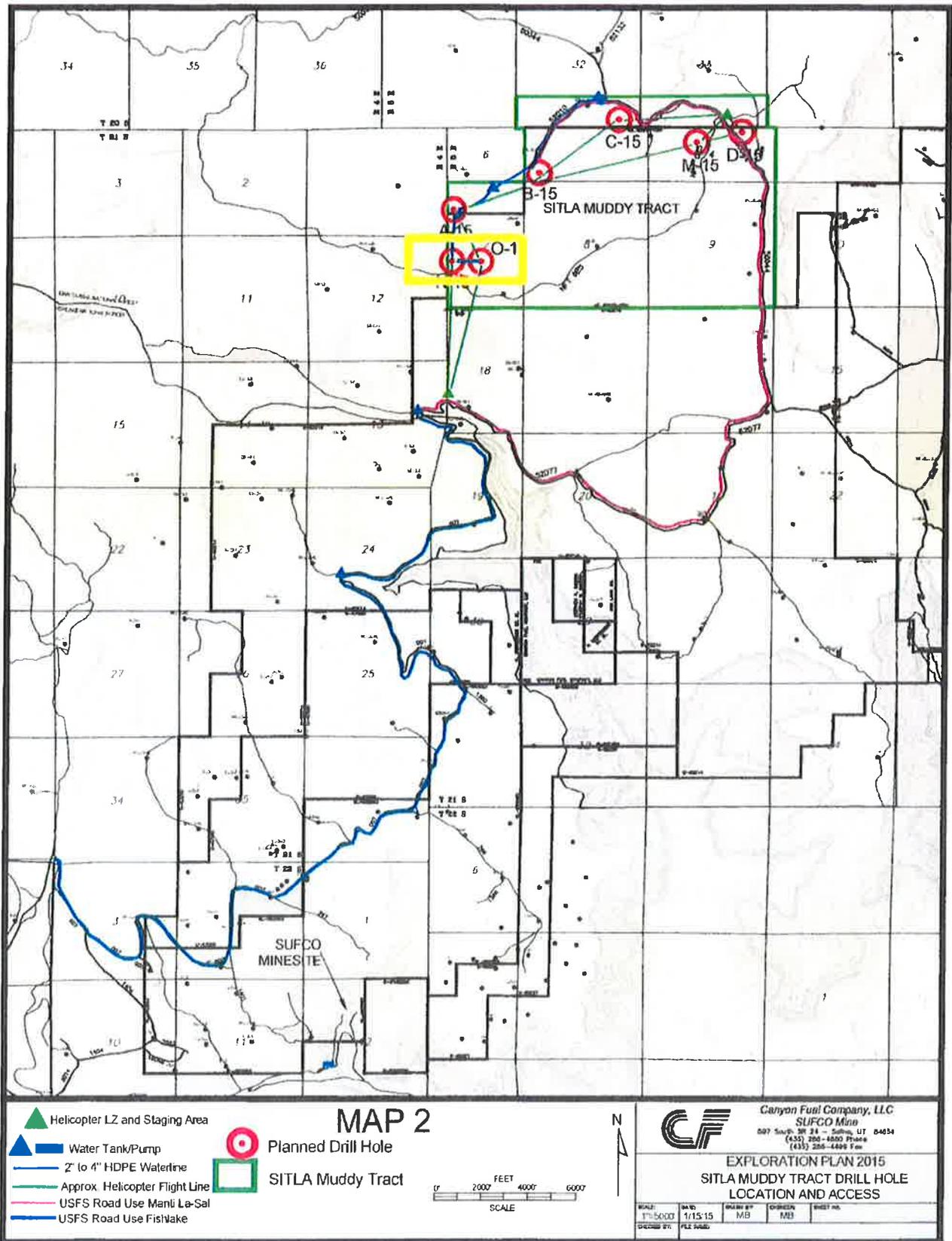
R645-201-221

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

Canyon Fuel Company, LLC
C/o SUFCO Mine
597 S. SR 24
Salina, Utah 84654 (work) 435-286-4403

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

Mark Bunnell
Canyon Fuel Company, LLC
C/o SUFCO Mine
597 S. SR 24
Salina, Utah 84654 (work) 435-286-4403



The pure live seed (PLS) rating will be 99% and only seed meeting the State Seed Act will be used. Certification tags will be retained by the permittee. The vegetative cover resulting from this seed mix is considered capable of stabilizing the soil surface from erosion.

Map 2 shows the location of the proposed drill sites and the Forest Service roads used for access. Equipment access to the exploration area will be via FDR 007 which traverses federal coal leases SLI-062583, U-47080, and U-63214 on both the Fishlake and Manti-LaSal National Forests then FDR 044 to the proposed tank/pump location and staging area/landing zone location.

The main drill hole diameter will be nominally 2.36 inch diameter. Approximately 200 to 300 ft. of surface casing (3 inch) will be set. Estimated depth and other drill hole information is given in the following table. Disturbed area will include one drill site. Total disturbed area acreage is estimated at 0.030 acres.

| Drill Site | Location | Total Depth (ft) | Disturbance (ft) | Disturbed Area (acres) |
|------------|-----------------------|------------------|------------------|------------------------|
| A-15 | NW, NW, 7, T21S, R5E | 2100 | 8 X 30 | 0.006 |
| B-15 | NW, NW, 8, T21S, R5E | 1900 | 8 X 30 | 0.006 |
| C-15 | SE, SE, 32, T20S, R5E | 1200 | 8 X 30 | 0.006 |
| M-15 | NE, NW, 4, T21S, R5E | 1600 | 8 X 30 | 0.006 |
| D-15 | NE, NE, 4, T21S, R5E | 1100 | 8 X 30 | 0.006 |
| N-15 | NW, SW, 7, T21S, R5E | 2000 | 8 X 30 | 0.006 |
| O-15 | NE, SW, 7, T21S, R5E | 2000 | 8 X 30 | 0.006 |
| | | | TOTAL | 0.042 |

There are no occupied dwellings or pipelines located in the exploration area. A shallow trench and hole will be dug with hand tools near the drill hole to allow drill fluid to accumulate and be recirculated into the mud tank. The trench and hole will be lined with brattice or pit liner to eliminate contamination to the topsoil. No structures will be constructed nor debris disposed of in the exploration area. The permittee or his representative will have a copy of this Notice of Intention To Conduct Minor Coal Exploration while in the exploration area available for review by an authorized representative of the Division upon request.

Upon completion of drilling, the holes will be plugged with a cement, bentonite, or cement/bentonite slurry to full depth. A brass tag will be placed at the top of the drill hole stating the operator's name, drill hole number, and legal description. The tag will be placed in cement at ground level. One or more of the proposed drill holes may be completed as water monitor wells. The completion method includes: 1) plug the hole with cement, bentonite, or cement/bentonite slurry from full depth to the planned monitor completion depth, 2) clean the hole of drill cuttings by circulating with air or water, 3) insert an approx. 1 inch diameter steel or PVC casing with a 10 to 30 ft section of 0.010" slot screen section with an end cap, 4) fill the annulus in the screened section with washed sand or pea gravel, 5) pack off the screened section or seal it off with bentonite, and 5) fill the remainder of the hole annulus to the surface

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MINOR COAL EXPLORATION
2015**

**SCHOOL AND INSTITUTIONAL TRUST LANDS
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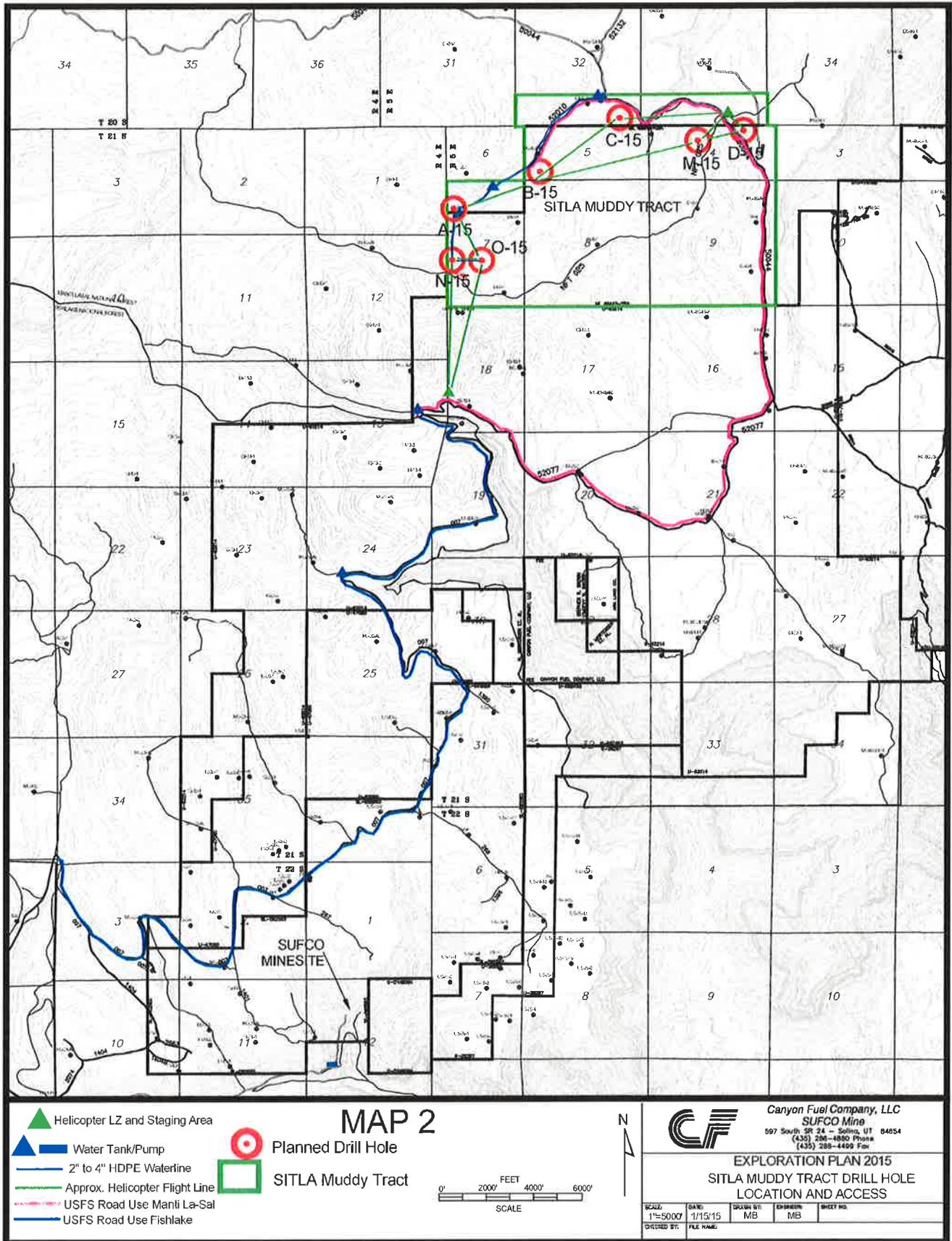
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