



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101-1345
<https://www.blm.gov/utah>



RECEIVED

MAR 09 2018

DIV. OF OIL, GAS & MINING

In Reply Refer To:
3452 (UT-9223)
UTU-63214
UTU84102

MAR 06 2018

CERTIFIED MAIL – RETURN RECEIPT REQUESTED
91 7199 9991 7037 5223 5002

John Byars
General Manager
Canyon Fuel Company, Sufco Mine
Bowie Resource Partners
397 South 800 West
Salina, Utah 84654

Dear Mr. Byars:

DECISION

On August 30, 2017, the Bureau of Land Management (BLM) received a Royalty Rate Reduction Application (RRR) from Bowie Resource Partners LLC; Canyon Fuel Company, Sufco Mine (Sufco). Sufco then provided a supplement completing the application for the RRR on October 19, 2017. The request is for a Category 1 RRR for the Upper Hiawatha coal seam block of coal described on the map provided as Map 1. Map 1 shows that the RRR request includes part of Federal leases UTU-84102 and UTU-63214 labeled 5 West District and 6 West District.

The BLM has examined the Sufco application and agrees the Sufco Mine plan projects significant and unique adverse geologic conditions thus qualifying it for a Category I RRR.

The leases are in good standing with the Office of Natural Resource Revenue (ONRR). The Utah Division of Oil, Gas and Mining as well as the Washington Office of the BLM have sent letters of concurrence for the RRR.

BLM approves a Category 1 RRR for a royalty rate reduction from 8% to 5%, effective November 1, 2017, the start of the first royalty reporting period after the date a complete application for a RRR was filed (October 19, 2017). The term of the RRR will be for production

of up to 15.1 million tons of coal from the area identified on Map 1, or for a period of not more than 6 years to the effective date, whichever comes first. The BLM requires Canyon Fuel Company to provide a confidential accounting of the mining conditions and numeric operating margins encountered within 30 days after the effective date of the approval and for every 6 month period thereafter. A final confidential numeric summary of the RRR operating margin results must be provided to BLM within 60 days upon termination of the RRR.

A BLM inspector will examine and verify the conditions reported. The BLM can terminate the RRR if anticipated adverse conditions are not verified during two consecutive inspections.

Royalty rate reductions approved under this category are transferable with the lease, provided all payments to ONRR are current and the lease accounts are in good standing.

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (Bureau of Land Management, Utah State Office, 440 West 200 South, Suite. 500, Salt Lake City, Utah 84101) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition for a stay (suspension) of the effectiveness of this decision during the time that your appeal is being reviewed by the Board pursuant to Part 4, Subpart B, 4.21 of Title 43, Code of Federal Regulations, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below.

Copies of the notice of appeal and petition for a stay must be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellant's success on the merits,
- (3) The likelihood of immediate and irreparable harm if the stay is not granted, and
- (4) Whether the public interest favors granting the stay.

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CPR, Part 4. If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you have any questions please call Roger Bankert at (801) 539-4037.

Sincerely,

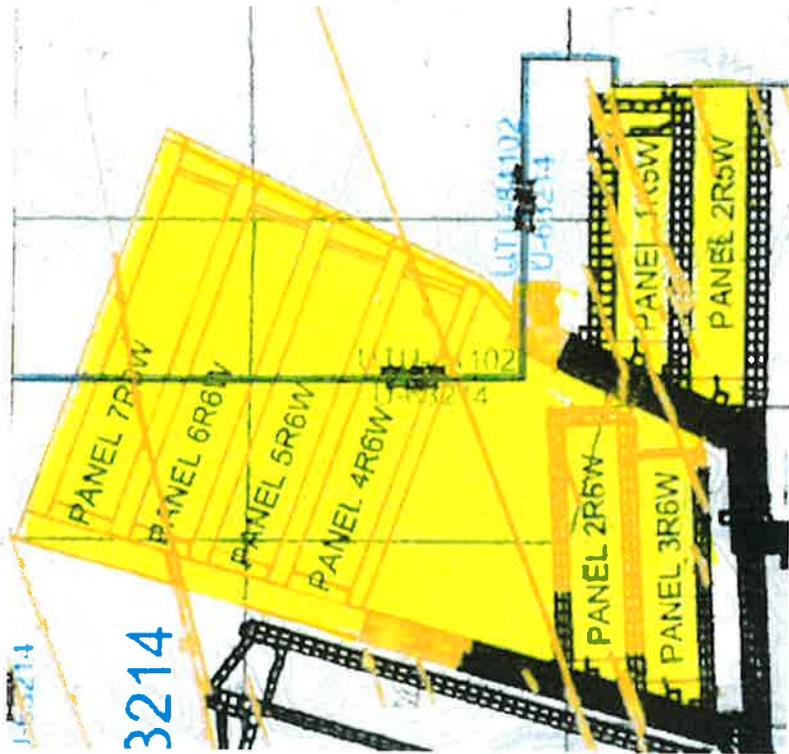


Edwin L. Roberson
State Director

Enclosures
Map 1
Form 1842-1

cc: BLM Price Field Office (Attn: Steve Rigby)
ONRR (Attn: LeAnn M. Martin)
ONRR (Attn: John Hovanec)
UDOGM (Attn: Dana Dean)

MAP 1



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

INFORMATION ON TAKING APPEALS TO THE INTERIOR BOARD OF LAND APPEALS

DO NOT APPEAL UNLESS

1. This decision is adverse to you,
AND
2. You believe it is incorrect

IF YOU APPEAL, THE FOLLOWING PROCEDURES MUST BE FOLLOWED

1. NOTICE OF APPEAL.....	A person who wishes to appeal to the Interior Board of Land Appeals must file in the office of the officer who made the decision (not the Interior Board of Land Appeals) a notice that he wishes to appeal. A person served with the decision being appealed must transmit the <i>Notice of Appeal</i> in time for it to be filed in the office where it is required to be filed within 30 days after the date of service. If a decision is published in the FEDERAL REGISTER, a person not served with the decision must transmit a <i>Notice of Appeal</i> in time for it to be filed within 30 days after the date of publication (43 CFR 4.411 and 4.413).
2. WHERE TO FILE	State Director BLM Utah State Office 440 West 200 South, Suite 500 Salt Lake City, Utah 84101-1345
NOTICE OF APPEAL.....	
WITH COPY TO SOLICITOR...	Regional Solicitor U.S. Department of the Interior 6201 Federal Building 125 South State Street Salt Lake City, Utah 84138-1180
3. STATEMENT OF REASONS	Within 30 days after filing the <i>Notice of Appeal</i> , file a complete statement of the reasons why you are appealing. This must be filed with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. If you fully stated your reasons for appealing when filing the <i>Notice of Appeal</i> , no additional statement is necessary (43 CFR 4.412 and 4.413).
WITH COPY TO SOLICITOR.....	Regional Solicitor U.S. Department of the Interior 6201 Federal Building 125 South State Street Salt Lake City, Utah 84138-1180
4. ADVERSE PARTIES.....	Within 15 days after each document is filed, each adverse party named in the decision and the Regional Solicitor or Field Solicitor having jurisdiction over the State in which the appeal arose must be served with a copy of: (a) the <i>Notice of Appeal</i> , (b) the Statement of Reasons, and (c) any other documents filed (43 CFR 4.413).
5. PROOF OF SERVICE.....	Within 15 days after any document is served on an adverse party, file proof of that service with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. This may consist of a certified or registered mail "Return Receipt Card" signed by the adverse party (43 CFR 4.401(c)).
6. REQUEST FOR STAY.....	Except where program-specific regulations place this decision in full force and effect or provide for an automatic stay, the decision becomes effective upon the expiration of the time allowed for filing an appeal unless a petition for a stay is timely filed together with a <i>Notice of Appeal</i> (43 CFR 4.21). If you wish to file a petition for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Interior Board of Land Appeals, the petition for a stay must accompany your <i>Notice of Appeal</i> (43 CFR 4.21 or 43 CFR 2801.10 or 43 CFR 2881.10). A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the <i>Notice of Appeal</i> and Petition for a Stay must also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted. Standards for Obtaining a Stay. Except as otherwise provided by law or other pertinent regulations, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards: (1) the relative harm to the parties if the stay is granted or denied, (2) the likelihood of the appellant's success on the merits, (3) the likelihood of immediate and irreparable harm if the stay is not granted, and (4) whether the public interest favors granting the stay.

Unless these procedures are followed, your appeal will be subject to dismissal (43 CFR 4.402). Be certain that all communications are identified by serial number of the case being appealed.

NOTE: A document is not filed until it is actually received in the proper office (43 CFR 4.401(a)). See 43 CFR Part 4, Subpart B for general rules relating to procedures and practice involving appeals.

43 CFR SUBPART 1821--GENERAL INFORMATION

Sec. 1821.10 Where are BLM offices located? (a) In addition to the Headquarters Office in Washington, D.C. and seven national level support and service centers, BLM operates 12 State Offices each having several subsidiary offices called Field Offices. The addresses of the State Offices can be found in the most recent edition of 43 CFR 1821.10. The State Office geographical areas of jurisdiction are as follows:

STATE OFFICES AND AREAS OF JURISDICTION:

Alaska State Office ----- Alaska
Arizona State Office ----- Arizona
California State Office ----- California
Colorado State Office ----- Colorado
Eastern States Office ----- Arkansas, Iowa, Louisiana, Minnesota, Missouri
and, all States east of the Mississippi River
Idaho State Office ----- Idaho
Montana State Office ----- Montana, North Dakota and South Dakota
Nevada State Office ----- Nevada
New Mexico State Office ---- New Mexico, Kansas, Oklahoma and Texas
Oregon State Office ----- Oregon and Washington
Utah State Office ----- Utah
Wyoming State Office ----- Wyoming and Nebraska

(b) A list of the names, addresses, and geographical areas of jurisdiction of all Field Offices of the Bureau of Land Management can be obtained at the above addresses or any office of the Bureau of Land Management, including the Washington Office, Bureau of Land Management, 1849 C Street, NW, Washington, DC 20240.

(Form 1842-1, September 2006)