

January 25, 2018

Jay Humphrey
Emery County Water Conservancy District
P.O. Box 998
Castle Dale, Utah 84513

RE: Canyon Fuel Company, LLC, Sufco Mine; Continued Mining in Federal Coal Leases U-63214 & U-062453, SITLA Lease ML 49443-OBA and Begin Mining in Federal Lease UTU-84102 commonly referred to as the "Greens Hollow Lease"

Dear Sir:

As required by State mining regulations (R645-301-525.700), Canyon Fuel Company, LLC (CFC) Sufco Mine is notifying you of the mine's plan to expand mining into Section 36 in Township 20 South, Range 4 East; into Sections 1, 2, 11, 12, 13, and 14 in Township 21 South Range 4 East; into Section 6 in Township 21 South Range 5 East and into Sections 19, 20, 21, 28, 29, 30, 31, 32, and 33 in Township 20 South, Range 5 East, SLB&M (UTU-84102 Greens Hollow Lease). Sections 5, 7, 18, 19 in Township 21 South Range 5 East; Sections 23 and 24 in Township 21 South Range 4 East; Sections 27, 28, 29, 33, 34 of Township 21 South Range 5 East, SLB&M (U-63214 & ML 49443). Sections 33, 29, 28, 32 of Township 21 South Range 5 East, SLB&M (U-062453).

CFC currently holds the coal leases in these areas and plans to mine these leases underlying National Forest lands. Mining is ongoing and will continue through approximately 2030 in these areas. Longwall mining is projected to commence into the Greens Hollow Lease in 2019. Portions of the other leases are currently being first mined and/or longwall mined. No subsidence or surface disturbance will occur as the result of developing the mains in any of the areas listed. Minor surface subsidence may occur in areas where longwall mining will be conducted, but no surface or ground water flows should be interrupted or diminished as a result of this mining activity. Copies of the mine subsidence control plan may be examined at the Utah Division of Oil, Gas & Mining offices in Price and Salt Lake City, Utah or on their web site.

If you have questions regarding this letter or would like to discuss future mining plans for the above referenced sections, please call Vicky Miller at (435) 286-4481 or Jacob Smith at (435) 286-4406.

Sincerely,
Canyon Fuel Company, LLC.
Sufco Mine



John D. Byars
General Manager

xc: Daron Haddock, Utah Division of Oil, Gas & Mining

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Sevier County Commissioners
Ralph Brown, Ken May, Garth Ogden
250 No. Main Street, Suite 128
Richfield, Utah 84701

Sanpete County Commissioners
Scott Bartholomew, Claudia Jarrett, Steven Lund
160 North Main, Suite 101
Manti, Utah 84642

Jason Kling, District Ranger
Fishlake National Forest
115 East 900 North
Richfield, Utah 84701

Darren Olsen, District Ranger
Manti-La Sal National Forest
599 West Price River Drive
Price, UT 84501

Deej Brown, Acting Field Manager
Bureau of Land Management
125 South 600 West
Price, UT 84501