United States Gypsum Company
P.O. Box 570160
Sigurd, UT 84657
435-896-2400
Fax: 435-896-2407

USG

5/015/0092

Copy

Bryant Anderson
Planning & Zoning Administrator
Emery County
95 East Main Street
P.O. Box 417
Castle Dale, Utah 84513

June 23, 2003

Dear Bryant,

Per our discussion, I am enclosing the following letter, with United States Gypsum Company's (USG's) application for a "Roadway Encroachment" on the South Moore Cut-off Road, to explain USG's current plans for that "Encroachment".

Currently, the USG Sheetrock® Manufacturing plant in Sigurd, Utah has limited gypsum reserves located near the plant. USG is investigating many alternatives of gypsum supply for quality of material, longevity of the source, and delivered cost to the plant. Locating a good, low-cost, viable source is vital to the long-term life of the manufacturing plant and sustaining the significant economic impact to the Sevier Valley.

Opening a small mine operation on the State Trust land Section 36, Township 22S, Range 8E, will allow USG to pursue a very good alternative of gypsum supply and determine what the delivered costs will be of this alternative.

USG intends to install an access road using parts of an existing road to reach the State Trust land. The road will be constructed per the requirements of all agencies involved. USG will conduct exploratory drilling and mining within the 5 acre disturbance.

A contracted trucking company will haul the material from the site, to the South Moore Cut-off road, and then to I-70, and then down to the Sigurd Plant.

Volumes could range from 5-10,000 tons up to 150,000 tons per year, depending how the site develops and if other alternatives develop. The Sigurd Plant will keep Emery County informed as things change or progress.

I have also attached copies of applications to the other government agencies as additional information. Also, I request that all information be kept confidential to the extent allowed.

Please consider our application for a Road Way Encroachment on the South Moore Cut-off Road. If you have any questions please contact me at (435)-896-2450 or kmorris@usg.com.

Thank you,

Kyle R. Morris
Quarry / Mill Manager
USG – Sigurd Plant
PH: (435)-896-2450
FAX: (435)-896-2458

Applicant: United State Gypsum Company

Address: P.O. Box 570160

Sigurd, UT 84657

Phone: (435)-896-2400

ROADWAY ENCROACHMENT APPLICATION

United State Gypsum Company (Applicant) hereby applies for a permit to encroach upon a roadway within Emery County known as South Moore Cut-off Road for the purpose of Hauling gypsum material by truck from State Trust Land Said encroachment is proposed at the following location upon said roadway: From the Moore Road exit on Interstate-70 to the turn-off of the jeep trail right at the entrance to Diamond K's gypsum pit and is described as the haulage of gypsum by contracted trucks across the already developed county road . Applicant proposes work to begin on or after August 20 , 20 03 and to be completed on or before (To be determined) , 20___. A processing fee of $25 is tendered with this Application. Applicant agrees to comply with all laws, ordinances and regulations of all governmental agencies, including, but not limited to Emery County, as well as instructions of the Emery County Road Department Supervisor or his indicated representative. Fees in the amount of $25.00 and a bond in the amount of (To be determined) be in force for a period of (To be determined) years, are hereby tendered, or will be tendered before a Permit is issued.

DATED this 23 day of June , 20 03 .

United State Gypsum Company
(Applicant)

Quarry / Mill Manager
Title

Kyle R. Morris
Person to Contact on Job Site

P.O. Box 570160, Sigurd, UT 84657
Address

(435)-896-2450
Phone #

Mail completed application to:

Emery County Road Department
P. O. Box 889
Castle Dale, Utah 84513

TANDARD FORM 299 (3/94)
escribed by DOI/USDA/DOT
L. 96-487 and Federal
egister Notice 6-3-81

APPLICATION FOR TRANSPORTATION AND UTILITY SYSTEMS AND FACILITIES ON FEDERAL LANDS

FORM APPROVED
OMB NO. 1004-0060
Expires: June 30, 1995

FOR AGENCY USE ONLY

Application Number

Date filed

.OTE: Before completing and filing the application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with the help of the agency representative, the application can be completed at the preapplication meeting.

1. Name and address of applicant *(include zip code)*
United States Gypsum Co.
125 S. Franklin Street
Chicago, IL 60606

2. Name, title, and address of authorized agent if different from Item 1 *(include zip code)*
Bruce A. Cason - Plant Manager
USG - Sigurd Plant
P.O. Box 570160, Sigurd, UT 84657

3. TELEPHONE *(area code)*
Applicant (312)-606-4000
Authorized Agent (435)-896-2400

4. As applicant are you? *(check one)*
- a. ☐ Individual
- b. ☒ Corporation*
- c. ☐ Partnership/Association*
- d. ☐ State Government/State Agency
- e. ☐ Local Government
- f. ☐ Federal Agency

* *If checked, complete supplemental page*

5. Specify what application is for: *(check one)*
- a. ☒ New authorization
- b. ☐ Renewing existing authorization No.
- c. ☐ Amend existing authorization No.
- d. ☐ Assign existing authorization No.
- e. ☐ Existing use for which no authorization has been received*
- f. ☐ Other*

* *If checked, provide details under Item 7*

6. If an individual, or partnership are you a citizen(s) of the United States? ☐ Yes ☐ No Not Applicable

7. Project description *(describe in detail)*: (a) Type of system or facility, *(e.g., canal, pipeline, road)*; (b) related structures and facilities; (c) physical specifications *(length, width, grading, etc.)*; (d) term of years needed; (e) time of year of use or operation; (f) Volume or amount of product to be transported; (g) duration and timing of construction; and (h) temporary work areas needed for construction *(Attach additional sheets, if additional space is needed.)*

Please see Attachment A.

Copy

8. Attach a map covering area and show location of project proposal USGS Topo Map - "Copper Globe, Emery County

9. State or Loc government approval: ☐ Attached ☒ Applied for ☐ Not required Submitting applications

10. Nonreturnable application fee: ☐ Attached ☐ Not required To be determined.

11. Does project cross international boundary or affect international waterways? ☐ Yes ☒ No *(If "yes," indicate on map)*

12. Give statement of your technical and financial capability to construct, operate, maintain, and terminate system for which authorization is being requested.

United States Gypsum Company has personnel on a local and a corporate level to assure that the expertise and the financing is available to construct, maintain, and terminate the access road that is being requested.

(Continued on reverse)

This form is authorized for local reproduction.

3a. Describe other reasonable alternative routes and modes considered.

Other routes explored are: 1) existing jeep trail. This route is significantly longer than proposed and would need to be upgraded & improved. All other alternatives are too expensive & not viable, including other Trust land.

Why were these alternatives not selected?

1) existing jeep trail - because it would need improvements, it makes more sense to use & improve part of this road and make new sections and disturb less area. Other alternatives would disturb more at significantly higher cost.

c. Give explanation as to why it is necessary to cross Federal Lands.

There is no other feasible access to the Gypsum reserves that are leased from the State Trust Lands. Necessary for the continuation of the USG dry-wall manufacturing plant, located in Sigurd, Utah.

4. List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency. *(Specify number, date, code, or name)*

The Kimball Draw Application for "Right of Way" access and for five-acre mine plan.

5. Provide statement of need for project, including the economic feasibility and items such as: (a) cost of proposal *(construction, operation, and maintenance)*; (b) estimated cost of next best alternative; and (c) expected public benefits.

As mention in 13c, needed to reach gypsum reserves. a) Estimated cost: -- (to be determined) -- to install road, and $10-15,000 per year to operate and maintain the road. b) Improving existing road only, would more than double the cost of the road. I-70 exit cost $9 million. c) Benefit-Plant longevity. Economic impact to area.

16. Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

Closest population in Emery would see minimal effect, however, significant effect is impacted on the Sevier county with long-term jobs for USG employees trucking companies, and many businesses. This creates more opportunities for possible expansion/growth, which could have a trickle down effect to Emery Co.

17. Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, soil, and soil stability.

a)Minimal effect to air quality - gypsum dust from blasting, handling, & hauling. b)Mininal effect on visual - location is away from both the Moore South Cut-off Road and I-70 (Mine). Road will reuse portions of existing road. c) See Attachment 2 for remaining items.

18. Describe the probable effects that the proposed project will have on (a) populations of fish, plantlife, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

There is very little wildlife and effect should be minimal. Any concerns will be addressed in the EA to be submitted later.

19. State whether any hazardous material, as defined in this paragraph, will be used, produced, transported or stored on or within the right-of-way or any of the right-of-way facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities. "Hazardous material" means any substance, pollutant or contaminant that is listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq., and its regulations. The definition of hazardous substances under CERCLA includes any "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, 42 U.S.C. 9601 et seq., and its regulations. The term hazardous materials also includes any nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. The term does not include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or designated as a hazardous substance under CERCLA Section 101(14), 42 U.S.C. 9601(14), nor does the term include natural gas.

No hazardous substances will be stored on the right-of-way but there will be explosives and fuels and lubricants that will be transported accross the access road to the mine site. It is not the intention of USG to store any of these items at the mine site, but to supply them to the site on an "as needed" basis.

20. Name all the Department(s)/Agency(ies) where this application is being filed.

Bureau of Land Management - Price office.

I HEREBY CERTIFY that I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of Applicant [signature] - Quarry/Mill Mgr. Date June 18, 2003

Title 18, U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

SUPPLEMENTAL

OTE: The responsible agency(ies) will provide additional instructions	CHECK APPROPRIATE BLOCK	
I - PRIVATE CORPORATIONS	**ATTACHED**	**FILED***
rticles of Incorporation	☐	☒
. Corporation Bylaws	☐	☒
. A certification from the State showing the corporation is in good standing and is entitled to operate within the State.	☐	☒
. Copy of resolution authorizing filing	☐	☒
The name and address of each shareholder owning 3 percent or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote and the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.	☐	☒
If application is for an oil or gas pipeline, describe any related right-of-way or temporary use permit applications, and identify previous applications.	☐	☐
. If application is for an oil and gas pipeline, identify all Federal lands by agency impacted by proposal.	☐	☐
II - PUBLIC CORPORATIONS		
Copy of law forming corporation	☐	☐
. Proof of organization	☐	☐
Copy of Bylaws	☐	☐
. Copy of resolution authorizing filing	☐	☐
. If application is for an oil or gas pipeline, provide information required by Item "I-f" and "I-g" above.	☐	☐
III - PARTNERSHIP OR OTHER UNINCORPORATED ENTITY		
rticles of association, if any	☐	☐
. If one partner is authorized to sign, resolution authorizing action is	☐	☐
. Name and address of each participant, partner, association, or other	☐	☐
. If application is for an oil or gas pipeline, provide information required by Item "I-f" and "I-g" above.	☐	☐

If the required information is already filed with the agency processing this application and is current, check block entitled "Filed." Provide the file identification information *(e.g., number, date, code, name)*. If not on file or current, attach the requested information.

NOTICE

he Privacy Act of 1974 provides that you be furnished the following information connection with information required by this application for an authorization.

UTHORITY: 16 U.S.C. 310; 5 U.S.C. 301.

RINCIPAL PURPOSE: The information is to be used to process the plication.

OUTINE USES: (1) The processing of the applicant's request for an nization. (2) Documentation for public information. (3) Transfer to opriate Federal agencies when concurrence is required prior to granting a right public lands or resources. (4)(5) Information from the record and/or the record ill be transferred to appropriate Federal, State, local or foreign agencies, when levant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is voluntary. If all the information is not provided, the application may be rejected.

DATA COLLECTION STATEMENT

The Federal agencies collect this information from applicants requesting right-of-way, permit, license, lease, or certification for the use of Federal lands.

The Federal agencies use this information to evaluate the applicant's proposal.

The public is obligated to submit this form if they wish to obtain permission to use Federal lands.

A reproducible copy of this form may be obtained from the Bureau of Land Management, Division of Lands, 1620 L Street, Rm. 204, Washington, D.C. 20036.

APPLICATION FOR TRANSPORTATION AND UTILITY SYSTEMS AND FACILITIES ON FEDERAL LANDS

GENERAL INFORMATION
ALASKA NATIONAL INTEREST LANDS

s application will be used when applying for a right-of-way, permit, nse, lease, or certificate for the use of Federal lands which lie within servation system units and National Recreation or Conservation Areas defined in the Alaska National Interest Lands Conservation Act. nservation system units include the National Park System, National ldlife Refuge System, National Wild and Scenic Rivers System, tional Trails System, National Wilderness Preservation System, and tional Forest Monuments.

nsportation and utility systems and facility uses for which the plication may be used are:

Canals, ditches, flumes, laterals, pipes, pipelines, tunnels, and other systems for the transportation of water.

Pipelines and other systems for the transportation of liquids other than water, including oil, natural gas, synthetic liquid and gaseous fuels, and any refined product produced therefrom.

Pipelines, slurry and emulsion systems, and conveyor belts for transportation of solid materials.

Systems for the transmission and distribution of electric energy.

Systems for transmission or reception of radio, television, telephone, telegraph, and other electronic signals, and other means of communications.

Improved rights-of-way for snow machines, air cushion vehicles, and all-terrain vehicles.

Roads, highways, railroads, tunnels, tramways, airports, landing strips, docks, and other systems of general transportation.

his application must be filed simultaneously with each Federal artment or agency requiring authorization to establish and operate ur proposal.

a Alaska, the following agencies will help the applicant file an pplication and identify the other agencies the applicant should contact nd possibly file with:

Department of Agriculture
Regional Forester, Forest Service (USFS)
Federal Office Building, P.O. Box 21628
Juneau, Alaska 99802-1628
Telephone: (907) 586-7847 *(or a local Forest Service Office)*

Department of the Interior
Bureau of Indian Affairs (BIA)
Juneau Area Office
9109 Mendenhall Mall Road, Suite 5, Federal Building Annex
Juneau, Alaska 99802
Telephone: (907) 586-7177

Bureau of Land Management (BLM)
222 West 7th Ave., Box 13
Anchorage, Alaska 99513-7599
Telephone: (907) 271-5477 *(or a local BLM Office)*

National Park Service (NPS)
Alaska Regional Office, 2525 Gambell St., Rm. 107
Anchorage, Alaska 99503-2892
Telephone: (907) 257-2585

U.S. Fish & Wildlife Service (FWS)
Office of the Regional Director
1011 East Tudor Road
Anchorage, Alaska 99503
Telephone: (907) 786-3346

ote-Filings with any Interior agency may be filed with any office noted above or with the: Office of the Secretary of the Interior, Regional Environmental Officer, Box 120, 1675 C Street, Anchorage, Alaska 99513.

Department of Transportation
Federal Aviation Administration
Alaska Region AAL-4, 222 West 7th Ave., Box 14
Anchorage, Alaska 99513-7587
Telephone: (907) 271-5285

NOTE - The Department of Transportation has established the above central filing point for agencies within that Department. Affected agencies are: Federal Aviation Administration (FAA), Coast Guard (USCG), Federal Highway Administration (FHWA), Federal Railroad Administration (FRA).

OTHER THAN ALASKA NATIONAL INTEREST LANDS

Use of this form is not limited to National Interest Conservation Lands of Alaska.

Individual departments/agencies may authorize the use of this form by applicants for transportation and utility systems and facilities on other Federal lands outside those areas described above.

For proposals located outside of Alaska, applications will be filed at the local agency office or at a location specified by the responsible Federal agency.

SPECIFIC INSTRUCTIONS
(items not listed are self-explanatory)

Item

7 Attach preliminary site and facility construction plans. The responsible agency will provide instructions whenever specific plans are required.

8 Generally, the map must show the section(s), township(s), and range(s) within which the project is to be located. Show the proposed location of the project on the map as accurately as possible. Some agencies require detailed survey maps. The responsible agency will provide additional instructions.

9, 10, and 12 - The responsible agency will provide additir instructions.

13 Providing information on alternate routes and modes in as much detail as possible, discussing why certain routes or modes were rejected and why it is necessary to cross Federal lands will assist the agency(ies) in processing your application and reaching a final decision. Include only reasonable alternate routes and modes as related to current technology and economics.

14 The responsible agency will provide instructions.

15 Generally, a simple statement of the purpose of the proposal will be sufficient. However, major proposals located in critical or sensitive areas may require a full analysis with additional specific information. The responsible agency will provide additional instructions.

16 through 19 - Providing this information in as much detail as possible will assist the Federal agency(ies) in processing the application and reaching a decision. When completing these items, you should use a sound judgment in furnishing relevant information. For example, if the project is not near a stream or other body of water, do not address this subject. The responsible agency will provide additional instructions.

Application must be signed by the applicant or applicant's authorized representative.

Public reporting burden for this form is estimated to vary from 30 minutes to 25 hours per response, with an average of 2 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-873), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

If additional space is needed to complete any item, please put information on a separate sheet of paper and identify it as "Continuation of Item".

Attachment A:

7. **Project Description *(describe in detail)*:**

(a) Type of system or facility: **Haulage and access road.**

(b) Related structures and facilities: **Utah State Trust Land mineral lease (ML 48909) located in NE ¼, Sec. 36, T22S, R8E in Emery County leased by United States Gypsum Company. Dry-wall manufacturing plant and quarries at Sigurd, Sevier County, Utah.**

(c) Physical specifications: **The length of the access road is 1.4 miles, extending from the Diamond K turn-off on the South Moore Cut-off Road to the North East corner of the State Trust Land in Section 36 (Please refer to the 7.5 Minute, USGS Topography Map included with this application). The road will be constructed according to Emery County and BLM requirements. A graveled, crowned, 24-foot wide running surface will be constructed to allow safe two-way traffic. A width of approximately 9 feet, either side of the running surface, will be used to construct appropriate stormwater runoff and erosion control measures and road maintenance. Dust suppression measures will be implemented during construction and operation. The proposed route was selected to minimize overall grade and limit the amount of cut and fill. Steel culverts and/or concrete low water crossings will be constructed to allow for surface flow in current drainage channels.**

(d) Term of years needed: **30 years**

(e) Time of year of use or operation: **During initial exploration and development, use will be sporadic, but as the quarry develops it is intended to conduct most mining from Spring to Fall, develop stockpiles for winter, and haul year-round from the site. During inclement weather, haulage of gypsum will be suspended to avoid unsafe driving conditions and deterioration of the access road surface.**

(f) Volume or amount of product to be transported: **It is intended to start the mining and exploration with a State Trust Lands Small Mine Plan and then depending of the exploration, development, and economics, progress to a Large Mine Plan. It is anticipated to start off with trial loads of material and haul between 5,000-10,000 tons of material. If things develop then it could range from 25,000 – 200,000 tons per year. There is also the long-term possibility of expanding the existing manufacturing plant if additional reserves were secured, which could double this amount to 400,000+ tons per year.**

(g) Duration and timing of construction: **The estimated duration of construction is 2-4 months, upon approval of the right-of-way, all other agency applications, and corporate appropriation of funding. The timing will be dependent upon the timing of these approvals; however, it would be desirable for prompt approval this year, so construction could begin in Fall 2003 or Spring 2004.**

(h) Temporary work areas needed for construction: **A staging area will be needed for equipment and materials and should be establish in the general vicinity of the existing turn-off by Diamond K's quarry.**

Attachment 2:

17. Describe likely environmental effects that the proposed project will have on:

Continued from application:

(c) Surface and ground water quality and quantity should not be impacted, there are no major bodies of water in the area and proper handling, use, and disposal of any toxic substances will be followed.

(d) No major streams or bodies of water. Natural drainage will be maintained with the installation of culverts where necessary.

(e) Existing noise levels should not change significantly from the already existing noises from the Diamond K quarry operations. The only exception will be the occasional blasting, unless the company pursues the option of a surface mining machine.

(f) Effects on the surface of the land will be minimized where possible and all surface disturbances will be re-contoured, re-seeded, and reclaimed per requirements of UDOGM. All other issues will be addressed in the EA to be submitted later.

More specific information will be submitted with the EA. Also, as this develops, if there is any changes or additional information requested, USG will communicate these things to the BLM and any other appropriate agency.