

CORPORATE OFFICE:

455 S. 4th St. – Suite 1534, Starks Bldg.
Louisville, KY 40202
(502) 584-6024
Fax (502) 587-6579



MINE OFFICE:

PO Box 1488
Paonia, CO 81428
(970) 527-4135
Fax (970) 527-2234

July 11, 2011

Mr. Kurt Barton
Bureau of Land Management
Colorado State Office
2850 Youngfield Street
Lakewood, CO 80215

Re: Application for Modification of Coal Leases C-37210 and C-61209

Dear Sir:

Bowie Resources is respectfully submitting the attached application for a modification of Federal Coal Leases C-37210 and C-61209.

Sincerely,

Arthur Etter
Mining Engineer

cc Dewey Tanner
Jim Abshire

APPLICATION FOR A LEASE MODIFICATION
Pursuant to 43 CFR, Chapter II, Part 3430, Subpart 3432

Applicant: Bowie Resources, LLC
P.O. Box 483
Paonia, CO 81428

Additional Lands Desired:

Following is the description of the additional lands desired. The proposed land will add 265 acres to Federal Coal Lease COC-61209 and 240.08 acres to Federal Coal Lease COC-37210.

Legal Description

COC-61209 Modification

Township 13 South, Range 91 West, 6th P.M.

Section 6: SENE

Section 5: SWNW, NWSW, SWSW, NESW, S/2NESENW, S/2SENW,
S/2NWSENW, SWSWNE, S/2NWSWNE, W/2NWSE

containing 265 acres more or less

COC-37210 Modification

Township 13 South, Range 92 West, 6th P.M.

Section 1: S/2NE, S/2NW, S/2 Lot 1, S/2 Lot 2, S/2 Lot 3, S/2 Lot 4

containing 240.08 acres more or less

Purpose and Need:

Bowie is mining the first of nine longwall panels west of Terror Creek. (Figure 1). The longwall panels run in a north south direction. The lease modification areas will allow four additional longwall panels to be mined. The four additional longwall panels will be oriented in an east west direction and will be located north of the active mining area. The lease modifications will increase the length of three of the four longwall panels a total of nearly 9,000 feet. Without the lease modifications, approximately 9,000 feet of longwall coal will be permanently by-passed. This amounts to approximately 3.25 million tons of bypassed coal.

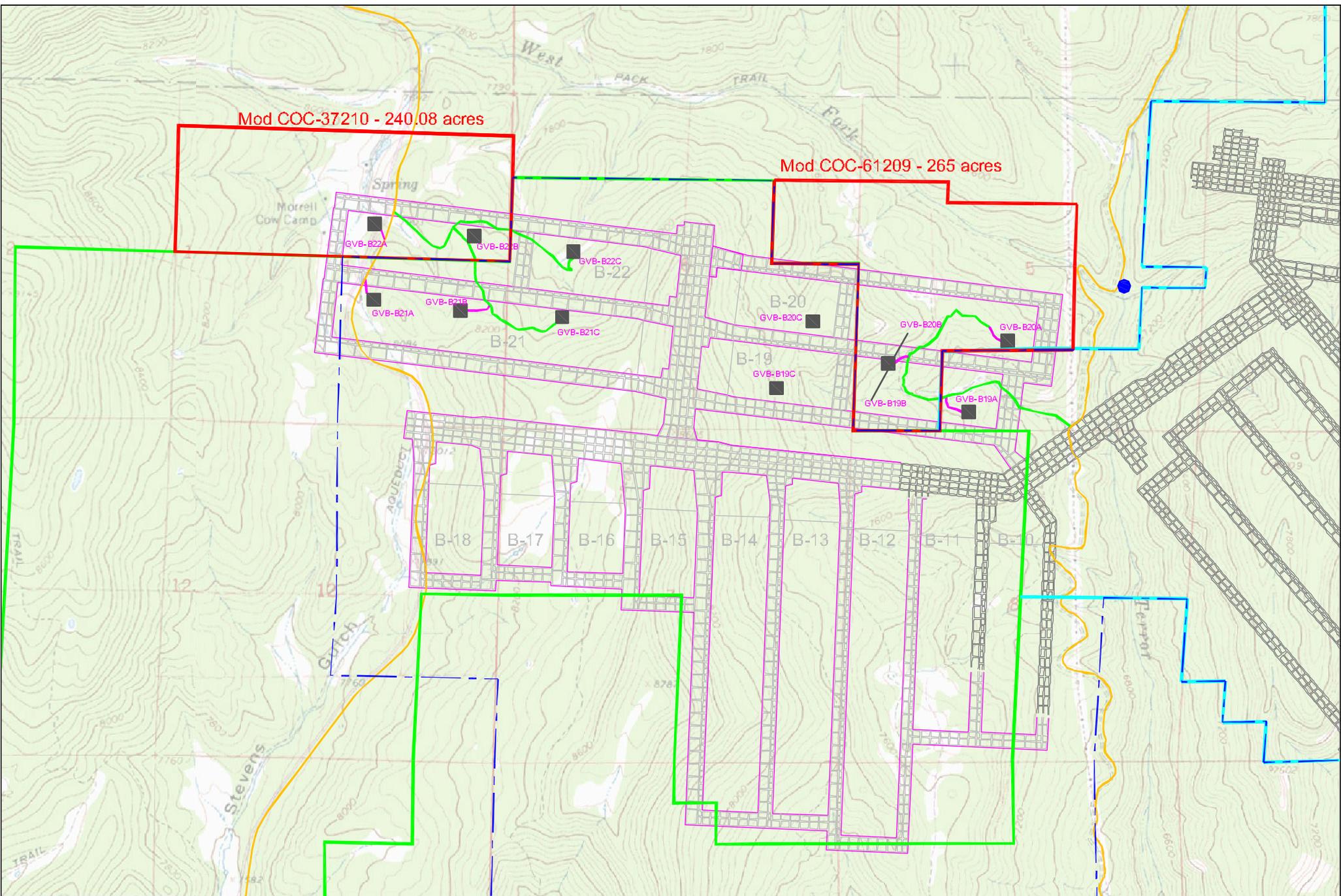
Advantages to the United States:

It is in the interest to the United States ("US") to develop its energy resources. The US is working to reduce its dependence on foreign energy. As coal production increases, electrical generation facilities that burn natural gas will be able to switch to coal and some of the new electrical generation facilities may decide to burn coal. Additionally, the royalties and severance taxes paid by the coal mining companies provide tremendous economic benefit to the US, State and local governments. Without the lease modification, approximately 9,000 feet of longwall coal will be permanently by-passed. This amounts to approximately 3.25 million tons of bypassed coal.

Bowie provides a positive economic benefit to the local communities by directly employing 315 full time staff and roughly 40 to 50 contractors and consultants. That does not include the numerous vendors and material suppliers necessary to maintain the daily operations of Bowie.

By extending the reserve base, Bowie will make additional contributions toward local public revenue generated through property taxes on the mine facilities and the coal resource, severance taxes paid to the State of Colorado, much of which could eventually be returned to local jurisdictions, and federal royalty payments, 50 percent of which are returned to Colorado for dispersal to sub-jurisdictions within the State.

Figure 1 shows the location of the proposed lease modification areas in relationship to Bowie's existing coal leases.



LEGEND

- Lease Modification
- FCL Lease 61209
- FCL Lease 37210
- DRMS Permit Boundary
- Refurbished Road
- New Roads
- Existing Roads
- Drill Pad
- Pump Location



PREPARED FOR:
BRL BOWIE RESOURCES, LLC
 BOWIE NO. 2 MINE
 P.O. BOX 483
 PADONIA, COLORADO 81428

PREPARED BY:
 J.E. STOUTER ASSOCIATES, INC.
 2565 W. 148.1, P.O. BOX 100
 STEADMAN, COLORADO 81428

PROJECT:	BOWIE RESOURCES LLC		
TITLE:	PROPOSED LEASE MODIFICATIONS		
SCALE:	1" = 2000'		
DWG ID:	C-96-083		
DRAWN BY:	J.E.S.		
DATE:	07/11/11		
FIGURE 1			