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(U-066)

DIVISION OF
OIL, GAS & MINING

Noah District
Price River Resource Area
500 North 700 East
Price, Utah 84501

Mr. Glen A. Zuehl
Vice President/General Manager
Utah Fuel Company
P. O. Box 719
Helper, Utah 84526

MAY - 6 1988

Dear Mr. Zuehl:

Your proposal for minor modification of general mining layout for Skyline No. 1, 2, and 3 Mines, submitted April 11, 1988, has been reviewed by this office. This minor modification is approved, subject to the following conditions:

1. Room and pillar or first mining should be considered in areas where coal thickness exceeds 6 feet and mining has not yet been planned or where longwall mining is not possible. For example, first mining could possibly be considered a mining method in the areas of mines No. 1 and 2 which are shaded on the enclosed maps. Other areas should be considered as appropriate. As geologic information becomes available, mining must occur to the fullest extent possible.
2. Gateroads in lower seams should be driven in the distressed zones below gob areas in upper seams. Gateroad offset maps should be submitted to this office when your study phase is completed.
3. Location and width of fire barrier pillars should be submitted when this determination is made.

We realize that this submittal is a preliminary general layout that had to be done before the development of Mine No. 1's mains progressed too far. We also realize that additional adjustments and modifications will need to be made as new information becomes available.

AMENDMENT TO
APPROVED Mining & Reclamation Plan
 Approved, Division of Oil, Gas & Mining
 by [Signature] date 5/16/88

We appreciate your company's dedication, professionalism, and willingness to cooperate in the mine planning process. If you have any questions regarding this matter, please contact Jeff Cundick of this office at 537-4584.

Sincerely yours,

MARK E. BAILEY

Area Manager

Enclosures:

- 1-Mine No. 1 Map
- 2-Mine No. 2 Map
- 3-Mine No. 3 Map

cc: MOO, Moab (U-066)
SD, Utah (U-921)
DOCK

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wang 0807D

Glen A. Zumwalt
Vice President and
General Manager



Utah Fuel Company

P. O. Box 719
Helper, Utah 84526
(801) 637-7925 or
Salt Lake (801) 566-7111

Mr. Mark Bailey, Area Manager
Bureau of Land Management
Moab District
Price River Resource Area
P.O. Drawer AB
Price, Utah 84501

Dear Mr. Bailey,

Utah Fuel Company hereby requests minor modification approval of its general mining layout for the Skyline No. 1, 2, and 3 Mines. The attached maps of each mine show projected longwall panel, mains, and room and pillar extraction layouts.

The reasons for the design change are listed as follows:

- 1) Geologic exploration data obtained during 1986 and 1987 indicate that the existing mine layout has many problem areas relating to faults and igneous dikes. The new design matches present knowledge of geologic conditions.
- 2) The new design is more favorable for multiple seam longwall mining. Panels and Mains are positioned more favorably to allow safe and optimum extraction of each coalbed where longwall mining overlaps.
- 3) The new design provides for longer and wider longwall panels which will help reduce mining costs and increase efficiency and recoverability of longwall areas.

A comparison of the effects of the new design on the recoverable reserve versus the presently approved design can be tabulated as follows:

TABLE 1:

<u>Lease No.</u>	<u>1985 G.M.O. Tons Recover. (Mill. Tons)</u>	<u>Tons Mined Since 85 GMO (Mill. Tons)</u>	<u>Present Recoverable Based on 85 GMO (Mill Tons)</u>	<u>Present Recoverable Based on New Design (Mill. Tons)</u>
U-0147570	36.38	0.09	36.29	34.93
U-044076	33.55	0.00	33.55	27.57
U-020305	14.78	0.03	14.75	19.56
U-073120	2.99	1.27	1.72	1.38
U-0142235	4.34	1.71	2.63	3.83
TOTAL	92.04	3.10	<u>88.94</u>	<u>87.27</u>

April 4, 1988

Subsidiary of
Coastal States
Energy Company

MINOR MODIFICATION TO
MINING PLAN APPROVED BY
BUREAU OF LAND MANAGEMENT

Recommended By:

Jeffrey Mendick 5/5/88
Mining Engineer (Date)

Approved By:

Mark E. Bailey 5-6-88
Area Manager (Date)

The lower recoverable tonnage (1.67 mt) of the new design is the result of no planned room and pillar mining along the western boundaries of leases U-0147570 and U-044076 in Skyline Mines 1 and 2. Present geologic knowledge indicates that faulting will likely be too severe to allow access to the western boundaries of both of these mines. Skyline Mine No. 3 may be able to cross the northern extent of the fault zone, allowing room and pillar extraction in that area in the Lower O'Connor A seam. The 1985 G.M.O. submittal assumed mining in all three seams in that area.

There appears to be no significant difference in total recoverable tonnages for the entire leasehold based on the new design; even though, on a lease by lease basis, some significant differences do occur (Table 1).

Recoverable tons based on the new design are tabulated by coal seam as follows:

TABLE 2:

<u>Lease No.</u>	<u>Upper O'Connor (Mill. Tons)</u>	<u>Lower O'Connor B (Mill. Tons)</u>	<u>Lower O'Connor A (Mill. Tons)</u>	<u>Total (Mill. Tons)</u>
U-0147570	8.40	4.95	21.58	34.93
U-044076	9.10	17.03	1.44	27.57
U-020305	9.05	4.07	6.44	19.56
U-073120	0.22	--	1.16	1.38
U-0142235	0.23	--	3.60	3.83
TOTAL	<u>27.00</u>	<u>26.06</u>	<u>34.21</u>	<u>87.27</u>

Longwall panel widths and gate locations shown on the enclosed sequence maps may vary slightly due to geologic or mining conditions. It is now planned that mains will be vertically stacked in areas where multiple seam mining will occur. Longwall gates are planned to be offset somewhat beneath the gob of overlying panels. Because degree of offset is still in the study phase, the sequence maps do not show gate offsets at this time.

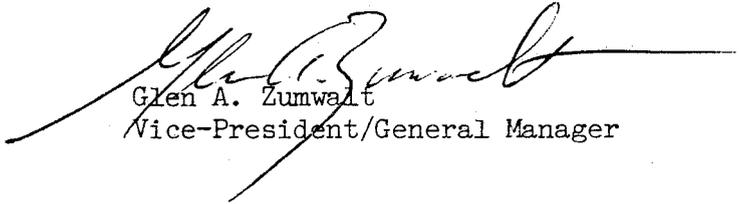
Also not included on the maps are fire barriers (approx. 200 ft. wide), which will very likely be used in longwall blocks that exceed 5 to 6 panels. Because panel width and stacking of such barriers are still under study, their exact placement has not yet been determined. During reserve calculation, however, possible fire barriers were taken into consideration.

As further exploration is conducted to refine our present geologic model, the design will likely experience further changes in coming years. Utah Fuel Company will submit additional minor modifications as new data are obtained.

BLM Letter
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We appreciate your consideration of this minor modification. If you have questions concerning this request, please feel free to contact Mark Bunnell of our office at any time.

Sincerely,



Glen A. Zumwalt
Vice-President/General Manager

GAZ:MB:lm

Attachment