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**Date:** 9/27/2004 10:53:51 AM  
**Subject:** Mine Plan Determination - Skyline Mine "Subsidence Mining in the North Lease"

Attached is OSM's final decision regarding the need for a Mining Plan Modification for the above subject. A signed copy will be sent to you in today's mail.

In accordance with the Federal regulations under 30 CFR 740.13(d), other Federal agencies that may have an interest in, or jurisdiction over, the above subject operation have also been notified of OSM's decision electronically.

No responses to this transmittal are necessary.

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**CC:** "Mitchell Rollings" <MROLLING@osmre.gov>, "Ranvir Singh" <RSINGH@osmre.gov>

UT-0003

September 27, 2004

Utah Division of Oil, Gas, & Mining  
Coal Regulatory Program  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: Canyon Fuel Company, LLC - "Skyline" Mine - Application for a Permit Revision,  
Subsidence Mining in the North Lease

Dear Sir or Madam:

This in response to the Utah Division of Oil, Gas, & Mining's (UT-DOGM) August 25, 2004, request for a decision, under 30 CFR 944.30, whether the above subject permit revision constitutes a mining plan modification.

Mining plan approvals by the Secretary of the Interior are required under the Mineral Leasing Act of 1920, 30 U.S.C. 181, *et seq.* before coal mining can occur on Federal lands. This letter serves to document OSM's determination whether or not a mining plan approval from the Secretary is required for the above permitting action.

OSM's review of the Application for a Permit Revision, Subsidence Mining in the North Lease, has determined that it proposes to initiate full coal recovery operations within Federal lease UTU-67393 at the Skyline mine, Utah State permit C/007/005.

Based on a review of the activities associated with the permit revision, and the Secretary's December 23, 2002 mining plan approval for Federal lease UTU-67393, OSM has determined that the proposal does meet the requirements of 30 CFR 746.18(d)(1) and 746.18(d)(3). Therefore, the proposed Subsidence Mining in the North Lease does constitute a mining plan action requiring Secretarial approval.

OSM's decision was based solely upon the Federal regulations under 30 CFR PART 746 and not the technical aspects of the revision application itself. Consequently, OSM's decision does not relieve UT-DOGM from coordinating the review and approval of the Application for a Permit Revision, Subsidence Mining in the North Lease with other Federal agencies for compliance with other Federal regulations.

OSM also electronically transmitted the August 25, 2004 request to the Bureau of Land Management and the U.S. Forest Service for their review and comment.

In an electronic submittal dated September 1, 2004, the U.S. Forest Service raised several concerns regarding subsidence under sections of perennial streams.

Neither agency, however, provided any comments as to whether the Application for a Permit Revision, Subsidence Mining in the North Lease constitutes a mining plan modification requiring the Secretary's approval in the thirty day time frame established by the Federal regulations under 30 CFR 944.30, Article VI. D.

Please notify the applicant of our decision on this matter.

Should you have any questions regarding this letter or approval, please contact Carl R. Johnston, Utah Federal Lands coordinator, at (303) 844-1400, extension 1500.

Sincerely,

Ranvir Singh  
Manager, Northwest Branch

cc: Denver Field Division