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United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

<http://www.blm.gov>

IN REPLY REFER TO:

3482

UTU-67939, UTU-82243
(UT-923)

JUL 26 2006

Canyon Fuel Company, LLC
c/o Ark Land Company
HC 35 Box 380
Helper, Utah 84526
Attn: Mark Bunnell

*Incoring
C/007/005*

Re: Approval of Minor Coal Exploration Plan on Federal Coal Lease UTU-67939 and Supporting Activities on Federal Exploration License UTU-82243; Carbon County, Utah

Dear Mr. Bunnell,

On December 22, 2005, BLM received a plan to conduct coal exploration on Federal Coal Lease UTU-67939, with some support activities to be conducted on Federal Exploration License UTU-82243 issued September 19, 2005. Ark Land Company, a subsidiary of Arch Coal, Inc., proposed to drill four exploration holes on lease, in Winter Quarters and Woods Canyons, to further evaluate the coal reserves in the northern portion of the lease. Primary access to the staging areas will be by Forest System roads, with access to the drill sites by foot, horse, or helicopter. Drilling would be helicopter-assisted wireline core drilling. A copy of the approved exploration plan is attached.

An Environmental Assessment (EA) was conducted for this plan, and a Finding of No Significant Impact (FONSI) / Decision Record (DR) was signed approving the plan. No issues were identified that could not be mitigated and/or stipulated. The Manti-La Sal National Forest has concurred to approval of this plan, per the requirements of 43 CFR 3482.2 (a)(1), subject to the terms and conditions (stipulations) generated through NEPA.

The BLM approves the requested exploration plan for UTU-67939, and supporting activities on UTU-82243, subject to the terms and conditions of the lease and the stipulations in the attached FONSI/DR.

ENC III:
C/0070005 *Incoring*
Refer to:
 Confidential
 Shelf
 Expandable
Date *072706* for additional information

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JUL 27 2006
DIV. OF OIL, GAS & MINING

This decision may be appealed to the Interior Board of Land Appeals (IBLA), Office of the Secretary, in accordance with the regulations contained in 43 CFR Part 4, and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

JAMES F KOHLER

James F. Kohler
Chief, Branch of Solid Minerals

Enclosure

1. Ark Land Company, Coal Exploration Plan, Federal Coal Lease UTU-67939
2. BLM FONSI/DR for EA-UT-923-06-005
3. Form 1842-1

cc: District Ranger, Ferron/Price Ranger District, Manti-La Sal National Forest
Forest Supervisor, Manti-La Sal National Forest
Director of Mining, Utah Division of Oil Gas and Mining
Field Office Manager, Price Field Office

Exploration Plan Approval UTU-67939 GH-SA