



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

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.

File in:

Confidential

Shelf

Expandable

Refer to Record No. 0061

Date 07272006

In C 0070005

For additional information

Summing

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

BLN - 01 - 950

2005 DEC 22 11:09:25

H 2



Ark Land Company
c/o Canyon Fuel Co., LLC
Skyline Mines
HC35Box 380
Helper, Utah 84526
435-448-2633

Dec. 15, 2005

Mr. James Kohler
Bureau of Land Management
Utah State Office
PO Box 45155
Salt Lake City, Utah 84145-0155

Re: Application for Coal Exploration Plan Approval, Four Exploration Boreholes,
Federal Lease UTU-67939

Dear Jim:

Ark Land Company, a subsidiary of Arch Coal, Inc. is submitting this application for coal exploration plan approval for four exploration boreholes to be drilled on Federal Lease UTU-67939 pursuant to 43 CFR 3482. The proposed exploration boreholes are located in Winter Quarters and Woods Canyons north of Arch Coal's Skyline Mine facility in Carbon County, Utah. Approval is sought to conduct coal exploration drilling and reclamation activities during the summer of 2006.

Five copies of the exploration plan that meet the requirements of 43 CFR 3482.1(a) are included.

Sincerely,

Mark Bunnell
Geologist
Attach.

2006-07-01
2006-07-01 09:25

**COAL EXPLORATION PLAN
2006
FOUR EXPLORATION BOREHOLES
FEDERAL COAL LEASE UTU-67939
WINTER QUARTERS CANYON
Carbon County, Utah
Manti-La Sal National Forest**

**Exploration Plan
Dec. 2005**

**ARK LAND COMPANY
A Subsidiary of Arch Coal Inc.**

Introduction

Ark Land Company (a subsidiary of Arch Coal Inc.) is submitting this Exploration Plan on behalf of Canyon Fuel Company, LLC, Skyline Mine to the United States Bureau of Land Management (BLM) as required in 43 CFR 3482 in order to obtain approval to conduct coal exploration and reclamation activities during the summer of 2006. The type of exploration proposed is helicopter-assisted wireline core drilling. Four drill holes are proposed for drilling in coal managed by the BLM with surface management by the U.S. Department of Agriculture Forest Service on coal lease UTU-67939. Map 1 shows the location of the exploration areas.

The plan is formatted to address the specific requirements of 30 CFR Chapter VII Subchapters G and K and 43 CFR 3482, and, where applicable, those of the United States Forest Service (USFS), and the Utah Department of Oil, Gas and Mining (UDOGM). The U. S. Forest Service exploration stipulations are addressed in Appendix B. Requirements of the Utah Department of Oil, Gas and Mining (UDOGM) relative to the on-lease exploration plan are addressed in Appendix C.

**COAL EXPLORATION PLAN
FEDERAL COAL LEASE
UTU-67939**

43 CFR 3482

3482.1(a)(1) This exploration plan is submitted to the authorized officer to obtain approval to conduct exploration and reclamation activities. The exploration activities proposed are not considered casual use because some heavy equipment will be employed and minor surface disturbance will occur.

3482.1(a)(2) Five copies of this exploration plan are delivered to the authorized officer. This exploration plan honors the BLM and USFS conditions of the federal coal leases involved including protection of the coal resources and reclamation of the disturbed surface. Reclamation is an integral part of the exploration activities and will progress as contemporaneously as practical with the other exploration activities.

3482.1(a)(3)(i) The name, address and telephone number of the applicant are:

Ark Land Company
C/o Skyline Mines
HC 35 Box 380
Helper, Utah 84526 (work) 435 448-2633

The applicant is the same as the operator of the proposed exploration plan. Correspondence regarding this exploration plan should be addressed to:

Mark Bunnell
Ark Land Company
C/o Skyline Mines
HC 35 Box 380
Helper, Utah 84526 (work) 435 448-2633

The lessee of record is:

Canyon Fuel Company
225 N. 5th Str., Suite 900
Grand Junction, CO 81501
(970) 263-5130

3482.1(a)(3)(iii) The name, address and telephone number of the representative of the applicant who will be present during and be responsible for conducting the exploration is:

Mark Bunnell
Ark Land Company
C/o Skyline Mines
HC 35 Box 380
Helper, Utah 84526
(work) 435-448-2633 (home) 435-637-6690

At times a consulting geologist may act as representative of the applicant. The BLM, USFS and UDOGM will be notified of the consulting geologist's name and address if one is used.

3482.1(a)(3)(iii) The exploration area is generally located in east-central Utah 3 miles southwest of Scofield. Map 1 gives the location of drill sites and access routes. The drill sites are located on federal coal lease UTU-67939. The project is planned as a helicopter assisted drilling program. It will be conducted concurrently with drillholes G-05 through J-05 (Federal Exploration License U-82243). The only heavy equipment to be utilized will be a water truck and storage tanks to supply drill water located along existing roads on Trough Springs Ridge and Winter Quarters Rigde (Map 1); and possibly a road grader and gravel trucks as needed for maintenance of Forest Service access roads. Heavy Equipment access to the exploration area will generally be via Utah State Highway 264 and Forest Development Roads FDR 50221 and 53137 which traverse federal coal lease UTU-67939 on the Manti-La Sal National Forest. As required by the U.S. Forest Service, Ark Land Company will apply for a Special-Use Application (Form 2700-3) for drill sites and water tank/staging areas. Necessary road use permits will also be obtained prior to drilling.

No new access construction will be required since the sites will be helicopter assisted. Potential helicopter flight lines are shown on Map 2.

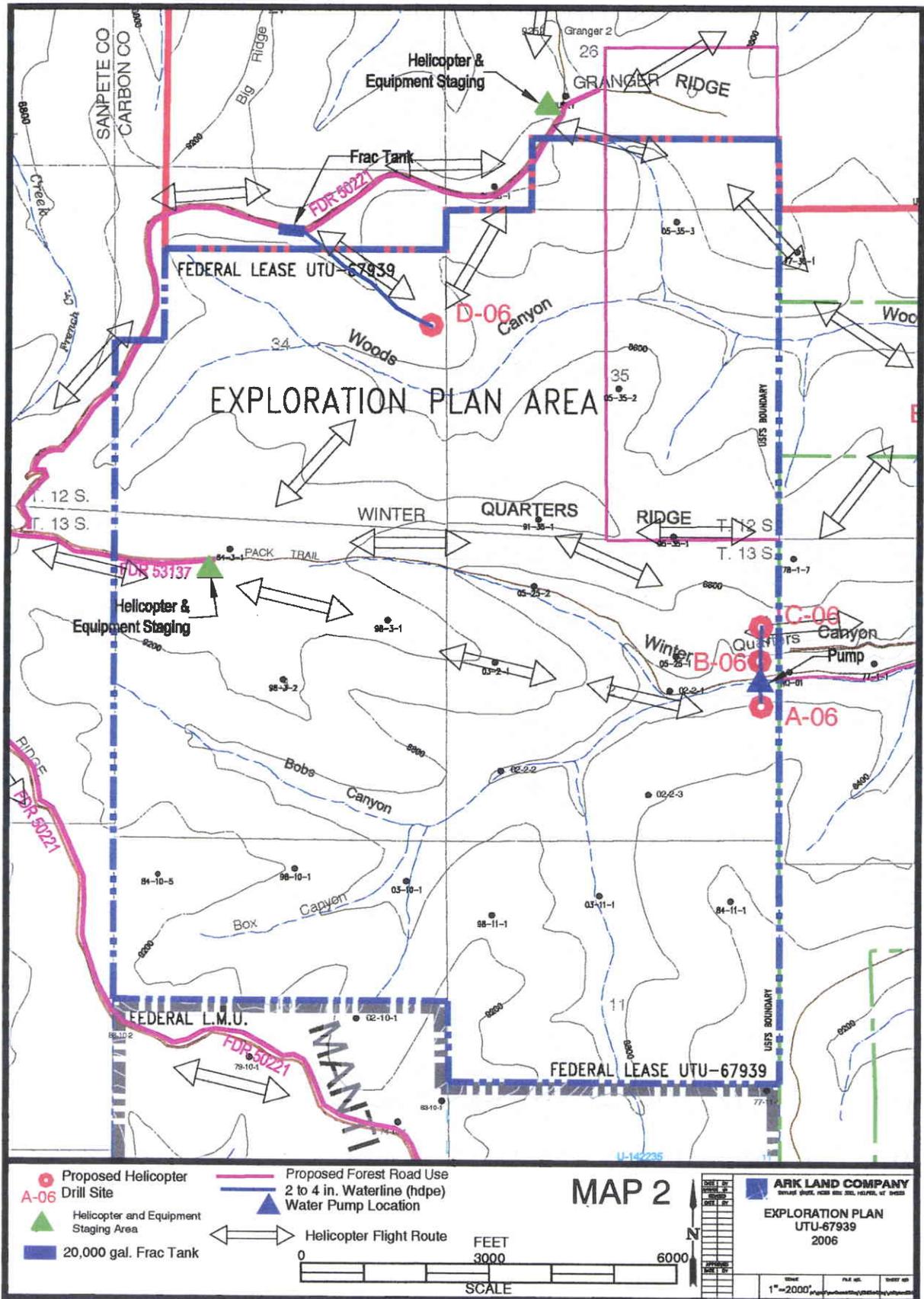
The proposed exploration area is located in or near tributary canyons to Winter Quarters Canyon (Map 1). The area lies within the Wasatch Plateau physiographic province. Winter Quarters Canyon drains eastward into Mud Creek near the town of Scofield. Topography in the area is mountainous with narrow ridges and deep canyons. Elevation ranges from approximately 9300 ft. to 8300 ft.

The exploration area is underlain by sedimentary rocks of late Cretaceous age. Two formations crop out in the area including the coal-bearing Blackhawk Formation and the overlying Price River Formation. At least two potentially mineable coal seams occur in the area including the Lower O'Connor A seam and the Flat Canyon (also called Woods Canyon) seam.

Strata in the area dip uniformly from 2 to 8 degrees west-northwest. Several faults have been identified in the area. A number of igneous dike zones are also projected in the exploration area.

Ark Land plans to wireline core drill through projected mineable coal horizons to at least 10 feet beneath the Flat Canyon seam. No water monitor wells are planned.

Vegetation in the exploration area occurs in the Mountain Brush and White Fir/Spruce plant communities. Winter Quarters Creek supports game fish. The exploration area is important habitat for raptors, elk, mule deer, cougar, bobcat, black bear, and small mammals. The area is habitat for a limited number of reptiles and amphibians.



Threatened and endangered species in the exploration area include Bald Eagles, Northern Goshawk, and Northern Three-toed Woodpecker. Exploration and reclamation activities will not occur during breeding and nesting periods nor within one half mile of known breeding and nesting areas unless otherwise approved. Bald Eagles may occasionally pass through the area during their winter migration. The Northern goshawk is a listed sensitive species that occurs in the project area. The goshawk has been observed during ground surveys, and two nests have been identified within the lease area in the past. During the 2002 summer drilling season, one active Northern goshawk nest was identified and a "no-fly zone" was identified. If that nest is active again during the 2006 drilling season, flight lines will be altered to honor the no-fly zone. No Northern Three-toed Woodpeckers have been observed during surveys. No other threatened or endangered or sensitive species of wildlife are present.

The Winter Quarters Lease EA (July 1995) states that "No known threatened, endangered, or sensitive plant species are known to occur on the proposed lease tract"; more specifically, there are no documented occurrences of threatened or endangered plant species in the area.

There are no known districts, sites, buildings, structures, or objects listed on, or eligible for listing on, the National Register of Historic Places in the proposed exploration area. There are known archeological resources located in the proposed exploration area but none are close to the proposed drill hole sites.

3482.1(a)(3)(iv)(A) The general method to be followed during drill hole exploration, reclamation and abandonment is: 1) transport drilling equipment into each site via helicopter, 2) set water tank on ridge above drill sites (map 1), 3) run 1 to 4 inch hdpe pipe from tank locations to each drill site using horses and/or helicopter assistance (map 1), 4) drill, log and plug each exploration drill hole, 3) remove drilling equipment via helicopter and reclaim the drill sites. No blasting will be done for road building or repair.

Drilling will be conducted by a contractor experienced in helicopter supported drilling. The drill is a diesel powered core rig mounted on skids. Drilling will utilize water and, as necessary, a biodegradable polymer drilling mud. The following support equipment will be required:

- 6 pickup trucks: stationed at staging area (normally not left overnight)
- 2 flatbed Fifthwheel-trailers for mobilization/de-mobilization of the drill rig
- 1 Lama (or equivalent) helicopter and support truck w/fuel trailer (daylight)
- 1 Doghouse trailer

The drill rig components and associated materials, tools and equipment will be transported by truck to the helicopter staging area indicated on Map 2. Tools and materials necessary for site preparation will be transported to the drill site by helicopter and/or horseback. Site preparation will include removal of dead-fall and brush as

necessary. Minor digging, using hand tools, may be necessary at some locations to achieve effective placement of leveling support materials (wood blocks, etc). Brattice, pit liner, or other similar material will be placed on the ground beneath the drill rig. The rig will be transported to the site by helicopter in several "lifts". The drill rig components will then be assembled at the drill site, the drill rig leveled and other necessary materials will be flown into the site.

A 1 to 4 inch diameter hdpe pipe will be run from the water tanks located as shown on Map 2 to each of the drill sites. This pipe will be fused at the staging area and dragged downhill to each site by hand, horseback and/or helicopter support. No clearing of vegetation will be necessary for placement of pipe.

During the drilling operation, water and drilling fluid will be recirculated to the extent possible. Any returned cuttings and other materials will be captured in a container at the drill site. Cuttings and unneeded drill core will be transported via helicopter to Skyline Mine's permitted waste rock site east of Scofield town (Map 1). Containment of possible fluid spills will be achieved by the use of brattice cloth or pit liner material, silt fence, and, if necessary, earthen berms. If spills occur, all affected materials will be removed from the site and disposed of at an approved location. If soil is removed during spill containment and cleanup, the site of the removal will be recontoured and seeded with the approved seed mixture.

Fuel and/or lubricating oil containers not stored in a truck will be placed on brattice, pit liner, or other acceptable ground cover at a site away from drainage channels and surrounded by pit liner, brattice, silt fence, earthen berm, or other acceptable containment structure. If spills occur, cleanup will be conducted as stated above.

Repair of Forest Development Roads may include hauling gravel to fill rough areas on the road as well as grading rutted areas with a grader. Drill site preparation and reclamation will be done with hand tools. Drill crews will access the drill sites from the staging locations on Winter Quarters or Granger Ridge (maps 1 & 2). To speed the drilling process and maximize helicopter efficiency, up to three sets of helicopter-portable rigs and crews may be utilized.

Core drilling will involve one to three helicopter portable skid-mounted wireline core drills; any necessary helicopter-portable drilling support equipment such as water tanks, pump, generator, etc; one 1500 gallon water truck to supply 2 frac tanks, one to two supply trailers at equipment staging areas; up to six pick-up trucks (parked at equipment/water tank staging areas, Map 2); helicopter-portable geophysical logging equipment; and one covered trailer (at equipment/water tank staging area, Map 2). The drilling procedure for the exploration holes will be to continuously core to total depth. Surface casing will be set in each hole as needed. Water will be hauled to the ridgetop water tanks from the Skyline Minesite. The company representative and geological consultant(s) will access the drill sites by helicopter, horseback, or on foot.

3482.1(a)(3)(iv)(B) Earth excavation for the drill sites will be minimal using hand tools only. Some minor leveling for placement of wood crib blocking for leveling of drill may be required. Minor amounts of topsoil that may be removed will be stored and replaced upon completion of drilling. No mud pits will be excavated. Portable mudtanks will be utilized. Cuttings will be stored and hauled away to the Skyline Mine waste rock site by helicopter upon completion of drilling.

3482.1(a)(3)(iv)(C) The exploration drill holes will be plugged with a cement or cement/bentonite slurry to their full depth. The completion method includes pulling surface casing when possible; but when not possible, cutting it flush with the ground; pumping the cement/bentonite slurry through the drill pipe starting at the bottom of the hole. Plugging will then be done in stages by tripping-out of the hole 3-4 joints (60-80 ft) and pumping again. This process will be repeated to the surface. A brass identification tag will be placed in the concrete at the top of the drill hole stating the operator's name, drill hole number and legal description. The plugged hole will be flush with the ground surface.

3482.1(a)(3)(iv)(D) All the drill holes will be nominal 3 3/16 inches in diameter. The estimated depths of the proposed drill holes and other drill hole information is given in the following table. Drill site acreage is estimated for a 8 ft X 12 ft pad.

<u>Drill Hole</u>	<u>Location</u>	<u>Total Depth</u> (ft)	<u>Drill Site Acreage</u>		
			<u>Drill Site</u>	<u>Access Route</u>	<u>Total</u>
A-06	NE, SE, 2, 13S, 6E	800	0.002		0.002
B-06	SE, NE, 2, 13S, 6E	800	0.002		0.002
C-06	SE, NE, 2, 13S, 6E	900	0.002		0.002
D-06	SE, NE, 34, 12S, 6E	1,500	0.002		0.002
	Total	4,000	0.008		0.008

3482.1(a)(3)(iv)(E) None of the holes are planned to be installed as water monitor wells.

3482.1(a)(3)(v) A time table for all exploration related activities is given below. It is anticipated that exploration activities will start as early as mid-June 2006. The only coal removed during exploration activities will be cores. Cores will be two inches in diameter. Assuming an average thickness of 9 ft for 3 coal seams per hole, less than 200 pounds of coal will be removed.

EVENT	WEEK											
	1	2	3	4	5	6	7	8	9	10	11	12
Set pumps, frac tanks and Run water lines to sites												
Core Drilling												
Reclaim drill sites and Remove water lines												

3482.1(a)(3)(vii) The measures to be used during exploration activities to comply with the performance standards of 43 CFR 3484.1(a) are given in Appendix A; those of the surface management agency (USFS) are given in Appendix B; and those of the approved state program (UDOGM) are given in Appendix C.

3482.1(a)(3)(viii) Map 1 is a general location map of the exploration area. This map shows existing roads, proposed access routes and drill hole locations, federal coal lease boundaries, existing bodies of surface water and topographic and drainage features. There are no occupied dwellings or pipelines located in the exploration area. No trenches will be dug, no structures constructed, and no debris disposed of in the exploration area. Projected helicopter flight lines are shown on Map 2.

3482.1(a)(3)(ix) The owner of record of the surface land is the United States and is administered by the United States Forest Service, Manti-La Sal National Forest.

3482.1(a)(3)(x) At this time the authorized officer has not asked for additional data.

APPENDIX A

43 CFR 3484

3484.1(a)(1) The standards of the rules of this part are given in the following sections of this Appendix A.

3484.1(a)(2) The lands on which exploration activities will occur are not valuable nor prospectively valuable for oil, gas, or geothermal resources. The drill holes proposed will not be drilled to depths or formations where oil, gas, or geothermal resources have been encountered in this area or could be encountered.

3484.1(a)(3) All drill holes will be plugged as previously described in the reply to section 3482.1(a)(3)(iv)(C). The BLM will be notified of when plugging will begin. Water pollution potential will be minimized by keeping pollutants in their containers and away from the drill hole. Materials used during drilling operations will be selected to be as non-polluting as possible. All spills of polluting materials will be removed from the area and properly disposed of.

No mixing of surface and ground waters will occur due to abandonment by plugging.

Mud tanks, when used, will be constructed to hold all drilling fluids and cuttings. If cuttings are removed from the tank for temporary storage, they will be placed on pit liner material to prevent contact with soils. Portable containers will be used for any drilling fluids. All cuttings will be hauled off U.S. Forest Service land and disposed of properly.

3484.1(a)(4) Canyon Fuel Company will retain all drill and geophysical logs for at least one year and will make them available for inspection and analysis by the authorized officer. All drill cores through critical coal zones will be retained for at least one year.

3484.1(a)(5) None of the four holes are planned to be completed as water monitor wells due to small hole diameter and limited rig capacity.

APPENDIX C

The proposed exploration plan qualifies as minor exploration as described in State of Utah Coal Mining Rules R645 section R645-200-122.

R645-201-221 to 225 Applicable parts of these stipulations were addressed in previous portions of this exploration plan.

R645-201-310 to 323.300 Requirements of these sections were addressed in previous portions of this exploration plan.

R645-201-323.400 The requirements of R645-202 will be met as follows -
R645-202-100 This was addressed in a previous portion of this exploration plan.

R645-202-231 This was addressed in a previous portion of this exploration plan.

R645-202-232 No roads or other transportation facilities will be constructed. The regulations cited in this section are not applicable to this exploration plan because this is a helicopter drilling program.

R645-202-233 This was addressed in a previous portion of this exploration plan. During reclamation, any hand grubbed material will be distributed over the areas from which it was removed to enhance germination. Any topsoil that is removed for leveling purposes will be contained within silt fence.

R645-202-234 There will be no diversion of overland flows.

R645-202-235 The drill holes will be plugged which will be to preclude cross-connection. Impoundments will not be constructed.

R645-202-236 It is not anticipated that acid- or toxic-forming materials will be encountered during exploration because none have been encountered previously. Core samples taken from the 10 ft. interval above and below each minable coal seam will be analyzed for acid/toxic forming materials.

R645-202-241 This was addressed in a previous portion of this exploration plan.

R645-202-242 The method of revegetation described in a previous portion of this exploration plan is intended to encourage prompt revegetation and recovery of a diverse, effective, and permanent vegetative cover. The seed mix to be used is as follows (same mix approved in 2005):

Seed Mix

		Pounds PLS/acre
Western Wheatgrass	Elymus smithii	2
Basin Wild Rye	Elymus cinereus	1
Intermediate Wheatgrass	Elymus hispidus	2
"Paiute" Orchardgrass	Dactylis glomeratus	2
Slender Wheatgrass	Elymus trachycaulum	2
Mountain Brome	Bromus carinatus	2
Perennial Ryegrass	Lolium perenne	1
Yellow Sweet Clover	Melilotus officianlis	1
"Rambler" Alfalfa	Medicago sativa	1
Lewis Flax	Linum lewisii	0.50
Small Burnet	Sanguisorbia minor	1

Prior to any seeding, the USFS will be consulted to ensure proper seed mixture.

The pure live seed (PLS) rating will be 99% containing a maximum of 1% weed none of which is noxious and only seed meeting the State Seed Act will be used. Certification tags will be retained by the permittee.

The vegetative cover resulting from this seed mix is considered capable of stabilizing the soil surface from erosion.

R645-202-243 This is addressed in a previous portion of this exploration plan.

R645-202-244 This is addressed in a previous portion of this exploration plan.

R645-201-323.500 This was addressed in a previous portion of this exploration plan.

**FINDING OF NO SIGNIFICANT IMPACT
AND
DECISION RECORD**

**Application for Coal Exploration Plan Approval on Federal Coal Lease UTU-67939;
Winter Quarters and Woods Canyons Area**

EA No. UT-923-06-005

Finding of No Significant Impact:

Based on the analysis of the proposed action (Alternative A) and the potential environmental impacts analyzed in the attached environmental assessment (EA), I have determined that the proposed action would have no significant impacts on the human environment. An environmental impact statement is therefore not required.

Significance, per 40 CFR 1508.27 (Ten Significance Criteria), defines and requires consideration of both context and intensity. Context means the significance of the proposed action must be analyzed in several contexts such as the affected region, interests, and locality. Intensity refers to the severity of the impacts disclosed in the analysis.

Context: Coal mining and related activities have been intensive and common on the Wasatch Plateau since the late 1800s. Local mining and exploration activities approved for the Skyline Mine have been ongoing since the issuance of Federal leases starting in the early 1960's. Drilling in advance of leasing and mining is common practice, and could result in drilling annually during the duration of the mine. The most recent drilling activities in the proposed action area were conducted in 2005 on Federal Coal Lease UTU-67939 and on Federal Exploration License UTU-82243. Four drill holes would be completed on UTU-67939 this year. Less than one acre would be affected. Four drill holes not completed on UTU-82243 in 2005 are approved to be completed this year. The total cumulative disturbance would be less than two acres. County and city governments and local residents are accustomed to these activities and their environmental, social, and economic effects. The potential environmental effects of drilling on affected surface resources are very localized. The proposed action would allow reserves held by lease to be evaluated, and mining planned to maximize coal recovery. Minimal economic changes may be noticed in Carbon and neighboring Sanpete counties, however, indirect economic effects would be distributed elsewhere as a function of sale and transport of the coal recovered and generated electrical power. The duration is very short-term, less than three months (twelve weeks), compared to more than 100 years of history of contemporary human activities in the area. In context, this action, to approve the exploration plan on Federal Coal Lease UTU-67939, is not significant.

Intensity: Intensity is evaluated by comparing and contrasting the following ten criteria (**in bold**) from 40 CFR 1508.27 with the issues and effects disclosed in the EA and reports/survey documents in the project file.

1. "Impacts that may be both beneficial and adverse. A significant effect may exist even if the Federal agency believes that on balance the effect will be beneficial."

The proposed action would create an important beneficial impact, that is, enabling Ark Land/Canyon Fuel to obtain additional coal characteristic data for the coal in the northern portion of the lease, Skyline Mine, and support the Maximum Economic Recovery (MER) requirements of the operator under lease. The data could also be used to potentially support a Federal Lease by Application (LBA), should the coal resources prove viable to the north (exploration on UTU-82243), and Canyon Fuel Company elect to submit one per the requirements of 43 CFR 3435. There would be no significant impacts on non-mineral resources. Neither the beneficial nor negative impacts are extraordinary. The impacts and benefits are typical and reasonable for coal exploration and associated activity on the Wasatch Plateau.

2. "The degree to which the proposed action affects public health or safety."

Stipulations are used to protect water resources, outline fire prevention precautions and fire fighting capabilities, and to ensure that all waste is contained and disposed of within authorized areas. Collectively, these stipulations would minimize potential risk to human health and safety.

3. "Unique characteristics of the geographical area such as proximity to historical or cultural resources, park lands, or prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas."

No significant historical or cultural resources are located in the proposed action area. There are no designated parks or park lands. Prime or unique farmland does not occur. Disturbed and impacted areas associated with the proposed action would not be located within or adjacent to designated floodplains, eligible or designated wild or scenic rivers, or ecologically critical areas.

4. "The degree to which the effects on the quality of the human environment are likely to be highly controversial."

Past history using heli-portable drilling rigs, with no access construction, minimal vehicle ingress and egress, limited personnel on site, and minimal surface disturbance, has not resulted in significant impacts to the human environment, the non-coal resources within the area, and have not raised any highly controversial issues. Past public involvement has raised no such issues. Effects are well known from previous, similar activities.

5. "The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks."

Coal exploration and mining have been a common and important element of the local economy and culture since the late 1800s. The impacts of such on the Forest Service (FS) lands have been observed and monitored for many years, and the possible effects and risks are well understood. Enhanced understanding of the local ecosystems and selection of the alternative to maximize environmental protection ensures that the human environment would not be effected by unique or unknown risks.

6. "The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration."

The Manti-La Sal Land and Resource Management Plan (LRMP), as amended, made the area available for further consideration for coal leasing, and made findings relative to unsuitability criteria. Coal exploration for evaluation of coal resources to support mining on Federal coal leases, or to facilitate leasing of specific tracts, is authorized on a case-by-case basis, and environmental analyses are completed based on site-specific information. Coal exploration has been and is being performed in this area, and under this plan is not precedent-setting. It is allowed under the lease. Though considered, this action would not influence future decisions associated with leasing of Federal coal and surface management of resources by the FS.

7. "Whether the action is related to other actions with individually insignificant but cumulatively significant impacts. Significance exists if it is reasonable to anticipate a cumulatively significant impact on the environment. Significance cannot be avoided by terming an action temporary or by breaking it down into small component parts."

While the proposed action would take place independent of any other action, it would be implemented concurrent with the exploration approved to continue on the UTU-82243 to the north.

No LBA has been received in this area to date, and no other (known) reasonably foreseeable actions are pending or proposed.

Cumulative impacts were assessed and they were determined to be minimal.

8. "The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historic resources."

No known structures, objects, or other resources, on or adjacent to the lease tract are listed or are eligible for the National Register of Historic Places. No significant heritage resources would be affected by the proposed action. A coal lease stipulation, and plan

stipulation below, provides a measure to protect heritage resources in case they are unexpectedly encountered.

9. "The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973."

The Biological Evaluation/Biological Assessment completed for the exploration on this lease in 2005 essentially has a "no effect" determination. Because of the "no effect" determination, consultation with the U.S. Fish and Wildlife Service is not required.

The EA conducted for the lease (July 1995) states that "No known threatened or endangered, or sensitive plant species are known to occur on the proposed lease tract (UTU-67939)"

10. "Whether the action threatens a violation of Federal, State, or local law or requirements imposed for the protection of the environment."

The analysis did not identify any adverse effects that threaten a violation of Federal, State or local laws designed to protect the environment.

Decision:

It is my decision to grant approval to Ark Land/Canyon Fuel's exploration plan on Federal Coal Lease UTU-67939, as described in the proposed action (Alternative A) of EA-UT-923-06-005. Ark Land, a subsidiary of Arch Coal, Inc., on behalf of Canyon Fuel, Skyline Mine, would drill according to the approved exploration plan analyzed as the "proposed action". The plan would be conducted on lease to evaluate subsurface coal resources administered by the BLM Utah State Office. Surface access and drilling would be conducted on National Forest System lands, administered and managed by the Manti-La Sal National Forest.

I have determined that granting approval to conduct this exploration plan is in the public interest. This decision is contingent upon meeting all stipulations and monitoring requirements listed below. An appeal of this decision can be filed in accordance with the regulations continued in 43 CFR Part 4.

Stipulations / Monitoring: Operations would be conducted under the authority of Federal Coal Lease UTU-67939 and its terms and conditions (stipulations), as issued by the BLM. The BLM is the Authorized Officer (AO) with regards to this action. The USFS Manti-La Sal National Forest (FS) is responsible for any approvals not authorized by this decision. In emergency situations where the operator's activity is likely to imminently endanger public health or safety, life, or property, or to cause irreparable damage to

resources, the FS may issue an emergency order to correct the situation. If this should happen, the FS will immediately notify the appropriate BLM office, at which time the BLM will exercise its jurisdiction over the operator's activities within the lease. If there is an emergency, both agencies will coordinate the implementation of corrective actions. The following stipulations (developed through consultation with the FS) and monitoring requirements apply to this project:

1. A pre-work meeting including the responsible company representative(s), contractors, the Bureau of Land Management (BLM), Utah Department of Oil Gas and Mining (DOGMA), and the Manti-La Sal National Forest (FS) shall be conducted at the project location prior to commencement of operations. Site-specific FS requirements will be discussed at this time.
2. A Road Use Permit shall be obtained from the FS before equipment is transported onto National Forest System lands.
3. All surface disturbing activities including reclamation shall be supervised by a responsible representative of the lessee who is aware of the terms and conditions of the lease and stipulations of the plan. A copy of the appropriate permits/approvals must be available for review at the project site at all times during operation.
4. The Authorized Officer shall be notified 48 hours in advance that equipment will be moved onto National Forest System lands and that surface disturbing activities will commence.
5. The Authorized Officer shall be notified of any proposed alterations to the plan of operations, and the alterations approved prior to commencement.
6. Fire suppression equipment shall be available to all personnel working at the project site. Equipment shall include at least one hand tool per crew member consisting of shovels and pulaskis and one properly rated fire extinguisher per vehicle and/or internal combustion engine.
7. All gasoline, diesel, and steam-powered equipment shall be equipped with effective spark arrestors or mufflers. Spark arrestors must shall FS specifications discussed in the "General Purpose and Locomotive (GP/L) Spark Arrester Guide, Volume 1, April, 1988"; and "Multi-position Small Engine (MSE) Spark Arrester Guide, April, 1989". In addition, all electrical equipment must be properly insulated to prevent sparks.
8. The lessee will be held responsible for damage and suppression costs for fires started as a result of operations. Fires shall be reported to the FS or BLM Fire Center as soon as possible.
9. Operations may be suspended during periods of high fire potential.

10. Water needed in support of operations must be properly and legally obtained according to Utah State water laws.
11. Unauthorized off-road motorized travel, other than along the approved access routes, is prohibited. Travel shall be in accordance with the Manti LaSal National Forest travel plan and terms and conditions of the Road Use Permit.
12. Section corners or other survey markers, including claim corners, in the project area must be located and flagged for preservation prior to commencement of surface disturbing activities. The removal, displacement, or disturbance of markers must be approved by the proper authority. Replacement will be done by the proper authority at the expense of the lessee.
13. If cultural or paleontological resources are discovered during operations, all operations which may result in disturbance to the resources must cease and the Authorized Officer notified of the discovery.
14. Gates must be closed after entry unless otherwise specified.
15. The lessee will be held responsible for all damage to fences, cattleguards, resource improvements, roads, and other structures on National Forest System lands which result from their operations. The Authorized Officer must be notified of damages as soon as possible.
16. Operations must be coordinated with grazing permittees to prevent conflicts.
17. Harrassment of wildlife and livestock is prohibited.
18. Motorized equipment (drills, pumps, fuel tanks etc) shall have brattice cloth or other impermeable material placed on the ground and vegetation prior to equipment placement needed for drilling operations.
19. All drilling fluids, mud and cuttings shall must be contained on the project site in portable containers until removal and disposal at an authorized site.
20. During drilling operations all trash, garbage and other refuse shall be properly contained on the project site prior to disposal at authorized sites.
21. All significant water encountered during drilling shall be reported to the Authorized Officer, including the depth and formation at which it was encountered, and an estimate of the flow.
22. If any of the drill holes encounter artesian groundwater flow, the Authorized Officer shall be notified prior to plugging the hole. The operator may be required to establish a permanent water development at the site.

23. All drill holes shall be plugged in accordance with Federal and State regulations.
24. The lessee shall clean up and remove all drilling equipment, trash, garbage, flagging, vehicles and other such materials from National Forest System lands when drilling operations are completed.
25. Disturbed areas shall be reclaimed and reseeded upon removal of equipment. Contaminated soil and gravel must be stripped and removed off National Forest System lands prior to site reclamation.
26. Drill rigs and heavy equipment (not including water trucks) must not be transported in or out of the project area during the opening weekend of the general elk hunt nor during the opening weekend of the general deer hunt and during holiday weekends. Water trucks must be preceded by a pilot vehicle when hauling water for the project during the above noted periods.
27. Upon completion of the project, compacted soils (drill sites and staging areas) shall be scarified and seeded with the specified seed mix.
28. Reclamation efforts will be diligently pursued to insure that a minimum ground cover is established on all disturbed areas which is equal to or greater than the surrounding undisturbed areas. Revegetation will be considered successful when 90% of the predisturbance ground cover is re-established over the entire disturbed area, with no noxious weeds. Adjacent undisturbed areas will be used as a basis for comparison of ground cover. Of the vegetative ground cover, at least 90% must consist of seeded or other desirable species. The 90% of pre-disturbance ground cover must be maintained for three years.
29. The seed mix, in pounds of live seed (PLS) per acre, to be used for reclamation will be as follows:

		<u>Pounds</u>
Western Wheatgrass	Elymus smithii	2
Basin Wild Rye	Elymus cinereus	1
Intermediate Wheatgrass	Elymus hispidus	2
"Paiute" Orchard Grass	Dactylis glomeratus	2
Slender Wheatgrass	Elymus trachycaulum	2
Mountain Brome	Bromus carinatus	2
Perennial Ryegrass	Lolium prene	1
Blue Leaf Aster	Aster glaucodes	1
Lewis Flax	Linum lewisii	0.50
Small Burnet	Sanguisorbia minor	1

This seed mix must be 99% pure live seed containing a maximum of 1% weeds, none of which are noxious.

30. The lessee shall take all reasonable and appropriate measures to prevent the introduction and proliferation of exotic plants and/or noxious weeds for all operations on the land surface. Equipment, transport vehicles, and the helicopter must be cleaned of mud and debris that could potentially transport noxious weed seeds prior to entering the National Forest. The lessee will be held responsible for control and eradication of exotic species and noxious weed infestations found to be a result of this project, until the Authorized Officer is notified by the Surface Management Agency that vegetative restoration is acceptable..
31. No merchantable timber shall be removed during the project.
32. Stipulation for Lands of the National Forest System Under Jurisdiction of the Department of Agriculture.

The lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the lease. The Secretary of Agriculture rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest Development Roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor
Manti-La Sal National Forest
599 West Price River Drive
Price, Utah 84501

Telephone No. (435) 637-2817

who is the authorized representative of the Secretary of Agriculture.

33. Road construction is not authorized on this project. The drill sites will be accessed only by foot, horse or helicopter.
34. No activities or helicopter flights shall be conducted within ½ mile of the goshawk buffer shown in Attachment 1, and timing restrictions must be adhered to.

Rationale:

The decision to approve the exploration plan has been made in consideration of the environmental impacts of the proposed action (Alternative A). The BLM is responsible for administration of Federal coal under the Mineral Leasing Act of 1920, as amended. The proposed action is regulated under 43 CFR 3480, Coal Exploration and Mining Operations Rules; General. It is consistent with the Carbon County Master Plan that recognizes production of mineral resources as an important use of lands within the County. The area is located within the BLM Price Field Office area, and subsurface Federal coal reserves are to be managed in accordance with the goals and objectives for coal management in the San Rafael Resource Management Plan (RMP, 1991), which amended the Forest Management Framework Plan (MFP, 1977) for the Sevier River Resource Area, with oversight and direction from BLM. The surface area is Manti-La Sal National Forest, and the surface management prescriptions are administered under the Land and Resource Management Plan (LRMP), Manti-La Sal National Forest Plan, 1986 as amended. The proposal conforms to the management prescriptions assigned to these areas with stipulations addressed above.

The No Action Alternative (Alternative B) was not selected because it would not allow exploration to occur, and would limit Ark Land/Canyon Fuel's ability to adequately evaluate coal resources in the northern portion of UTU-67939. MER could be impacted, and reserves targeted in this mine may be bypassed. The potential to expand this mine could be impacted as well. Each would result in a possible loss of revenue for the public.

Four resource areas were identified in the 2005 Interdisciplinary Team Analysis Record (IDTAR) used for this EA as having a potential for impact; Areas of Critical Environmental Concern, Livestock Grazing, Woodland / Forestry, and Recreation. These issues were identified in Chapter 1, and further analyzed in Chapters 3 and 4.

Areas of Critical Environmental Concern and Recreation centered around potential impacts from the proposed action on the Fish Creek Semi-Primitive Recreation Area inclusive of the Fish Creek National Recreation Trail. Inventoried Roadless Areas (IRA) analyzed in the EA for UTU-82243 were not an issue for this action. The proposed action would not take place within the Fish Creek Semi-Primitive Recreation Area. Road/access construction is not proposed. Primary access to the exploration area will be via Forest System roads to designated staging areas, under special use permit, and then to the drill sites by foot, horse or helicopter. To limit impacts to trail users, water lines passing over the trail will be required to be buried. Transporting of equipment (excluding water truck activity) is prohibited during opening weekend of the general elk hunt and general deer hunt, and on holiday weekends. Other stipulations have been developed to limit or prevent impacts to key elements of the Areas of Critical Environmental Concern and Recreation resources.

Livestock Grazing concerns are the presence of four herds of approximately 1,000 ewe/lambs that graze four different allotments in this area, and the potential for them to

7/21/06

be scattered. Helicopter flights will be conducted, and a stipulation applied, to prevent harassment of livestock and wildlife.

Under Woodland / Forestry, no merchantable timber shall be removed during the project. Areas cleared of vegetation would have to be reseeded per the prescribed seed mix stipulated above.

In summary, all areas with a potential for impact were mitigated through planning and stipulations, and all activities will be monitored for compliance.

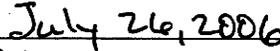
Though not listed under their resource element in the IDTAR as having a potential for impact (PI), Northern goshawk and elk calving and fawning were issues expressed by the USFS as needing further evaluation before the proposed action could take place. Northern goshawk activity was surveyed in June of 2006. This was conducted given the goshawk activities identified in 2005. Two surveys were conducted, June 8-9 and June 28-29, 2006. No Northern goshawks were observed, no nesting sites identified. The survey also listed other incidental species observed; none of a sensitive classification. Elk calving and fawning was also surveyed, and though elk were observed on June 8-9, 2006, none were on June 28-29. Drilling would commence after the elk calving and fawning period ends July 5th.

A project of this size and nature would not require significant bonding, less than \$10,000.000, thus the lease bond would be more than adequate to cover the proposed reclamation.

This NEPA action was posted under the Environmental Notification Bulletin Board process on April 3, 2006, and reposted May 19, 2006. This decision will be posted under this process upon execution.



Chief, Branch of Solid Minerals



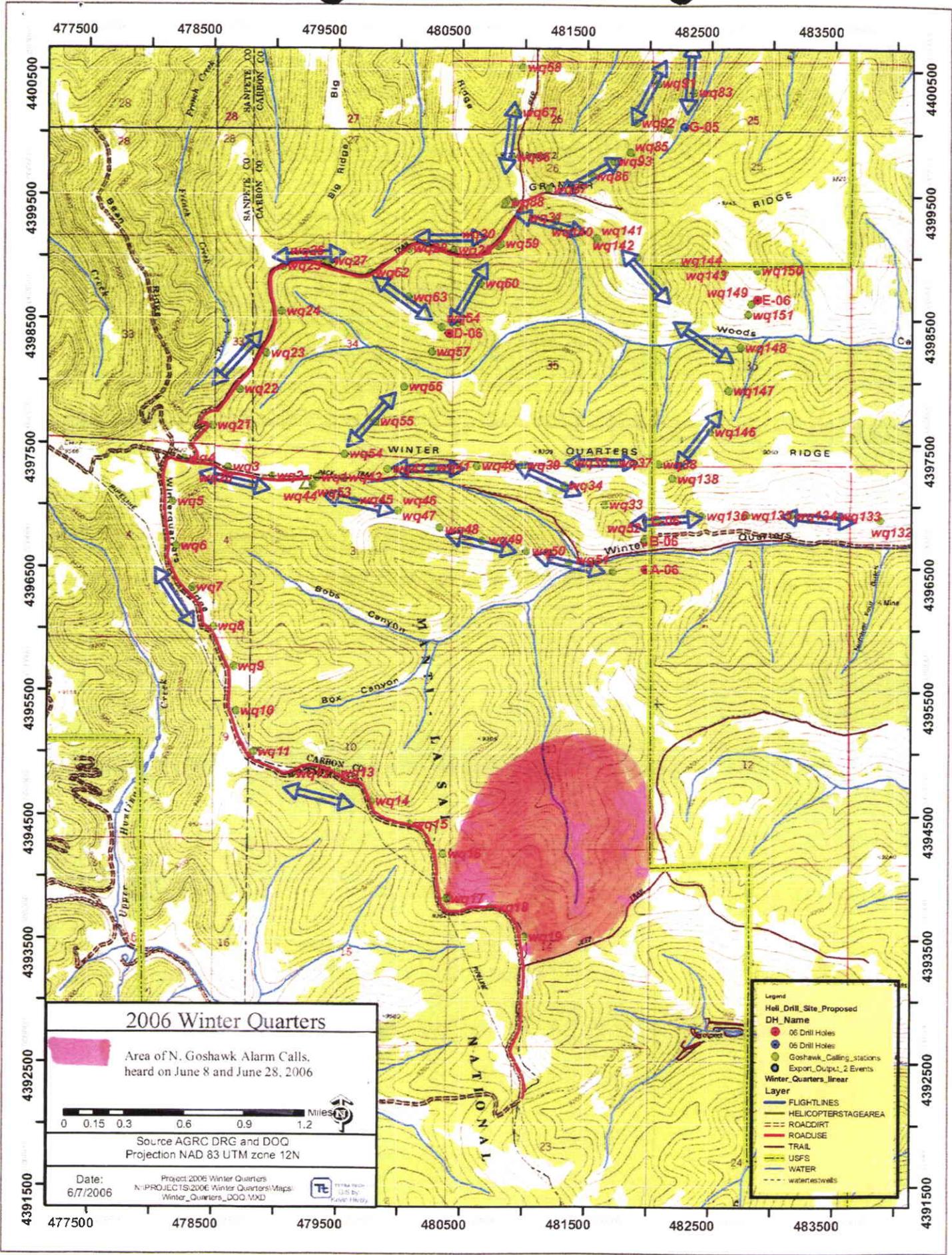
Date

7/26/06

Attachment 1

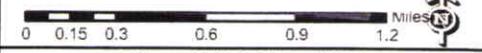
Stipulation 34; Northern Goshawk Restricted Area

(Tetra Tech / Maxim Technologies 2006 Winter Quarters, Area of N. Goshawk Alarm Calls, heard on June 8 and June 28, 2006)



2006 Winter Quarters

Area of N. Goshawk Alarm Calls, heard on June 8 and June 28, 2006



Source AGRC DRG and DOC
Projection NAD 83 UTM zone 12N

Date: 6/7/2006
Project: 2006 Winter Quarters
N:\PROJECTS\2006 Winter Quarters\Maps\ Winter_Quarters_DOC.VXD

Legend

- Heli_Drill_Site_Proposed
- DH_Name
- 06 Drill Holes
- 05 Drill Holes
- Goshawk_Calling_stations
- Export_Output_2_Events
- Winter_Quarters_linear
- Layer
- FLIGHTLINES
- HELICOPTERSTAGEAREA
- - - ROADDIRT
- ROADDIRT
- TRAIL
- USFS
- WATER
- - - waterwells

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

INFORMATION ON TAKING APPEALS TO THE INTERIOR BOARD OF LAND APPEALS

DO NOT APPEAL UNLESS

1. This decision is adverse to you,
AND
2. You believe it is incorrect

IF YOU APPEAL, THE FOLLOWING PROCEDURES MUST BE FOLLOWED

- 1. NOTICE OF APPEAL**..... A person served with the decision being appealed must transmit the notice of appeal in time for it to be filed in the office where it is required to be filed within 30 days after the date of service. If a decision is published in the FEDERAL REGISTER, a person not served with the decision must transmit a notice of appeal in time for it to be filed within 30 days after the date of publication (43 CFR 4.411 and 4.413).
- 2. WHERE TO FILE NOTICE OF APPEAL**..... Bureau of Land Management, Utah State Office, P. O. Box 45155, Salt Lake City, Utah 84145-0151 or Bureau of Land Management, Utah State Office, 440 West 200 South, Suite 500, Salt Lake City, Utah 84101 and
WITH COPY TO SOLICITOR... Regional Solicitor, Room 6201, 125 South State Street, Salt Lake City, Utah 84111
- 3. STATEMENT OF REASONS**..... Within 30 days after filing the Notice of Appeal, File a complete statement of the reasons why you are appealing. This must be filed with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. If you fully stated your reasons for appealing when filing the Notice of Appeal, no additional statement is necessary (43 CFR 4.412 and 4.413).
WITH COPY TO SOLICITOR..... and
Regional Solicitor, Room 6201, 125 South State Street, Salt Lake City, Utah 84111
- 4. ADVERSE PARTIES**..... Within 15 days after each document is filed, each adverse party named in the decision and the Regional Solicitor or Field Solicitor having jurisdiction over the State in which the appeal arose must be served with a copy of: (a) the Notice of Appeal, (b) the Statement of Reasons, and (c) any other documents filed (43 CFR 4.413). If the decision concerns the use and disposition of public lands, including land selections under the Alaska Native Claims Settlement Act, as amended, service will be made upon the Associated Solicitor, Division of Land and Water Resources, Office of the Solicitor, U.S. Department of the Interior, Washington, D.C. 20240. If the decision concerns the use and disposition of mineral resources, service will be made upon the Associated Solicitor, Division of Mineral Resources, Office of the Solicitor, U.S. Department of the Interior, Washington, D.C. 20240.
- 5. PROOF OF SERVICE**..... Within 15 days after any document is served on an adverse party, file proof of that service with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. This may consist of a certified or registered mail "Return Receipt Card" signed by the adverse party (43 CFR 4.401(c)).
- 6. REQUEST FOR STAY**..... Except where program-specific regulations place this decision in full force and effect or provide for an automatic stay, the decision becomes effective upon the expiration of the time allowed for filing an appeal unless a petition for a stay is timely filed together with a *Notice of Appeal* (43 CFR 4.21). If you wish to file a petition for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Interior Board of Land Appeals, the petition for a stay must accompany your notice of appeal (43 CFR 4.21 or 43 CFR 2804.1). A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the *Notice of Appeal* and Petition for a Stay must also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay. Except as other provided by law or other pertinent regulations, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards: (1) the relative harm to the parties if the stay is granted or denied, (2) the likelihood of the appellant's success on the merits, (3) the likelihood of immediate and irreparable harm if the stay is not granted, and (4) whether the public interest favors granting the stay.

Unless these procedures are followed your appeal will be subject to dismissal (43 CFR 4.402). Be certain that all communications are identified by serial number of the case being appealed.

NOTE: A document is not filed until it is actually received in the proper office (43 CFR 4.401(a)). See 43 CFR Part 4, subpart b for general rules relating to procedures and practice involving appeals.