

**Special Stipulations for Exploration Plan on Quichipah Federal Coal Lease
UTU-67939**

1. A pre-work meeting including the responsible company representative(s), contractors, the BLM, Utah Department of Oil Gas and Mining (DOG M), and the Manti-La Sal National Forest 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 permittee/licensee who is aware of the terms and conditions of the projects permits/licenses. A copy of the appropriate permits/licenses 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 heavy equipment will be moved onto National Forest System lands and that surface disturbing activities will commence.
5. Establishment of campsites on National Forest System lands in support of this project will be authorized by the FS under a Special Use Permit.
6. The Authorized Officer shall be notified of any proposed alterations to the plan of operations, and the alterations shall be approved prior to commencement.
7. 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 pulaski's and one properly rated fire extinguisher per vehicle and/or internal combustion engine.
8. All gasoline and diesel shall be equipped with effective spark arrestors or mufflers. Spark arresters shall meet FS specifications discussed in the "General Purpose and Locomotive Spark Arrester Guide, Volume 1, April, 1988"; and "Multi-position Small Engine Spark Arrester Guide, April, 1989". In addition, all electrical equipment must be properly insulated to prevent sparks.
9. The permittee/licensee will be held responsible for damage and suppression costs for fires started as a result of operations. Fires must be reported to the FS as soon as possible.
10. Operations may be suspended during periods of high fire danger.

Confidential
 Shelf
 Expandable
Refer to Record No. 0069 Date 9/02/2008
In C10070005, 2008, In Coming
For additional information Confidential

11. Water needed in support of operations shall be properly and legally obtained according to Utah State water laws. The water well drilled by the company is the primary water source, this will be trucked to frac tanks onsite.
12. Unauthorized off-road motorized travel, other than along the approved access routes, is prohibited.
13. 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 permittee/licensee.
14. If cultural or paleontological resources are discovered during operations, all operations which may result in resource disturbance must cease and the Authorized Officer notified of the discovery.
15. Gates shall be closed after entry/exit unless otherwise specified.
16. The permittee/licensee 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.
17. Operations shall be coordinated with grazing permittees to prevent conflicts.
18. Harrassment of wildlife and livestock is prohibited.
19. All drilling fluids, mud, and cuttings shall be contained and properly disposed of prior to reclamation.
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 permittee/licensee shall clean up and remove all drilling equipment, trash, garbage, flagging, vehicles, and other such materials from National Forest System lands.
25. Disturbed areas shall be reclaimed by the end of the field season.
26. Drill rigs and heavy equipment (not including water trucks) shall 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.
29. Contaminated soil and gravel shall be stripped and hauled off National Forest System lands prior to site reclamation.
30. Drill sites shall be reclaimed by selectively backfilling excavated materials, topsoil last, such that the disturbed area is replaced to its approximate original contour. The disturbed area must be seeded with the specified seed mix.
31. Upon completion of the project, compacted soils (access routes, staging areas, camping areas) shall be scarified and seeded with the specified seed mix.
32. All disturbed drainages shall be replaced to their approximate original configuration when the project area is reclaimed.
33. Reclamation efforts shall 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 percent 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 percent must consist of seeded or other desirable species. The 90 percent of predisturbance ground cover must be maintained for three years.
34. The seed mix to be used for reclamation will be as follows:

<u>Pounds of Live Seed Per Acre</u>		<u>Pounds</u>
Western Wheatgrass	<i>Elymus smithii</i>	2
Basin Wild Rye	<i>Elymus cinereus</i>	1
Intermediate Wheatgrass	<i>Elymus hispidus</i>	2
Yellow Sweet Clover	<i>Melilotus officinalis</i>	1
Blue Leaf Aster	<i>Aster glaucodes</i>	0.25
Lewis Flax	<i>Linum lewisii</i>	0.50
Small Burnet	<i>Sanguisorba minor</i>	1
Silvery Lupine	<i>Lupinus argenteus</i>	1
True Mahogany	<i>Cercocarpus montanus</i>	1
Bitterbrush	<i>Purshia tridentata</i>	1

This seed mix shall be 99 percent pure live seed containing a maximum of one percent weeds, none of which are noxious.

35. The permittee/licensee 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. Heavy equipment, drilling equipment, and all transport vehicles shall be cleaned prior to entering the FS. The permittee/licensee 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.
36. The permittee/licensee shall pay the marketable value for any timber cut during the project.
37. Outside berms will not be constructed on any roads.
38. Stipulation for Lands of the National Forest System Under Jurisdiction of the Department of Agriculture:

The licensee/permittee/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 license. 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
435-636-3543

who is the authorized representative of the Secretary of Agriculture.

39. Project operations will be restricted to the period between June 15 and November 1 to avoid effects on wildlife.
40. Roads must not be used when they are wet and susceptible to damage.
41. The permittee is responsible for repair of any damages to roads caused by his operations.
42. All traffic must maintain safe speeds commensurate with existing conditions.
43. Roads must be watered if dust becomes a problem or if excessive loss of road material occurs.

**Documentation of Land Use Plan Conformance and
Determination of NEPA Adequacy (DNA)**

U.S. Department of the Interior
Utah Bureau of Land Management (BLM)

A. BLM Office: Price Field Office
125 S 600 W
Price, UT 84501

Lease/Serial/Case File No.: UTU-67939

Proposed Action Title/Type: Approval of Exploration Plan on Federal Coal Lease UTU-67939

DNA Number: UT-070-08-019

Location of Proposed Action:

SLBM, Carbon County, Utah
T. 12 S., R. 6 E.,
Section 35, SWSWSESWSW;
T. 13 S., R. 6 E.,
Section 2, E2W2NW
within Federal Coal Lease UTU-67939.

The exploration area is located head of Winter Quarters Canyon north of Arch Coal's Skyline Mine facility in Carbon County Utah. The coal resources are managed by the BLM, and the surface by the Manti-La Sal National Forest.

Applicant: Ark Land Company, c/o Canyon Fuel Co. LLC, Skyline Mines
HC35 Box 380, Helper, Utah 84526

Description of the Proposed Action:

Ark Land Company has applied for exploration plan approval to drill six boreholes on Federal Coal Lease UTU-67939, referred to as the Winter Quarters Tract, Skyline Mine, pursuant to 43 CFR 3482. A complete exploration plan was received on October 22, 2007. The location of the exploration borehole sites and associated drilling activities are shown on Map 1.

B. Conformance with the Land Use Plan (LUP) and Consistency with Related Subordinate Implementation Plans

LUP Name:

- Forest Service: Land and Resource Management Plan, Manti-La Sal National Forest, (Forest Plan), November 1986
- BLM: San Rafael Resource Management Plan, May 1991

The proposed action is in conformance with the LUP's above. A lease is in place. The following excerpts address the leasing and the proposed exploration:

- Management Directions of the Manti-La Sal National Forest Plan – Coal cleared tracts would be available for leasing subject to the mitigating requirements determined through the multiple-use management and environmental assessments. (Reference Page III-12)

General Direction- Stipulations (Appendix B) will be **used as appropriate** in leases, licenses, or permits. (Reference page III-35)

- Management Directions, BLM San Rafael Resource Management Plan- To allow coal exploration and leasing on public lands inside the Wasatch and Emery Known Recoverable Coal Resource Area's (KRCRA's) that have been found suitable, so long as RMP goals are met and to administer operational aspects of Federal coal leases. Under General Management Guidance it states, the plan will provide protection for other resources while allowing coal exploration and leasing within the KRCRA. (Reference page 17.)
- The Forest Service (FS) has the ability to Categorically Exclude (CX) this action. Under the FS CX criteria, less than 5 acres is disturbed (Forest Plan).

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.

C. Identify the applicable NEPA document(s) and other related documents that cover the proposed action.

List by name and date all applicable NEPA documents that cover the proposed action:

- Environmental Assessment (EA) UT-923-06-005, Application for Coal Exploration Plan Approval on Federal Coal Lease UTU-67939, Winter Quarters and Woods Canyons Area, July 21, 2006.
- Finding of No Significant Impact (FONSI) and Decision Record, EA UT-923-06-005, July 26, 2006.
- Environmental Assessment (EA) UT-923-05-03, Application for Minor Coal Exploration License; Granger Ridge Area, U-82243, September 2005.
- Finding of No Significant Impact (FONSI) and Decision Record, EA UT-923-06-005, September 19, 2005.
- Environmental Assessment, Coal Lease Application UTU-67939, Winter Quarters Tract, July 1995.
- Joint Bureau of Land Management/Forest Service Findings of No Significant Impact/Decision Notice/Rationale, Coal Lease Application UTU-67939, Winter Quarters Tract, January 23, 1996.

List by name and date other documentation relevant to the proposed action (e.g., source drinking water assessments, biological assessment, biological opinion, watershed assessment, allotment evaluation, rangeland health standard's assessment and determinations, and monitoring report):

- Cultural Resources Summary Form, Manti-La Sal National Forest, USHPO No. U-06-EP-0818f, June 16, 2006
- Winter Quarters and Granger Ridge Exploration Areas Northern Goshawk and Elk Surveys – Field Monitoring Report, June 2006.
- Biological Evaluation and Biological Assessment for the Skyline Helicopter Assisted Coal Exploration and drilling Project, Granger Ridge, 2005.
- Wildlife Resources Report for the Skyline Helicopter Assisted Coal Exploration and drilling Project, Granger Ridge, 2005 (Federal Coal Lease UTU-67939).
- Cultural Resources Project Report Form, Manti-La Sal National Forest, Woods Canyon 2007 Drilling, USHPO No. U-06-EP-1857f, February 27, 2007.

- Winter Quarters, Woods Canyon, and Forest Service Road 221 Exploration Area (Federal Lease UTU-67939), Northern Goshawk and Wildlife Surveys, June 18, 2007.

D. NEPA Adequacy Criteria

1. Is the current proposed action substantially the same action (or is it a part of that action) as previously analyzed?

Yes

No

Documentation of answer and explanation:

The proposed action is substantially the same as the actions analyzed in 2005 and 2006, as well as in previous years, with both drill sites located less than ½ mile of previous drill sites drilled the past two years, and located within the flight paths and activity paths surveyed in prior years for cultural resources, raptors, and other wildlife issues. The same drilling methods would be used, as well as the same ingress and egress routes. A total of less than 0.5 acres is proposed to be disturbed. This exploration would be conducted during the same drilling period, commencing as early July through November 1, 2008.

2. Is the range of alternatives analyzed in the existing NEPA document(s) appropriate with respect to the current proposed action, given current environmental concerns, interests, resource values, and circumstances?

Yes

No

Documentation of answer and explanation:

As stated above, the proposed action is substantially the same. Helicopter supported drilling is the preferred method. No new issues have been identified that could lead to analysis of new alternatives or mitigation. The alternatives analyzed in the EAs, including “no action”, were appropriate for this action. The only difference is the location of the two proposed drill sites, and the amount of disturbance (less).

3. Is existing analysis adequate in light of any new information or circumstances (including, for example, riparian properly functioning condition [PFC] reports; rangeland health standards assessments; Unified Watershed Assessment categorizations; inventory and monitoring data; most recent Fish and Wildlife Service lists of threatened, endangered, proposed, and candidate species; most recent BLM lists of sensitive species)? Can you

reasonably conclude that all new information and all new circumstances are insignificant with regard to analysis of the proposed action?

Yes

No

Documentation of answer and explanation:

In September 2005, the Manti-La Sal and BLM completed an Interdisciplinary Team Analysis Record (IDTAR). This analysis reviewed essentially the same actions and areas proposed for this year's exploration. A review of critical resource elements and other resource elements was conducted; 4 resource areas were identified as having the potential to be impacted (PI). Those identified as PI were further analyzed in the 2005 EA, and re-analyzed in the 2006 EA. The 2006 FONSI addresses the findings of the analyses, and notes the mitigation, monitoring and/or terms and conditions developed to address any potential impacts. A copy of the 2006 FONSI is attached. Review of the proposed action found no issues that had not been analyzed and resolved in the existing NEPA documents.

Surveys of raptors and other wildlife issues are conducted each exploration year. In May and June 2007, surveys were conducted for Northern Goshawk and other wildlife activities noted in the previous years. Northern Goshawk activity was termed "transitory", as no nesting activity was observed. No other wildlife issues; including elk or mule deer calving and fawning, were identified.

Cultural resources were evaluated at each site, and the result of the surveys submitted to the Manti-La Sal for consultation with the SHPO, USHPO project no. U-06-EP-1857f, dated February 28, 2007.

4. Do the methodology and analytical approach used in the existing NEPA documents(s) continue to be appropriate for the current proposed action?

Yes

No

Documentation of answer and explanation:

The exact drilling methods, and associated on-ground activities were analyzed in 2005 and 2006. In the 2006 FONSI, the Ten Significance Criteria, per 40 CFR 1508.27, were analyzed. Significance, per 40 CFR 1508.27, 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. The findings of this document are applicable to the proposed action, in that no significant impacts are expected.

5. Are the direct and indirect impacts of the current proposed action substantially unchanged from those identified in the existing NEPA document(s)? Do the existing NEPA

documents analyze impacts related to the current proposed action at a level of specificity appropriate to the proposal (plan level, programmatic level, project level)?

Yes

No

Documentation of answer and explanation:

Yes, only less disturbance is proposed (fewer drill sites), and less than 0.5 acres cumulative disturbance.

6. Are the reasonably foreseeable cumulative impacts that would result from implementation of the proposed action substantially unchanged from those identified in the existing NEPA document(s)?

Yes

No

Documentation of answer and explanation:

There should be no significant cumulative impacts due to this action. Each site is required to be reclaimed immediately following exploration activities. Sites disturbed in prior years would be reclaimed prior to this action. Bond is held to ensure reclamations is achieved. Reclamation standards are in place, and the status of each site will be evaluated prior to bond release.

7. Are the public involvement and interagency review associated with existing NEPA document(s) adequate for the current proposed action?

Yes

No

Documentation of answer and explanation:

This NEPA action was placed on the Bureau of Land Management's Environmental Notification Bulletin Board (ENBB) on March 18, 2008. No comments have been received to date.

E. Interdisciplinary Analysis: Identify those team members conducting analysis or participating in the preparation of this worksheet.

The attached IDTAR checklist from 2008 was used for the EA completed in 2006, with no new issues identified then, and none arising under this review.

Cultural resources, raptors, and other wildlife issues were surveyed as noted above.

F. Mitigation Measures: List any applicable mitigation measures that were identified, analyzed, and approved in relevant LUPs and existing NEPA document(s). List the specific mitigation measures or identify an attachment that includes those specific mitigation measures. Document that these applicable mitigation measures must be incorporated and implemented.

The approval would incorporate all stipulations issued in the 2006 FONSI and plan approval on UTU-67939, with the exception of Stipulation 34 related to a goshawk avoidance area set aside for that exploration period.

New site-specific stipulations are not needed because the previously identified stipulations would mitigate all of the known potential impacts.

CONCLUSIONS

Based on the review documented above, I conclude that:

Plan Conformance:

- This proposal conforms to the applicable land use plan.
- This proposal does not conform to the applicable land use plan.

Determination of NEPA Adequacy

- The existing NEPA documentation fully covers the proposed action and constitutes BLM's compliance with the requirements of NEPA.
- The existing NEPA documentation does not fully cover the proposed action. Additional NEPA documentation is needed if the project is to be further considered.

ALW. R. G.
Signature of the Authorized Officer

8-29-08
Date

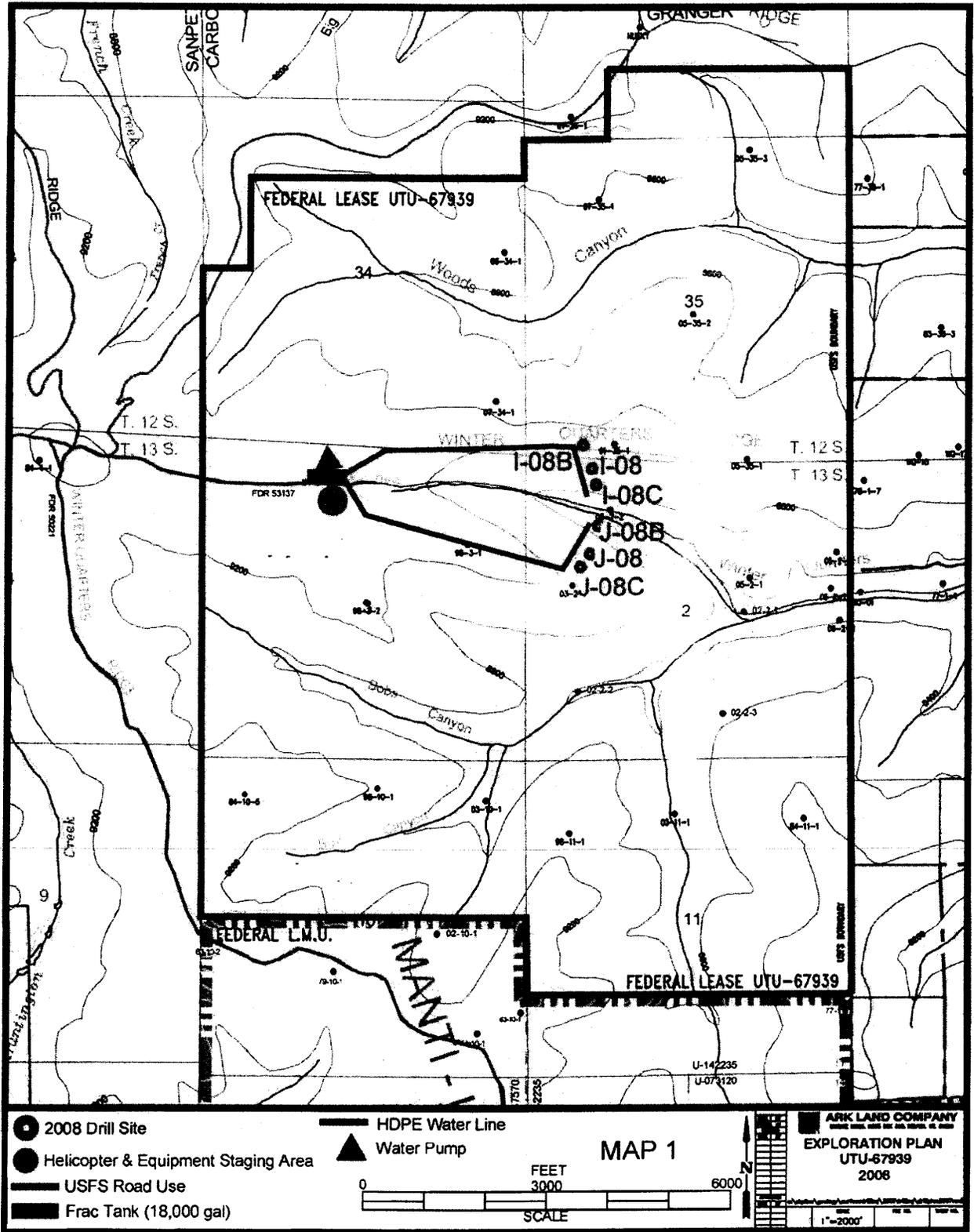
ATTACHMENTS:

Map 1: Exploration Plan UTU-67939 2008

Map 2: Exploration Plan UTU-67939 2008, with Helicopter Flight Route

Interdisciplinary Team Analysis Record (IDTAR) Skyline 2008 Coal Exploration Drilling

Finding of No Significant Impact and Decision Record, EA UT-923-06-005, July 26, 2006.



INTERDISCIPLINARY TEAM ANALYSIS RECORD CHECKLIST

Project Title: Approval of Exploration Plan on Federal Coal Lease U-67939

NEPA Log Number: UT-070-08-019

File/Serial Number: U-67939

Project Leader: Sue Wiler

DETERMINATION OF STAFF: (Choose one of the following abbreviated options for the left column)

NP = not present in the area impacted by the proposed or alternative actions

NI = present, but not affected to a degree that detailed analysis is required

PI = present with potential for significant impact analyzed in detail in the EA; or identified in a DNA as requiring further analysis

NC = (DNAs only) actions and impacts not changed from those disclosed in the existing NEPA documents cited in Section C of the DNA form.

Determination	Resource	Rationale for Determination*	Signature	Date
CRITICAL ELEMENTS				
NI	Air Quality	Equipment to be used consists of one to three skid mounted drill rigs, one or two 4000 gallon water truck, one 1500 gallon water/fire truck, two to three supply trailers, as many as 8 pick-up trucks, a geophysical logging truck, a fuel truck and a Lama helicopter. Impacts to air quality would be negligible.	Dale L. Harber	8/28/08
NP	Areas of Critical Environmental Concern	Areas of Critical Environmental Concern do not occur within the proposed exploration area.	W. Ludwig	8/28/08
NP	Cultural Resources	A site-specific cultural resource survey for the proposed exploration license area and supports was conducted in late fall 2005 and Spring of 2006. While there are archaeological resources in the proposed exploration license area and in the vicinity of the support areas, there are no archaeological resources close to the proposed drill sites, access routes, or support areas. Therefore, cultural and archaeological resources would not be impacted by the proposed action. A Cultural Resource Report has been completed and the Utah State Historic Preservation Office has concurred with the project (Letter from SHPO, response dated 5/8/06 to B. Ellis, Manti-La Sal NF).	Charmaine Thompson	7/14/08
NI	Environmental Justice	This project would not have any disparate impacts on individual groups of people or communities. Implementation of this project will produce no adverse effects on minorities, low-income individuals, Native Americans or women. No civil liberties will be affected	Dale L. Harber	8/28/08
NP	Farmlands (Prime or Unique)	Prime or Unique Farmland does occur within or near the proposed exploration area.		8/28/08
NI	Floodplains	Disturbed and impacted areas associated with the proposed project would not be located within or adjacent to floodplains..		8/28/08
NI	Invasive, Non-native Species	Approximately 8.26 acres of land would be disturbed with the proposed project and these areas would be at risk	Mat McCaswell	8/25/08

Determination	Resource	Rationale for Determination*	Signature	Date
NI		for invasion of invasive, non-native vegetation. However, all disturbed areas would be reclaimed as soon as possible following the completion of drilling activities. The disturbed areas would be reseeded with a FS approved seed mix. Disturbed areas would be monitored by both the FS and the company for noxious weeds until the areas are adequately revegetated with desirable plant species. In addition, all equipment would be cleaned prior to entering FS administered lands and thus, reduce opportunities for weed introduction and spread.		8/22/08
	Threatened, Endangered or Candidate Plant Species	A BE/BA has been completed for the proposed project. No threatened, endangered or candidate plant or animal species would be adversely affected by the project.		
NP	Threatened, Endangered or Candidate Animal Species	A BE/BA has been completed for the proposed project. No threatened, endangered or candidate plant or animal species would be adversely affected by the project.	Jeff Jewkes	8/22/08
NP	Wastes (hazardous or solid)	No wastes will be disposed of or left on the project site. Concerns are addressed in the stipulations.	Dale L. Harber	7/14/08
NI	Wetlands/Riparian Zones	The proposed project would not impact wetlands or riparian communities as activities and associated disturbed areas will not occur within wetland or riparian areas.		8/22/08
NP	Wild and Scenic Rivers	There are no designated or candidate wild and scenic rivers in the project area.	Ann King	8/19/2008
NP	Wilderness	Wilderness areas would not be impacted by the proposed project. There are no Wilderness Areas or national Recreation Areas in or around the exploration area.	Ann King	8/19/2008
OTHER RESOURCES / CONCERNS**				
NI	Rangeland Health Standards and Guidelines	Vegetation production, composition and density would be affected temporarily due to operation activities. However, all Rangeland Health Standards disturbed areas would be reclaimed and reseeded with a Forest and Guidelines Service approved seed mix. Effects to vegetation would be negligible as a relatively small amount of land would be disturbed and area would be immediately reclaimed.	Met Messersmith	8/25/08
NI	Livestock Grazing	The permittee licensee would be held responsible for all damage of fences, cattle guards, resource improvements, roads and other structures on the National Forest System Lands that result from Livestock Grazing their operations. The FS must be notified as soon as possible if any damage occurs. Livestock would be present until the end of September. Proposed drilling and operations would not impact livestock grazing.	Met Messersmith	8/25/08
NP	Woodland / Forestry	The value of merchantable trees would be determined by FS Woodland / Forestry personnel, and paid by the company in accordance with laws and regulations regarding timber sales.	Dale L. Harber	8/22/08
NP	Vegetation	A BE/BA has been completed for the proposed project. No threatened, endangered or candidate plant or animal species would be adversely affected by the project.	Jeff Jewkes	8/22/08
NI	Fish and Wildlife (MIS)	A Wildlife Resources Report has been prepared for the proposed project. There is potentially suitable elk calving habitat within the proposed project area; however the project's footprint within this habitat would be minor and localized, and the project would be implemented outside the calving period.	Jeff Jewkes	8/22/08

Determination	Resource	Rationale for Determination*	Signature	Date
		<p>Potential impacts could include displacing deer and elk from localized areas for short periods of time during drilling. The proposed project would also occur in potentially suitable golden eagle foraging habitat. However, there would be no long-term impacts to this habitat, and short-term disturbance would occur within a small portion of the available foraging habitat. Therefore, potential impacts to the golden eagle and its habitat would not be appreciable.</p> <p>There is suitable goshawk habitat within the proposed project area. Suitable habitat was surveyed in 2005 and one active goshawk nest was found. The active nest site will be buffered and protected from project activity, project activity would occur after August 15, and the project would not alter characteristics of suitable habitat. Therefore, the project would not likely appreciably impact the goshawk or its habitat.</p> <p>Other MIS species would not likely be impacted by the proposed project.</p>		
NI	Fish and Wildlife (Sensitive)	<p>A BE/BA was prepared for the proposed project. There is suitable goshawk habitat within the proposed project area. Suitable habitat was surveyed in 2008 and no goshawks or other raptors were observed.</p> <p>Other sensitive fish and wildlife species would not likely be impacted by the proposed project.</p>	Jeff Janes	8/22/08
NI	Soils	<p>Soils are protected from contamination with impermeable ground cover placed temporarily on the surface. Establishment of vegetation by reseeding will stabilize disturbed areas per operational plan. Only hand tools such as pulaskis and shovels will be used for excavation.</p>	Dale L. Harber	7/14/08
NI	Recreation	<p>Activities associated with the proposed project would not interfere with recreation access to the area. Several stipulations would be adhered to that state all drill rigs and heavy equipment would not be transported in or out of the project area during the opening weekend of the general elk hunt or during the opening weekend of the general deer hunt and during holiday weekends.</p>	Bill Goodman	7/14/08
NI	<p>Winter Quarters area</p> <p>Visual Resources</p>	<p>The Muddy Tract involves FS land with Modifications VQO. Minimal impact to the visual qualities of the area would occur as surface activities would be short term, widely dispersed and reclaimed subsequent to the completion of activities.</p>	Dale L. Harber	7/14/08
NI	Geology / Mineral Resources/Energy Production	<p>The Blackhawk Formation is the predominant geologic formation outcropping in the area. The Price River and North Horn Formations also outcrop in the extreme western portion of the project area. The drill sites are all located in the Blackhawk Formation which is considered to be relatively stable from a geologic and engineering perspective and is not known for presenting slope stability concerns. The Price River and North Horn Formations are noted for instability on steep slopes (with a gradient of 35% or greater) when wet. The surface geology should not be adversely impacted because road construction would not be authorized for this project, drill site preparation would be minimal, drills and drilling equipment would be transported to the drill sites by helicopter, and nearly level ground has been chosen for each drill site.</p> <p>The drilling program is necessary to obtain sub-surface data regarding geologic structure, stratigraphic correlation, coal quality and thickness.</p>	Dale L. Harber	7/14/08

Determination	Resource	Rationale for Determination*	Signature	Date
NP	Paleontology	No known paleontology resources occur within the proposed project area. If paleontological resources are discovered, operations will cease pending a determination of significance per stipulations.	Dale L. Harber	7/14/08
NI	Lands / Access	Equipment to be used consists of one to three skid mounted drill rigs, one or two 4000 gallon water truck, one 1500 gallon water/fire truck, two to three supply trailers, as many as 8 pick-up trucks, a geophysical logging truck, a fuel truck and a Lama helicopter.	Deland A. Matheson	8/27/08
NI	Fuels / Fire Management	Stipulations outlining fire precautions and fire fighting capabilities will be adhered to.	Dave Reynolds	8/22/08
NI	Socio-economics	Exploration and confirmation of the existence of additional economic coal reserves is essential for the continued operation of the Skyline Mine for full production. With a 5.5 direct effect multiplier*, one coal mining job leads directly to 4.5 others. So for Carbon County, the loss of 250 Skyline employees would result in a loss of 1,250 jobs. If Sufco was to stop production, these jobs could be lost from Utah unless other mines picked up the production and jobs. *Source: <u>Multipliers for Utah</u> Utah State Local and Government Fiscal Impact Model Working Paper Series: 2201 -1, July 2001 Further, 1 million tons of coal production is enough energy to supply the electrical household needs for some 650,000 Utah persons for one year. So 3.5 million tons provides the electrical household needs for about 2.7 million citizens (all of Utah and some of the neighboring citizens).	Dale L. Harber	7/14/08
NP	Wild Horses and Burros	There are no wild horse or burro populations inhabiting areas in or near the proposed project area; therefore, the project would not impact wild horses and burros.	Jeff Jenkins	8/22/08
NP	Wilderness/Roadless characteristics	Wilderness/Roadless Areas do not occur within the proposed exploration area.	Aura King	7/15/2008

FINAL REVIEW:

Reviewer Title	Signature	Date	Comments
NEPA / Environmental Coordinator			
Authorized Officer			

Follow the italicized instructions below and then delete the asterisks "" in the checklist, this sentence, and the instructions.*

**Rationale for Determination is required for all "NIs" and "NPs." Write issue statements for "PIs"*

***Varies by specific location and Forest Service*

7/21/06

**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

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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

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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.

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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.

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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 preenne	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.

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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.

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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. MBR 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

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

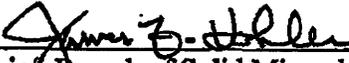
Under Woodland / Forestry, no merchantable timber shall be removed during the project. Areas cleared of vegetation would have to be reseeded per the prescribed seed mix stipulated above.

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