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0007/005 Incoming



# 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>

OCT 19 2010

IN REPLY PLEASE REFER TO:  
3432.2  
UTU-67939  
(UT-923)

**RECEIVED**  
OCT 20 2010  
DIV. OF OIL, GAS & MINING

Harv Forsgren  
Regional Forester  
US Forest Service Region 4  
324 25<sup>th</sup> Street  
Ogden, Utah 84401

Dear Mr. Forsgren:

The Bureau of Land Management (BLM) received the attached application from Ark Land Company to modify coal lease UTU-67939 which includes Forest Service surface land areas. BLM would like to request that the Forest Service review and consider for consent this lease modification application (43 CFR 3432.2(d)).

If you have questions please call Jeff McKenzie at (801) 539-4086 or Steve Rigby at (435) 636-3604.

s/ Roger L. Bankert

Roger L. Bankert  
Chief, Branch of Minerals

Attachment: Lease Modification Application

cc: Dana Dean, Associate Director, Mining,  
UDOGM, Box 145801,  
Salt Lake City, Utah 84114-5801

BLM Price Field Office (Attn: Steve Rigby)

RUB



## ARK LAND COMPANY

SLM - UT - 050  
2010 APR 15 PM 4: 22

DAVID J. FINNERTY  
President

April 13, 2010

Mr. Roger Bankert  
Utah State Office  
Bureau of Land Management  
440 West 200 South, Suite 500  
Salt Lake City, Utah 84101

Lease Modification Application  
Lease UTU-67939  
Skyline Mine

Dear Mr. Bankert:

Ark Land Company (Ark) is the land holding company for Arch Coal, Inc. (Arch). Ark administers and manages land related issues for Arch affiliates including Canyon Fuel Company (CFC).

Therefore, on behalf of CFC, Ark requests approval of a lease modification to Federal Coal Lease UTU-67939 to add approximately 760 acres and 4,900,000 tons of coal to the lease.

In the past we would have attached a check for the filing fee. With the advent of the Bureau's cost recovery rules we will await your determination of the cost to process this application before forwarding payment.

The proposed modification to the federal coal lease involves adding coal reserves to be recovered by underground mining methods. The description of the proposed modification area is:

Lease UTU-67939 Modification:

Township 12 South, Range 6 East, SLM, Utah  
Section 25: SW $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$   
Section 26: S $\frac{1}{2}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$   
Section 34: NE $\frac{1}{4}$ NE $\frac{1}{4}$

(Containing approximately 760 acres)

The tract is depicted along with the mine workings, projected workings and leases on the attached Map 1. The U.S. Forest Service owns 680 acres of the surface. The other 80 acres are owned by the Allred Family Trust as shown in Map 2.

A Subsidiary of



The topography within the modification area consists of Granger Ridge. The elevations range between 8,500' to 9,280' above sea level. Within the area, we believe there are no perennial streams.

This proposed lease modification will allow for the development and recovery of Federal coal in longwall panels as illustrated on the attached Map 1. If Skyline Mine is not given the opportunity to recover this coal, it is extremely unlikely it will be recovered. Skyline Mine's opportunity to mine the coal in this tract has arisen out of recent mine planning activity and modifications due to market conditions which have made difficult meeting the normal timeframes of the leasing sequence.

Given the location of the proposed lease tract we believe the proposed coal lease modification meets the availability requirements set forth in C.F.R. 43 3432.2(a)1-3: 1) Approval of the proposed modification and subsequent mining of the coal would best serve the interests of the United States. 2) There is no competitive interest in the tract due to its isolation and because Ark controls the leases directly East of the tract, 3) Since it is geologically remote, additional lands cannot or would be extremely difficult to develop as part of another potential or existing independent mining operation.

Given the isolated nature of the proposed lease modification area, the coal in this area should be considered by-pass coal. This tract of coal would clearly, for the reasons stated above, be by-passed by Skyline Mine in the near future based upon the Mine's current mine plan. Approval of this lease modification will give Skyline Mine the opportunity to recover this coal commencing in early 2012.

Ark and CFC look forward to working with the BLM on this proposal. Please contact Doug Downing or me to discuss this proposal.

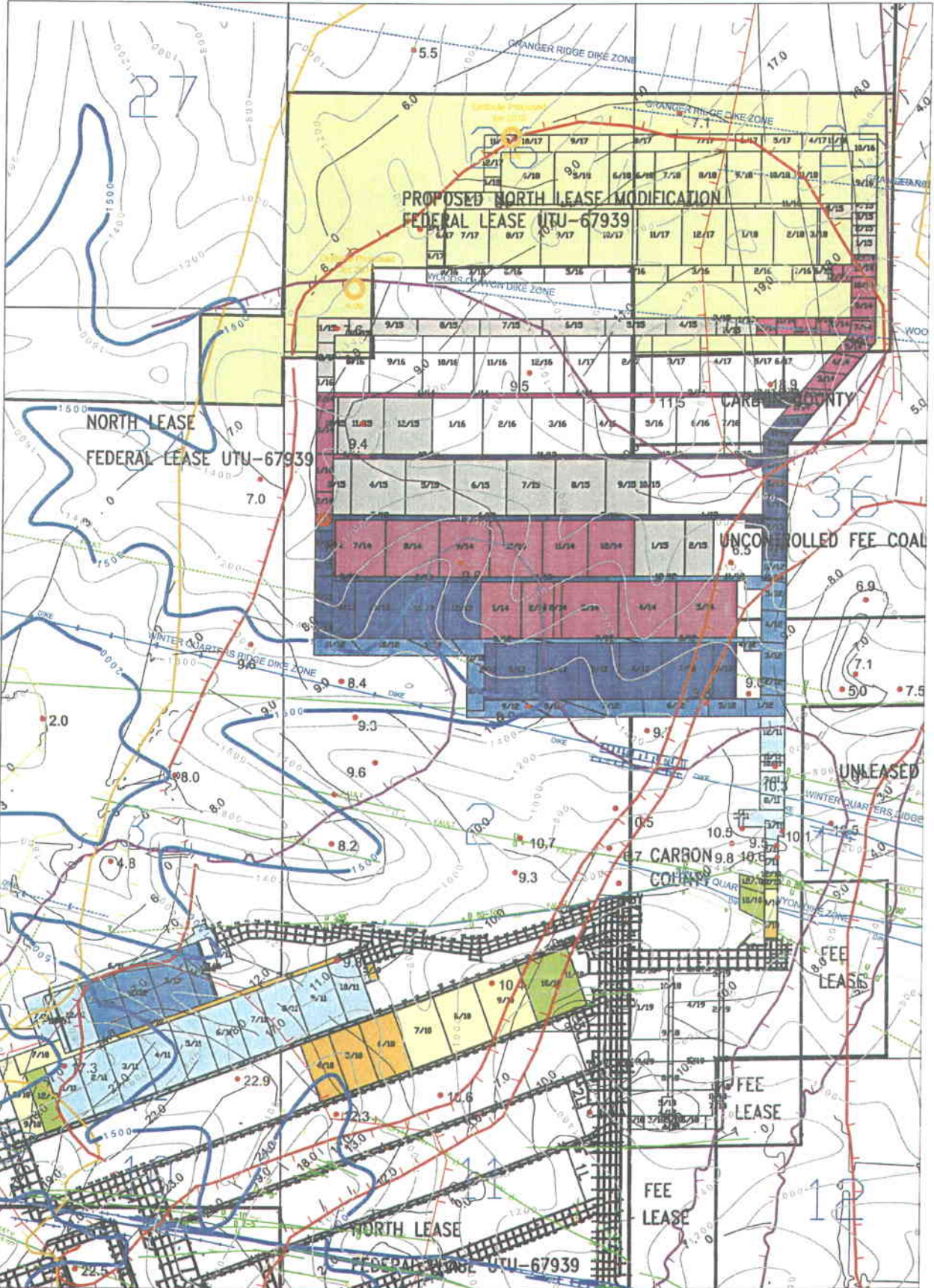
Sincerely,



David J. Finnerty

#### Attachments

cc: D. Downing  
C. Winters



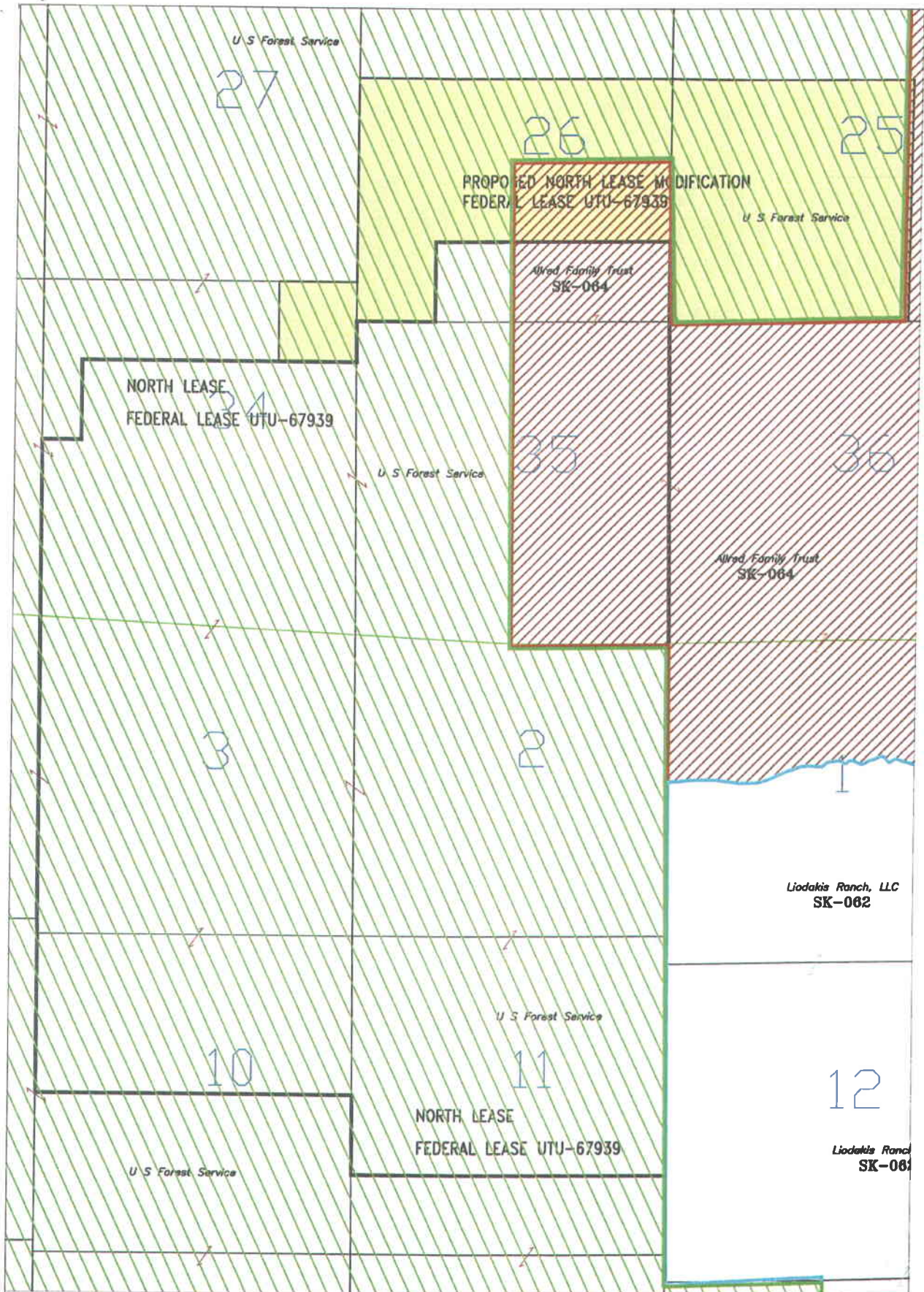
**LEGEND**

2nd QUARTER 2010	Section	Seam Thickness
3rd QUARTER 2010	Expected Dikes	Overburden Depth
4th QUARTER 2010	Actual Dikes	1500' & 2000' O.B. Contour
2011	Expected Faults	Lease Boundary
2012	Actual Faults	Proposed Lease Modification
2013		
2014		
2015		
2016-2019		

Map 1  
UTU-67939  
Lease Modification

**Canyon Fuel Company, LLC**  
Skyline Mines

DATE: 4/9/2018  
SCALE: AS SHOWN  
REVISION: 0



**LEGEND**

— Section

— Lease Boundary



Lease Modification



Alred Family Trust



U.S. Forest Service

Map 1 Surface Ownership  
 UTU-67939  
 Lease Modifications  
**CF** Canyon Fuel Company, LLC  
 Skyline Mines  
 DATE: 3/21/2008  
 DRAWN BY: [blank]  
 CHECKED BY: [blank]  
 SCALE: [blank]  
 SHEET NO: none