

C/007 605 Incoming 9/26 ✓

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United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101
<http://www.blm.gov/ut/st/en.html>

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JUN 07 2013

DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:
3487 / (UT-9223)
UTU-73338
UTU-67939

JUN 04 2013

CERTIFIED MAIL -7010 2780 0000 9887 5404
Return Receipt Requested

DECISION

Canyon Fuel Company LLC : LMU:
c/o Ark Land Company : UTU-73338
City Place One, Suite 300 : Coal Lease:
St. Louis, Missouri 63141 : UTU-67939

Skyline Logical Mining Unit Modification 2 Approved

The Skyline Logical Mining Unit (LMU) was approved effective August 1, 1988. The Skyline LMU met diligence in March 1987. The first continued operation year (COY) began April 1, 1987. The LMU has been and remains in a producing status.

On April 2, 2012, Federal coal lease UTU-67939 was modified by the Bureau of Land Management (BLM). As a result of this action, on April 12, 2012 the BLM directed that the modified lands be included in the Skyline LMU. This will be Modification 2 to the LMU. The intent of this decision is to formally approve this modification. Modification 2, adds lands consisting of 770.52 acres, contained in the modification of Federal coal lease UTU-67939. The Public Notice of Availability was published in the Sun Advocate on March 12 and 19, 2013.

The BLM has determined that this proposed modification is in conformance with the approval criteria as per 43 CFR 3487. Therefore, this modification to the Skyline LMU is approved effective April 12, 2012. The Skyline LMU, as modified, now contains 9,520.16 acres and 85,954,726 tons of recoverable reserves as outlined in the following table:

Action	Date	LMU Acreage	Recoverable reserve Base (tons)
Letter Adjusting the LMU Recoverable reserve Base	02/07/2010	8749.64	82,413,726 ¹
R2P2 change for LMU Modification 2	10/01/2012	9520.16	85,744,726 ²
R2P2 change lease UTU-67939	03/25/2013	9520.16	85,954,726 ³

¹ Letter dated February 7, 2010, revising the Skyline LMU with numerous changes.

² Letter dated November 1, 2012, approving the R2P2 for coal lease UTU-67939 modification of 770.52 acres and adding.

³ Letter dated March 25, 2013, approving a change in the R2P2 and adding 210,000 tons of recoverable reserves and no change in acreage.

For COY 27 (April 1, 2013 – March 31, 2014) commercial quantities of coal of 859,547 tons must be mined from the LMU in order to meet the continued operation requirement.

This decision may be appealed to the Interior Board of Land Appeals, 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.

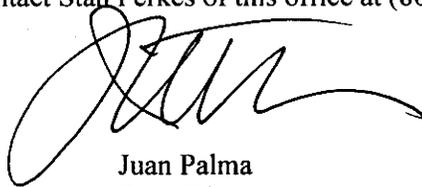
If you wish to file a petition (pursuant to regulation 43 CFR 4.21)(58 FR 4939, January 19, 1993) (request) for a stay (suspension) of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition 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 (see 43 CFR 4.413) at the same time the original documents are filed in 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 otherwise provided by law or other pertinent regulation, 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.

If you have any further questions, please contact Stan Perkes of this office at (801) 539-4183.



Juan Palma
State Director

Enclosure:

1. Form 1842-1

cc: Price Coal Office (UTG021)

Resource Development Coordinating Committee, ATTN: Mineral Leasing Taskforce,
116 State Capital Building, Salt Lake City, Utah 84114

Mr. John Baza, Director, UDOGM, Box 145801, Salt Lake City, Utah 84114-5801

ONRR, ACM, Solid Minerals Staff, Attn: LeeAnn Martin, MS62300B, Box 25165, Denver,
Colorado 80225-0165