

C/007005 Training/IRB
DD
Coal



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Utah State Office

440 West 200 South, Suite 500

Salt Lake City, UT 84101-1345

<http://www.blm.gov/ut/st/en.html>

IN REPLY REFER TO:

3425

UTU-77114

(UT-9223)

JUN 19 2015

RECEIVED

JUN 23 2015

DIV. OF OIL, GAS & MINING

CERTIFIED MAIL – 9171999991703497133083

Return Receipt Requested

Mr. John Baza, Director
Utah Division of Oil, Gas and Mining
P. O. Box 145801
Salt Lake City, Utah 84114-5801

Dear Mr. Baza:

This office held a competitive coal lease sale on June 17, 2015. Canyon Fuel Company, LLC was declared the highest qualified bidder for the Flat Canyon Tract, assigned serial number UTU-77114, described as follows:

T. 13 S., R.6 E., SLM, Sanpete County, Utah
sec. 21, lots 1-4 inclusive, E $\frac{1}{2}$ NE $\frac{1}{4}$, and E $\frac{1}{2}$ SE $\frac{1}{4}$;
sec. 28, lots 1-8 inclusive, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$;
sec. 33, NE $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;

T. 14 S., R.6 E., SLM, Sanpete County, Utah
sec. 4, (all);
sec. 5, (all);

Containing approximately 2,692.16 acres

Enclosed is a copy of the minutes of the sale. I accepted the bid of \$17,200,000 on June 19, 2015.

Sincerely,


Jemma Whitlock
Acting State Director
Megan M. Crandall
ACTING

Enclosure:
Minutes of Sale

Minutes of Lease by Application
Coal Sale
Utah State Office

The Flat Canyon Tract

RECEIVED
JUN 23 2015
DIV. OF OIL, GAS & MINING
June 17, 2015

A coal lease sale was held at 1:00 p.m., June 17, 2015, pursuant to a notice posted May 15, 2015, and was conducted under the authority of Section 2(a)(1) of the Mineral Leasing Act of 1920, as amended.

The sale included one tract, the Flat Canyon Tract, which conformed to the Lease By Application sale criteria set forth in 43 CFR 3425.1-5, and was found to be environmentally suitable for leasing, potentially economic for coal production, and consistent with local or regional, social and economic needs. The tract contains 2,962.16 acres located approximately ten miles southwest of Scofield, Utah in Sanpete County.

The sale was held by Kent Hoffman, Acting State Director, Utah State Office. A list of attendees is attached.

The coal resources were offered for lease by sealed bid. One sealed bid was received on the tract. A summary is shown below:

UTU-77114

T. 13 S., R.6 E., SLM, Sanpete County, Utah
sec. 21, lots 1-4 inclusive, E $\frac{1}{2}$ NE $\frac{1}{4}$, and E $\frac{1}{2}$ SE $\frac{1}{4}$;
sec. 28, lots 1-8 inclusive, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$;
sec. 33, NE $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;

T. 14 S., R.6 E., SLM, Sanpete County, Utah
sec. 4, (all);
sec. 5, (all);

Acres: 2,692.16

Coal Quality Lower O'Connor B and Flat Canyon Beds:

Btu/lb.:	12,400
Percent Moisture:	5.80
Percent Ash:	7.10
Percent Volatile Matter:	42.80
Percent Fixed Carbon:	43.80
Percent Sulfur:	0.50

Minimum Acceptable Bid:	Per Acre	\$ 100.00
	Total	\$ 269,300.00

High Bidder: Canyon Fuel Company, LLC

Total Bid:	\$ 17,200,000
Bid per Acre:	\$ 6,388.92
Total Submitted With Bid:	\$ 3,440,000
Per Ton Bid:	\$.4095

It was announced at the sale that the sale panel will meet to determine whether the bid meets Fair Market Value.

The coal sale was declared closed at 1: 03 p.m.