

orig file
 a R Daniels
 DRW
 K May
 Uta Point #2
 Folder #2
 007/006

RECEIVED
 JUL 18 1988

DIVISION OF
 OIL, GAS & MINING

memorandum

July 14, 1988

To: Uinta-Southwestern Utah Regional Coal Team
 From: Uinta Coal Project Manager
 Subject: Leasing By Application, Coal Lease Application No. 2

On July 7, 1988 the BLM received the 2nd coal lease application under the new LBA program. The application was filed by Cyprus Western Coal Company for federal coal adjacent their Plateau Star Point #2 mine in Carbon County Utah. The area applied for is about 53% of the acreage of the Castle Valley Ridge Tract considered in Round II leasing in the Uinta Region. The application is for an estimated 1826 acres and preliminary estimates indicate 8,950,000 tons of recoverable coal. The surface area of the application is all administered by the Manti-LaSal National Forest.

The company indicates the tract is needed to provide additional reserves to the property so they can pursue additional long term contracts in the future. Another factor is the additional reserve will reduce the capital cost per ton for coal reserves the company now has west of the Bear Canyon Graben which is requiring an expenditure of over \$7 million dollars for the company to construct rock tunnels. Additional reserves will allow the company to maintain a high annual production level for the balance of the mines existence. The reserve would provide less than 6 years of production at the existing mining rate of about 1.6 million tons per year.

BLM and the Forest Service will be proceeding with preadjudication of the application, review of land use plans, data adequacy and tract delineation. The application area is outlined on the attached map. If you have need for any additional detail, please contact me.

Max Nielson

Max Nielson
 Regional Coal Project Manager

