



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/ut/st/en.html>



IN REPLY REFER TO:
3483
UTU-88273
UT9223

DEC 15 2011

RECEIVED

DEC 19 2011

DIV. OF OIL, GAS & MINING

CERTIFIED MAIL – 7011 1150 0000 6739 5275
RETURN RECEIPT REQUESTED

Mr. Joseph Kingston
ANR Company, INC
3212 South State Street
Salt Lake City, Utah 84115

RE: Cancellation of Lease UTU-88273

Dear Mr. Kingston:

This letter is in response to the two letters, dated November 2, 2011, that ANR Company, Inc sent to the Price Field Office and the BLM Utah State Office concerning the above captioned lease. In the letters, you stated “there are currently no remaining recoverable reserves on Lease UTU-88273” and that the continued tonnage requirements for this lease would be zero. Also, you stated that “ANR wishes at this time to continue to preserve the lease until mining of Federal lease SL-025431 takes place adjacent to Federal lease UTU-88273.”

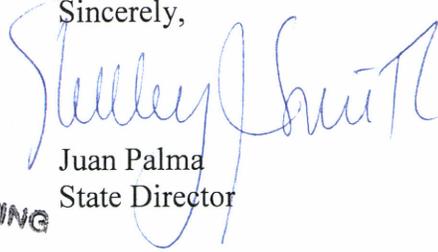
As an initial matter, lease SL-025731 is not adjacent to lease UTU-88273. The boundaries of the two leases are approximately a half mile apart. In any event, lease UTU-88273 must meet the continued operations requirement to remain active. If the continued operation requirements are not met the lease is subject to cancellation in whole or part as provided in 43 CFR 3452.2(b). As there are no remaining economically recoverable reserves remaining anywhere on the lease, the continued operation requirements cannot be met. Therefore, the lease is subject to cancellation in whole.

The regulations do not provide for a lease to be held on unsupported speculation that potentially mineable reserves could be found on the lease, as you allude to in your letters.

Therefore, pursuant to 43 CFR 3452.2-2 within thirty days of receipt of this letter, ANR Company, Inc. must submit evidence showing why the lease should not be cancelled. If no response is received within that timeframe, the BLM will initiate the cancellation process for this lease.

If you have any questions, please feel free to call Roger Bankert at (801) 539-4037.

Sincerely,



Juan Palma
State Director

ACTING

cc:

Mr. John Baza, Director, UDOGM, Box 145801, Salt Lake City, Utah 84114-5801
Resource Development Coordinating Committee, ATTN: Mineral Leasing Taskforce,
116 State Capital Building, Salt Lake City, Utah 84114
Price Field Office (Attn: Steve Rigby)