

APPENDIX 1-6

BLM CORRESPONDENCE

BLM Correspondence for Appendix 1-6 are all hard copies no electronic copies exist.

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MAY 18 2007

Div. of Oil, Gas & Mining



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Price Field Office
125 South 600 West
Price, Utah 84501

2890
UTU-76614
(UT-066)

AUG 13 1998

Mr. Jay Marshall
Basic Management, LLC
P. O. Box 986
Price, Utah 84501

Dear Mr. Marshall:

On March 27, 1998, we received five (5) right-of-way applications for various facilities associated with the proposed Lila Canyon Coal Mine project. We have assigned the applications the following serial numbers:

Powerline	UTU-76614	
Railroad	UTU-76615	<i>will REMOVE</i>
Utility Corridor	UTU-76616	
Coal Haul road	UTU-76617	
Mine Site	UTU-77122	

You indicated that you would like the firm Environmental Industrial Services, located in Helper, Utah to complete the environmental assessment (EA) for this project. We have no problem with this contractor completing the required EA. However, before they can begin work on the EA, we will need to sign a memorandum of understanding (MOU) for preparation of an environmental assessment. Enclosed for your review is the MOU we drafted for this project. If the MOU is acceptable, please sign, date and return both copies of the document as soon as possible. Also enclosed is the Statement of Work (SOW) we have prepared for the contractor. Please review this document and let us know if it is acceptable. If it is acceptable we will set up a scoping meeting with the contractor and our staff as soon as possible.

If you have any questions please feel free to contact Mark Mackiewicz of my staff at (435) 636-3600.

Sincerely,

Mark E. Bailey
Acting Field Manager

Enclosures (2)

1. Memorandum of Understanding
2. Statement of Work

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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Price Field Office
125 South 600 West
Price, Utah 84501
(435) 636-3600

2800
UTU-77122
(UT-070)

Ms. Mary Ann Wright
Utah Division of Oil Gas and Mining
P. O. Box 145801
Salt Lake City, Utah 841114-5801

DEC 26 2000

RE: Lila Canyon MRP (ACT/007/014)

Dear Ms. Wright:

On November 27, 2000, a Decision Record (copy enclosed) was signed for the Lila Canyon Mine Project. The decision was made to grant right-of-way to Utah American Energy to construct, operate and maintain mine related surface facilities on public lands. In addition the decision was made to grant Emery County a right-of-way to construct operate and maintain a coal haul access road and to grant right-of-way to construct, operate and maintain a 46 kV powerline. Approval of the three rights-of-way would be contingent upon mine plan approval.

The Bureau of Land Management is prepared to grant the right of entry to these public lands. However, the case is in litigation and we are waiting for a decision from the Interior Board of Land Appeals whether to grant the appellants a stay. When this issue is resolved we would be in the position to grant right-of-way.

Our understanding is that the Utah Division of Oil Gas and Mining is unable to approve the mine plan until the UEI has demonstrated the right of entry. In several other similar cases a letter from the Bureau of Land Management has been sufficient to demonstrate the right of entry prior to the actual grants being made. Our hope is that we can continue providing good customer service by utilizing this arrangement. Another option is that we could have a simultaneous signing of the MRP and the right-of-way grants. Please let us know as soon as possible what option will meet our objectives.

If you have any questions, please feel free to contact Mark Mackiewicz of my staff at (435) 636-3616.

Sincerely,

THOMAS E. RASMUSSEN

Tom Rasmussen
Acting Field Manager

Enclosure:

cc: Mr. Clyde Borell

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Div. of Oil, Gas & Mining



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Price Field Office
125 South 600 West
Price, Utah 84501
(435) 636-3600

2800
UTU-77122
(UT-070)

Ms. Mary Ann Wright
Utah Division of Oil Gas and Mining
P. O. Box 145801
Salt Lake City, Utah 84114-5801

JAN 04 2007

RE: Lila Canyon MRP (ACT/007/013)

Dear Ms. Wright:

The Bureau of Land Management is prepared to grant the right of entry to UtahAmerica Inc. (UEI) for the surface facilities necessary for the Lila Canyon Mine Project. These facilities would include a site right-of-way to construct, operate and maintain mine related surface facilities on public lands, a road right-of-way to Emery County to construct operate and maintain a coal haul access road and a right-of-way to construct, operate and maintain a 46 kV powerline. However, the case is in litigation and we are waiting for a decision from the Interior Board of Land Appeals whether to grant the appellants a stay. When this issue is resolved we would be in the position to grant right-of-way

It is our understanding that this letter will demonstrate that UEI has the right of entry pending the outcome of the ongoing litigation. If you have any questions, please feel free to contact Mark Mackiewicz of my staff or me at (435) 636-3600.

Sincerely,

THOMAS E. RASMUSSEN

Tom Rasmussen
Acting Field Manager

Enclosure:

cc: Mr. Clyde Borrell

MMackiewicz:mm:1:04:01 Lila.ltr.UDOGM.1.04.01

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Div. of Oil, Gas & Mining

United States Department of the Interior

3482
SL-062648
(U-065c)

BUREAU OF LAND MANAGEMENT

Moab District
P. O. Box 970
Moab, Utah 84532

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Div. of Oil, Gas & Mining

DEC 11 1991

Mr. Daron R. Haddock
Permit Supervisor
State of Utah
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84130-1203

Dear Mr. Haddock:

The Bureau of Land Management (BLM) has been asked by Genwal Coal Company and the Manti-LaSal National Forest to comment on possible subsidence effects at the Crandall Canyon Mine. This request is a result of Genwal's application and subsequent revisions to add State coal leases ML-21568 and ML-21569 to the Mining and Reclamation Plan (MRP) for the Crandall Canyon Mine.

Genwal's MRP states that subsidence may occur over mining areas in the two state leases. The lateral extent of possible subsidence was estimated using a 30 degree angle of draw. Using that angle, the area of influence would extend across the boundary to National Forest lands. In the MRP, the maximum amount of vertical subsidence (the distance of ground movement) was estimated as 70 percent of the height of coal extracted with adjustments to unrecovered coal left in pillared areas. The draw angle and vertical subsidence estimates were based on empirical data from a number of sources. The BLM believes some of these estimates are inappropriate for the mining conditions in this area.

ANGLE OF DRAW

Draw angles of 30 degrees are very high for this region. Angles of this magnitude come in part from observations of mining in the eastern United States and in part from the National Coal Board in the United Kingdom. Coal beds in the Wasatch Plateau/Book Cliffs lie under normally deep cover where the upper strata consist of many massive and competent sandstone and siltstone members. These conditions appear to affect subsidence profiles in the region. Documented subsidence data from mining areas in the Wasatch Plateau show draw angles ranging from 15 to 20 degrees with the majority of the measured data closer to 15 degrees. These data came from mining company data and two independent studies from the Bureau of Mines. In our opinion, draw angles of 30 degrees do not apply to the Wasatch Plateau/Book Cliffs coal fields. Estimations of possible draw angles should be in the 15 to 20 degree range.

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VERTICAL SUBSIDENCE ESTIMATION

Div. of Oil, Gas & Mining

The MRP projects the maximum surface extent and magnitude of possible subsidence on both the State coal leases and the surrounding lands of Federal surface and subsurface ownership. In our opinion, the scenario depicted in the MRP is worst possible case and should not happen. From available data taken from actual mining, subsidence from room and pillar mining is less than subsidence from longwall mining. Multiple panels mined by longwall methods tend to subside the surface in a more classical form consisting of lateral ground lowering without surface disruptions. This has been documented for longwall mining under deep overburden (1500+ feet). Vertical subsidence of 60 to 70 percent of the extracted seam height has been observed over large areas of mined out longwall panels. The strata above the mined out panels tends to bend elastically. This seems logical given the wide areas of these extracted panels. The only exceptions to this have been in areas near cliffs with highly jointed and fractured outcrop rock or areas of weakened strata from faults or burnt coal.

Subsidence under room and pillar panels behaves much differently. Where longwall panels extract coal quickly over wide areas, room and pillar panels take much longer to mine and are not as wide. Evidence shows that subsidence above room and pillar panels is much less than subsidence above longwall panels. Caving above room and pillar panels may be in the form of arches filling up with broken material displacing the void with this material before the arch reaches the surface. Case history backs this claim. Most of the mines in the region have been mining with some form of room and pillar methods for over 50 years with little documented subsidence. The room and pillar mines near Crandall Canyon (Huntington # 4 Mine, Trail Canyon Mine, Das-Bee-Dove Mine) have experienced minimal surface effects from mining. Again, significant subsidence effects have only been observed in areas of jointed cliffs or shallow cover with room and pillar mining.

Room and pillar mining results in partial seam extraction, whereas longwall mining results in a larger percentage of extraction. Barrier pillars are left between room and pillar panels which in Genwal's case are quite large due to the deep cover. It is a rarity that each pillar in the panel is completely removed; stumps and fenders are left. Overall recovery is usually not much more than 50 percent. Design equations found in rock mechanic books (Rock Mechanics and the Design of Structures in Rock, by Obert and Duvall, and Underground Mining Methods Handbook, by Hustrulid) demonstrate that overall strata failure may not occur with extraction rates of 50 percent or less.

With regard to Genwal's application, the BLM's opinion is that room and pillar mining should not subside the adjoining Federal surface given the depth of mining and planned amount of coal extraction. If subsidence does occur, we are confident that the only surface effects will be minimal ground lowering. Surface resources should not be impacted.

Sincerely yours,

Larry Johnson

for

Assistant District Manager
Mineral Resources

cc:

DM, Moab (U-065)

SD, Utah (U-921)

Manti Lasal National Forest

Genwal Coal Company

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