

007/013 Incoming
CC: Pete



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84143-0155
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DIV. OF OIL, GAS & MINING

SEP 30 2010

IN REPLY REFER TO:
3482
UTU-73516,SL-066490
(UT-923)

Certified Mail--Return Receipt Requested 7009 1410 0001 9070 8793

R. Jay Marshall, P.E.
Project Manager-Lila Canyon Mine
UtahAmerican Energy, Inc.
794 North "C" Canyon Road
P.O. Box 910
East Carbon, Utah 84520

Re: Lease Modification for ventilation breakout and possible fan, Lila Canyon Mine

Dear Mr. Marshall:

This letter amends the previous letter dated September 29, 2010.

The Bureau of Land Management (BLM) received a Lease Modification request on September 15, 2010 from UtahAmerican Energy, Inc. (UEI) for the subject mine. The proposed modification will expand Federal Coal Lease SL-066490 by five acres. The request letter states that a total of 5,000 tons of coal will be mined in the lease modification area to develop a ventilation mine breakout and possible fan in the Sunnyside Seam outcrop above the existing mine road and portals.

The following additional information must be submitted before the BLM will process the lease modification:

1. A map and/or plat that accurately and adequately shows the delineation of the five acre tract must be submitted. Five acres is the minimum parcel size for a lease modification.
2. The 5,000 tons that will be mined in the proposed lease modification area for the ventilation breakout is offset by the amount of tons that would have been mined in the existing mine plan ventilation breakouts. What is the net effect of this mine plan change on tonnage?
3. You stated in your application that this breakout may be a potential fan location. If this is a possibility, then information detailing the installation and operation of the fan must be submitted so that it can be considered in the approval process. Information submitted must include: how the pad will be built and maintained, fan structures, diesel backup, fuel tanks, electrical components, service powerline, road access, reclamation topsoil storage, portal sealing plan, and a general facility layout in the breakout area showing the area of disturbance.
4. Is the presently approved mine plan ventilation breakout and fan site not going to be used? What are the "...needs or reasons for such modification and the reasons why the modification would be to the advantage of the United States." ? 43 CFR 3432.1(b)

5. The mine plan shown on the lease modification request does not match the presently approved R2P2 dated April 22, 2010. A revised mine plan must be submitted to this office addressing the mine layout of the lease modification and surrounding areas so that a determination can be made that the lease modification will not affect the recovery of existing Federal coal.

This proposal will involve surface disturbance and will therefore require a NEPA evaluation for NEPA adequacy.

A lease modification action requires Cost Recovery, which will be initiated when a complete lease modification request is received.

Please submit the requested information within 30 days of your receipt of this letter. If the information is not received within 30 days, your application will be returned with no action taken on it.

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 granted, and
- (4) Whether the public interest favors granting the stay.

If you have any questions, please contact Vaughn Hughes in the Price Field Office at (435) 636-3626 or Jeff McKenzie of my staff at (801) 539-4038.

Sincerely,

s/ Roger L. Bankert

Roger Bankert
Chief, Branch of Minerals

cc: UT-070, Price Field Office

Utah Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

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