



2007/013 Incoming
cc: Jim S. &

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>



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

DEC 14 2010

Certified Mail--Return Receipt Requested 7009 0820 0001 7945 3795

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

RECEIVED

DEC 14 2010

DIV. OF OIL, GAS & MINING

Re: Approved – Minor Modification to the Resource Recovery and Protection Plan (R2P2),
Projected Mine Plan change resulting in small change of tonnage, Lila Canyon Mine

Dear Mr. Marshall:

The Bureau of Land Management (BLM) received on December 8, 2010, an R2P2 modification request from UtahAmerican Energy, Inc. (UEI) for the subject mine. The proposed modification revises the mine plan to provide an additional connecting entry for rock storage near the approved breakout location.

826 additional tons will be added to the tonnage projections for Lila Canyon's Logical Mining Unit (LMU) #UTU-73516 which includes Federal coal leases SL-066490, U-014218, U-0126947, U-014217, SL-069291 and SL-066145.

This mine was most recently inspected by the BLM on October 29, 2010. Mining is to the south for the three ventilation breakout entries on Federal Coal Lease SL-066490.

Proposed Plan: UEI is proposing to add one connecting entry to the approved plan for additional rock storage for the south ventilation breakout as highlighted in yellow on the enclosed approved R2P2 mine plan. This additional crosscut will add approximately 826 tons of coal to the LMU on Federal coal lease SL-066490.

The reasoning behind this change is to provide additional access and rock storage capacity as the mine proceeds to mine the three south breakout entries through the burned/oxidized coal zone to the outcrop.

Approval: The BLM approves the R2P2 plan change. Further, BLM directs the additional 826 tons be included in the life of mine recoverable tonnage update required in #3 of the "Approval with Conditions" section in the R2P2 modification approved November 24, 2010.

A copy of the approved Mine Map is enclosed.

Maximum Economic Recovery (MER): Full extraction of recoverable coal reserves will enable MER of the Federal coal in LMU #UTU-73516 to be achieved.

Recoverable Reserve Base: The current recoverable coal base for LMU #UTU-73516 is 27.227 million tons (in process of updating, see approval statement above). The LMU recoverable reserve base will be increased by 826 tons.

National Environmental Policy Act (NEPA): No new surface disturbance is predicted with this action, and therefore this action is Categorically Excluded (CX) from NEPA analysis under DM 516 chapter 11.5, paragraph F. (8): Approval of minor modifications to, or minor variances from, activities described in an approved underground or surface mine plan for leasable minerals (e.g., change in mining sequence or timing).

This R2P2 modification complies with the Mineral Leasing Act of 1920, as amended, the regulations at CFR 3480, and the lease terms and conditions. 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

Enclosure:

Approved Mine Map

cc: UTG023, Price Field Office (w/ Enclosure)
Utah Division of Oil Gas and Mining (w/ Enclosure)
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

2010-12-13LilaCanyonmineR2P2modificationapprovalJM-SA

