



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District – Price Field Office
125 South 600 West
Price, Utah 84501
<http://www.blm.gov>



4/007/013 Incoming

IN REPLY REFER TO:

3482(UTG023)
SL-066490 (Lead Mine Lease)
SL-069291 (Affected Lease)
UTU-73516 (LMU)

DEC 06 2017

RECEIVED
DEC 08 2017
DIV. OF OIL, GAS & MINING

CERTIFIED MAIL - -RETURN RECEIPT REQUESTED:
No. 7017 0660 0000 0468 3709

Mr. David Hibbs
President
UtahAmerican Energy, Inc.
P.O. Box 910
East Carbon, Utah 84520

DECISION PENDING

Re: Minor Modification to Resource Recovery and Protection Plan, Shorten Longwall Panels 6 and 7, Lila Canyon Mine, UtahAmerican Energy, Inc.

On August 8, 2017, the Bureau of Land Management (BLM), Price Field Office, received a request from UtahAmerican Energy, Inc. (UEI) to modify the approved resource recovery and protection plan (R2P2) for the Lila Canyon Mine. The request is to shorten longwall panels #6 and 7 due to adverse mining conditions approaching the Central Graben Fault area. This revision is located on Federal Coal Lease SL-069291 within the approved Lila Canyon Logical Mining Unit (LMU) UTU-73516.

Proposed Plan: UEI proposes to revise the projected development of the 4th and 5th South gate entries and associated bleeder entries, to avoid projected adverse mining conditions that were encountered in the 2nd and 3rd South gate entries while approaching the Central Graben Fault. With the adjusted lengths of the gate entries, longwall panels #6 and #7 are projected to be shortened by 530 feet and 340 feet respectively. UEI requests this modification due to adverse and difficult mining conditions (cracks and displacements in the roof, soft and broken floor coal and rock). These conditions, UEI reports, has increased mining costs (additional roof and floor supports), increased safety risks and increased risks of equipment damage.

Analysis: We have received your request and further cost data for justification and have reviewed the submissions. We have also inspected the area on September 20, 2017, and have verified the adverse conditions in the back end of 3rd South. While we acknowledge the adverse conditions in 3rd South and the risks of getting closer to the Central Graben Fault, we believe that approval of the gate road projections (4th and 5th South) and the accompanying longwall projections (#6 and #7 Panels) is premature as the conditions in the projected 4th and 5th South gate entries are as yet unknown and could be better or worse. The layout of longwall panels #6 and #7 will be heavily dependent on what is found as 4th and 5th South gate entries are driven towards the fault area. For these reasons, the BLM defers approval of this

modification until 4th South is driven close to the proposed projections so that the local conditions can be verified.

We recognize that the length of panel #6 is dependent on the size of the coal barrier between the bleeder entries from 3rd to 4th South and the set up room for panel #6 and may have to be as projected in this modification due to the length of 3rd South gate entries. However further analysis is required concerning the size of this coal barrier and possible alternatives to maximize the length of panel #6. The BLM understands this submission and final R2P2 decision must be before 4th South development reaches the planned set up room for panel #6.

In summary, approval of this modification is deferred until conditions of the 4th South gate entries are verified and submission of the analysis of the coal barrier in the back of panel #6. The recoverable coal reserves for the leases involved will remain the same as per our last modification letter to you dated June 9, 2017. An updated recoverable coal reserves estimation of the mine by UEI will be required when final disposition of this modification is complete.

If you have any questions, please feel free to contact Steve Rigby (435-636-3604).

Sincerely,

Chris Conrad
Field Manager

cc: Gary Torres
Green River District

Utah State Office

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