

Original 007/018 #2
cc: J. Smith

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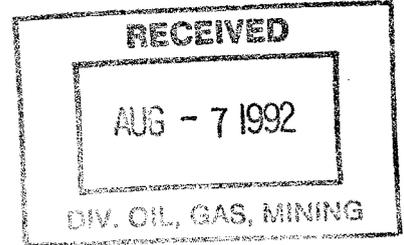
United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

3482
U-50722
(U-065c)

AUG 3 1992



CERTIFIED MAIL - RETURN RECEIPT REQUESTED
Certification No. P 757 770 017

Mr. Tom Paluso
Chief Engineer
Soldier Creek Coal Co.
P.O. Box 1
Price, Utah 84501

RE: Soldier Canyon Mine Resource Recovery and Protection Plan (R2P2) Modification, Main East Area of the Sunnyside Seam

Dear Mr. Paluso:

On July 7, 1992, the Bureau of Land Management (BLM) received Soldier Creek Coal Company's (SCCC's) request to modify the approved R2P2 for the Soldier Canyon Mine. On July 17, 1992, SCCC submitted additional information concerning the modification. This information was requested by Abe Elias, BLM mining engineer, on July 14, 1992. The affected coal reserves are located in the Sunnyside Seam and the Rock Canyon Seam on Federal coal lease U-50722.

SCCC's approved mining plan was to recover the developed pillars in the Main East area of the Sunnyside Seam (see enclosure 1), then recover the previously developed pillars in the underlying Rock Canyon Seam (see enclosure 2). Soldier Creek is now proposing to change this plan and begin pillar retreat mining in the Fifth East area of the Rock Canyon Seam. Recovery of the pillars in the Sunnyside Seam will be delayed and addressed appropriately in future mine planning. The company is in the market for sale and any future mine plan changes will depend on the new buyer.

According to SCCC, pillaring the Sunnyside Seam first would transfer abutment pressures into the center of the underlying Fifth East area of the Rock Canyon Seam causing a significant loss of coal reserves (see enclosure 2). The interburden, which is approximately 150 feet thick and contains over 40 feet of sandstone, is expected to minimize any adverse affects on the Sunnyside Seam by mining the underlying Rock Canyon Seam in advance.

The extent of pillar development and the conditions of the pertinent sections in each seam were witnessed by Abe Elias, mining engineer, during an inspection conducted on July 14, 1992. Development of the Main East First South section was discontinued at crosscut #13 because the coal thinned to less than 5 feet. Conditions were stable but a weak roof, rib sloughage, and a void between the roof and coal were observed. Full development had occurred in the Fifth and Sixth North sections of the Rock Canyon Seam. These sections were in excellent condition with a roof consisting of a competent silty shale. No indication of weak zones, roof fractures, or rib sloughage were present.

By overlaying the maps of the two seams, the BLM has verified that the Main East First South section of the Sunnyside Seam is located approximately over the center of the underlying Fifth East area of the Rock Canyon Seam. An analysis of available drill logs shows an average interburden of 145 feet between the seams with a sandstone content of 53 percent in this area of the mine.

Our analysis indicates that pillaring of the Sunnyside Seam, prior to the Rock Canyon Seam, will transmit abutment pressures to the Rock Canyon Seam. This could impact the recovery of an estimated 43,000 tons of Federal coal in the Rock Canyon Seam. Conversely, the thickness and sandstone content of the interburden should prevent adverse impacts to the Sunnyside Seam induced by undermining of the Rock Canyon Seam. This could enhance the overall recovery of both seams. The potential for the migration of methane from the Rock Canyon Seam to the Sunnyside Seam due to fracturing should be very negligible due to the degasification program currently in operation in the mine.

The BLM has determined that the proposed mine plan change is in compliance with the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3400, the lease terms and stipulations, and will achieve maximum economic recovery of the Federal coal. Therefore, the modification is approved with the following stipulations:

1. The Sunnyside Seam will not be mined for at least 6 months after the Rock Canyon Seam is mined to allow for the strata to stabilize.
2. SCCC must submit a modified plan for mining the Main East area in the Sunnyside Seam within six months.

If you have any questions, please contact Gary Johnson, Chief - Price Coal Office - at (801)637-4584.

Sincerely,



for Assistant District Manager
Mineral Resources

Enclosures:

1. Sunnyside Seam, Main East (1 p)
2. Rock Canyon Seam, Fifth East (1 p)

cc:

- DM, Moab (U-065) (w/Enclosures)
- SD, Utah (U-921) (w/Enclosures)
- UDOGM, Salt Lake City (w/Enclosures)

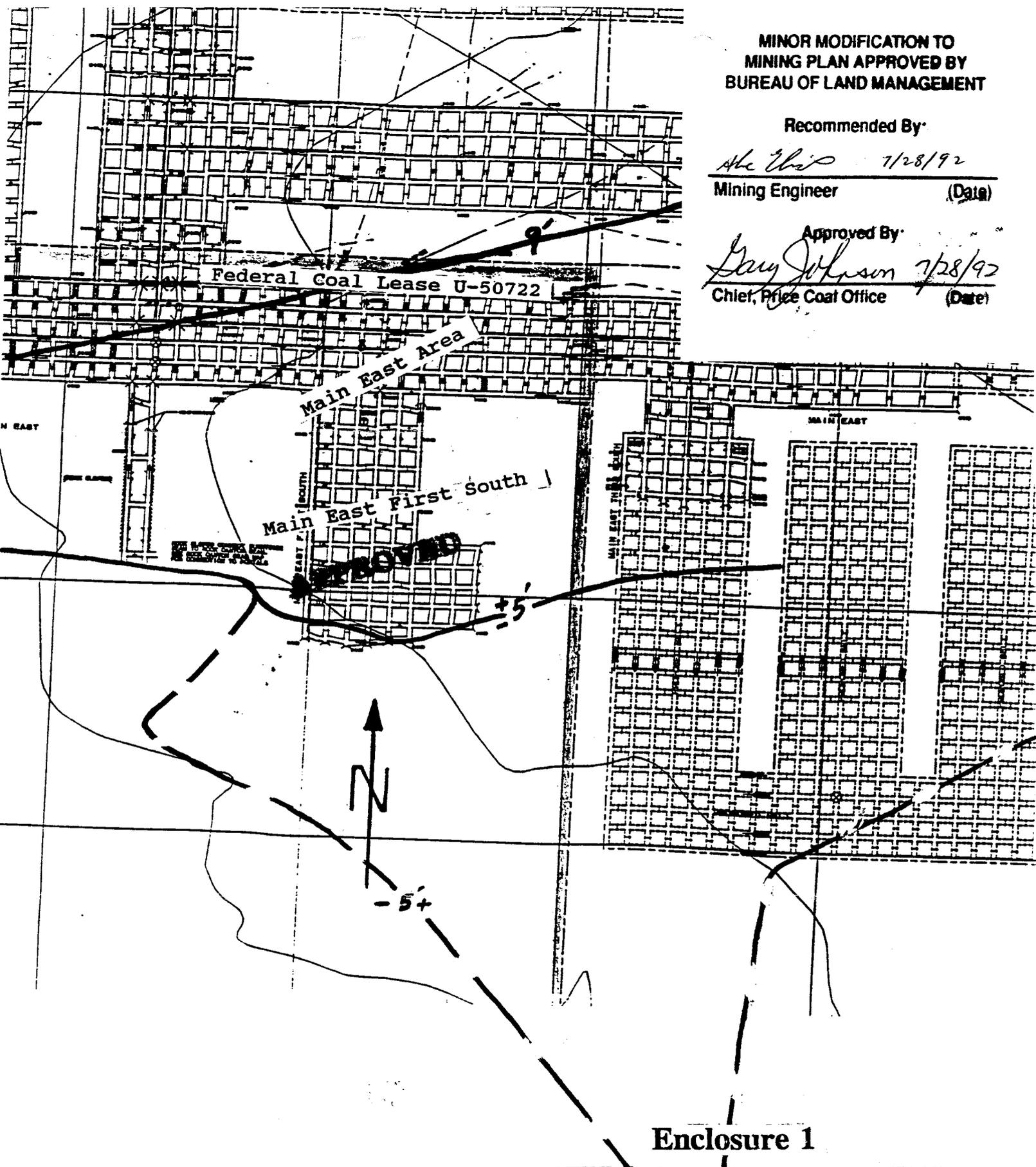
MINOR MODIFICATION TO
MINING PLAN APPROVED BY
BUREAU OF LAND MANAGEMENT

Recommended By:

Alec Blair 7/28/92
Mining Engineer (Date)

Approved By:

Gary Johnson 7/28/92
Chief, Price Coal Office (Date)



Enclosure 1
SOLDIER CREEK COAL COMPANY
SOLDIER CANYON MINE
SUNNYSIDE SEAM
MAIN EAST AREA

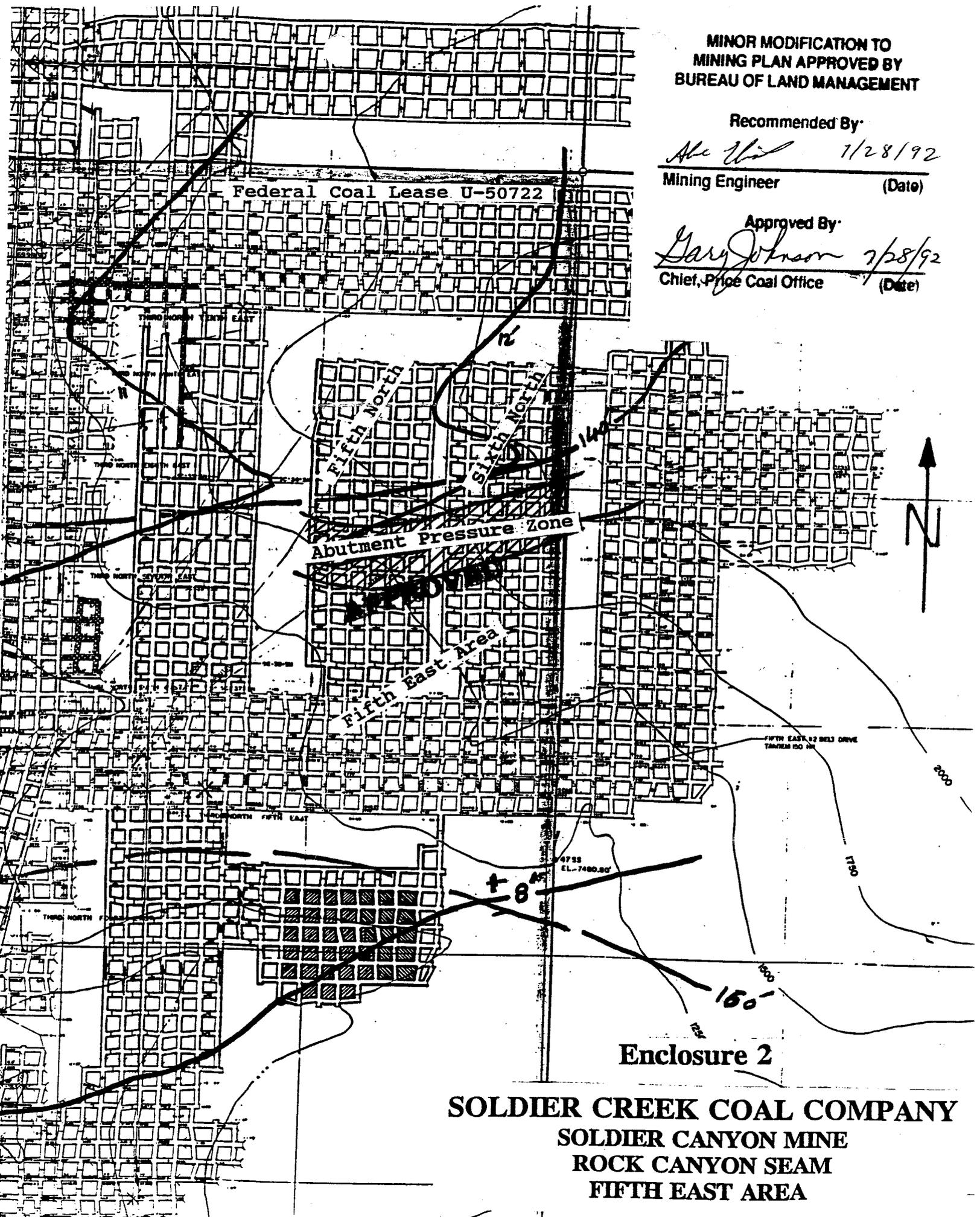
MINOR MODIFICATION TO
MINING PLAN APPROVED BY
BUREAU OF LAND MANAGEMENT

Recommended By:

Abe [Signature] 7/28/92
Mining Engineer (Date)

Approved By:

Gary Johnson 7/28/92
Chief, Price Coal Office (Date)



Enclosure 2

SOLDIER CREEK COAL COMPANY
SOLDIER CANYON MINE
ROCK CANYON SEAM
FIFTH EAST AREA