



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
 P.O. Box 45155
 Salt Lake City, UT 84145-0155
 www.ut.blm.gov

IN REPLY REFER TO:

3482
 U-50722
 SL-051279-063188
 U-07064-027821
 UTU-69635
 (UT-923)

AUG 22 2005

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Erwin Sass
 General Manager
 Canyon Fuel Company, LLC
 Soldier/Dugout Canyon Mines
 P. O. Box 1029
 Wellington, Utah 84542

RECEIVED

AUG 24 2005

DIV. OF OIL, GAS & MINING

Re: Approved Resource Recovery and Protection Plan (R2P2) Modification August 1, 2005, Dugout Canyon Mine, Gil 4-A panel.

Dear Mr. Sass:

On August 1, 2005, we received your application for modification of your R2P2. The modification is to remove the bleeder and to change the sequence of the panel from the 2011 time frame to mid-year 2006.

Background. This Gil 4-A longwall panel was delineated by the mine in response to BLM's request to provide a plan for mining the area. At the present time, the Dugout mine is performing an in-seam drilling analysis to delineate the panel. After the initial drilling, it was determined that sufficient coal was found to start driving toward the panel. The change in the plan allows for changing the development to access the area of the panel. It was also felt by the mine that it would be better to mine the panel in 2006 instead of coming back and mining the panel at a later date.

Approval. BLM approves removal of the double development system on the Gil 4-A panel by moving the panel to the North and using the headgate of the Gil 4 panel as the bleeder system for this panel. The panel is planned at this time to also be lengthened by 350 feet making an increase to the recoverable reserves of 35,000 tons. BLM also approves the change in timing to mine this panel in mid-year 2006.

NEPA. This approval is Categorically Excluded as a minor modification to an existing mining plan because there is no new surface disturbance in this area as stated in, Overview of BLM's NEPA Process, February 1997, Appendix 2, page 2-7 (F)(7).

Maximum Economic Recovery:

The BLM has determined that this change to the Mining Plan (R2P2), with the conditions of approval, is in compliance with the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3480, the lease terms and stipulations, and will achieve maximum economic recovery (MER) of the Federal coal.

If you have any questions please feel free to contact Mr. Stan Perkes 801-539-4036.

Sincerely,
JAMES F KOHLER

James F. Kohler
Chief, Solid Minerals Branch

Enclosure: Approved Map

cc: Price Field Office
✓ Utah Division of Oil, Gas, and Mining, DOGM, P.O. Box 145801, Salt Lake City, Utah,
84114-5801