

C/007/039 Incoming

CC: Lisa



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101
<https://www.blm.gov/utah>

IN REPLY REFER TO:
3451
UTU-07064-027821
(UT-9223)

MAR 14 2017

CERTIFIED MAIL—Return Receipt Requested
91 7199 9991 7037 5221 8258

DECISION

Canyon Fuel Company, LLC
c/o Bowie Resource Partners, LLC
225 North 5th Street, 9th Floor
Grand Junction, CO 81501

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Coal Lease
UTU-07064-027821

RECEIVED
MAR 17 2017
DIV. OF OIL, GAS & MINING

Amended Stipulation for Readjustment of Coal Lease UTU-07064-0278217

By a decision dated December 16, 2016, Canyon Fuel Company, LLC (CFC) was notified of the terms and conditions of the readjustment of coal lease UTU-07064-027821 provided in accordance with the regulations under 43 CFR 3451 and effective on January 1, 2017.

That decision was appealed to the Interior Board of Land Appeals, (IBLA) Office of the Secretary, in accordance with the regulations by Canyon Fuel Company, LLC on January 19, 2017. The appeal was docketed by IBLA under the number IBLA 2017-0088.

In discussions between CFC's counsel and the Intermountain Office of the Solicitor a negotiated settlement of the wording of Stipulation 21 has been reached. A copy of the revised last page of stipulation to be attached to readjusted coal lease UTU-07064-0278217 is enclosed to replace the current last page of stipulations.

It is anticipated that with this revision of Stipulation 21 CFC will file an unopposed motion to withdraw the appeal before IBLA.

If you have further questions, please call Bill Buge at (801) 539-4086.

Edwin L. Roberson
State Director

Enclosures

1. Coal Lease Readjustment UTU-07064-027821 page 10.

cc: Ms. Jill Ptacek, Department of Justice, Antitrust Division, Transportation, Energy and
Agriculture Section, 450 5th Street, NW, Suite 4100, Washington D.C. 20530 (w/encl.)
Mr. John Baza, Director, UDOGM, Box 145801, Salt Lake City, Utah 84114-5801
(w/encl.)
Price Coal Office (w/encl.)
ONRR, MRM, Solid Minerals Staff, Attn: Michael Rausch, MS632308, Box 25165,
Denver, CO 80225-0165
Canyon Fuel Company, LLC, c/o Bowie Resource Partners, LLC, 6100 Dutchmans Lane,
9th Floor, Louisville, KY 40205

available an index that is mutually agreed to by the lessee and the authorized officer will be used. Payment of FMV at the specified rate and tonnage mined will be on the schedule required for payment of production royalties to the Office of Natural Resource Revenue (ONRR). The lessee will clearly indicate which portion of the payment is for royalty and what is for the lease bonus payment.

20. FAIR MARKET VALUE BONUS: Due to the uncertainty of the amount of recoverable coal reserves in this modification, the lessee will pay the fair market value (FMV) bonus payment for the coal resources mined in the area of Federal coal lease modification (U07064-027821) Tract 4, at the rate of \$0.28 per ton for the actual tonnage mined, adjusted annually using the U. S. Bureau of Labor Statistics CPI West Urban Energy Index; or if that index is not available the BLM authorized officer will chose a comparable index to be used. Payment of FMV at the specified rate and tonnage mined will be on the schedule required for payment of production royalties to the Office of Natural Resource Revenue (ONRR). The lessee will clearly indicate which portion of the payment is for royalty and what is for the lease bonus payment.

21. SAGE GROUSE: The Lessee shall comply with the enforceable land use prescriptions set forth in the applicable Federal resource management plans.