



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Price Field Office
125 South 600 West
Price, UT 84501
<http://www.blm.gov/ut/price>

AUG - 6 2008

In Reply Refer To:
3420
UTU-78562
(UT-070)

Dear Private Land Owners/Affected Interests:

West Ridge Resources, Inc., operator of the West Ridge Mine and wholly owned subsidiary of UtahAmerican Energy, Inc. (UEI), has filed with the Bureau of Land Management (BLM) an application to modified existing Federal Coal Lease UTU-78562 by adding about 602 acres of coal lands to this lease, of which UEI and Intermountain Power Agency (IPA) are 50% lessees of record. These coal lands that have been applied for are along the north boundary of the lease in several separate parcels (a map is attached) with the following legal description:

T. 13 S., R. 13 E., SLM
Sec. 34, S1/2SE1/4, NE1/4SE1/4
Sec. 35, N1/2, N1/2SW1/4;

T. 14 S., R. 13 E., SLM
Sec. 1, lot 1;

T. 14 S., R. 14 E., SLM
Sec. 6, NE1/4SW1/4.

Containing 602.91 acres in Carbon County, Utah.

As the land owners or affected parties to this action, the BLM wishes to give notification to you of this Federal coal lease modification proposal.

The purpose of this application is to add fringe acreage to the lease in case there is coal with minable thickness just beyond the current lease boundary. Drill hole information of the coal is very widely spaced and the thickness of the coal at the current lease boundary is unknown. With this fringe acreage, mining crews could proceed beyond the current boundary if coal thickness is still minable and thus avoid a bypass of Federal coal. The BLM has determined that the application meets the requirements of a lease modification in that there is no competitive interest in the lands and that the coal cannot be developed from any other operation. The coal rights

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under these applied-for lands are under the United States and are open to leasing as per the current Federal land use plan. The surface rights are mostly held in private ownership except for two 40-acre parcels which are public lands.

It is the intent of the BLM to grant this modification to the lease with the same terms, conditions and stipulations of the original lease. As much of this area was under Federal lease years ago and numerous environmental analysis under the National Environmental Policy Act (NEPA) have been written for past and present leasing proposals, we have reviewed the adequacy of these documents. We find that this action will not impact the surface environment in any way that was not addressed in the previous environmental analysis. There will be no surface facilities or development and only underground coal mining activities on this proposed area. We also find that little if any surface subsidence effects will occur from underground mining of this area as mining on these fringe acres will mostly be development mining and not full extraction mining. Impacts to the surface environment were analyzed in the previous environmental documents, and current monitoring of subsidence above the West Ridge Mine has detected no significant affects. If you wish to see a copy of these findings, a Documentation of Land Use Plan Conformance and NEPA Adequacy is available for your review at this office during normal business hours.

For further information or questions, please contact Stephen Falk at 435-636-3605.

Sincerely yours,

A handwritten signature in black ink, appearing to read "S. Rigby", with a stylized flourish at the end.

Steve Rigby
Acting Associate Field Manager

Enclosure

cc: UT-923, SD, Utah

