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OXC/007/047 Incoming
cc: Daron

United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
P.O. Box 46667
Denver, Colorado 80201-6667

IN REPLY REFER TO:

UT-0000

July 18, 2008

Utah Division of Oil, Gas, & Mining
Coal Regulatory Program
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Carbon Resources, LLC "Kinney #2" Mine - Application for a New Permit, Task ID No. 2989

Dear Sir or Madam:

This is in response to the Utah Division of Oil, Gas & Mining's (UT-DOGM) June 18, 2008, request for a decision, under 30 CFR 944.30, whether the above subject permit revision constitutes a mining plan modification.

Mining plan approvals by the Secretary of the Interior are required under the Mineral Leasing Act of 1920, 30 U.S.C. 181, *et seq.* before coal mining can occur on Federal lands. This letter serves to document OSM's determination whether or not a mining plan approval from the Secretary is required for the above permitting action.

OSM's review of the Application for a New Permit, has determined that it proposes to operate a new mine on private surface lands to recover fee coal at the Kinney #2 mine, Utah State permit C/007/0047.

Based on a review of the activities associated with the permit revision, OSM has determined that the proposal does not meet the requirements of 30 CFR PART 740 and PART 746. Therefore, the proposed permit revision does not constitute a mining plan action requiring Secretarial approval.

OSM's decision was based solely upon the Federal regulations under 30 CFR PART 746 and not the technical aspects of the revision application itself. Consequently, OSM's decision does not relieve UT-DOGM from coordinating the review and approval of the Application for a New Permit, with other Federal agencies for compliance with other Federal regulations.

OSM also electronically transmitted the June 18, 2008, request to the Bureau of Land Management and the USDA Forest Service for their review and comment.

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DIV. OF OIL, GAS & MINING

In an electronic submittal dated June 23, 2008, the USDA Forest Service stated it had no comments or concerns with the permit revision.

The Bureau of Land Management did not provide any comments in the thirty day time frame established by the Federal regulations under 30 CFR 944.30, Article VI. D.

Please notify the applicant of our decision on this matter.

Should you have any questions regarding this letter or approval, please contact Carl R. Johnston, Utah Federal Lands coordinator, at (303) 293-5038.

Sincerely,

Foster E. Kirby

Foster E. Kirby
Acting Manager, Northwest Branch

cc: BLM - Utah State Office
BLM - Price Field Office
USFS - Manti-La Sal NF
Denver Field Division