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From: Mary Ann Wright
To: James_Kohler@ut.blm.gov
Date: 6/25/2004 3:34:14 PM
Subject: Re: Consol Suspension Request

Jim -

This is the division response to your request for comment on the Consol Suspension request. OGM is in support of granting the suspension but would like to clarify the following.

First, OGM hopes that Consol is proceeding with mining plans and not using the suspension to find another buyer. Hopefully, Consol will proceed to mine coal as early as possible. The proposed suspension would give them a breather to reorganize and figure out what they're really going to do with this property. With the history of the mine having been idle from 1990 to 2001, OGM hopes that Consol is quicker with decisions this time so as not to create the necessity of another set of entry portals. If Consol were denied the suspension, some federal coal could possibly be lost, and Utah would see that as unfortunate. Also, denial of the request would change the right of entry for the SMCRA permit.

Next, OGM's concern is that Consol not use this suspension as a means to prolong their reclamation obligation. If they are genuinely interested in mining the coal then it makes sense that they be allowed to continue their operations and proceed to mine since the infrastructure is already in place. OGM would be disappointed to see the lease go to another entity and have yet another new mine site development in the harsh (fragile desert) environment. Consol should contemporaneously reclaim as much area as possible that is not being immediately being used for the mining of coal.

Last, Consol should be held accountable to meet future diligence requirements.

If you have questions or need clarifications, please let me know. - Mary Ann Wright

>>> <James_Kohler@ut.blm.gov> 06/18/04 03:04PM >>>

Mary Ann,

As we discussed yesterday, we have received an application from Consol for a suspension of their continued operation requirement for the period that they were shut down pending sale of the Emery Deep mine. Their continued operation year would normally end on June 30, so we are attempting to expedite our review. Their proposal and the decision that BLM must make is summarized below. I would appreciate it if you would quickly review this summary and provide us with any comments you might from the State perspective.

Thanks for your help. Call me if you have any questions.

Jim

On June 7, 2004 CONSOL filed a Suspension of Operations and Production from the Bureau of Land Management (BLM) under Section 39 of the Mineral Leasing Act of 1920 as amended (30 U.S.C. 209) 43 CFR 3473.4 and 3483.3 on the Moab I (LMU) as of September 1, 2003 through May 31, 2004. A suspension of operations and production suspends all lease terms and conditions (such as rental, royalties, diligence, advanced royalty, etc.) until the suspension

is lifted. The lessee does not have beneficial access to the leases.

The responsibility of BLM is to ensure that a suspension of operations and production should:

1. Encourage the greatest ultimate recovery of the resource (coal).
2. Be in the interest of conservation of natural resources (coal and other).
3. Promote development of the resource (coal).

BLM is requesting that your organization comment on the 3 items above from your perspective in the coal program. BLM is also seeking comments on issues that may effect the suspension or issuing the suspension such as:

1. Issues relating to the Emery Deep Mine Permit.
2. When reclamation would be required under the Surface Mining Control and Reclamation Act if the suspension would be put into place?
3. Impacts due to deferral of rents and royalties to the State of Utah or interested parties.
4. Other issues that BLM should take into consideration.

In order to make a timely determination, BLM requests that you please provide written comments ASAP. If any information is classified as proprietary or confidential please mark it as such. If you have any questions, please feel free to contact Mr. Jeff McKenzie at 801-529-4038 or Mr. Stan Perkes 801-539-4036.

CC: Daron Haddock; Pam Grubaugh-Littig; Sheila Morrison; Susan White