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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
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DIVISION OF LANDS AND MINERALS

TELEFAX NUMBER (801) 539-4260

DATE: 9/27/06 NUMBER OF PAGES SENT: 1-3

FAX NUMBER: (801) 539-3940

TO: ~~XXXXXX~~ Pam Grubbaugh-Littig, Wayne Hedberg

FROM: Peter Brinton

SUBJECT: Co-Op RZP2 Approval Letter (signed)

COMMENTS: ~~***~~ A signed map (copy) is in the mail.

IF YOU HAVE PROBLEMS WITH THIS FAX PLEASE CALL (801) 539-4080.

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IN REPLY PLEASE REFER TO:

3482

U-61048, U-61049, U-020668
(UT-923)

Certified Mail--Return Receipt Requested

Mr. Pete Rutledge
Office of Surface Mining
P. O. Box 46667
Denver, Colorado 80201-6667

Re: Resource Recovery and Protection Plan (R2P2) Modification, Federal Coal Leases U-61048, U-61049, and U-46484, Co-Op Mining Company, Bear Canyon Mine, C/015/025

Dear Mr. Rutledge:

On July 29, 2006, the Bureau of Land Management (BLM) received a request from Co-Op Mining Company to modify the Bear Canyon R2P2 to include the Mohrland lease area, comprised of the three listed Federal coal leases. A request to modify the July 29, 2006 R2P2 modification submittal was received on September 5, 2006. These leases are included in the Bear Canyon LMU application, and will be added to the LMU R2P2 as an R2P2 modification. This letter documents the BLM's evaluation of the up-to-date R2P2 modification.

On September 2, 2005, the Office of Surface Mining determined that mining on these leases would require Federal Mining Plan approval. This R2P2 modification is included in the permit application package (PAP) for adding the listed Federal coal leases to the approved Bear Canyon Mine Permit.

The addition of the lands held in these Federal leases to the permit area would add approximately 7,500 acres of federal and private coal lands. The surface lands associated with these coal leases are either owned privately or are governed by the National Forest. This permitting action would allow CW Mining Company's wholly-owned subsidiary, Co-Op Mining, to mine, by exclusively underground methods, approximately 25 million tons of recoverable coal. Coal mining has been conducted previous to the passing of the Surface Coal Mining and Reclamation Act of 1977 on Federal leases U-61048, U-61049, and U-46484.

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The BLM found the submitted R2P2 to be acceptable. The proposed coal extraction areas of the R2P2 were determined by the BLM to comply with the lease terms, including special lease stipulation 13, which addresses subsidence damage to escarpments and perennial streams. Any additional restrictions placed on the coal recovery as depicted in this R2P2 would require consultation with the authorized officer of the BLM in order to properly address Mineral Leasing Act (MLA) requirements.

The R2P2 addresses all the required items per 43 CFR 3482.1 (b), and shows that mining is planned for all areas where potential minable coal is currently known to be located. All minable coal in two seams will either be accessed from existing mine workings, or from in-mine rock slopes of the Bear Canyon #3 and #4 Mines (located on adjacent leases). No new surface facilities are currently planned on this permit extension.

The BLM finds the R2P2 to comply with the Mineral Leasing Act of 1920, as amended, the lease terms and conditions, and the regulations in 43 CFR 3480. The BLM has also determined that the current modification will enable Maximum Economic Recovery (MER) of Federal coal. We therefore recommend that the Secretary approve the R2P2 modification as part of the Federal mine plan approval.

If the permit authorized by the Division of Oil Gas and Mining results in changes to the mining plan that would effect the coal recovery outlined in this R2P2, the BLM will need to review these changes to ensure that the mining plan is still in conformance with the Mineral Leasing Act of 1920 as amended, the lease terms and conditions and achieves MER of the Federal coal.

If you have any questions, please contact Jeff McKenzie of my staff at 801-539-4038 or Stephen Falk at the Price Field Office at 435-636-3605.

Sincerely,

JAMES F KOHLER

James F. Kohler
Chief, Solid Minerals Branch

Enclosure
Approved Mine Maps

cc: Division of Oil Gas and Mining, State of Utah
1594 West North Temple Street, Suite 1210
Salt Lake City, Utah 84114-5801

Price Field Office, UT-070

C. W. Mining Company
P. O. Box 1202
Huntington, Utah 84528

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