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United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY PLEASE REFER TO:
3482, (UT-923)
U-61048, U-61049, U-46484, U-024316

APR 17 2007
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APR 19 2007

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

DIV. OF OIL, GAS & MINING

Re: Resource Recovery and Protection Plan (R2P2) Modification, Federal Coal Leases U-61048, U-61049, U-46484, and U-024316, 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 four 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.

BLM found that 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 found 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 recommended, on 22 September 2006 that the Secretary approve the R2P2 modification as part of the Federal mine plan approval. (Please note: An administrative error omitted Federal Coal Lease U-024316 from the list of leases recommended for approval, and is included here as a correction. This lease R2P2 was previously approved by the Secretary in the mine plan approval document UT-0053 dated 18 March 1998.)

The transmittal letter for the 22 September 2006 recommendation included the following statement:

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.

In accordance with 30CFR 746.13, on 6 April 2007, the Bureau of Land Management (BLM) reviewed the proposed cultural resource requirements for the SMCRA permit proposed for issuance to the operator by the Utah Division of Oil, Gas, and Mining (UDOGM). BLM consulted with UDOGM the following Monday 9 April 2007. The permit is proposed to include provisions in the proposed mining permit for the Bear Canyon Mine to require, by stipulation, steps and certain expenses be accepted by the operator regarding cultural resources. In the opinion of BLM and the mine operator these stipulations left two issues open to unsure interpretation.

Further, because the permit stipulation for cultural resources presently is extended onto private or fee non-surface coal mining lands, the permit cultural resource stipulations can have an adverse effect on achieving MER for the Federal coal resources underlying these private areas as well.

Following additional consultation between the operator and UDOGM, we were informed by the operator that UDOGM personnel indicated that the intent of the language is similar to the following interpretation:

1. For this Mining Permit, surface features due to subsidence are defined as, any subsidence related impacts that are readily visible with the unaided eye that disrupt the prior continuity of the ground surface. Features may include but are not limited to, fractures, compression ridges, slope/escarpment failure, slumping, or any other possible such as sinkholes.
2. The permit stipulation allowing a requirement to cease mining activities, if a significant archeological site is identified, applies to surface coal mining activities only and not to underground coal mine activities.

It is the understanding of BLM that these unclear portions of the permit will be addressed by the operator and UDOGM and clarified as above prior to the presently scheduled (on or about August 2007) commencement of longwall full extraction mining on these leases. Based on the commitment of UDOGM to clarify the cultural permit stipulations, BLM can support the finding that the mining plan is consist with the term of the coal leases and the mineral leasing act. Therefore BLM recommends that the Assistant Secretary, Lands and Minerals approve the mining plan.

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,

JM **/s/ Jeff McKenzie**

James F. Kohler
Chief, Solid Minerals Branch

cc: Division of Oil Gas and Mining, State of Utah
Price Field Office
C.W. Mining Company

CoopR2P2Mod Mohrland 4-11-07 JM-SA