

0018

C/015/032 Incoming
map to Confidential
cc: Steve C,
Karl



United States Department of the Interior



TAKE PRIDE
IN AMERICA

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

MAR 30 2010

IN REPLY REFER TO:

3480
UT (923)
SL-062648
UTU-68082
UTU-78953

File in: C/015/032 2010 Incoming

Refer to:

Confidential

Shelf

Expandable

Date: 03/30/10 For additional information

Certified Mail—Return Receipt Requested 7008 1140 0002 1095 0824

Mr. David W. Hibbs
Director, Engineering
UtahAmerican Energy, Inc.
P.O. Box 910
East Carbon, Utah 84520

RECEIVED

APR 01 2010

DIV. OF OIL, GAS & MINING

Re: Minor Modification to Resource Recovery and Protection Plan (R2P2), Revised Mining Plans with Timing, North and South Crandall Mines, UtahAmerican Energy, Inc. (UEI)

Dear Mr. Hibbs:

The Bureau of Land Management (BLM) has received submissions to modify the R2P2 for both subject mines that comprise the Crandall Canyon Logical Mining Unit (LMU) application. The modification revises the timing of the mining plan for a projected mine start-up date in 2012 and changes the mining method in the South Crandall Mine from longwall mining to room and pillar mining. The proposed revisions are on Federal coal leases UTU-68082 and UTU-78953.

Proposed Plan: With the idling of the Crandall Mines, UEI has now submitted revised mining plans for a projected restart of mining operations in 2012. They also propose changing the mining method for the South Crandall Mine to room and pillar panels in the areas where longwall panels were previously approved.

Approval: The BLM has reviewed the revised R2P2 and is in agreement with the proposal. The change from longwall mining panels to room and pillar panels in the South Crandall Mine will provide for Maximum Economic Recovery (MER) in thin coal conditions. BLM approved a cessation of longwall operations in South Crandall in 2006 as the existing longwall equipment was producing coal that was not meeting quality limits. Coal thickness was less than anticipated

and was thinner than the minimum cutting range of the longwall shearer. Changing over to room and pillar panels in the same area that was planned for longwall mining, will afford a better chance of mining an acceptable coal quality product with low profile continuous mining equipment.

Maximum Economic Recovery (MER): The extraction of the Federal coal following this plan will achieve MER.

Recoverable Reserve: For the dated locations shown in color on the attached approved map dated March 30th 2010, the remaining Federal recoverable reserves are 990,000 tons for the North Crandall Mine and 2,036,000 tons for the South Crandall Mine. However, the mine plan approved previously (approval dated February 23rd 2004) continues in effect for all other areas of the Crandall Mines which contain additional recoverable reserves.

National Environmental Policy Act (NEPA): As mining will occur in the same areas that were previously approved for mining, no new surface disturbance is predicted and is therefore Categorically Excluded (CX) from NEPA analysis under DM 516 chapter 11.5, paragraph F. (8): Approval of minor modifications to, or minor variances from, activities described in an approved underground or surface mine plan for leasable minerals.

This R2P2 modification complies with the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3480, and the lease terms and conditions. If you have any questions, please contact Stephen Falk at the Price Field Office at (435) 636-3605 or Jeff McKenzie of my staff at (801) 539-4038.

/s/ Roger L. Bankert

Roger L. Bankert
Chief, Branch of Minerals

Enclosure: Approved Mine Map

cc: PFO
Utah Division of Oil, Gas, and Mining (Attn. Daron Haddock), 1594 West North Temple,
Suite 1210, Box 145801, Salt Lake City, UT 84114-5801
Files - UTU-68082
Chron File

N and S crandalnewtimining 25 Mar 2010JM-SA