



IN REPLY REFER TO:

United States Department of the Interior

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

UT-0081

September 6, 2006

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: Alton Coal Development, LLC- "Coal Hollow" Mine - Application for a Mining and Reclamation Permit, Task Id No. 2567

Dear Sir or Madam:

This is in response to the Utah Division of Oil, Gas, & Mining's (UT-DOGM) August 3, 2006, 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 Mining and Reclamation Permit has determined that it proposes to construct a new surface coal mining and reclamation operation on approximately 636 acres of private lands to mine fee coal. Support facilities for this new surface mine will be located on approximately 200 acres of private lands overlying unleased Federal coal. This new surface coal mining and reclamation operation will be known as the Coal Hollow mine, Utah State permit C/025/005.

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 746.11. Therefore, the Application for a Mining and Reclamation Permit does not constitute a mining plan action requiring Secretarial approval at this time.

OSM's review of the Application for a Mining and Reclamation Permit also determined that the unleased Federal coal under the proposed support facilities is a part of a 2,746 acre Lease by Application action before the Bureau of Land Management. Upon issuance of the lease for the Federal coal in the Lease by Application the proposed support facilities would meet the requirements of 30 CFR 746.11 and would constitute a mining plan action requiring Secretarial approval.

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DIV. OF OIL, GAS & MINING

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 Mining and Reclamation Permit with other Federal agencies for compliance with other Federal regulations.

OSM also electronically transmitted the August 3, 2005, request to the Bureau of Land Management and the U.S. Forest Service for their review and comment.

In an electronic transmittal dated August 8, 2006, the U.S. Forest Service stated it had no comments or concerns with the Application for a Mining and Reclamation Permit.

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) 844-1400, extension 1500.

Sincerely,

A handwritten signature in black ink, appearing to read "Ranvir Singh", written in a cursive style.

Ranvir Singh
Manager, Northwest Branch

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