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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

LPB, MAW, RWD

Pam

In Reply Refer To:
3425
UTU-76195
(UT-932)

MAY 24 1999

Mr. Lowell Braxton, Director
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED
MAY 26 1999
DIV. OF OIL, GAS & MINING
#2
ACT/04/002

Dear Mr. Braxton:

A competitive coal lease sale was held by this office on May 20, 1999. Canyon Fuel Company LLC was declared the high qualified bidder for the Pines Tract, assigned serial number UTU-76195, described as follows:

T. 20 S., R. 5 E., SLM, Utah
Sec. 35, S2NE, SENW, NESW, S2SW, SE;
Sec. 36, W2SW, SESW.

T. 21 S., R. 5 E., SLM, Utah
Sec. 1, lot 3, 4, S2SW, SWSE;
Sec. 2, lots 1-4, S2S2;
Sec. 10, E2;
Sec. 11, all;
Sec. 12, all;
Sec. 13, all;
Sec. 14, all;
Sec. 15, E2;
Sec. 22, E2;
Sec. 23, all;
Sec. 24, all;
Sec. 25, N2, N2S2;
Sec. 26, N2, NESW, E2NWSW, SE.

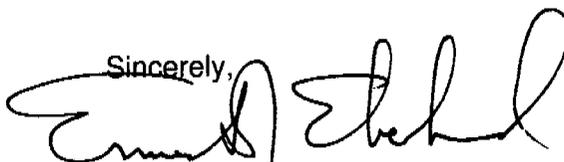
T. 21 S., R. 6 E., SLM, Utah
Sec. 19, lots 3, 4, E2SW;
Sec. 30, lots 1-3, E2NW, NESW.

Containing 7,171.66 acres in Sevier and Emery Counties

Enclosed is a copy of the minutes of the sale. The bid of \$16,900,000 was accepted by our Acting State Director on May 20, 1999.

We will notify you when coal lease UTU-76195 is issued.

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas M. Koza". The signature is fluid and cursive, with a large initial "D" and "K".

DK
Douglas M. Koza
Deputy State Director,
Natural Resources

Enclosure
Minutes of Sale

Minutes of Lease By Application
Coal Sale
Utah State Office

The Pines Tract

May 20, 1999

A coal lease sale was held at 11:00 a.m., May 20, 1999, pursuant to a notice issued April 19, 1999, and was conducted under the authority of Section 2(a)(1) of the Mineral Leasing Act of 1920, as amended.

The sale included one tract, The Pines, which conformed to the Lease By Application sale criteria set forth in 43 CFR 3425.1-5, and was found to be environmentally suitable for leasing, potentially economic for coal production, and consistent with local or regional, social and economic needs. The tract contains 7,171.66 acres located approximately 5 miles northwest of Emery, Utah in Sevier and Emery Counties.

The sale was conducted by Chris Merritt, of the Minerals Adjudication Group. A list of attendees is attached.

The coal resources were offered for lease by sealed bid. One sealed bid was received on the tract. A summary is shown below:

UTU-76195

Acres: 7,171.66

Coal Quality:

BTU/lb.:	11,539
Percent Moisture:	8.37
Percent Sulphur:	.5
Percent Ash:	8.78
Percent Fixed Carbon:	45.98
Percent Volatile Matter:	36.87

Minimum Acceptable Bid:	Per Acre	\$100.00
	Total	\$717,200.00

High Bidder:	Canyon Fuel Company LLC
Total Bid:	\$16,900,000.00
Per Acre Bid:	\$2,356.50
Total Submitted With Bid:	\$3,380,000.00
Per Ton Bid:	28.16 cents

The coal sale was declared closed at 11:08 a.m.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
UTAH STATE OFFICE
324 SOUTH STATE, SUITE 301
SALT LAKE CITY, UTAH 84111-2303

COAL SALE ROSTER

<u>Name</u>	<u>Address</u>	<u>Representing</u>
Christopher J. Maunth	324 S. STATE SALT LAKE CITY, UT	BLM
Doug Downing	City Place One St. Louis	Ark Land Co.
Dave Rugh	City Place One St. Louis	Ark Land Co.
Bill Prince	1705 S. Main St SLc	Dorsey & Whitney
STEVEN MCCURRY	City Place One St. 300 St. Louis, Mo.	Ark Land Company
DAVE MASCARENAR	324 S. STATE ST SLc	BLM-UTAH
Alan Kabinoff	BLM-Utah SO	
DOUG KOZA	324 S. State St, SLc	BLM
Man Mathen	Utah S.O.	BLM
STAN PERKES	Utah S.O.	BLM
Ron Daniels	State of Utah	
ROBERT LOPEZ	BLM / STATE OFFICE	BLM