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# State of Utah

*School and Institutional*  
TRUST LANDS ADMINISTRATION

Michael O. Leavitt  
Governor

David T. Terry  
Director

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<http://www.trustlands.com>

**RECEIVED**

JAN 19 2000

DIVISION OF  
OIL, GAS AND MINING

January 14, 2000

Pamela Grubaugh-Littig  
Permit Supervisor  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114

Re: Muddy Tract Exploration, Canyon Fuel Company, LLC, SUFCO Mine,  
ACT/041/002/EX99F, #2, Sevier Co., Utah.  
*INCOMING FILE*

Dear Ms. Grubaugh-Littig,

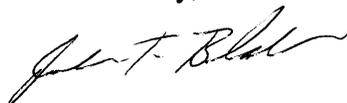
The Trust Lands Administration (SITLA) favors exploration drilling of coal resources comprising the SITLA Muddy Tract. The plan dated November, 1999, as proposed by Ark Land Company, is acceptable to SITLA and appears to provide reasonable protection of the other natural resources within the area.

Prior to approval to commence drilling operations upon the lands comprising the Muddy Tract, however, the Trust Lands Administration requires that Ark Land Company enter a Letter of Agreement with SITLA. The Letter of Agreement will enable Ark Land Company to enter the coal estate to conduct drilling operations and will outline the responsibilities and liabilities of the parties. Ark Land Company should immediately contact the Trust Lands Administration to obtain the right of coal entry.

Also, Ark Land Company must make application to and obtain a surface occupancy permit from the USDA-Forest Service since the surface of the lands comprising the SITLA Muddy Tract are owned by the United States and lie within the Manti-La Sal National Forest. According to the MOU between SITLA, USDA and DOI, governing the development of the Muddy Tract, such surface occupancy permit shall abide the standards and guidelines contained in the Land and Resource Management Plan for the Manti-La Sal National Forest which were in effect on May 8, 1998.

Thank you for this opportunity for comment.

Sincerely,

A handwritten signature in cursive script, appearing to read "John T. Blake".

John T. Blake  
Mineral Resources Specialist

CC: Ark Land Company  
Manti-La Sal National Forest  
BLM-State Office