



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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DIVISION OF
OIL, GAS AND MINING

MAR - 9 2000

Mr. Kenneth E. May
General Manager
Canyon Fuel Company, LLC
SUFCO Mine
397 South 800 West
Salina, UT 84654

Re: Resource Recovery and Protection Plan (R2P2) SUFCO Mine, Canyon Fuel company, LLC, (CFC),
July 1999

Copy gave (2-sided)
ACT/041/002 Incoming Pines Tract

Dear Mr. May:

The Bureau of Land Management (BLM) received CFC's R2P2 for the SUFCO Mine. This letter is to notify you that the Bureau of Land Management (BLM) has completed our preliminary review of CFC's R2P2 regarding the SUFCO Mine. The purpose of our review is to determine compliance with The Mineral Leasing Act of 1920, as amended; the regulations at 43CFR 3480; the lease terms and conditions and to ensure that maximum economic recovery (MER) will be achieved.

Our determination of the subject R2P2 is as follows:

- ◆ General Comment: The presently approved mine plan (R2P2) was submitted in March 1990. Due to the length of time, modifications and the addition of the Pines tract, CFC should resubmit a new mine plan encompassing the entire SUFCO Mine. This document should be a stand-alone document, within the OSM Mine and Reclamation Plan, without reference to past documents submitted to the BLM. It should detail operations at the SUFCO Mine as they stand and how CFC plans to operate them.
- ◆ General Comment: All required data which is clearly duplicated in other portions of the Permit Application Package or other submittals (i.e., MSHA) may be used to fulfill the requirements of 43 CFR 3480, provided the cross-reference is clearly stated (volume, section, page, etc.). However, a copy of the relevant portion must be included in the R2P2 (43 CFR 3482.1(c)(6)). All relevant mining or mining-related items must be included in the Resource Recovery and Protection Plan (Enclosure 1).
- ◆ After a review of the map in the mine plan received March 3, 2000, we recommend a meeting to discuss several areas that do not indicate mining, but do, however, contain recoverable coal reserves.
- ◆ Under II. - Responsible Person, identify responsible party of the designated operator.
- ◆ Under Geology and Resources, a section should address most of the following points: A brief but precise description and map of the geology and soils of the area, including types, extent, lithologies, structural features such as bedding, faults, folds, thicknesses, significant physical characteristics of the deposit; and a description of the location, characteristics, and evaluation of any potential geologic hazards (e.g., slides, faults, sink holes, etc.). All potential adverse geological conditions that may affect extraction of the recoverable coal reserves should be addressed in this section. A map detailing all

ponds, streams, cliffs, and other surface features in relation to the longwall panels should be included in the R2P2.

- ◆ Under Exploration, submit a detailed description of proposed exploration activities. This narrative description should include the method of exploration (in-mine and surface), types and quantity of equipment to be used.
- ◆ Detailed mining methods.

This section shall include, in addition to your schedule of anticipated rates of mine production, a complete detailed description of the mining method(s) to be employed throughout the life of the operation, including schedules of projected mine development utilizing maps, cross-sections, diagrams, etc. This should include details related to such items as estimated number, size, depth, and location of adits, shafts, and ventilation schemes and openings; room-and-pillar layouts, longwall panel layouts and/or combination layouts; information on whether the entire thickness of the commodity is to be mined or whether part is to be left for floor or roof support; recovery factors; transportation, haulage, and handling systems (flow diagram); type(s) of ground support; explosives--types(s) and methods of use; types, size, specifications and scheduling of production equipment; mine dewatering plans and equipment; mine power and utility systems; distribution system; and schedules of personnel requirements, including skill breakdown. List all basic mining equipment and provide manufacturer's specifications.

- ◆ Explanation of how MER of the Federal coal is achieved. If a coalbed or portion thereof is not to be mined or is to be rendered unminable by the operation, the operator/lessee shall submit appropriate justification. The 43 CFR 3482.2(a)(2) states, No resource recovery and protection plan or modification thereto shall be approved which is not found to achieve MER of the Federal coal. The determination of MER shall be made by the authorized officer based on the review of the R2P2. MER is defined within 43 CFR as meaning, based on standard industry operating practices, all profitable portions of a leased Federal coal deposit must be mined.
- ◆ At the time of MER determinations, consideration will be given to: existing proven technology; commercially available and economically feasible equipment; coal quality, quantity, and marketability; safety, exploration, operating, processing and transportation costs; and compliance with applicable laws and regulations. The requirements of MER does not restrict the authority of the authorized officer to ensure the conservation of the recoverable coal reserves and other resources and to prevent the wasting of coal. This discussion should include all data and information for elimination any portions of the Sunnyside seam due to marketability, overburden, faulting and/or sulfur content issues. To ensure that adequate data is available for the MER determination, the following is required:
 - 1) Mining Costs. A description of the cost for all mining equipment, associated equipment, personnel costs, ancillary equipment costs, production costs, overhead and other cost provisions.
 - 2) Production Costs. Statement as to production costs or projected production costs.
 - 3) Other requirements (contracts, etc.) or costs that have a direct or indirect influence on MER.
 - 4) Recovery Factors (longwall, room and pillar and development).
- ◆ Submit approved current roof-control plan and ventilation plan for the entire mine, including the Pines Tract.

- ◆ Provide appropriate justification (design criteria) for the size of all protective barrier pillars utilized in the mine layout in accordance with 43 CFR 3482.1 (c)(4)(v)(C), the location of where pillars will be left and an explanation of why these pillars will not be mined.
- ◆ Abandonment. Briefly discuss the planned methods for properly abandoning all drill holes, shafts, pits, adits, or other opening, including access and haul roads (temporary and permanent) and the removal of all equipment, materials and facilities to protect the unminable recoverable coal reserves and other resources.
- ◆ Maps as required in Enclosure 1, Section II Maps.

BLM has determined that the information contained in the R2P2 for the SUFCO Mine does, in part, satisfy the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3480 and the lease terms and stipulations. However, the concerns identified above must be addressed. Upon resubmittal of the R2P2 with the required information, a final review will be performed. If you have any questions, please contact George Tetreault at the Price Field Office at (435) 636-3604.

Sincerely,



Richard L. Manus
Field Manager

cc: UT-921, SD, Utah (wo/Enclosure)
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