



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Price Field Office
125 South 600 West
Price, Utah 84501

RECEIVED

3482
U-63214
UTU-76195
U-062453
U-47080
U-63214
U-0149084
SL-062583
U-28297
(UT-070)

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
Certified No. Z 182 430 782

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

Incoming
MAY 16 2000
ACT/04/002

Re: Resource Recovery and Protection Plan (R2P2) SUFCO Mine, Canyon Fuel company, LLC, (CFC),
March 2000

*Copy Aaron & Paul
(2-sided)*

Dear Mr. May:

The Bureau of Land Management (BLM) received CFC's revised R2P2 for the SUFCO Mine. This letter is to notify you that we have completed our review of CFC's R2P2 regarding the SUFCO Mine (Lease Modification U-63214 and UTU-76195). 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:

- ◆ A separate MER section is needed with a clear explanation of how MER of the Federal coal is achieved. Within this section, you should have a clear written statement with supporting details as to why those portions of the tract, as indicated in your maps, are not to be mined. 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 an information for elimination any portions of the seam due to marketability, overerburden, faulting and/or sulfur content issues. You should also include your reasons for not pulling main entry pillars (No. 1 C(2)).
- ◆ Provide additional justification (design criteria) for the size of all protective barrier pillars, not only the ones that are to protect surface components, 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.

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

Richard L. Manus
Field Manager

cc: UT-921, SD, Utah
Utah Division of Oil, Gas and Mining
355 West North Temple Street
3 Triad Center Ste.350
Salt Lake City, Utah 84180-1203
Joe Wilcox
Office of Surface Mining
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1999 Broadway, Suite 3320
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DIVISION OF
OIL, GAS AND MINING