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# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Price Field Office  
125 South 600 West  
Price, Utah 84501

CERTIFIED MAIL - RETURN RECEIPT REQUESTED  
Certified No. Z 182 430 785

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

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

**JUN 1 2000**

Re: Resource Recovery and Protection Plan (R2P2) SUFCO Mine, Canyon Fuel Company, *Copy PAM*  
LLC, (CFC), March 2000

*ACT/04/002 Aaron*  
*Incoming*

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 this review was 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:

- ◆ The reserves as detailed in the R2P2 are noted as CFC mine plan coal reserves and not the official designated BLM recoverable coal reserves. BLM guidelines state that recoverable coal reserves contained within a Federal lease are based upon those recoverable coal reserves which diligence is based. These are those recoverable coal reserves determined to exist on the date the lease becomes subject to diligence. Recoverable coal reserves are not reduced by production after the lease is subject to diligence. The official compilation of the recoverable reserve base within Federal lease UTU-76195 and the 150-acre modification of Federal lease U-63214 of the SUFCO Mine are those BLM has designated as the recoverable coal reserve base tied to diligence.
- ◆ CFC has submitted a resource and protection plan (R2P2) for the addition of Federal lease UTU-76195 and the 150-acre modification of Federal lease U-63214 to the SUFCO Mine (see enclosure). The mine plan modification request designates recoverable coal reserves in Area "A" and "B" (see enclosure) as not to be mined. Federal regulations require appropriate justification for all unmined areas of the reserves/coalbed within lease boundaries that are not to be bypassed (**43 CFR-3482.1(c)(7)** Explanation of how MER of the Federal coal lease will be achieved ... If a coalbed, or portion thereof, is not to be mined or rendered unminable ... lessee shall submit appropriate justification to the authorized officer for approval). Our review of the geologic data does not indicate the preponderance

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DIVISION OF  
OIL, GAS AND MINING

of evidence to justify at this time eliminating these coal reserves. The proposed deletion of the recoverable coal reserves without sufficient justification will not be allowed and shall be mined by CFC. The recoverable coal reserves within Area "A", and "B" will remain in the recoverable coal base and be mined. The affected reserves are located in the Upper Hiawatha Seam in Federal coal leases UTU-76195 and U-63214.

Based upon the above-stated requirements, BLM determination is conditioned with the following stipulation:

Stipulation: CFC shall submit the following information (as requested above):

- ◆ Those areas of Federal coal lease UTU-76195 designated as Areas "A" and "B" (Enclosure 1), as shown, will remain in the recoverable coal base and be mined by CFC..

BLM has analyzed the situation and reviewed all supporting documentation. The results of the analysis indicate that this change (the proposed addition of Federal lease UTU-76195 and the 150-acre modification of Federal lease U-63214 to the SUFCO Mine to the mining plan (R2P2), with stipulation, is in compliance with the Mineral Leasing Act of 1920, as amended; the regulations at 43 CFR 3480; the lease terms and stipulations, and will achieve maximum economic recovery (MER) of the Federal coal. Thus, approval for the modification to the mine plan (R2P2) for the SUFCO Mine is granted.

If you have any questions, please contact George Tetreault at the Price Field Office at (435) 636-3604.

Sincerely,



Richard L. Manus  
Field Manager

Enclosure  
Map 1 (1 pg)

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  
Reclamation and Enforcement  
1999 Broadway, Suite 3320  
Denver, Colorado 80202-5733

Pines Tract  
Lease Boundary

Burn  
Areas

" B "



Canyon Fuel Company, LLC  
SUFCO Mine

### PINES TRACT MINING PLAN

DATE: MAY 24, 2000

SCALE: 1" = 4000'

397 SOUTH 800 WEST  
SALINA, UTAH 84654

DRAWN BY: WJN

FILENAME:  
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Enclosure 1