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Mary Ann Pan



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

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DIV. OF OIL, GAS & MINING

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

SEP 1 1999

Received

SEP 20 1999

CERTIFIED MAIL—Return Receipt Requested

DECISION

Canyon Fuel Company
SUFCO Mine

Canyon Fuel Company, LLC
c/o Ark Land Company
Attn: Douglas M. Downing
CityPlace One, Suite 300
St. Louis, MO 63141

Coal Lease
UTU-76195

SEE USES
"Stipulation #9"
Downing
10/4/00

Lease Issued
Bonds Accepted

Pursuant to the lease by application sale held May 20, 1999, the bid of Canyon Fuel Company, LLC for the Pines Tract, assigned serial no. UTU-76195, was determined to be the acceptable high bid. Satisfactory evidence of the qualifications and holdings of Canyon Fuel Company, LLC has been submitted; therefore, coal lease UTU-76195 is hereby issued effective October 1, 1999.

Two surety bonds were filed in this office July 21, 1999. Surety bond no. 14-000-068-0033-UT, in the amount of \$13,520,000 was filed to cover the remaining bonus bid payments. Surety bond no. 14-000-068-0034-UT, in the amount of \$165,000, was filed to cover the estimated royalty on three months' production plus one year's rental. The name of the surety is Liberty Mutual Insurance Company, and the bonds are hereby accepted as of the date of filing.

Christopher J. Merritt

Christopher J. Merritt
Acting Branch Chief,
Minerals Adjudication

Enclosure

Coal Lease UTU-76195

- cc: Price Coal Office (Attn: Steve Falk) (w/encl.)
- Canyon Fuel Company, LLC, 6955 S. Union Park Center, #540, Midvale, UT (w/encl.)
- Dorsey & Whitney LLP (Attn: William B. Prince), 170 S. Main, #925, SLC, UT (w/encl.)
- MMS, Solid-Minerals Staff (w/encl.)
- Resource Development Coordinating Committee (w/encl.)
- Mr. Lowell Braxton, Director, UDOGM, Box 145801, SLC, UT 84114-5801 (w/encl.)
- U.S. Forest Service, Ogden, UT (w/encl.)
- Manti-LaSal NF (w/encl.)

Stipulation #9.

Except at specifically approved locations, underground mining operations shall be conducted in such a manner so as to prevent surface subsidence that would: (1) cause the creation of hazardous conditions such as potential escarpment failure and landslides, (2) cause damage to existing surface structures, and (3) damage or alter the flow of perennial streams. The Lessee shall provide specific measures for the protection of escarpments, and determine corrective measures to assure that hazardous conditions are not created.

Stipulation #10.

In order to avoid surface disturbance on steep canyon slopes and to preclude the need for surface access, all surface breakouts for ventilation tunnels shall be constructed from inside the mine, except at specific approved locations.

Stipulation #11.

If removal of timber is required for clearing of construction sites, etc., such timber shall be removed in accordance with the regulations of the surface management agency.

Stipulation #12.

The coal contained within, and authorized for mining under this lease shall be extracted only by underground mining methods.

Stipulation #13.

Existing Forest Service owned or permitted surface improvements will need to be protected, restored, or replaced to provide for the continuance of current land uses.

Stipulation #14.

In order to protect big-game wintering areas, elk calving and deer fawning areas, sage grouse strutting areas, and other key wildlife habitat and/or activities, specific surface uses outside the mine development area may be curtailed during specified periods of the year.

Stipulation #15.

Support facilities, structures, equipment, and similar developments will be removed from the lease area within two years after the final termination of use of such facilities. This provision shall apply unless the requirement of Section 10 of the lease forms is applicable. Disturbed areas and those areas previously occupied by such facilities will be stabilized and rehabilitated, drainages reestablished, and the areas returned to a pre-mining use.