

**From:** John Blake  
**To:** Wayne Hedberg  
**Date:** 11/21/2005 11:05:24 AM  
**Subject:** Muddy Tract R2P2

Attached is the letter I sent to Ken May. Sorry I didn't copy you. I have had not yet received a reply.

November 10, 2005

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

RE: ML 49443-OBA, Proposed Plan of Mining Operations (R2P2)

Dear Mr. May:

The School and Institutional Trust Lands Administration has completed an initial review of the Proposed Plan of Operations (R2P2) submitted on October 26, 2005 by Canyon Fuel Company, LLC Sufco Mine for the lands under coal lease ML 49443-OBA within the SITLA Muddy Coal Tract.

I would first like to commend you and your staff for submitting a very detailed and informative plan of operations and for the professional format of your presentation.

SITLA believes that the following amendments are needed to the R2P2 to provide additional clarification and ensure maximum economic recovery of the mineable coal reserves within the tract.

1. Please provide technical specifications of any new longwall equipment planned for acquisition for the mine in the near future (mining-height ranges, face widths, and etc.)
2. Please provide a table showing estimated annual tonnages mined from the lease, year by year, for the life of the mine or the term of the lease. It is understood that such projections will be estimates only and are subject to change in the actual numbers.
3. Please provide a supplemental letter or written statement to the effect that each of the mining panels that are planned within the lease, as shown on the mine plan map, will be extended northward as far as mining conditions allow (i.e. the postulated northern sandstone channel is actually encountered or the coal thins to an uneconomical mining height) and will not unnecessarily be terminated at the exact endpoints that are shown in the conceptual mine plan.

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4. The mining sequence map indicates that you are planning to pull a LW panel between two prior LW “caves” in the final stage of longwall mining. Please provide an explanation to help me understand this mining sequence.
5. Please provide a detailed technical explanation of the need for leaving a 200 foot wide east-west barrier at the southeast corner of the property.
6. BLM suggests, and SITLA concurs, that the barrier pillar planned by Sufco along the east edge of the tract could be eliminated and replaced by an additional longwall panel to include part of the unleased federal lands under Box Canyon. This change should enable the recovery of approximately 900,000 additional tons of coal from the SITLA tract and 750,000 tons of coal from the federal lands. But, a lease modification will first be needed of an adjacent federal coal lease to allow mineral entry. Time may be of the essence to Sufco in completing all of the permitting requirements.

Please consider all of the above comments and respond to SITLA at your earliest convenience.

Sincerely,

John T. Blake  
Trust Land Minerals Specialist

CC: Tom Faddies  
Jim Kohler  
Steve Falk