

0066



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>

IN REPLY REFER TO:
3482
UTU-63214
(UT-923)

JUL 11 2006

James F. Kohler
7/11/2006

Canyon Fuel Company, LLC
c/o Ark Land Company
HC 35 Box 380
Helper, Utah 84526
Attn: Mark Bunnell

Re: Approval of Minor Coal Exploration Plan, Quitchupah Federal Coal Lease UTU-63214, Sevier County, Utah

Dear Mr. Bunnell,

On December 9, 2005, BLM received a plan to conduct coal exploration on the Quitchupah Federal Coal Lease UTU-63214. It was submitted in conjunction with an application for Federal Minor Coal Exploration License in the Muddy Creek area immediately northwest of this lease (UTU-84198). Ark Land Company, a subsidiary of Arch Coal, Inc., proposed to drill one exploration hole on lease, at the head of Quitchupah Canyon, north of Arch Coal's Sufco Mine, to further evaluate the coal reserves in this area. Primary access to the exploration site will be by Forest System roads. A copy of the plan is attached.

NEPA analysis found no issues that could not be mitigated. The Manti-La Sal National Forest has concurred to approval of this plan.

The BLM approves the requested exploration plan for UTU-63214 subject to the terms and conditions of the lease and the special stipulations attached.

This decision may be appealed to the Interior Board of Land Appeals (IBLA), Office of the Secretary, in accordance with the regulations contained in 43 CFR Part 4, and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

JAMES F KOHLER

James F. Kohler
Chief, Branch of Solid Minerals

Enclosure

1. Ark Land Company, Coal Exploration Plan, Federal Coal Lease UTU-63214
2. Special Stipulations
3. Form 1842-1

RECEIVED

JUL 12 2006

cc: District Ranger, Ferron/Price Ranger District, Manti-La Sal National Forest
Forest Supervisor, Manti-La Sal National Forest
Director of Mining, Utah Division of Oil Gas and Mining
Field Office Manager, Price Field Office

DIV. OF OIL, GAS & MINING

Special Stipulations for Exploration Plan on Quitchupah Federal Coal Lease UTU-63214

1. A pre-work meeting including the responsible company representative(s), contractors, the BLM, Utah Department of Oil Gas and Mining (DOG M), and the Manti-La Sal National Forest shall be conducted at the project location prior to commencement of operations. Site-specific FS requirements will be discussed at this time.
2. A Road Use Permit shall be obtained from the FS before equipment is transported onto National Forest System lands.
3. All surface disturbing activities including reclamation shall be supervised by a responsible representative of the permittee/licensee who is aware of the terms and conditions of the projects permits/licenses. A copy of the appropriate permits/licenses must be available for review at the project site at all times during operation.
4. The Authorized Officer shall be notified 48 hours in advance that heavy equipment will be moved onto National Forest System lands and that surface disturbing activities will commence.
5. Establishment of campsites on National Forest System lands in support of this project will be authorized by the FS under a Special Use Permit.
6. The Authorized Officer shall be notified of any proposed alterations to the plan of operations, and the alterations shall be approved prior to commencement.
7. Fire suppression equipment shall be available to all personnel working at the project site. Equipment shall include at least one hand tool per crew member consisting of shovels and pulaskis and one properly rated fire extinguisher per vehicle and/or internal combustion engine.
8. All gasoline, diesel, and steam-powered equipment shall be equipped with effective spark arrestors or mufflers. Spark arresters shall meet FS specifications discussed in the "General Purpose and Locomotive Spark Arrester Guide, Volume 1, April, 1988"; and "Multi-position Small Engine Spark Arrester Guide, April, 1989". In addition, all electrical equipment must be properly insulated to prevent sparks.
9. The permittee/licensee will be held responsible for damage and suppression costs for fires started as a result of operations. Fires must be reported to the FS as soon as possible.
10. Operations may be suspended during periods of high fire danger.

11. Water needed in support of operations shall be properly and legally obtained according to Utah State water laws. The water pipe placed in Muddy Creek will have a screen placed around the intake to prevent fish from being drawn into it.
12. Unauthorized off-road motorized travel, other than along the approved access routes, is prohibited. Travel shall be in accordance with the Manti LaSal National Forest travel plan and terms and conditions of the Road Use Permit.
13. Section corners or other survey markers, including claim corners, in the project area must be located and flagged for preservation prior to commencement of surface disturbing activities. The removal, displacement, or disturbance of markers must be approved by the proper authority. Replacement will be done by the proper authority at the expense of the permittee/licensee.
14. If cultural or paleontological resources are discovered during operations, all operations which may result in resource disturbance must cease and the Authorized Officer notified of the discovery.
15. Gates shall be closed after entry/exit unless otherwise specified.
16. The permittee/licensee will be held responsible for all damage to fences, cattleguards, resource improvements, roads, and other structures on National Forest System lands which result from their operations. The Authorized Officer must be notified of damages as soon as possible.
17. Operations shall be coordinated with grazing permittees to prevent conflicts.
18. Harrassment of wildlife and livestock is prohibited.
19. Topsoil (soil "A" horizon) shall be stripped from excavated areas and stockpiled for use during reclamation. Topsoil stockpiles will be located to minimize contamination or loss. Subsoil and rock material will be stockpiled seperately.
20. All drilling fluids, mud, and cuttings shall be contained and properly disposed of prior to reclamation.
21. During drilling operations all trash, garbage, and other refuse shall be properly contained on the project site prior to disposal at authorized sites.
22. All significant water encountered during drilling shall be reported to the Authorized Officer, including the depth and formation at which it was encountered, and an estimate of the flow.
23. If any of the drill holes encounter artesian groundwater flow, the Authorized Officer shall be notified prior to plugging the hole. The operator may be required to establish a permanent water development at the site.

24. All drill holes shall be plugged in accordance with Federal and State regulations.
25. The permittee/licensee shall clean up and remove all drilling equipment, trash, garbage, flagging, vehicles, and other such materials from National Forest System lands.
26. Disturbed areas shall be reclaimed by the end of the field season.
27. Drill rigs and heavy equipment (not including water trucks) shall not be transported in or out of the project area during the opening weekend of the general elk hunt nor during the opening weekend of the general deer hunt and during holiday weekends.
28. Contaminated soil and gravel shall be stripped and hauled off National Forest System lands prior to site reclamation.
29. Drill sites shall be reclaimed by selectively backfilling excavated materials, topsoil last, such that the disturbed area is replaced to its approximate original contour. The disturbed area must be seeded with the specified seed mix.
30. Upon completion of the project, compacted soils (access routes, staging areas, camping areas) shall be scarified and seeded with the specified seed mix.
31. All disturbed drainages shall be replaced to their approximate original configuration when the project area is reclaimed.
32. The reclaimed roads shall be signed and blocked off to discourage vehicle access by the public.
33. Reclamation efforts shall be diligently pursued to insure that a minimum ground cover is established on all disturbed areas which is equal to or greater than the surrounding undisturbed areas. Revegetation will be considered successful when 90 percent of the predisturbance ground cover is re-established over the entire disturbed area, with no noxious weeds. Adjacent undisturbed areas will be used as a basis for comparison of ground cover. Of the vegetative ground cover, at least 90 percent must consist of seeded or other desirable species. The 90 percent of pre-disturbance ground cover must be maintained for three years.
34. The seed mix to be used for reclamation will be as follows:

<u>Pounds of Live Seed Per Acre</u>		<u>Pounds</u>
Western Wheatgrass	<i>Elymus smithii</i>	2
Basin Wild Rye	<i>Elymus cinereus</i>	1
Intermediate Wheatgrass	<i>Elymus hispidus</i>	2
“Rambler” Alfalfa	<i>Medicago sativa</i>	1
Blue Leaf Aster	<i>Aster glaucodes</i>	0.25

Lewis Flax	<i>Linum lewisii</i>	0.50
Small Burnet	<i>Sanguisorba minor</i>	1
Silvery Lupine	<i>Lupinus argenteus</i>	1
True Mahogany	<i>Cercocarpus montanus</i>	1
Bitterbrush	<i>Purshia tridentata</i>	1
Sagebrush	<i>Artemisia tridentata vaseyana</i>	1

This seed mix shall be 99 percent pure live seed containing a maximum of one percent weeds, none of which are noxious.

35. The permittee/licensee shall take all reasonable and appropriate measures to prevent the introduction and proliferation of exotic plants and/or noxious weeds for all operations on the land surface. Heavy equipment, drilling equipment, and all transport vehicles shall be cleaned prior to entering the FS. The permittee/licensee will be held responsible for control and eradication of exotic species and noxious weed infestations found to be a result of this project, until the Authorized Officer is notified by the surface management agency that vegetative restoration is acceptable.
36. The permittee/licensee shall pay the marketable value for any timber cut during the project.
37. Outside berms will not be constructed on any roads.
38. Stipulation for Lands of the National Forest System Under Jurisdiction of the Department of Agriculture:

The licensee/permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the license. The Secretary of Agriculture rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest Development Roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor
Manti-La Sal National Forest
599 West Price River Drive
Price, Utah 84501
Telephone No. (435) 637-2817

who is the authorized representative of the Secretary of Agriculture.

39. Upon completion of operations, the temporary access routes shall be ripped and seeded. Barriers consisting of roughened surface, rocks, logs, and earthen berms shall be placed to preclude future unauthorized traffic.
40. Project operations will be restricted to the period between June 15 and November 1 to avoid effects on wildlife.
41. Roads must not be used when they are wet and susceptible to damage.
42. The permittee is responsible for repair of any damages to roads caused by his operations.
43. All traffic must maintain safe speeds commensurate with existing conditions.
44. Roads must be watered if dust becomes a problem or if excessive loss of road material occurs.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

INFORMATION ON TAKING APPEALS TO THE INTERIOR BOARD OF LAND APPEALS

DO NOT APPEAL UNLESS

1. This decision is adverse to you,
AND
2. You believe it is incorrect

IF YOU APPEAL, THE FOLLOWING PROCEDURES MUST BE FOLLOWED

-
- 1. NOTICE OF APPEAL.....** A person served with the decision being appealed must transmit the notice of appeal in time for it to be filed in the office where it is required to be filed within 30 days after the date of service. If a decision is published in the FEDERAL REGISTER, a person not served with the decision must transmit a notice of appeal in time for it to be filed within 30 days after the date of publication (43 CFR 4.411 and 4.413).
-
- 2. WHERE TO FILE NOTICE OF APPEAL.....** Bureau of Land Management, Utah State Office, P. O. Box 45155, Salt Lake City, Utah 84145-0151 or Bureau of Land Management, Utah State Office, 440 West 200 South, Suite 500, Salt Lake City, Utah 84101
WITH COPY TO SOLICITOR... and Regional Solicitor, Room 6201, 125 South State Street, Salt Lake City, Utah 84111
-
- 3. STATEMENT OF REASONS** Within 30 days after filing the Notice of Appeal, file a complete statement of the reasons why you are appealing. This must be filed with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. If you fully stated your reasons for appealing when filing the Notice of Appeal, no additional statement is necessary (43 CFR 4.412 and 4.413).
WITH COPY TO SOLICITOR..... and Regional Solicitor, Room 6201, 125 South State Street, Salt Lake City, Utah 84111
-
- 4. ADVERSE PARTIES.....** Within 15 days after each document is filed, each adverse party named in the decision and the Regional Solicitor or Field Solicitor having jurisdiction over the State in which the appeal arose must be served with a copy of: (a) the Notice of Appeal, (b) the Statement of Reasons, and (c) any other documents filed (43 CFR 4.413). If the decision concerns the use and disposition of public lands, including land selections under the Alaska Native Claims Settlement Act, as amended, service will be made upon the Associated Solicitor, Division of Land and Water Resources, Office of the Solicitor, U.S. Department of the Interior, Washington, D.C. 20240. If the decision concerns the use and disposition of mineral resources, service will be made upon the Associated Solicitor, Division of Mineral Resources, Office of the Solicitor, U.S. Department of the Interior, Washington, D.C. 20240.
-
- 5. PROOF OF SERVICE.....** Within 15 days after any document is served on an adverse party, file proof of that service with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. This may consist of a certified or registered mail "Return Receipt Card" signed by the adverse party (43 CFR 4.401(c)).
-
- 6. REQUEST FOR STAY.....** Except where program-specific regulations place this decision in full force and effect or provide for an automatic stay, the decision becomes effective upon the expiration of the time allowed for filing an appeal unless a petition for a stay is timely filed together with a *Notice of Appeal* (43 CFR 4.21). If you wish to file a petition for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Interior Board of Land Appeals, the petition for a stay must accompany your notice of appeal (43 CFR 4.21 or 43 CFR 2804.1). A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the *Notice of Appeal* and Petition for a Stay must also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.
- Standards for Obtaining a Stay. Except as otherwise provided by law or other pertinent regulations, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards: (1) the relative harm to the parties if the stay is granted or denied, (2) the likelihood of the appellant's success on the merits, (3) the likelihood of immediate and irreparable harm if the stay is not granted, and (4) whether the public interest favors granting the stay.

Unless these procedures are followed your appeal will be subject to dismissal (43 CFR 4.402). Be certain that all communications are identified by serial number of the case being appealed.

NOTE: A document is not filed until it is actually received in the proper office (43 CFR 4.401(a)). See 43 CFR Part 4, subpart b for general rules relating to procedures and practice involving appeals.

43 CFR SUBPART 1821--GENERAL INFORMATION

Sec. 1821.10 Where are BLM offices located? (a) In addition to the Headquarters Office in Washington, D.C. and seven national level support and service centers, BLM operates 12 State Offices each having several subsidiary offices called Field Offices. The addresses of the State Offices can be found in the most recent edition of 43 CFR 1821.10. The State Office geographical areas of jurisdiction are as follows:

STATE OFFICES AND AREAS OF JURISDICTION:

Alaska State Office ----- Alaska
Arizona State Office ----- Arizona
California State Office ----- California
Colorado State Office ----- Colorado
Eastern States Office ----- Arkansas, Iowa, Louisiana, Minnesota, Missouri
and, all States east of the Mississippi River
Idaho State Office ----- Idaho
Montana State Office ----- Montana, North Dakota and South Dakota
Nevada State Office ----- Nevada
New Mexico State Office ---- New Mexico, Kansas, Oklahoma and Texas
Oregon State Office ----- Oregon and Washington
Utah State Office ----- Utah
Wyoming State Office ----- Wyoming and Nebraska

(b) A list of the names, addresses, and geographical areas of jurisdiction of all Field Offices of the Bureau of Land Management can be obtained at the above addresses or any office of the Bureau of Land Management, including the Washington Office, Bureau of Land Management, 1849 C Street, NW, Washington, DC 20240.

(Form 1842-1, September 2005)

U-63214-030
2005 DEC -9 AM 8:29

**COAL EXPLORATION PLAN
ONE EXPLORATION BOREHOLE
FEDERAL COAL LEASE U-63214
Quitcupah Canyon
Sevier County, Utah
Manti-La Sal National Forest**

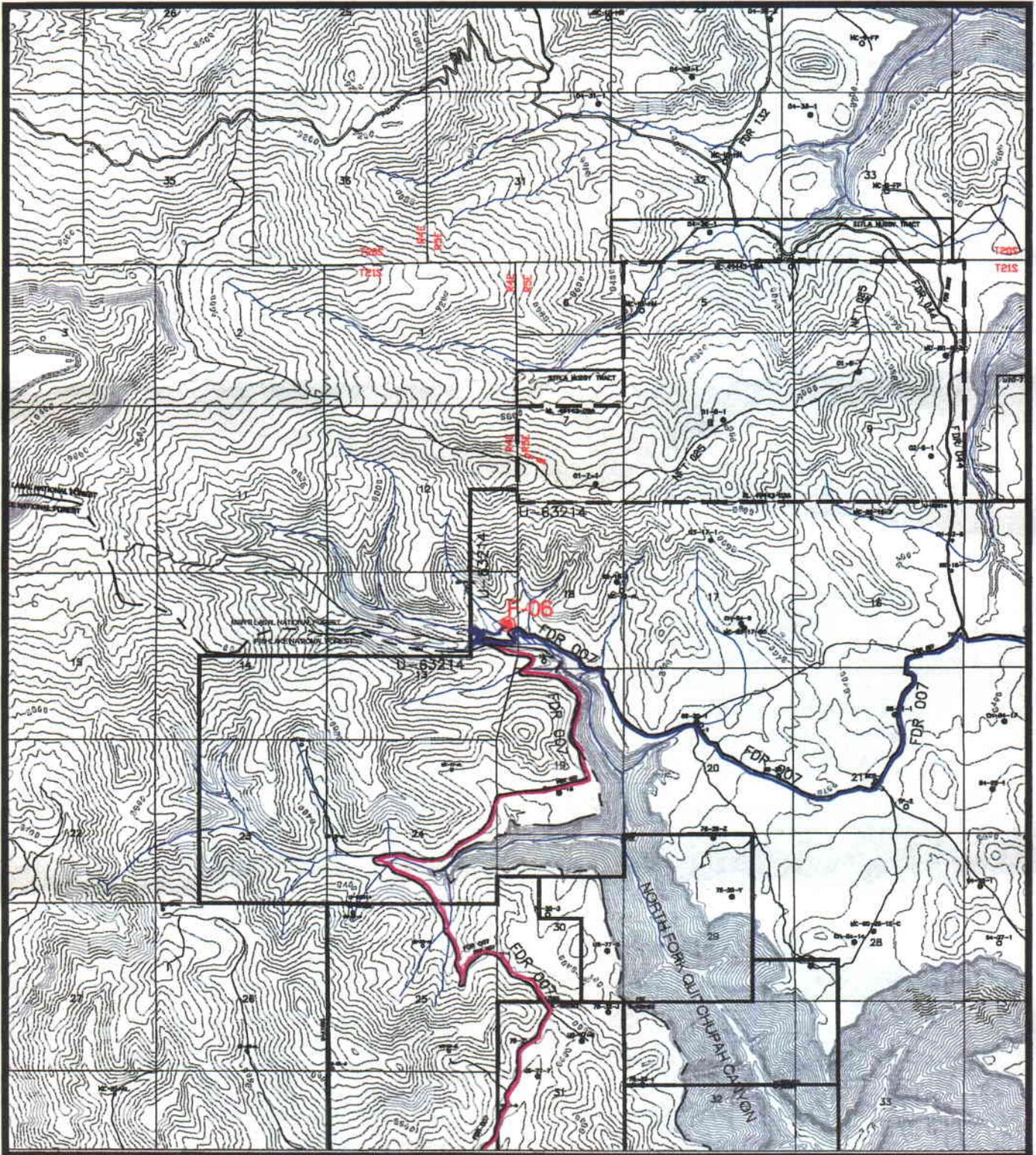
**Exploration Plan
Dec. 2005**

**ARK LAND COMPANY
A Subsidiary of Arch Coal Inc.**

Introduction

Ark Land Company (a subsidiary of Arch Coal Inc.) is submitting this Exploration Plan on behalf of Canyon Fuel Company, LLC, Sufco Mine to the United States Bureau of Land Management (BLM) as required in 43 CFR 3482 in order to obtain approval to conduct coal exploration and reclamation activities during the summer of 2006. The type of exploration proposed is wireline core drilling. One drill hole is proposed for drilling in coal managed by the BLM with surface management by the U.S. Department of Agriculture Forest Service on federal coal lease U-63214. Map 1 shows the location of the exploration areas.

The plan is formatted to address the specific requirements of 30 CFR Chapter VII Subchapters G and K and 43 CFR 3482, and, where applicable, those of the United States Forest Service (USFS), and the Utah Department of Oil, Gas and Mining (UDOGM). The U. S. Forest Service exploration stipulations are addressed in Appendix B. Requirements of the Utah Department of Oil, Gas and Mining (UDOGM) relative to the on-lease exploration plan are addressed in Appendix C.

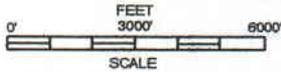


● F-06 Proposed 2006 Drillsite

— Road Access Manti-La Sal

— Road Access Fishlake

MAP 1



1	2	3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18	19	20
21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40
41	42	43	44	45	46	47	48	49	50

ARK LAND COMPANY
EXPLORATION PLAN
2006
LEASE U-63214
DRILL HOLE LOCATION
AND ACCESS ROUTE

SCALE 1"=4000' FILE NO. SHEET NO.

**COAL EXPLORATION PLAN
FEDERAL COAL LEASE
UTU-63214**

43 CFR 3482

3482.1(a)(1) This exploration plan is submitted to the authorized officer to obtain approval to conduct exploration and reclamation activities. The exploration activities proposed are not considered casual use because heavy equipment will be employed and surface disturbance will occur.

3482.1(a)(2) Five copies of this exploration plan are delivered to the authorized officer. This exploration plan honors the BLM and USFS conditions of the federal coal leases involved including protection of the coal resources and reclamation of the disturbed surface. Reclamation is an integral part of the exploration activities and will progress as contemporaneously as practical with the other exploration activities.

3482.1(a)(3)(i) The name, address and telephone number of the applicant are:

Ark Land Company
C/o Skyline Mines
HC 35 Box 380
Helper, Utah 84526 (work) 435 448-2633

The applicant is the same as the operator of the proposed exploration plan. Correspondence regarding this exploration plan should be addressed to:

Mark Bunnell
Ark Land Company
C/o Skyline Mines
HC 35 Box 380
Helper, Utah 84526 (work) 435 448-2633

The lessee of record is:

Canyon Fuel Company
225 N. 5th Str., Suite 900
Grand Junction, CO 81501
(970) 263-5130

3482.1(a)(3)(iii) The name, address and telephone number of the representative of the applicant who will be present during and be responsible for conducting the exploration is:

Mark Bunnell
Ark Land Company
C/o Skyline Mines
HC 35 Box 380
Helper, Utah 84526
(work) 435-448-2633 (home) 435-637-6690

At times a consulting geologist may act as representative of the applicant. The BLM, USFS and UDOGM will be notified of the consulting geologist's name and address if one is used.

3482.1(a)(3)(iii) The exploration area is generally located in central Utah 10 miles northwest of Emery. Map 1 gives the location of the drill site and access routes. The drill site is located on federal coal lease U-63214. Heavy Equipment access to the exploration area will generally be via Forest Development Road FDR 007 which traverses federal coal leases SL-062583, U-47080, and U-63214 on both the Fishlake and Manti-La Sal National Forests. Access may also be obtained from FDR 044 which traverses federal coal lease U-76195 on the Manti-La Sal National Forest. Equipment capable of using the Link Canyon road may access the site on FDR 044 from the east.

The drill site (F-06) will be located adjacent to USFS road FDR 007 (Map 1). No road construction is planned.

Surface topography of the area is mountainous with some low rolling hills and deep drainages with elevations ranging from 7,500 ft to 9,400 ft. The major drainage in the area is Quitchupah Creek. Site F-06 is located near the head and along the north side of Quitchupah Canyon as shown on Map 1.

Rocks exposed in the exploration area belong to the Cretaceous age Blackhawk, Castlegate, and Price River Formations and the Cretaceous-Tertiary age North Horn Formation. The rock types are predominantly sandstone, siltstone, shale and coal. The major geologic feature in the exploration area is the escarpment created by the outcrop of the 200 ft thick Castlegate Sandstone.

Vegetation in the exploration area is comprised mostly of conifer timber and sage communities. The streams are not capable of supporting game fish. The exploration area is important habitat for raptors, elk, mule deer, cougar, bobcat, black bear, and small mammals. The area is habitat for a limited number of reptiles and amphibians.

Threatened and endangered species in the exploration area include sage grouse, bald eagle and peregrine falcon.

There are no known districts, sites, buildings, structures, or objects listed on, or eligible for listing on, the National Register of Historic Places in the proposed exploration area. There are known archeological resources located in the proposed exploration area but none are close to the proposed drill hole sites, seismic lines, or access routes.

3482.1(a)(3)(iv)(A) The general method to be followed during drill hole exploration, reclamation and abandonment is: 1) repair the Forest Development Roads where needed

and prepare the drill site, 2) wireline core drill, log and plug the exploration drill hole, 3) reclaim the drill site. No blasting will be done for site preparation. Repair of Forest Development Roads may include hauling gravel to fill rough areas on bedrock ledges and cover sandy areas on the road as well as grading rutted areas with a grader. Drill site preparation and reclamation will be done with a D-8 Cat dozer, and a trackhoe or rubber-tired backhoe. Equipment operators will use pick-up trucks for transportation.

Wireline core drilling will involve one truck-mounted 2000 ft. rated wireline core drill, two 3000 gallon water trucks, one or two auxiliary air compressor(s), two to three supply trailers, four pick-up trucks, a geophysical logging truck and one covered trailer. The drilling procedure for the exploration hole will be to continuously core drill from surface to approximately 10 ft. below the Lower Hiawatha seam. A mud tank system will provide proper hole stabilization as hole depths increase. The supply trailers will carry drill steels, coring equipment, drilling additives, cutting and welding equipment, a dog house and other supplies. Four pick-up trucks will be used by drillers to carry personnel, fuel and supplies. A 10,000 gal. frac tank may be placed at the drillsite for water storage. Due to drought conditions over the past few years, previous drilling projects in the area have shown that it is necessary to haul water from the streams at night and during the morning hours. By afternoon, stream flows may be too low to allow pumping. For this reason, water storage is important to allow continued drilling during afternoon and evening hours.

Water for site F-06 will be pumped from a 10,000 gal. storage tank via a temporary 2 to 3 inch hdpe water line at the north fork of Quitchumpah Creek or trucked from a location near Muddy Creek to the drill site. Water would be pumped using a diesel-powered triplex pump. The pump station would be completely contained with pit liner or brattice to ensure no possibility of soil contamination. The water line would be pulled in place and later removed in sections by pickup or ATV when adjacent to the existing road or by horseback when not adjacent to the road. The pump station and water line location are shown on map 2.

Water may be hauled from the North Fork and/or South Forks of Quitcupah Creek to the drill site or to a 10,000 gallon water (frac) storage tank or from a storage tank located near Muddy Creek (Map 2). The supply trailer will carry drill steels, coring equipment, drilling additives, cutting and welding equipment, a dog house and other supplies. Two pick-up trucks will be used by the drillers to carry personnel, fuel, and supplies and two pick-up trucks will be used by the dirt contractor. The logging contractor will use a single axle 1 ton rated truck. The company representative and geological consultant will also use pick-up trucks for transportation. Equipment usage is tabulated as follows:

Summary of Equipment Used in the Proposed Exploration License Area				
<u>Phase</u>	<u>Equipment Type</u>	<u>Size or Capacity</u>	<u>Time in Area</u>	<u>Quantity</u>
Preparation	Equipment transport	20 ton	Brief	2
	Pickups, 4 wheel drive	½ to 1 ton	Constant	4
	Grader	D 14 Cat or similar	Brief	1
	Dozer	D 8 Cat or similar	Brief	1
Drilling	Wireline core rig	LS 244 or similar	Constant	1
	Water truck, small	1,500 gal	Constant	1
	Water truck, large	4,000 gal	Constant	2
	Pipe truck/transport	Semi, 40 ft flatbed	Constant	2
	Light plant, on trailer	5,000 watt	Constant	1
	Welder, on trailer	240 amp	Constant	1
	Tool trailer	2 ton	Constant	2
	Core trailer	2 ton	Constant	1
	Pickups, 4 wheel drive	½ to 1 ton	Constant	4
	ATV	1 person	Constant	3
	Geophysical logging truck	1 ton	Brief	1
Support	Pickups, 4 wheel drive	½ to 1 ton	Constant	4
	Track boom truck	D 8 Cat or similar	Constant	1
	Trackhoe	3 CY	Constant	1
	Backhoe	2 CY	Constant	1
	Frac tank with pump	18,000 gal	Constant	2
	Fuel truck/tank	2,000 gal	Constant	1
	Equipment transport	20 ton	Brief	2
	Triplex pump, skid mount	30 GPM	Constant	3
	Poly pipe winder, trailer	2,000 ft	Constant	1
	Boom truck, rear mount	3 ton	Constant	1
Reclamation	Equipment transport	20 ton	Brief	2
	Pickups, 4 wheel drive	½ to 1 ton	Constant	2
	Grader	D 14 Cat or similar	Brief	1
	Trackhoe	3 CY	Brief	1

Estimated Frequency of Equipment Travel and Transport			
Phase	Equipment Type	Quantity	Number of Trips
			Per Week
Preparation	Equipment transport	2	1
	Pickup, 4 wheel drive	4	28
	Grader	1	1
Drilling	Wireline core rig	1	1
	Pipe rod truck	2	1
	Tool trailer	2	1
	Core trailer	1	1
	Water truck, small	1	1
	Water truck, large	2	21
	Pickup, 4 wheel drive	4	28
	ATV	3	28
	Geophysical logging truck	1	1
Support	Equipment transport	1	1
	Pickup, 4 wheel drive	4	28
	Pickup and trailer combination	2	4
	Track boom truck	1	1
	Trackhoe	1	1
	Backhoe, rubber tired	1	1
	Frac tank with pump	2	1
	Fuel truck/tank	1	7
	Poly pipe winder	1	1
	Boom truck	1	1
Reclamation	Equipment transport	2	1
	Pickup, 4 wheel drive	2	14
	Grader	1	1
	Trackhoe	1	1

During the drilling operation, water and drilling fluid will be recirculated to the extent possible. Any returned cuttings and other materials will be captured in a container or in the mudpit at the drillsite. Cuttings and unneeded drill core that are not buried in the mudpit will be transported to Sufco Mine's permitted waste rock site along the Sufco haul-road to the south. Containment of possible fluid spills will be achieved by the use of brattice cloth or pit liner material, silt fence, and, if necessary, earthen berms. If spills occur, all affected materials will be removed from the site and disposed of at an approved location.

Fuel and/or lubricating oil containers not stored in a truck will be placed on the constructed drillsite. If stored off the drillsite, such containers will be placed on brattice, pit liner, or other acceptable ground cover at a site away from drainage channels and surrounded by pit liner, brattice, silt fence, or other acceptable containment structure. If

spills occur, cleanup will be conducted as stated above.

Repair of Forest Development Roads may include hauling gravel to fill rough areas on the road as well as grading rutted areas with a grader.

3482.1(a)(3)(iv)(B) Earth excavation will mostly be done for the drill site using a D-8 Cat. A track mounted backhoe and/or a rubber-tired backhoe may be used for construction of the mud pit. Excavation will include grubbing, removal and separate storage of the soil A horizon and, if needed, removal and separate storage of material below the soil A horizon to make a level drill site. Mud pits will be excavated in the material below the soil A horizon if there is sufficient soil depth. The only material disposed of at the drill sites will be cuttings and any drilling foam and/or mud which will be placed in the mud pits. Figure 1 one shows the planned drillpad construction layout.

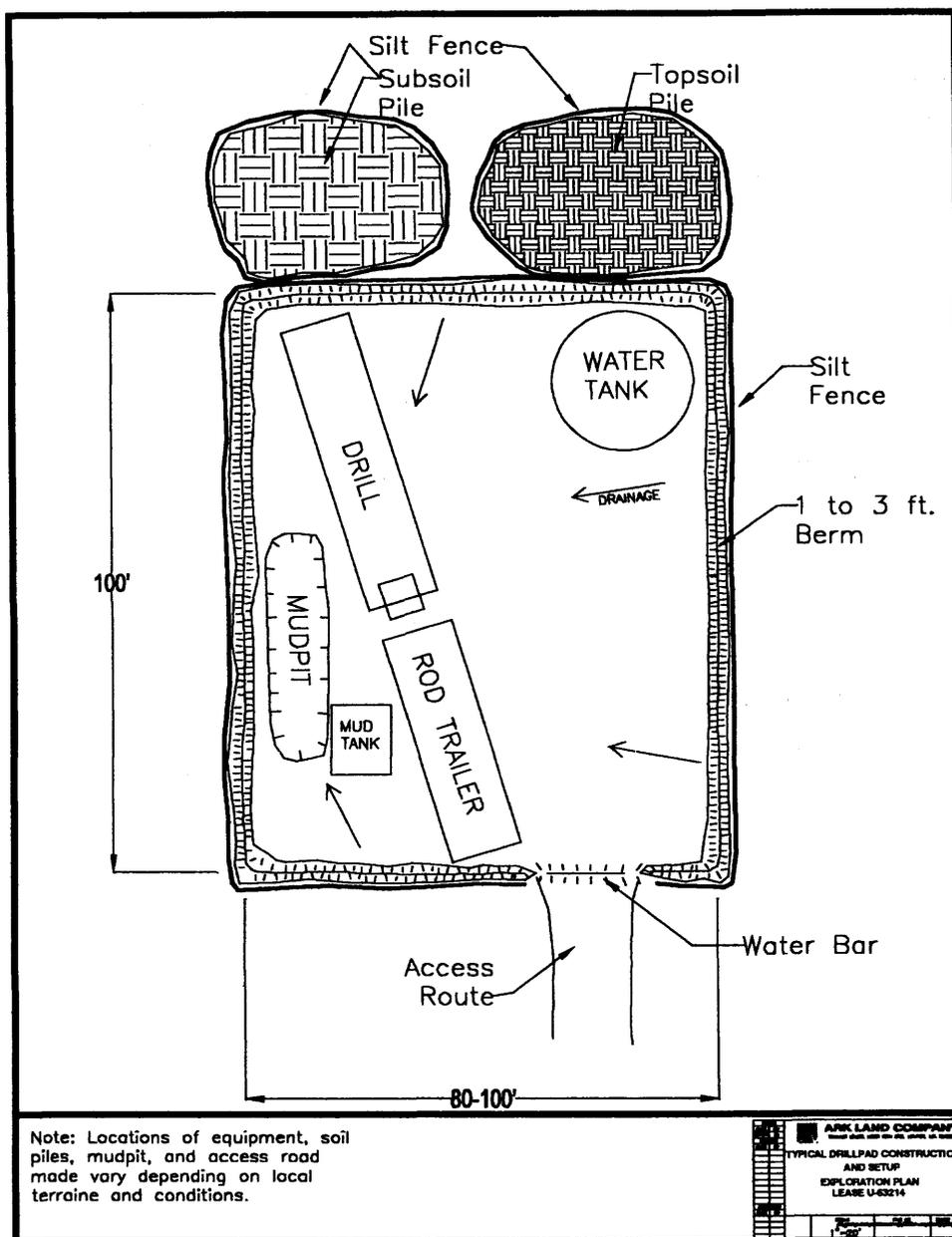


Figure 1. Typical drill pad construction and layout.

3482.1(a)(3)(iv)(C) The exploration drill hole will be plugged with a cement, cement/bentonite slurry, and/or holeplug to its full depth. The completion method includes pulling surface casing when possible; but when not possible, cutting it flush with the ground, then pumping or pouring the slurry through the drill pipe starting at the bottom of the hole. Plugging will then be done in stages by tripping-out of the hole 3-4 joints (60-80 ft) and pumping again. This process will be repeated to the surface. A brass identification tag will be placed in the concrete at the top of the drill hole stating the operator's name, drill hole number and legal description. The plugged hole will be flush with the ground surface.

Hole F-06 will not be completed as a water monitor well.

3482.1(a)(3)(iv)(D) The drill hole will be nominal 3.625 inches in diameter. The estimated depths of the proposed drill holes and other drill hole information is given in the following table. Drill site acreage is estimated for a 100 ft X 100 ft pad.

<u>Drill Hole</u>	<u>Location</u>	<u>Total Depth</u> (ft)	<u>Disturbed Acreage</u>		
			<u>Drill Site</u>	<u>Access Route</u>	<u>Total</u>
F-06	SE NE, 13, 21S, 4E	1,100	0.23		0.23
	Total	1,100	0.23	0.23	0.23

3482.1(a)(3)(iv)(E) Borehole F-06 will not be completed as a piezometer (water monitoring) well.

3482.1(a)(3)(v) A time table for all exploration related activities is given below. It is anticipated that exploration activities will start as early as the first week of June 2006.

EVENT	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 5
Prepare Forest Development Roads					
Prepare Drill Hole Site					
Core Drilling					
Reclaim Drill Hole Site					

The only coal removed during exploration activities will be core. Core will be three inches in diameter. Assuming an average thickness of 12 ft for the Upper Hiawatha coal seam and 10 ft for the Lower Hiawatha coal seam, less than 200 pounds of coal will be removed.

3482.1(a)(3)(vii) The measures to be used during exploration activities to comply with the performance standards of 43 CFR 3484.1(a) are given in Appendix A; those of the surface management agency (USFS) are given in Appendix B; and those of the approved state program (UDOGM) are given in Appendix C.

3482.1(a)(3)(viii) Two maps are included in this plan. The first (Map 1) is at a scale of 1:48,000 and is a general location and access map of the exploration area. The second map (Map 2) is at a scale of 1:36,000 and shows lands affected by the proposed exploration plan. This map shows existing roads, proposed access routes, drill hole location, and federal coal lease boundaries. It also shows the proposed location for obtaining water. Map 2 also shows the portion of Lease U-63214 that will be affected including existing bodies of surface water and topographic and drainage features. There are no occupied dwellings or pipelines located in the exploration area. No trenches will be dug, no structures constructed, and no debris disposed of in the exploration area.

3482.1(a)(3)(ix) The owner of record of the surface land is the United States and is administered by the United States Forest Service, Manti-La Sal National Forest.

3482.1(a)(3)(x) At this time the authorized officer has not asked for additional data.

APPENDIX A

43 CFR 3484

3484.1(a)(1) The standards of the rules of this part are given in the following sections of this Appendix A.

3484.1(a)(2) The lands on which exploration activities will occur are not valuable nor prospectively valuable for oil, gas, or geothermal resources. The drill holes proposed will not be drilled to depths or formations where oil, gas, or geothermal resources have been encountered in this area or could be encountered.

3484.1(a)(3) The drill hole will be plugged as previously described in the reply to section 3482.1(a)(3)(iv)(C). The BLM will be notified of when plugging will begin. Water pollution potential will be minimized by keeping pollutants in their containers and away from the drill hole. Materials used during drilling operations will be selected to be as non-polluting as possible. All spills of polluting materials will be removed from the area and properly disposed of.

No mixing of surface and ground waters will occur due to abandonment by plugging.

Mud pits, when used, will be constructed to hold all drilling mud and foam. The pits will be surrounded by a field fence/barbed wire fence until dry and reclaimed. When mud pits cannot be constructed, portable containers will be used or the drilling mud, foam, and/or cuttings will be hauled off U.S. Forest Service land and disposed of properly.

3484.1(a)(4) Canyon Fuel Company will retain all drill and geophysical logs for at least one year and will make them available for inspection and analysis by the authorized officer. All drill cores through critical coal zones will be retained for at least one year.

3484.1(a)(5) The drillhole is not planned to be completed as water monitor well.

APPENDIX C

The proposed exploration plan qualifies as minor exploration as described in State of Utah Coal Mining Rules R645 section R645-200-122.

R645-201-221 to 225 Applicable parts of these stipulations were addressed in previous portions of this exploration plan.

R645-201-310 to 323.300 Requirements of these sections were addressed in previous portions of this exploration plan.

R645-201-323.400 The requirements of R645-202 will be met as follows -

R645-202-100 This was addressed in a previous portion of this exploration plan.

R645-202-231 This was addressed in a previous portion of this exploration plan.

R645-202-232 No roads or other transportation facilities will be constructed.

The regulations cited in this section are not applicable to this exploration plan because no access routes will be constructed.

R645-202-233 This was addressed in a previous portion of this exploration plan. In addition, topsoil and subsoil piles will have properly constructed silt fences placed around them to minimize loss of material. During reclamation, grubbed material will be distributed over the areas from which it was removed to enhance germination.

R645-202-234 There will be no diversion of overland flows.

R645-202-235 The drill holes will either be plugged or completed as piezometers which, in both cases aquifers will be sealed to preclude cross-connection. Impoundments will not be constructed.

R645-202-236 It is not anticipated that acid- or toxic-forming materials will be encountered during exploration because none have been encountered previously. If adequate core recovery occurs, samples of drill core will be obtained from within 10 ft. of both roof and floor strata for each minable coal seam and analyzed for acid-toxic materials.

R645-202-241 This was addressed in a previous portion of this exploration plan.

R645-202-242 The method of revegetation described in a previous portion of this exploration plan is intended to encourage prompt revegetation and recovery of a diverse, effective, and permanent vegetative cover. The seed mix to be used is as follows -

(The seed mix to be used is the same mix used for the 2005 Muddy drilling project and is given below)

		<u>Pounds/Ac PLS</u>
Western Wheat grass	Elymus smithii	2.00
Basin Wild Rye	Elymus cinereus	1.00
Intermediate Wheat grass	Elymus hispidus	2.00
Yellow Sweet Clover	Melilotus officinalis	1.00
Rambler Alfalfa	Medicago sativa	1.00
Blue Leaf Aster	Aster glaucodes	0.25
Lewis Flax	Linum lewisii	0.50
Small Burnet	Sanguisorbia minor	1.00
Silvery Lupine	Lipinus argentis	1.00
True Mahogany	Cercocarpus argenteus	1.00
Bitterbrush	Purshia tridentate	1.00

TOTAL 11.75 PLS

Prior to any seeding, the USFS will be consulted to ensure the proper seed mixture is used.

Certification tags will be retained by the permittee.

The vegetative cover resulting from this seed mix is considered capable of stabilizing the soil surface from erosion.

R645-202-243 This is addressed in a previous portion of this exploration plan.

R645-202-244 This is addressed in a previous portion of this exploration plan.

R645-201-323.500 This was addressed in a previous portion of this exploration plan.