



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



IN REPLY REFER TO:
 3482
 SL-062583, UTU-63214
 (UT-923)

Certified Mail--Return Receipt Requested
 Certificate No.

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

FEB 09 2007

RECEIVED

FEB 12 2007

DIV. OF OIL, GAS & MINING

J. [Signature]
2/04/2007
Copy PFO

Re: Minor Modification to Resource Recovery and Protection Plan (R2P2), Sealing 1 Right Pines East (1RPE) Section, SUFCO Mine

Dear Mr. May:

The Bureau of Land Management (BLM) has received and reviewed the subject R2P2 modification request from Canyon Fuel proposing the sealing of the 1 Right Pines East (1RPE) room-and-pillar panel located in the SUFCO Mine on Federal coal lease UTU-63214. This approval letter confirms previously-given verbal approval of the requested modification.

In a request received by the BLM on October 11, 2006, Canyon Fuel proposed the sealing of the partially-mined 1RPE pillar panel at the first neck-off pillar, recognizing that recoverable coal remaining in the panel could be extracted from the mains at a later date. The seals were to be constructed in conformance with the Mine Safety and Health Administrations' (MSHA) requirements existing at the time of sealing. A map of the panel showing the location of the seals and the unmined coal was included in the request. Canyon Fuel cited the pressing need for longwall development in other areas of the mine – requiring the use of the continuous miner assigned to this panel – as justification for this action.

On May 19, 2004, the BLM approved a request by Canyon Fuel to change the timing of the existing R2P2 so that the 1RPE panel and the adjacent 2RPE pillar panel would be mined immediately, instead of during final retreat from the Pines area. These panels – located between the Link Canyon fan entries and the Pines North Mains – were originally to be mined using the continuous miner section assigned to the 6 Left Pines East, following the completion of longwall development. However, these two stop gap panels were approved for immediate development following the maximum possible development (using temporary belts) of 6LPE. This action kept the continuous miner crew producing, and allowed time for the installation of a permanent conveyor for 6LPE.

When the last Pines longwall panels were shortened due to adverse geologic conditions, Canyon Fuel needed to quickly relocate this continuous miner to perform longwall development in other areas of the mine in order to meet production requirements. As a result of these timing changes, floor coal in the last few rows of 1RPE pillars was not pulled, and the 2RPE panel was not mined.

The BLM agrees with Canyon Fuel's justification for this modification. With prior verbal approval from the BLM, Canyon Fuel recently sealed the 1RPE panel, and the BLM inspected the seals on January 25, 2007. The unmined recoverable coal in the 1RPE and 2RPE panels is accessible from the mains, and will be mined during the final retreat from the Pines East area. A proposed timing map for the mining of reserves left in the 1RPE and 2RPE panels is required within 90 days.

On November 10, 2005, and again on September 28, 2006, the BLM inspected this area, and no equipment or other materials were found in the pull-out area of the panel on retreat. Canyon Fuel will need to certify that no hazardous materials or equipment were left in the sealed panel by signing the enclosed environmental and CERCLA certification forms. The sealing of this panel eliminates maintenance and ventilation requirements for the panel until it is reopened.

The BLM has witnessed the mining of the 1RPE panel on a number of occasions, and notes that Maximum Economic Recovery (MER) has been achieved thus far. This panel has been extracted using approved room-and-pillar methods where pillars are left in place and floor coal in the entries is recovered on retreat. This R2P2 modification will not change the recoverable coal reserve base on Federal coal lease UTU-63214 (92,380,000 tons), nor will it change SUFCO's LMU recoverable coal reserve base (171,470,000 tons). The LMU recoverable reserve base was calculated (as shown in the enclosed Table 1) using 2004 LMU readjustment recoverable reserve base tonnages and the recently-modified UTU-76195 lease recoverable reserve base.

As this R2P2 modification will not affect the surface environment, no National Environmental Policy Act (NEPA) action is necessary.

The BLM has determined that the approved modification complies with the Mineral Leasing Act of 1920, as amended, the regulations of 43 CFR 3480, the lease terms and conditions, and will achieve Maximum Economic Recovery (MER) of Federal coal. If you have any questions, please contact Stephen Falk of the Price Field Office at (435)636-3605, or Peter Brinton of my staff at (801)539-4162.

Sincerely,

JAMES F KOHLER

James F. Kohler
Chief, Solid Minerals

Enclosures

- Approved Mine Map
- LMU Recoverable Coal Reserves by Lease (Table 1)
- Environmental and CERCLA Certification Forms (7 sheets)

cc: UT-070, Price, Utah (w/ Approved Mine Map & Table 1 enclosures)
Utah Division of Oil Gas and Mining (w/o enclosures)
1594 West North Temple Street, Suite 1210
Salt Lake City, Utah 84114-5801

sufco 1rpe Seal R2p2 Mod 2-7-07 pb-sa