

0009



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

JK

Outgoing
C/041/0002

April 17, 2007

Mark Bunnell, Geologist
Ark Land Company
Canyon Fuel Company, LLC
397 South 800 West
Salina, Utah 84654

Subject: Extension of Work Time Frame for Minor Coal Exploration Activities into 2007, Utah State Coal Lease ML 49443-OBA, and SITLA Muddy Tract, ML 50186-ROME, C/041/0002, Task ID #2390 (Original Application TID)

Dear Mr. Bunnell:

The Division received and approved your original Notice of Intent to conduct minor coal exploration activities for the SITLA Muddy tract, Task ID # 2390 prior to June 22, 2006.

SUFCO notified the Division on December 18, 2006, that due to difficult drilling conditions in the Price River formation and the onset of winter weather conditions, it was necessary to suspend drilling activities in November of 2006. Only one of the two holes was completed in 2006, (A-05). It has been determined that hole B-05 will not be drilled. However, both sites will require reclamation activities during the 2007 season.

The revision to page 16 of your Notice of Intent application was received on the same date as your suspension of activities notification to the Division. That revision merely requested an extension of the time frame for the NOI reclamation activities, as required under R645-201-224.

It is the Division's understanding that time extensions relative to the SITLA right-of-mineral entry as well as the necessary USFS Special Use Permits and Road Use permits are in place.

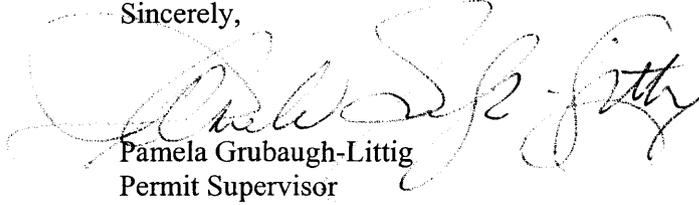
Your request to extend the activities related to these two exploration sites into the 2007 drilling season is approved.



Page 2
Mark Bunnell
April 17, 2007

If you should have any questions, please call me at (801) 538-5268 or Peter Hess at (435) 613-1146, Extension 203.

Sincerely,



Pamela Grubaugh-Littig
Permit Supervisor

an
cc: John Blake, SITLA
Tom Lloyd, USFS
Mesia Nyman, USFS
Jim Kohler, BLM
O:\041002.CON\FINAL\Ext2390.doc