



Bureau of Land
Management
Price Field Office



United States Department of Agriculture
Forest Service
Manti-La Sal and Fishlake National Forests

Price Field Office
125 South 600 West
Price, Utah 84501

Date: February 22, 2008

Dear Interested Party:

Ark Land Company (Ark) has applied for a coal lease on non-leased Federal coal lands adjacent to their existing SUFCO Convulsion Canyon Mine (SUFCO Mine) properties in Sevier and Sanpete Counties, Utah. The application was assigned case number UTU-84102, and the lease by application (LBA) was titled the Greens Hollow Coal Lease Tract. The U.S. Department of Agriculture – Forest Service (Forest Service) and U.S. Department of Interior – Bureau of Land Management (BLM), as joint lead agencies, have determined that an environmental analysis is required to evaluate the potential impacts this use could have on the human environment within the boundaries of the tract and the adjacent areas. This analysis will be documented in an Environmental Impact Statement (EIS) prepared in accordance with the National Environmental Policy Act of 1969 (NEPA) and applicable Federal regulations. The EIS will be used by the affected Forests to determine if they will allow mining of the tract and by the BLM to determine if the tract will be allowed for competitive lease.

This notice announces the scoping process and solicits comments identifying issues and information that should be considered in the environmental analysis process that will lead to a decision on whether and under what conditions to offer the tract for lease.

SUBMITTING COMMENTS

The 45-day scoping period for the Greens Hollow Coal Lease Tract EIS begins with publication of a Notice of Intent (NOI) in the Federal Register. The NOI was published in the Federal Register on February 12, 2008. **Comments on this proposal will be most useful if received by March 28, 2008.**

If you have specific issues or other information that the BLM and Forest Service should consider during the NEPA process, please identify them in writing. You may send comments by mail, facsimile, or electronic mail. Comments may also be hand-delivered to the Price Field Office. In order to remain on this mailing list for this proposal, please respond to this notice in writing. Send written comments to:

Bureau of Land Management
Attn: Steve Rigby
Price Field Office
125 South 600 West
Price, Utah 84501
Fax: 435-636-3657

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DIV. OF OIL, GAS & MINING

Comments may be sent electronically to UT_Pr_Comments2@blm.gov (please reference Greens Hollow Coal Lease Tract EIS in the subject field).

Written comments in response to this notice, including the names and addresses of respondents, will be available for public review at the BLM Price Field Office during regular business hours (7:45 a.m. – 4:30 p.m.), Monday through Friday (except Federal holidays) after the comment period closes and may be published as part of the environmental review process. Comments will be subject to disclosure under the

Freedom of Information Act (FOIA). Before including your address, phone number, e-mail address, or other personal identifying information in your comment, you should be aware that your entire comment – including your personal identifying information – may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so. All submissions from organizations and businesses, or from individuals identifying themselves as representatives or officials of organizations or businesses, will be available for public inspection in their entirety.

It is important that those interested in this proposed action participate at this time. To be most helpful, your comments should be as specific as possible. Written comments provide us a record of your concerns and will be used to determine potentially significant issues and to develop potential alternatives to be addressed in the EIS. The Draft EIS, Final EIS, Response to Comments, and Record of Decision will be posted to the Manti – La Sal and Fishlake National Forest websites, but these documents will only be sent to those who have provided written comments.

PROJECT INFORMATION

The proposed Greens Hollow coal lease tract is located on the Manti-La Sal and Fishlake National Forests on the southern end of the Wasatch Plateau, Wasatch Plateau coal field, in the Wasatch Plateau Known Recoverable Coal Resource Area (KRCRA). The surface and coal resources are both federally owned. The Manti-La Sal and Fishlake National Forests administer the surface resources, while the BLM administers the coal resources.

The Greens Hollow Coal Lease Tract is located in the Muddy Creek and North Fork Quitcupah Creek drainages. The area is approximately 10.5 air miles west of the town of Emery, Utah, via the Link Canyon Road, or some 5 miles north of the SUFCO mine portal in Convulsion Canyon. The final coal lease tract, as amended by the Tract Delineation Team, encompasses 6,334 acres of Federal coal estates. Most of the proposed lease is on the Manti-La Sal National Forest (approximately 6,253 acres) while a small part along the southern edge of the tract is on the Fishlake National Forest (approximately 81 acres). Figure 1 shows the location of the Greens Hollow Coal Lease Tract.

Coal reserves in the Greens Hollow coal lease tract are estimated at 73 million recoverable tons of coal. Ark has applied to the BLM to lease the coal reserves to extend the productive life of their existing SUFCO Mine complex. The tract lies adjacent to and north and west of the existing SUFCO Mine. If Ark obtains the tract, it would be mined by long-wall methods through underground workings in their existing permit area. Existing portal facilities in the SUFCO mine complex would be used.

New surface facilities would include two new vent shafts, a power line to the southern shaft, and exploratory drill holes for mine plan development (Figure 2). The southern shaft would be a lined exhaust vent approximately 20-30 feet in diameter and would require a large electric fan. This shaft would be located in the southern half of Section 18, Township 21 South, Range 5 East. Material removed in the shaft excavation would be stored onsite and used for reclamation to fill in the shaft once the mine is closed. The total disturbance area for the southern vent shaft would be approximately 10 acres. Construction of this shaft could take up to 12 months or more. Other surface facilities that would be required at this site include a backup diesel generator for emergencies and other requirements, a properly anti-leak protected fuel storage tank for the generator, and an electrical transformer system. This southern shaft would require year-round weekly inspections and ongoing maintenance. This shaft would provide essential ventilating air for safe mine operations and could include a means for an escapeway for mine personnel in an emergency.

The northern shaft would be a lined intake vent approximately 15-20 feet in diameter. It would be located in the southern half of Section 30, Township 20 South, Range 5 East. Material moved in the shaft

excavation would be stored onsite and used for reclamation to fill in the shaft once the mine was closed. This shaft would probably not require a large fan. Construction time would probably be shorter than for the southern shaft. The total disturbance area for the northern vent shaft would be approximately 10 acres to accommodate material removed from the shaft. This shaft would provide essential ventilating air for safe mine operations and could include a means for an escapeway for mine personnel in an emergency.

Construction of an overhead electrical power line would be required to operate the fan in the southern vent shaft. This power line would also supply power to operate the mine. The power line would bring power from existing electrical substations in either Link Canyon or Convulsion Canyon.

In addition, up to 12 or more exploratory drill holes would be required to characterize coal reserves for ongoing mine plan development. Each drill location could impact up to approximately 1/3 acres, totaling approximately 4 or more acres of temporary disturbance if 12 exploratory drill holes were used. Based on 12 exploratory drill holes, temporary access routes to the drill locations are estimated at 10.7 miles, corresponding to 15.5 acres of additional temporary disturbance. Access routes and the drill pads sites would be reclaimed following drilling.

The Greens Hollow Coal Lease Tract falls within the Muddy Creek coal tract and a 2-mile evaluation buffer, for which three years of field data were collected and a technical analysis of potential effects to resources present in the tract was completed in anticipation of a mining proposal. In 2004, the Forest Service initiated the preparation of an EIS for the Muddy Creek tract. Public scoping was conducted from March 5, 2004, through April 12, 2004, and a total of 10 responses were received. Based on the scoping comments and internal agency review, four resources were identified for detailed analysis in the Muddy Creek EIS: water resources, wildlife and wildlife habitat, vegetation, and cultural/paleontological resources. Previously collected data will be reviewed to ensure that the data remains valid before it is used in the Greens Hollow analysis.

PURPOSE AND NEED

The Purpose and Need for the Federal Action is to provide appropriate opportunities for leasing and development of Federal coal resources (USDA-FS 1986) under the Manti-La Sal and Fishlake National Forests. The Mineral Leasing Act of 1920, as amended, provides for cleared tracts to be available for leasing, subject to the mitigation requirements determined through multiple-use management and environmental review.

The agencies recognize the need for a lease applicant to obtain rights to additional minable coal in order to extend the life of the SUFCO Mine by approximately 10 years, maintain production, remain competitive in the current coal market, and maintain current coal contracts. It would help meet the energy needs of the nation, providing enough energy for the annual household electrical energy needs of some 4 million citizens for approximately 10 years.

PRELIMINARY ISSUES

Issues and alternatives to be evaluated in the analysis for the Greens Hollow Coal Tract will be determined through public scoping and internal, interdisciplinary review. The major issues are expected to include water resources, wildlife and wildlife habitat, vegetation, cultural/paleontological resources, employment in the local area, and economic viability of the local and regional areas.

PROPOSED ACTION

The Proposed Action would offer the Greens Hollow Coal Tract for competitive leasing and mining. Technical data and analysis will be reviewed to determine if lease stipulations would be needed to protect non-mineral resources consistent with BLM and Forest Service policies and forest plan standards/guidelines and objectives.

POSSIBLE ALTERNATIVES

All of the alternatives and options may not be known until after data collection and completion of the analysis. However, the EIS would at least consider the following alternatives:

No Action - The no action alternative will provide a baseline for evaluating the effects of the action alternatives. The lease tract would not be offered for leasing at this time.

Alternative 2 - The tract would be offered for competitive leasing, as delineated by the Tract Delineation Team, with BLM standard lease terms and conditions only. No special coal lease stipulations would be included in the lease to be offered.

Alternative 3 - The tract would be offered for competitive leasing, as delineated, with BLM standard lease terms and conditions and special stipulations to protect non-mineral physical and biological resources and uses.

Other alternatives may be developed, as needed, to address social and environmental issues or opportunities. At this stage of the process, the number of alternatives has not been determined.

DECISION TO BE MADE

In accordance with the Coal Leasing Amendments Act of 1975, which amended the Mineral Leasing Act of 1920, the Forest Supervisors, Manti-La Sal and Fishlake National Forests, must decide whether or not to consent to leasing of the tract for mining by the BLM. If they consent to leasing, they must identify any special coal lease stipulations needed to protect non-mineral resources.

In accordance with the Mineral Leasing Act of 1920, as amended, the Utah State Director of the BLM must decide whether or not to offer the tract for competitive leasing and under what terms, conditions, and stipulations.

NEPA PROCESS

Following the analysis of comments received during this period, a Draft EIS will be prepared and is expected to be released for public review in spring of 2008. Following the required 45-day public comment period on the Draft EIS, we will respond to comments, revise the analysis, as necessary, and document our decision in the Response to Comments, Final EIS, and Record of Decision, respectively. The environmental analysis and appropriate documentation is anticipated to be completed by fall 2008.

PERMITS OR LICENSES REQUIRED

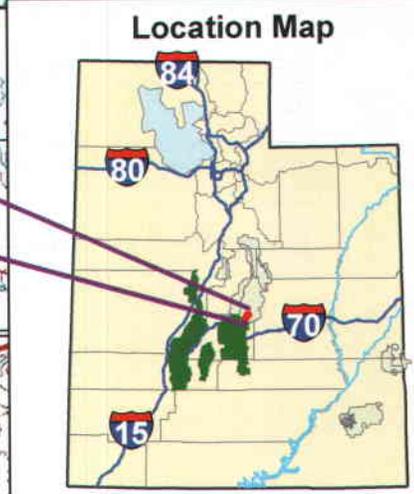
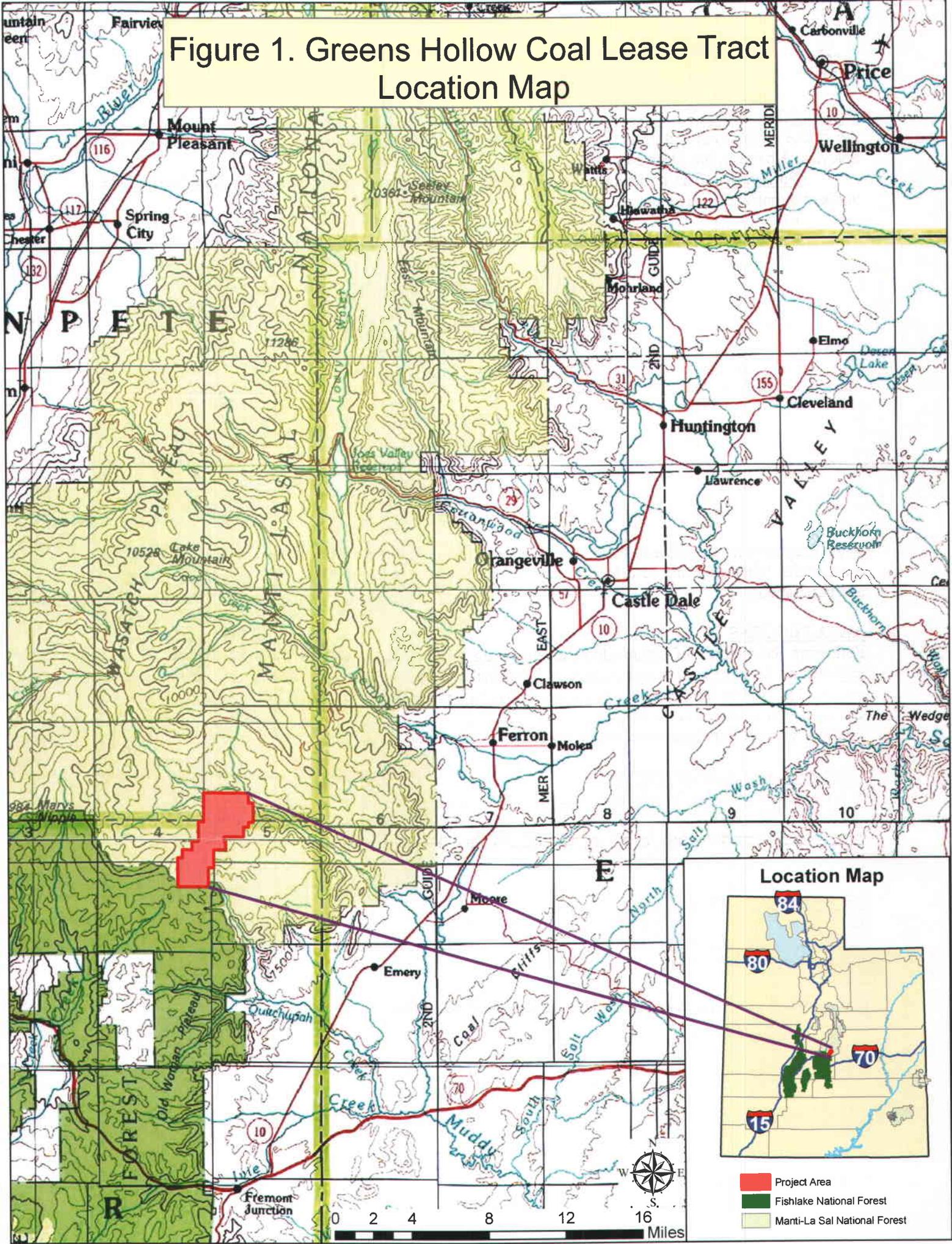
If the decision provides for production of this coal energy, the operator must obtain a permit from the Secretary of the Interior prior to commencing mining, contingent upon review and acceptance of the mining and reclamation plan in accordance with Surface Mining Control and Reclamation Act of 1977 (SMCRA) and the requirements of 30 CFR 700 to end.

RESPONSIBLE OFFICIAL

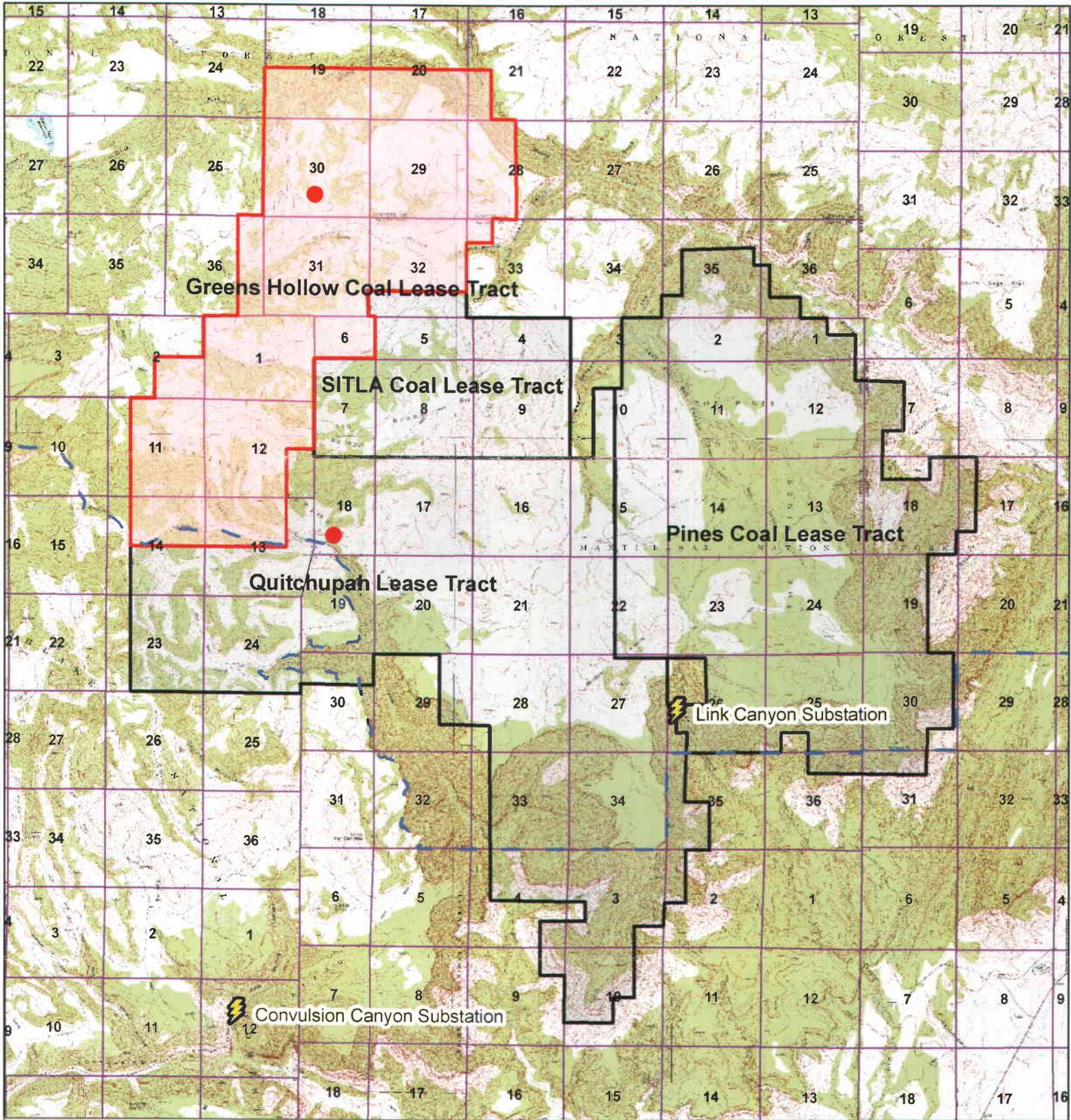
The responsible official for the BLM will be the Utah State Director. The responsible officials for the Forest Service will be the Forest Supervisors for the Manti-La Sal National Forest and the Fishlake National Forest.

If you have questions, please contact Steve Rigby at 435-636-3604.

Figure 1. Greens Hollow Coal Lease Tract Location Map



- Project Area
- Fishlake National Forest
- Manti-La Sal National Forest

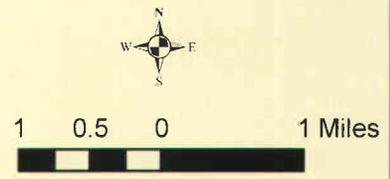


**Figure 2. Greens Hollow Coal Lease Tract
Proposed Action Elements**



Legend

-  Manti-La Sal/Fishlake Forest Boundary
-  Greens Hollow Tract Boundary
-  Substation locations
-  Adjacent Mine Tracts
-  Approximate Vent Shaft Locations



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