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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office  
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Salt Lake City, UT 84145-0155  
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2011/02 Mining  
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MAR 22 2010

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DIV. OF OIL, GAS & MINING

IN REPLY PLEASE REFER TO:  
3482  
UTU-63214, UTU-47080  
(UT-923)

Certified Mail--Return Receipt Requested 7007 2560 0000 5771 3598

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

Re: SUFCO Mine - Minor Modification to Resource Recovery and Protection Plan (R2P2),  
New Sequencing and 4 West Development Areas

The Bureau of Land Management (BLM) has received and reviewed the proposed SUFCO mine plan modification to the Resource Recovery and Protection Plan (R2P2), submitted on December 29, 2009 by Canyon Fuel Company, LLC (Canyon Fuel).

The plan modification includes the timing and sequencing of four longwall panels as highlighted on the attached approved mine plan. The four longwall panels are on Federal leases UTU-63214 and UTU-47080.

First: the Federal portion of the 5 Left-East Mains panel, continuation of the longwall mining in the panel -- on the map: "5L-EM-B"

Second: the remaining block of longwall coal in the East Mains district - 1 Right East Mains -- on the map: "1R East Mains"

Third and Fourth: Canyon Fuel projects development of the 2 South Submains off of 4 West (on Fee coal) and the corresponding two longwall panels to the west on Federal coal -- on the map: "1R2South" and "2R2South B"

Mining these proposed longwall panels now instead of later in the mine life will not affect overall recovery of the Federal coal.

BLM approves the mining of 5L-EM-B and 1R East Mains. BLM also approves the mining of 2R2South B and 1R2South, with the concurrence of the Fish Lake National Forest. These areas are highlighted on the enclosed approved mine plan. Maximum economic recovery of the Federal coal will be achieved as the plan is followed. Separate approval will be required from the State & Institutional Trust Lands Administration (SITLA) for SITLA lease ML-49443 at the SUFCO Mine.

Within 60 days of receipt of this letter, Canyon Fuel is required to submit a summary of the change in the recoverable reserve tonnage base to BLM for review and acceptance.

This approval of a minor modification to an approved R2P2 at an existing underground coal mine is categorically excluded from NEPA analysis as explained in the Department Manual (5 DM Part 516 11.5 (F) (8)).

The BLM has determined that portions of this modification as specified above complies with the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3489, and the lease terms and conditions.

If you have any questions, please contact Stephen Falk or Steven Rigby at our Price Field Office (435-636-3600) or Jeff McKenzie of my staff (801-539-4038).

Sincerely,

/s/ Roger L. Bankert

Roger L. Bankert  
Chief, Branch of Minerals

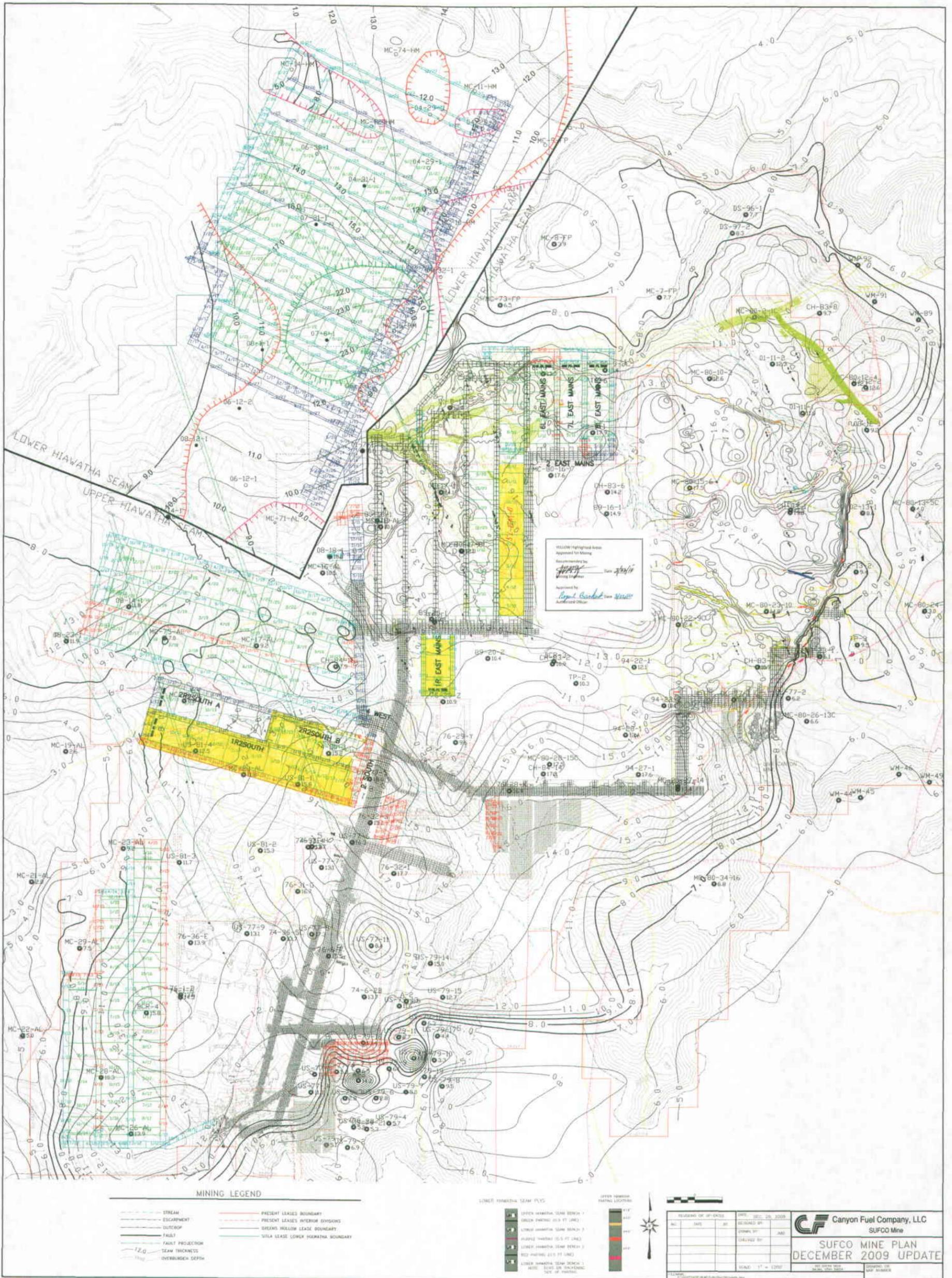
Enclosure:  
Approved Mine Map

cc: PFO

D. Haddock  
Utah Division of Oil Gas and Mining  
1594 West North Temple Street, Suite 1210  
Salt Lake City, Utah 84114-5801

J. Blake  
State Institutional Trust Lands Administration  
675 East 500 South, Suite 500  
Salt Lake City, Utah 84102-2818

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