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C/041/002 Incoming



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

DECISION

APPROVED

Minor Modification to Resource Recovery and Protection Plan (R2P2) 2R2 South A LW Block

On December 10, 2010, the Bureau of Land Management (BLM) received from Canyon Fuel Company, LLC (Canyon Fuel), the proposed SUFCO mine plan minor modification to the Resource Recovery and Protection Plan (R2P2) for the 2R2 South A coal reserve block (map attached). The A area of the 2R2 South longwall panel is on Federal lease UTU-63214. The 2R2 South B area of this longwall panel was approved in the Resource Recovery and Protection Plan (R2P2) minor modification dated March 22, 2010.

The Canyon Fuel proposed mine plan minor modification is in response to the BLM request that further evaluation be conducted to ensure Maximum Economic Recovery (MER) is achieved (BLM Price Field Office recommendation of November 10, 2010). Canyon Fuel has provided a sufficient evaluation that first mining of 2R2 South A Block is uneconomic.

A meeting was held on January 4, 2011 in the BLM Utah State Office to discuss the minor modification. The following personnel attended the meeting:

Dale Harber	Leasable Mineral Coordinator, Forest Service – Intermountain Region
Tom Lloyd	Staff Officer for Minerals and Engineering – Manti-LaSal National Forest
Jason Kling	District Ranger, Fishlake National Forest
Roger Bankert	BLM State Office, Minerals Branch Chief
Jeff McKenzie	BLM State Office, Coal Mining Engineer/Economist
Steve Rigby	BLM Price Field Office, Coal Mining Engineer

Pursuant to the meeting the BLM sent a letter, dated January 10, 2011, requesting Canyon Fuel provide additional data including but not limited to: related mine plan maps, subsidence

projections, coal seam dip, springs in the related area, perennial stream factors (such as gradient, flows, morphology), and a mitigation plan should surface flow be lost.

Canyon Fuel responded to the January 10, 2011 request by:

1. Further engaging staff and third party consultants to assess the perennial stream.
2. Preparing summary reports of past and ongoing hydrologic monitoring and evaluations.
3. Summarizing and presenting findings in a meeting held with the BLM and Forest Service on March 4, 2011 at the Fishlake Forest Service Office in Richfield Utah.
4. Providing to the BLM on May 3, 2011, a summary of the findings and the mitigation plan.

The BLM has reviewed the 2R2 South A coal reserve area and finds that if it is not mined at this time it is highly likely the coal block will be sterilized because it cannot be economically accessed in the future resulting in the wasting of 2.2 million tons of coal and over \$7 million in Federal royalties. Further, based on the information submitted by Canyon Fuel and reviewed by the BLM Price Field Office and State Office staff the BLM has determined that the longwall mining of the 2R2 South A Block will:

- Not result in hazardous conditions for the public due to the signage and other steps referred to in the Canyon Fuel mitigation plan.
- There are no surface structures over the 2Right 2South LW A Block.
- Any possible effects to the perennial stream can be and will be successfully mitigated so no damage to or alternation of the perennial stream will result.

The BLM hereby approves, subject to the two items listed below, the mining of the 2R2 South A LW Block by full extraction longwall methods as shown on the attached mine plan map with the mitigation measures submitted by Canyon Fuel:

1. The Forest Service has stated by letter to BLM that the Forest Service "...will continue to work with SUFCO Mine through their monitoring and mitigation plan..." Sufco is directed to continue these significant cooperative efforts with the Forest Service.
2. Within 30 days of receipt of this approval, Sufco is required to provide the current timing and projected tonnage to be mined for the development and longwall mining of the 2Right 2South LW A Block, along with the current projected Sufco Mine LMU recoverable tonnage listed by mining blocks.

Maximum economic recovery of the Federal coal will be achieved as the plan is followed.

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 minor 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 Jeff McKenzie of my staff at (801) 539-4038.

/s/ Roger L. Bankert

Roger L. Bankert
Chief, Branch of Minerals

Enclosure:

Approved Mine Map

cc: Price Field Office

D. Haddock, Coal Program Manager, Utah Division of Oil, Gas, and Mining

P. Brown, Forest Supervisor, Manti-LaSal National Forest

A. Rowley, Forest Supervisor, Fishlake National Forest

Harv Forsgren, Regional Forester, USFS Intermountain Region

