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JUN 08 2012
DIV. OF OIL, GAS & MINING

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District, Price Field Office
125 South 600 West
Price, UT 84501
http://www.blm.gov/ut/st/en/fo/price.html

IN REPLY REFER TO:
3482(UTG023)
SL-062583,U-47080, U-63214

JUN 07 2012

Ark Land Company
c/o Canyon Fuel Company, LLC
SUFCo Mine
Attn: Mark Bunnell
597 S SR24
Salina, UT 84654

Re: Approval of Minor Coal Exploration Plan, Spring Hollow Area, Sevier County, Utah

Dear Mr. Bunnell:

On December 15, 2011, the Bureau of Land Management (BLM) received a plan to conduct coal exploration. Ark Land Company, a subsidiary of Arch Coal, Inc., proposed to drill nine exploration holes on lease in the proposed Spring Hollow area, north of Arch Coal's SUFCo Mine to further evaluate the coal reserves in this area. Primary access to the exploration sites will be by Forest System roads.

National Environmental Policy Act analysis found no issues that could not be mitigated. The Fish Lake National Forest has concurred to the approval of this plan.

The BLM approves the requested the exploration plan for SL-062583, U-47080 and U-63214 subject to the terms and conditions of the lease and the special stipulations attached.

The existing production bond is sufficient, no other bonding is required.

This decision may be appealed to the Interior Board of Lands Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR Part 4, and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 days from the receipt of this decision. The appellant has the burden of showing that the decision from is in error.

If you have any questions regarding this matter, please contact Sue Wiler at (435) 636-3651.

Sincerely,

Patricia A. Clabaugh

Patricia A. Clabaugh
Field Manager

Enclosures

cc: Fish Lake National Forest
Attn: Jason Kling
115 E 900 N
Richfield, Utah 84701

Utah Division of Oil, Gas and Mining
Attn: Dana Dean
1594 West North Temple
P. O. Box 145801
Salt Lake City, Utah 84114-5801

Conditions of Approval for Exploration for SUFCo Coal Mine

1. A pre-work meeting including the responsible company representative(s), contractors, the 8LM, Utah

Department of Oil Gas and Mining (DOGM), and the Fishlake National Forest shall be conducted at the project location prior to commencement of operations. Sites specific FS requirements will be discussed at this time.

2. A Road Use Permit shall be obtained from the FS before equipment is transported onto National Forest System lands.

3. All surface disturbing activities including reclamation shall be supervised by a responsible representative of the permittee/licensee who is aware of the terms and conditions of the projects permits/licenses. A copy of the appropriate permits/licenses must be available for review at the project site at all times during operation.

4. The Price Field Office Manager (435-636-3600) shall be notified 48 hours in advance that heavy equipment will be moved onto National Forest System lands and that surface disturbing activities will commence.

5. Establishment of campsites on National Forest System lands in support of this project will be authorized by the FS under a Special Use Permit.

6. The Price Field Office Manager (435-636-3600) shall be notified of any proposed alterations to the plan of operations, and the alterations shall be approved prior to commencement.

7. Fire suppression equipment shall be available to all personnel working at the project site. Equipment shall include at least one hand tool per crew member consisting of shovels and pulaski's and one properly rated fire extinguisher per vehicle and/or internal combustion engine.

8. All gasoline and diesel equipment shall be equipped with effective spark arrestors or mufflers. Spark arresters shall meet FS specifications discussed in the "General Purpose and Locomotive Spark Arrester Guide, Volume I, April, 1988"; and "Multi-position Small Engine Spark Arrestor Guide, April, 1989". In addition, all electrical equipment must be properly insulated to prevent sparks.

9. The permittee/licensee will be held responsible for damage and suppression costs for fires started as a result of operations. Fires must be reported to the FS as soon as possible.

10. Operations may be suspended during periods of high fire danger.

11. Water needed in support of operations shall be properly and legally obtained according to Utah State water laws.

12. Unauthorized off-road motorized travel, other than along the approved access routes, is prohibited.

13. Section comers or other survey markers, including claim comers, in the project area must be located and flagged for preservation prior to commencement of surface disturbing activities. The removal, displacement, or disturbance of markers must be approved by the proper authority. Replacement will be done by the proper authority at the expense of the permittee/licensee.

14. During ground disturbing activities there is always the possibility of encountering; previously unidentified cultural resources. In order to protect any unidentified or unrecorded cultural properties that may exist, the following restrictions should apply during development of the project:

- Personnel and equipment associated with the project should be restricted to the area cleared for the project.
- Personnel associated with the project should refrain from collecting or otherwise disturbing cultural materials that may be encountered during development.
- If unrecorded cultural materials are encountered during the project, activities in the affected area(s) should cease, and the Fishlake National Forest office should be notified before development in the area is resumed.
- Human burials or other physical remains encountered during the project, require immediate cessation of activity in the affected area, as well as immediate notification of proper authorities. Native American burials or other remains must be reported to the Utah SHPO and appropriate Native American groups.

15. Gates shall be closed after entry/exit unless otherwise specified.

16. The permittee/licensee will be held responsible for all damage to fences, cattle guards, resource improvements, roads, and other structures on National Forest System lands which result from their operations. The Authorized Officer must be notified of damages as soon as possible.

17. Operations shall be coordinated with grazing permittees to prevent conflicts.

18. Harassment of wildlife and livestock is prohibited.

19. All drilling fluids, mud, and cuttings shall be contained and properly disposed of prior to reclamation.

20. During drilling operations all trash, garbage, and other refuse shall be properly contained on the project site prior to disposal at authorized sites.

21. All significant water encountered during drilling shall be reported to the Authorized Officer, including the depth and formation at which it was encountered, and an estimate of the flow.

22. If any of the drill holes encounter artesian groundwater flow, the Authorized Officer shall be notified prior to plugging the hole. The operator may be required to establish a permanent water development at the site.

23. When performing hole plugging, and in combination with requirements for protection of aquifers, coal seam sealing and surface plugging, the permittee or licensee shall specifically follow the manufacturer's recommendations for mixing various plugging materials. These materials, including but not limited to "Abandonite" and/or cement for example , shall be mixed strictly according to the manufacturer's instructions unless it is shown to have been blended to *even more effective* mixtures than the minimum recommendation. Records of both the manufacturer's mixing instructions and records of actual mixtures used in the field, (including for example gallons of water used, bags of materials used and etc.), shall be made available to the authorized officer or his/her representative upon request *in the field.* These records shall also be made a part of the exploration reports submitted to the authorized officer upon completion of the exploration project.

24. The permittee/licensee shall clean up and remove all drilling equipment, trash, garbage, flagging, vehicles, and other such materials from National Forest System lands.

25. Disturbed areas shall be reclaimed by the end of the field season.

26. Drill rigs and heavy equipment (not including water trucks), shall not be transported in or out of the project area during the opening weekend of the general elk hunt or during the opening weekend of the general deer hunt and during holiday weekends.

27. Contaminated soil and gravel shall be stripped and hauled off National Forest System lands prior to site reclamation.

28. Drill sites shall be reclaimed by selectively backfilling excavated materials, topsoil last, such that the disturbed area is replaced to its approximate original contour. The disturbed area must be seeded with the specified seed mix.

29. Upon completion of the project, compacted soils (access routes, staging areas, camping areas) shall be scarified and seeded with the specified seed mix.

30. All disturbed drainages shall be replaced to their approximate original configuration when the project area is reclaimed.

31. The seed mix to be used for reclamation will be as follows: Pounds of Live Seed Per Acre

Western Wheatgrass	*Elymus smithii*	2

Form 1842-1
(September 2006)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

INFORMATION ON TAKING APPEALS TO THE INTERIOR BOARD OF LAND APPEALS

DO NOT APPEAL UNLESS
1. This decision is adverse to you,
AND
2. You believe it is incorrect

IF YOU APPEAL, THE FOLLOWING PROCEDURES MUST BE FOLLOWED

1. NOTICE OF APPEAL..... A person who wishes to appeal to the Interior Board of Land Appeals must file in the office of the officer who made the decision (not the Interior Board of Land Appeals) a notice that he wishes to appeal. A person served with the decision being appealed must transmit the *Notice of Appeal* in time for it to be filed in the office where it is required to be filed within 30 days after the date of service. If a decision is published in the FEDERAL REGISTER, a person not served with the decision must transmit a *Notice of Appeal* in time for it to be filed within 30 days after the date of publication (43 CFR 4.411 and 4.413).

2. WHERE TO FILE

NOTICE OF APPEAL..... BUREAU OF LAND MANAGEMENT
GREEN RIVER DISTRICT, PRICE FIELD OFFICE
125 SOUTH 600 WEST
PRICE, UTAH 84501

WITH COPY TO SOLICITOR... DEPARTMENT OF THE INTERIOR
OFC OF THE REGIONAL SOLICITOR
6201 FEDERAL BUILDING - 125 SOUTH STATE STREET
SALT LAKE CITY, UTAH 84138-1180

3. STATEMENT OF REASONS Within 30 days after filing the *Notice of Appeal*, file a complete statement of the reasons why you are appealing. This must be filed with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. If you fully stated your reasons for appealing when filing the *Notice of Appeal*, no additional statement is necessary (43 CFR 4.412 and 4.413).

WITH COPY TO SOLICITOR..... DEPARTMENT OF THE INTERIOR
OFC OF THE REGIONAL SOLICITOR
6201 FEDERAL BUILDING - 125 SOUTH STATE STREET
SALT LAKE CITY, UTAH 84138-1180

4. ADVERSE PARTIES..... Within 15 days after each document is filed, each adverse party named in the decision and the Regional Solicitor or Field Solicitor having jurisdiction over the State in which the appeal arose must be served with a copy of: (a) the *Notice of Appeal*, (b) the Statement of Reasons, and (c) any other documents filed (43 CFR 4.413).

5. PROOF OF SERVICE..... Within 15 days after any document is served on an adverse party, file proof of that service with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. This may consist of a certified or registered mail "Return Receipt Card" signed by the adverse party (43 CFR 4.401(c)).

6. REQUEST FOR STAY..... Except where program-specific regulations place this decision in full force and effect or provide for an automatic stay, the decision becomes effective upon the expiration of the time allowed for filing an appeal unless a petition for a stay is timely filed together with a *Notice of Appeal* (43 CFR 4.21). If you wish to file a petition for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Interior Board of Land Appeals, the petition for a stay must accompany your *Notice of Appeal* (43 CFR 4.21 or 43 CFR 2801.10 or 43 CFR 2881.10). A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the *Notice of Appeal* and Petition for a Stay **must** also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay. Except as otherwise provided by law or other pertinent regulations, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards: (1) the relative harm to the parties if the stay is granted or denied, (2) the likelihood of the appellant's success on the merits, (3) the likelihood of immediate and irreparable harm if the stay is not granted, and (4) whether the public interest favors granting the stay.

Unless these procedures are followed, your appeal will be subject to dismissal (43 CFR 4.402). Be certain that **all** communications are identified by serial number of the case being appealed.

NOTE: A document is not filed until it is actually received in the proper office (43 CFR 4.401(a)). See 43 CFR Part 4, Subpart B for general rules relating to procedures and practice involving appeals.

(Continued on page 2)

43 CFR SUBPART 1821--GENERAL INFORMATION

Sec. 1821.10 Where are BLM offices located? (a) In addition to the Headquarters Office in Washington, D.C. and seven national level support and service centers, BLM operates 12 State Offices each having several subsidiary offices called Field Offices. The addresses of the State Offices can be found in the most recent edition of 43 CFR 1821.10. The State Office geographical areas of jurisdiction are as follows:

STATE OFFICES AND AREAS OF JURISDICTION:

Alaska State Office ---------- Alaska
Arizona State Office --------- Arizona
California State Office ------- California
Colorado State Office -------- Colorado
Eastern States Office --------- Arkansas, Iowa, Louisiana, Minnesota, Missouri
and, all States east of the Mississippi River
Idaho State Office ---------- Idaho
Montana State Office --------- Montana, North Dakota and South Dakota
Nevada State Office ---------- Nevada
New Mexico State Office ---- New Mexico, Kansas, Oklahoma and Texas
Oregon State Office ---------- Oregon and Washington
Utah State Office ---------- Utah
Wyoming State Office -------- Wyoming and Nebraska

(b) A list of the names, addresses, and geographical areas of jurisdiction of all Field Offices of the Bureau of Land Management can be obtained at the above addresses or any office of the Bureau of Land Management, including the Washington Office, Bureau of Land Management, 1849 C Street, NW, Washington, DC 20240.