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United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101
<http://www.blm.gov/ut/st/en.html>

JAN 18 2013

IN REPLY REFER TO:
3474/(UT-9223)
UTU-73341 (LMU)
SL-062583
U-062453, U-0149084
UTU-28297, UTU-47080
UTU-63214, UTU-76195

RECEIVED
JAN 29 2013
DIV. OF OIL, GAS & MINING

CERTIFIED MAIL – 7008 1140 0000 1668 6385
Return Receipt Requested

DECISION

Canyon Fuel Company, LLC : Coal Logical Mining Unit (LMU)
c/o Ark Land Company : UTU-73341
City Place One, Suite 300 :
East Carbon, Utah 84520 :

Bond Increase Required

On May 3, 2000, a LMU bond in the amount of \$1,600,000, covering the SUFCO Coal LMU, UTU-73341, including Federal coal leases SL-062583, U-062453, U-0149084, UTU-28297, UTU-47080, and UTU-63214 with Canyon Fuel Company, LLC. as principal, and St. Paul Fire and Marine Insurance Company, as surety, was accepted by this office. On October 27, 2004, coal lease UTU-76195 was added to the LMU. On November 23, 2009, a surety rider was accepted to extend the coverage of this bond to the additional modified acreage coal leases SL-062583, UTU-47080 and UTU-63214.

Regulations at 43 CFR 3474.2 allow for the amount of any bond to be increased/decreased when additional/less coverage is determined to be appropriate. The Bureau of Land Management (BLM) Utah State Office, in conjunction with the BLM Price Field Office, is requiring that your bond for coal LMU UTU-73341 be increased by \$2,663,000 to a total coverage of \$4,263,000 based on the anticipated three months royalty production requirements and rental requirements for the leases contained in this coal LMU.

This bond amount may be provided by 1) increasing the current bond by filing a rider to the \$4,263,000 amount; 2) submitting an additional new bond in the amount of \$2,663,000; or 3) submitting an entirely new bond for the whole bond amount of \$4,263,000. Enclosed are forms for submitting a new surety bond or a new treasury note or cash in lieu of bond. If you do not agree with the bond amount, you must submit written justification to this office clarifying your position for a lesser bond amount.

A compliance period of 30 days from the receipt of this decision will be allowed to submit one of the above documents to increase the amount of the LMU bond.

If you have any questions, please contact Bill Buge of this office at (801)539-4086.



Roger L. Bankert
Chief, Branch of Minerals

Enclosures:

1. Surety Bond Form
2. Personal Bond and Power of Attorney Form

cc: State Division of Oil, Gas and Mining
Price Field Office (UTG02)