

C041/002 Incoming
cc: Steve C.



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/utah>

RECEIVED

NOV 27 2017

DIV. OF OIL, GAS & MINING

NOV 21 2017

In Reply Refer To:
3482 (UTG023)
SL-062583 (Lead Mine Lease #)
UTU-73341 (LMU #)
U-63214 (Lease Affected)
U-062453 (Lease Affected)

CERTIFIED MAIL -- Return Receipt Requested
No. 7017 0660 0000 0468 3693

Mr. John D. Byars, General Manager
Canyon Fuel Company, LLC
SUFCO Mine
397 South SR 24
Salina, Utah 84654

Re: Resource Recovery and Protection Plan Modification, 3 Right 4 East Longwall Panel, SUFCO Mine

Dear Mr. Byars:

The Bureau of Land Management (BLM), Price Field Office, has received a request from Canyon Fuel Company, LLC (Canyon Fuel), to modify the approved resource recovery and protection plan (R2P2) for the SUFCO Mine. The modification is to develop a longwall panel in place of four first mining room and pillar panels located south off of the 4 East Main entries. Canyon Fuel requests this modification to allow more continuous longwall coal production in spite of ongoing Greens Hollow lease mining approval delays (now in the mine plan approval process). The affected area is located on Federal coal leases U-63214 and U-062453, which are part of the SUFCO Logical Mining Unit (LMU) UTU-73341.

By this letter, Canyon Fuels has the BLM's conditional approval to commence first mining for the 3 Right 4 East Longwall Panel. The BLM's final approval for full extraction mining will be issued once all permits, outlined below, have been approved.

Background and Proposed Plan: Under the current R2P2, Canyon Fuel planned to mine 4 room and pillar panels south off of the 4 East Mains. These panels would be mined at the end of the mine life and would be mining entries and crosscuts without pillar extraction (first mining) in order to avoid mine subsidence that possibly could affect the overlying Castlegate sandstone escarpment and other resources under the escarpment. The proposed modification would replace these first mining panels with one longwall panel (named 3 Right 4 East) parallel with the 4 East Mains.

Analysis of the Submission: The R2P2 addresses requirements of the Mineral Leasing Act of 1920 (MLA), as amended and is an integral part of the Mining and Reclamation Plan (MRP). The MRP addresses requirements of the Surface Mining Control and Reclamation Act (SMCRA) which governs all surface effects of underground coal mining operations.

Protection of certain resources from escarpment failure is also part of the lease stipulations and requires Forest Service concurrence to allow full extraction mining (longwall mining in this area) under an escarpment. We have received the Forest Service conditional concurrence on November 14, 2017, a copy of this letter is enclosed. The condition for concurrence is the issuance of an eagle nest take permit from the U. S. Fish and Wildlife Service (USFWS) which is pending. The USFWS permit is necessary although it is very unlikely this deep underground mining will have any noticeable effect. With this conditional concurrence, this R2P2 modification meets the requirements of the R2P2 under MLA, but for longwall development first-mining only until the USFWS permit is received.

Also, authorization for full extraction mining (by longwall mining methods) must come from the regulatory agency administering SMCRA which is Utah Division of Oil Gas and Mining (UDOGM). This letter will be copied to them (and the Manti-La Sal National Forest) and will be considered BLM's conditional recommendation that longwall mining be authorized in the 3 Right 4 East longwall panel at the SUFCO Mine.

Maximum Economic Recovery (MER) of the federal coal resource will be achieved by this modification based on these findings:

First, mining this area with one longwall panel now instead of room and pillar panels at the end of the mine life will assure current economic recovery as first mining has been shown to be uneconomic at this time and probably in the future when this coal would have been mined (in 10 – 15 years).

Second, longwall mining is projected to recover more coal from the area than the originally projected first mining room and pillar panels. These panels were projected to mine towards the south coal outcrop where the extent of the outcrop oxidized ("burned") coal was not yet more fully defined. Since the submission of this R2P2 modification, underground exploratory drilling has encountered the burned coal in the southeast area of this proposed longwall block. The burned coal is further back into the mountain than originally estimated and could have affected the recovery of two and possibly three of the previously planned room and pillar panels. Though the burned coal area has not been fully analyzed and projected, the BLM estimates that up to 15% of the area in the original room and pillar panels is burned coal and not minable. This would reduce the original room and pillar projected recoverable tons to 1,453,054 tons (85% of the 1,709,475 tons) which is less than the projected 1,585,680 tons recoverable in the proposed longwall panel.

Since full extraction longwall mining of this proposed longwall panel is still pending final approval, the Federal recoverable coal reserve estimate for lease U-63214 and U-062453 will need adjusted upon approval. SUFCO must update the recoverable tons for the mine within 30 days of receipt of this letter and account for the new drilling data.

The BLM has determined that this modification to the R2P2 (on condition of a take permit from FWS) complies with the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR

3480, and the lease terms and conditions and we recommend that UDOGM approves the modification on completion of the stated condition. Canyon Fuels is authorized for first mining (non-subsidence mining) in the 3 Right 4 East area, but full extraction longwall mining will require receipt of the USFWS take permit and UDOGM approval. The BLM will issue another decision approving full extraction once it receives notification of UDOGM's approval.

A copy of the proposed mine map and the Forest Service letter, is enclosed. If you have any questions, please contact Steve Rigby (435-636-3604).

Sincerely,



Chris Conrad
Field Manager

Enclosures: Mine Map
Forest Service letter

cc: Green River District

Utah State Office (UT-920)

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Salt Lake City, UT 84114-5801

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