

C/041/002 Incoming



## United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Utah State Office  
440 West 200 South, Suite 500  
Salt Lake City, UT 84101-1345  
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MAR 05 2018

DIV. OF OIL, GAS & MINING

In Reply Refer To:  
3482/ (UT-9223)  
UTU-84102

MAR 02 2018

### Memorandum

To: David Barry, Regional Director  
Western Region, Office of Surface Mining Reclamation and Enforcement

From: Roger Bankert, Chief, Branch of Minerals *Roger Bankert*

Subject: Resource Recovery and Protection Plan (R2P2), Federal Coal Lease UTU-84102,  
Greens Hollow Lease, Sufco Mine, Canyon Fuel Company LLC

As part of the Permit Application Package to add new Federal coal lease UTU-84102 to the existing Sufco Mine Permit, the Bureau of Land Management (BLM) has prepared and updated a Geologic and Engineering Report which includes the mining plan (R2P2). This R2P2 plan is based on geologic data and a BLM review of a mine plan submitted by Canyon Fuel Company LLC (CFC). The R2P2 is required by the Mineral Leasing Act of 1920, as amended, to assure conservation of the coal resource, meet maximum economic recovery (MER), and to diligently develop the Federal coal lease. This letter documents the BLM's findings for the R2P2.

CFC has or will submit mining and reclamation plans (the CFC R2P2 being part of the submission) to Utah Division of Oil Gas and Mining to add the new Greens Hollow coal lease (UTU-84102) to the existing Sufco Mine Permit. The lease will be produced using only underground mining methods. Access to this lease will come from existing Sufco mine underground workings adjacent to the lease. Existing Sufco mine surface facilities will be used along with a ventilation-service shaft on an existing adjacent lease, helping ensure the safety of the workers continues.

1. The geologic data provides sufficient detail for mine planning.
2. The R2P2 provides for first mining only (no subsidence) in areas where surface resources could be adversely effected.
3. Provides for full extraction mining to achieve MER.
4. Modified the proponent's mine design to keep all mining within the boundaries of this UTU-84102 coal lease.

The BLM finds the submitted R2P2 in compliance with the Mineral Leasing Act of 1920, as amended, the lease terms and conditions, the regulations at 43 CFR 3480, and will achieve MER of the Federal coal. Therefore, we recommend that the Secretary approve the R2P2 as part of the permit application.

If you have any questions, please contact Jeff McKenzie of this office at (801) 539-4038.

cc:

Dana Dean, Associate Director  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

BLM Price Field Office, UTG020

SUPPLEMENT - UPDATE

Geologic, Tract Development, Engineering, and Financial Analysis Report (G&E)

GREENS HOLLOW FEDERAL COAL LEASE TRACT  
Sevier/Sanpete Counties, Utah

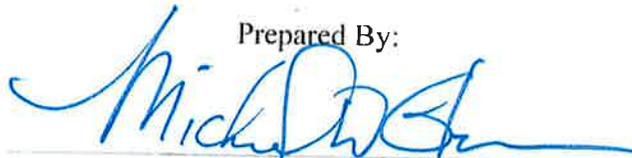
UTU-84102

by the

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Utah State Office

20 February 2018

Prepared By:



Michael W. Glasson, PG, Geologist



Steve Rigby, Mining Engineer



Jeff McKenzie PE, Mining Engineer



BLM Management Review:



Roger Bankert, Chief, Branch of Minerals

Date: 2/27/18

## SUPPLEMENT - UPDATE

### Executive Summary

#### Supplement - Update

The original Geologic, Tract Development, Engineering, and Financial Analysis Report (G&E) was dated April 27, 2011. In the almost 7 intervening years, a number of changes have been made to the mine plans to ensure safe and effective mining to achieve safe Maximum Economic Recovery (MER).

The attached mine plan incorporates geologic and mine operations data gained from additional exploration and ongoing mine development and production, along with market information.

#### Geology and Recoverable Reserves

The attached submitted mine plan and coal isopachs were used to compare the proponent submitted recoverable tonnage to an estimated tonnage based on the map and isopachs. This is shown on the attached spreadsheet with the submitted tonnages in yellow and the estimated comparison tonnages in blue.

The two tonnages agree with 4% (within the +/-10% standard) and the percent development is 14 % which is within past calculations of typical projected and actual development percentages (10% to 20%).

Based on this comparison estimate, the initial base recoverable tonnage is: 48,197,822 run-of-mine tons.

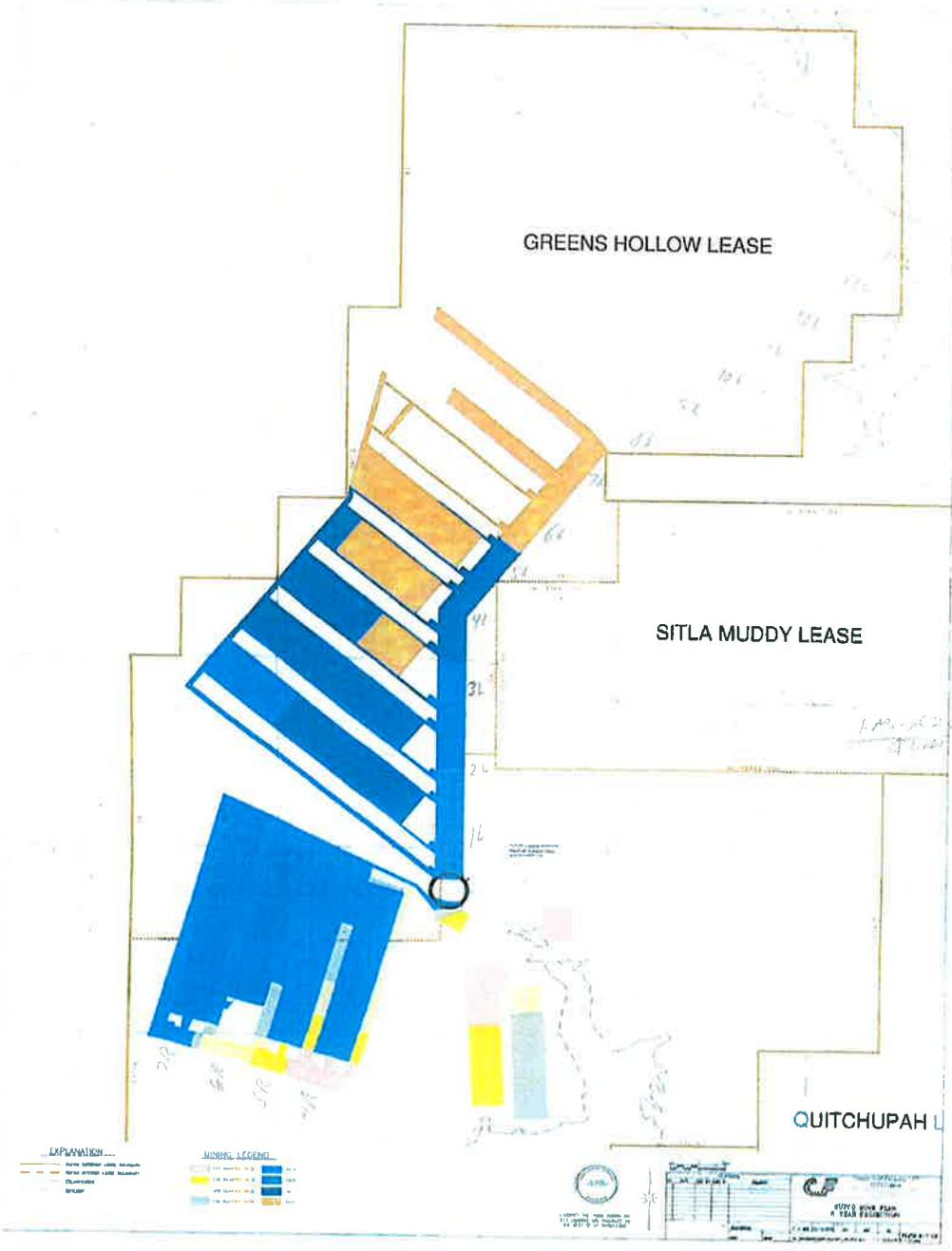
#### Summary

The attached mining plan for the Greens Hollow coal lease (UTU-84102) will be produced using only underground mining methods. Access to this lease will come from existing Sufco mine underground workings adjacent to the lease. Existing Sufco mine surface facilities will be used and a ventilation-service shaft will be added on an existing adjacent lease, helping ensure the safety of the workers continues.

1. The geologic data provides sufficient detail for mine planning.
2. The R2P2 provides for first mining only (no subsidence) in areas where surface resources could be adversely effected.
3. Provides for full extraction mining to achieve MER.
4. Modified the proponent's original mine design to keep all mining within the boundaries of this UTU-84102 coal lease.

The BLM has found the submitted R2P2 in compliance with the Mineral Leasing Act of 1920, as amended, the lease terms and conditions, the regulations at 43 CFR 3480, and will achieve MER of the Federal coal.





GREENS HOLLOW LEASE

SITLA MUDDY LEASE

QUITCHUPAH L

EXPLANATION

- FENCE
- POWER LINE
- WATER LINE
- ROAD
- DRAINAGE
- BRIDGE

SYMBOL LEGEND

- 100' BUFFER ZONE
- 200' BUFFER ZONE
- 300' BUFFER ZONE
- 400' BUFFER ZONE
- 500' BUFFER ZONE



PROJECT INFORMATION

DATE: APR 2008

SCALE: AS SHOWN

PROJECT: SITLA MUDDY LEASE

CLIENT: [Name]

DESIGNER: [Name]

CHECKED: [Name]

APPROVED: [Name]



