



DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[15X L1109AF LLUT920000 L13200000.EL0000, UTU-77114]

Notice of Federal Competitive Coal Lease Sale, Utah

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice.

SUMMARY: Notice is hereby given that the United States Department of the Interior, Bureau of Land Management (BLM) Utah State Office will offer certain coal resources described below as the Flat Canyon Tract (UTU-77114) in Sanpete County, Utah, for competitive sale by sealed bid, in accordance with the Federal regulations for competitive lease sale notices and the Mineral Leasing Act of 1920, as amended and supplemented.

DATES: The lease sale will be held at 1:00 p.m. on June 17, 2015. Sealed bids must be sent by certified mail, return receipt requested, to the Collections Officer, BLM Utah State Office or be hand delivered to the public room Contact Representatives, BLM Utah State Office at the address indicated below, and must be received on or before 10:00 a.m. on June 17, 2015. Any bid received after the time specified will not be considered and will be returned.

The BLM public room Contact Representative will issue a receipt for each hand-delivered sealed bid. The outside of the sealed envelope containing the bid must

clearly state that the envelope contains a bid for Coal Lease Sale UTU-77114 and is not to be opened before the date and hour of the sale.

ADDRESSES: The lease sale will be held in the Monument Conference Room at the following address: BLM-Utah State Office, Suite 500, 440 West 200 South, Salt Lake City, Utah 84101. Sealed bids can be hand delivered to the BLM public room Contact Representative or mailed to the Collections Officer, BLM Utah State Office, at the address given above.

FOR FURTHER INFORMATION CONTACT: Contact Jeff McKenzie, 440 West 200 South, Suite 500 Salt Lake City, Utah 84101-1345 or telephone 801-539-4038.

Persons who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 to leave a message or question for the above individual. The FIRS is available 24 hours a day, 7 days a week.

Replies are provided during normal business hours.

SUPPLEMENTAL INFORMATION: This coal lease sale is being held in response to a lease by application (LBA) submitted by Canyon Fuel Company, LLC. to the BLM on March 18, 1998. The successful bidder must pay to the BLM the cost BLM incurs regarding the publishing of this sale notice. If there is no successful bidder, the applicant will be responsible for all publishing costs.

The coal resources to be offered consist of all reserves recoverable by underground methods available in the following-described lands located in Sanpete County, Utah, approximately 10 miles southeast of Scofield, Utah, under both private and public surface.

Salt Lake Meridian

T. 13 S., R.6 E.,

sec. 21, lots 1 to 4, inclusive, E1/2NE1/4, and E1/2SE1/4;
sec. 28, lots 1 to 8, inclusive, S1/2NW1/4, and SW1/4;
sec. 33, NE1/4, E1/2NW1/4, NW1/4NW1/4, E1/2SW1/4, SW1/4SW1/4, and
SE1/4.

T. 14 S., R. 6 E.,

sec. 4;

sec. 5.

Containing approximately 2,692.16 acres.

The tract is adjacent to the Skyline mine which contains other federal coal leases. The coal beds contained in this tract are under an average of 1,700 feet cover from the surface. The coal in the Flat Canyon tract has two economical coal beds; the Lower O'Conner B and the Flat Canyon beds. The minable portions of these coal beds are approximately 6 to 14 feet in thickness. The tract contains approximately 42 million tons of recoverable high-volatile B bituminous coal. The coal quality is based on an "as received basis" as follows: 12,400 Btu/lb., 5.80 percent moisture, 7.1 percent ash, 42.8 percent volatile matter, 43.8 percent fixed carbon and 0.50 percent sulfur.

The tract will be leased to the qualified bidder of the highest cash amount provided that the high bid meet or exceeds the BLM's estimate of the fair market value (FMV) of the tract. The minimum bid for the tract is \$100 per acre or fraction thereof. No bid that is less than \$100 per acre, or fraction thereof, will be considered. The minimum bid is not intended to represent FMV. The FMV of the tract will be determined by the Authorized Officer after the sale.

The BLM held a public hearing and requested comments on the Environmental Impact Statement (EIS) and the FMV of the Dry Canyon Tract on June 21, 2001. The

BLM/U.S. Forest Service (USFS) prepared a Final Environmental Impact Statement and a Record of Decision on January 3, 2002. No appeals of the BLM decision to lease were filed during the appeal period. The USFS issued consent to lease on February 4, 2013. On December 24, 2014, the Governor of the State of Utah recommended proceeding with this lease sale.

The lease that may be issued as a result of this offering will provide for payment of an annual rental of \$3 per acre or fraction thereof, and a royalty of 8 percent of the value of the coal produced by underground mining methods. The value of the coal will be determined in accordance with 30 CFR 1206.250.

The detailed statement for the offered tract, including bidding instructions and sales procedures under 43 CFR 3422.3-2, and the terms and conditions of the proposed coal lease, is available from the BLM-Public Room, Utah State Office, Suite 500, 440 West 200 South, Salt Lake City, Utah 84101. Case file documents, UTU-77114, are available for inspection during normal business hours in the BLM-Public Room, Suite 500.

Approved:

Jenna Whitlock,

Acting State Director.

4310-DQ-P

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