

Golder Associates Inc.
44 Union Boulevard, Suite 300
Lakewood, CO USA 80228
Telephone: (303) 980-0540
Fax: (303) 985-2080
www.golder.com



February 12, 2007

Our Ref: 063-2239

Bureau of Land Management - Milwaukee Field Office
626 East Wisconsin Avenue, Suite 200
Milwaukee, Wisconsin 53202-4617

Attention: Mr. Chris Carusona

RE: EAST LYNN LAKE COAL LEASE LUA/EIS MONTHLY PROGRESS REPORT #4

Dear Mr. Carusona:

Golder Associates Inc. (Golder) is pleased to submit Monthly Progress Report (MPR) #4 for the *East Lynn Lake Coal Lease Land Use Analysis and Environmental Impact Statement* (LUA/EIS). Under each task heading below, we describe the activities that have taken place since the last MPR, and the activities we anticipate to perform over the next month. On-going activities related to geographic information, external affairs support, and project management will be addressed in detail only when significant issues arise. The MPR will not focus on financial or contractual aspects of Golder's scope. Instead, invoices will be mailed to the Applicants under separate cover, and contractual issues will be addressed in separate correspondence with BLM and the Applicants. An updated schedule is attached to this MPR.

Task 1 - Develop LUA/EIS Project Management Plan

Subtask 1.2.2: Prepare final project management plan (final PMP)

Golder incorporated BLM's comments from the draft into the final PMP. The deliverable was distributed via email on January 12, 2007 and sent as a hardcopy and CD via FedEx on January 16, 2007.

Subtask 1.3.2: Prepare final communication plan

Minor modifications were made to the draft communication plan, which was included as appendix A of the final PMP.

Subtask 1.4.2: Develop final BLM website information

Golder submitted the draft BLM website materials to BLM and the Applicants via an .ftp site, hardcopy, and CD in December 2006. At the request of John Romito, the e-mail was re-sent and the materials were uploaded to a second .ftp site for review in January 2007.

Golder received verbal approval of the draft website materials, and was instructed by BLM to consider this deliverable as final. BLM subsequently sent confirmation of this approval and instruction via email on February 7, 2007. BLM has uploaded the materials to BLM's web site (<http://www.es.blm.gov/EastLynnLake/index.php>).

Task 2 - Provide Scoping Process Support

Subtask 2.4.2: Prepare final scoping report

Golder submitted the draft scoping report to BLM and the Applicants in December 2006. The BLM verbally approved the draft and later submitted email documentation of the approval on January 22, 2007. A few additions and modifications were incorporated into the final scoping report, which was submitted to BLM, the Applicants, and Cooperating Agencies on January 29, 2007 via an .ftp site, hardcopy, and CD.

Task 3 - Develop Analysis of the Management Situation

Subtask 3.1.1: Develop draft analysis of the management situation (draft AMS)

Golder is currently developing a draft AMS outline, which will be provided to BLM for concurrence. The draft deliverable is scheduled for completion in March 2006.

Subtask 3.2.1: Gather existing information

This activity was initiated during the kick-off meeting and will be on-going through February 2007. Initial focus is on geology and minerals, water resources, and socioeconomic data. Golder received more data concerning geology and minerals and water resources than was initially anticipated during proposal preparation; however, some data gaps remain, and resource specialists are currently investigating other data sources.

Subtask 3.2.2: Develop draft data adequacy and accuracy report (draft DAAR)

This subtask will commence in mid-March 2007.

Subtask 3.4.1: Prepare draft cultural resource class I overview

Cultural resource data is currently being collected for analysis. This draft deliverable is scheduled for completion in mid-March 2007.

Subtask 3.5.1: Prepare draft biological assessment (draft BA)

Following review of the initial geology and minerals, and water resources analyses, if BLM determines that a Biological Assessment (BA) is necessary, this draft deliverable should commence in mid-March 2007.

Subtask 3.7: Develop species list request letters

The BLM received responses from the US Fish and Wildlife Service (USFWS) and West Virginia Division of Natural Resources (WVDNR) in January 2007. The USFWS made the assumption that no surface impacts would occur related to the proposed action, and subsequently did not include a list of proposed, endangered, threatened, and special status (PETS) species in their response. This information is necessary, however, since the likelihood and magnitude of surface impacts, if any, have not been determined at this time and the species list is necessary to make this determination. Additionally, regardless of anticipated surface impacts, a list of PETS species is necessary for inclusion in the AMS and the Affected Environment section of the draft LUA/draft EIS. For these reasons, Golder, BLM, and the Applicants are considering options to obtain a list of PETS species.

Subtask 3.8: Manage geographic information

On-going.

Task 6 - Perform Socioeconomic Analysis

Subtask 6.1.1: Prepare draft socioeconomic baseline assessment

A letter waiving the BLM socioeconomic personnel qualifications requirements was received by Golder on January 25, 2007. In light of this recent development, Ms. Bindi Patel will remain the socioeconomist representing Golder for the project.

Work has begun on initial data collection. This draft deliverable is scheduled for completion in late February 2007.

Subtask 6.4: Facilitate socioeconomic strategy workshop

This task is tentatively scheduled for March 27, 2007. Golder submitted proposed plans for the workshop to BLM and the Applicants on February 5, 2007. The BLM and Rockspring approved the proposal via e-mail on the same day, and Argus provided input and approval on February 6, 2007. Arrangements for the workshop are currently underway, and will be communicated to the team as plans develop.

Task 10 - Provide External Affairs Support

On-going. Golder is currently working with BLM to develop a mailing list for the project and is preparing an invitation letter and press release for the socioeconomic workshop.

Task 11 - Project Management

Subtask 11.1: Prepare monthly progress reports (MPRs)

On-going.

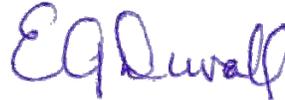
Subtask 11.2: Perform project management

On-going.

Sincerely,
GOLDER ASSOCIATES INC.



Terry A. Reed
Project Co-Manager



Elizabeth A. Duvall
Project Co-Manager

Attachment: Current Project Schedule

Cc: Randy Maggard, Argus Energy LLC
Mark Schuerger, Rockspring Development, Inc.
Gerald Waddle, OSM
John Preston, USACE

TAR/EAD/dg

