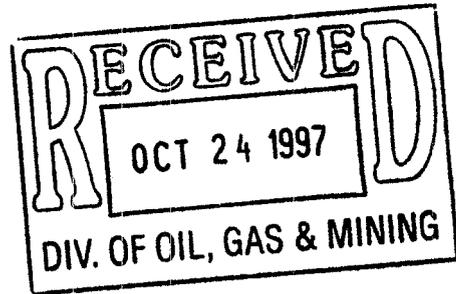




**Canyon Fuel Company, LLC**  
 Skyline Mines  
 P.O. Box 719  
 Helper, Utah 84526  
 (801) 637-7925 Fax: (801) 636-2632



October 21, 1997

Mr. Bob Davidson  
 Coal Regulatory Program  
 Utah Division of Oil, Gas and Mining  
 1594 West North Temple, Suite 1210  
 Box 145801  
 Salt Lake City, Utah 84114

Dear Mr. Davidson:

Skyline Mines is required by permit to take one representative sample for every 2000 tons of waste rock deposited at the Waste Rock Disposal Site near Scofield, Utah. The samples are then analyzed according to the Division's Guideline 6 For the Management of Overburden and Topsoil. During the second quarter of 1997, nineteen (19) waste rock samples were taken. Ten of the samples did not meet acid-base potential requirements. (See the attached data sheets.) Both you and Steve Demczak, Skyline's field inspector, were notified of the sample results as soon as the data were received.

According to Guideline 6, the Division recommends a total cover depth of four feet or more of non-toxic materials to be placed over all acid-forming materials. Therefore, Skyline proposes sampling the top four feet of the waste rock pile to ensure that the acid-forming material identified in the second quarter sampling is adequately covered. Six samples will be taken from within the reclaimed portion (3.4 acres) of the waste rock pile. Please see the attached map which identifies the sample locations.

Skyline will not commence the sampling program until DOGM approval is received. Thank you, and please call me at (801) 636-2669 if you have any questions.

Sincerely,

Dan Ferriter

Attachments

cc: Steve Demczak w/o attachments

*Copy Bob Steve  
 ACT/007/005 # 2*