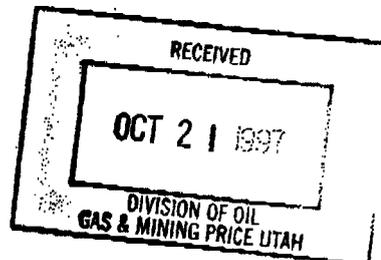




Canyon Fuel Company, LLC
Skyline Mines
P.O. Box 719
Helper, Utah 84526
(801) 637-7925 Fax: (801) 636-2632

AG/007/005 #2



October 17, 1997

Mr. Steve Demczak
Coal Regulatory Program
Utah Division of Oil, Gas and Mining

RE: Slurry System Permit Amendment

Dear Mr. Demczak:

Enclosed are seven (7) copies of the slurry system permit amendment. The amendment is being submitted as an addendum to the MRP due to its length and complexity. When the amendment is approved, it will be inserted at the end of Section 3.2.8-Plan for Disposal of Waste Rock. Forms C1 and C2 are attached.

The Skyline R2P2 has been updated to incorporate the slurry system. MSHA approval for the process has also been received.

As you are aware, the NOV for the slurry system needs to be abated by October 24, 1997. I'm assuming this means that the permit amendment needs to be approved by that date. Please keep the deadline in mind during the review process so that it can either be met or an extension granted.

Thank you for your assistance, and please call Dan Ferriter of my staff if you have any questions.

Sincerely,

Dan Meadors

General Manager

Enclosure