



ACT/007/005 #2

Date: 8/5/97

FAX COVER SHEET

TO: Mike Sufita
COMPANY: DOGM
FAX NO: 359-3940

FROM: Dan Ferriter
Skyline Mines
P.O. Box 719
Helper, UT 84526
Fax Number: (801) 636-2632
Direct Dial: (801) 636-

PAGES: 4 (including this one)

NOTES:

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

July 23, 1997

Mike Suflita
Utah Division of Oil, Gas and Mining
By Fax

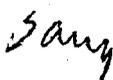
Dear Mike:

In response to our discussion yesterday in your office the following information is being provided:

1. The slurry system began operation June 17.
2. Our operation was inspected by Steven Demczak on June 23. The slurry system was not operating at the time of his inspection.
3. You were contacted on June 25 to discuss the issue of pumping water from the sediment pond to underground because of concerns raised during the inspection of June 23.
4. Attached is a copy of the letter from MSHA regarding the use of the slurry system underground for the stowage of waste rock in abandoned workings.
5. References in the permit to pumping material from the sediment pond to underground are located on pages 3-43 and 4-88. References to disposing of waste rock underground are located on pages 4-87 and 4-89.

If there are any questions please contact me.

Very truly yours,


Barry Barnum

U. S. Department of Labor

Mine Safety and Health Administration
P.O. Box 25387
Denver, Colorado 80225-0387

JAN
CM
ST
DH
DK



Coal Mine Safety and Health
District 9

JAN 28 1997

Ken Payne
Vice President and General Manager
Utah Fuel Company
P. O. Box 719
Helper, UT 84526



RE: Skyline Mine No. 3
ID No. 42-01566
Slurry Option

Dear Mr. Payne:

This is to acknowledge receipt of your letter, dated January 17, 1997, regarding an option for a slurry project. The project is not subject to MSHA approval; however, the concerns associated with the request have been reviewed and appear adequate as follows:

1. The project is site specific for 7 Right Tailgate seals in the West Mains.
2. The slurry pipe will be grounded to prevent buildup of static electricity.
3. The area in front of the affected seals will be continuously ventilated with sufficient air to render harmless and carry away any methane or other gases being displaced from behind the seals.
4. The discharge of the slurry will be down dip from the affected seals, and the seals will not be used as impoundment structures.

A copy of this letter shall be made available to the miners and reviewed with all miners affected.

Sincerely,

John A. Kuzar
John A. Kuzar
District Manager

Enclosure