

C Canyon Fuel Company, LLC**Skyline Mines**HC 35 Box 380
Helper, Utah 84526(435) 448-6463
Fax: (435) 448-2632

March 22, 1999

Mr. Daron Haddock
Utah Coal Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Underground Emulsion Release, Skyline Mines, Canyon Fuel Company, LLC,
ACT/005/007

Dear Mr. Haddock:

An emulsion release has occurred underground and has reached several our transfer and temporary storage sumps within the mine. The emulsion-water mix is presently being contained underground. To prevent contamination to Eccles Creek in the event the emulsion-water mixture water reaches the surface, we would like permission to pump the water currently contained in the sediment pond underground into abandoned mine workings. The Manti-LaSal National Forest has requested the water be pumped to an area of the mine that will not discharge to the surface. The water level within the pond will be kept at least two feet below the discharge level of the overflow structure until the any risk of possible emulsion-water mix discharge is removed. We have assumed that this could take up to four weeks.

To determine the quality of the water being pumped underground is in compliance with our UPDES permit, samples will be obtained weekly and analyzed for the proper parameters. This pumping procedure is similar to the slurry system operation employed by the mine in 1998. It is important to note the emulsion mixture is biodegradable over a relatively short period of time and contains a relatively low percentage of oil.

Your prompt consideration and approval is greatly appreciated. We appreciate the effort the Division has made on our behalf in this matter.

Sincerely:

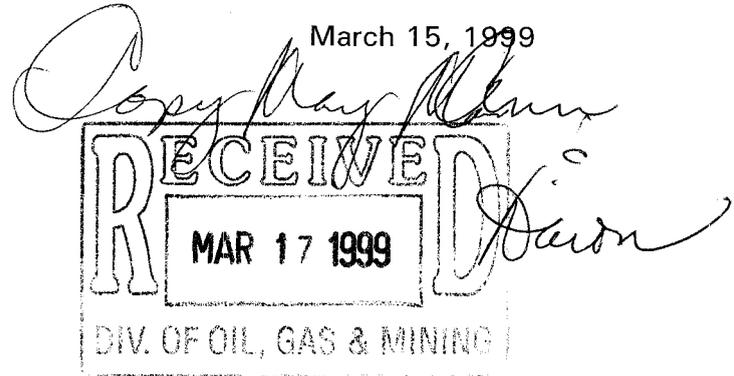
Chris D. Hansen
Environmental Coordinator
Canyon Fuel Company, LLC

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Canyon Fuel Company, LLC
Skyline Mines
HC 35 Box 380
Helper, Utah 84526
(435) 448-6463 Fax: (435) 448-2632

March 15, 1999



Ms. Mary Ann Wright
Associate Director of Mining
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: 1998 Annual Report, Map Illustrating the Locations of Equipment/Machinery
and Hazardous Substances Left Underground at Canyon Fuel Company, LLC
Mines

ACT/007/005 #2
ACT/007/018 #2
ACT/007/039 #2

Dear Mary Ann:

At this time, Canyon Fuel Company, LLC requests an extension to the reporting requirement the 1998 Annual Report include a map illustrating the location of equipment/machinery and hazardous substances left underground during 1998. This request applies to the SUFCo, Skyline, Soldier Canyon, and Dugout Canyon Mines. Currently, Canyon Fuel Company, LLC is anticipating Manti-LaSal National Forest Service's agreement with you concerning the items and materials that need to be reported and illustrated on the map.

ACT/041/002 #2

We realize that only SUFCo and Skyline Mines are within Forest Service lands. However, for the purpose of maintaining consistent reporting methods for each of Canyon Fuel Company, LLC's permitted facilities, we would prefer to wait until this issue is decided. At that time the maps will be prepared, using a common format, and submitted.

We appreciate your help in this matter and look forward to hearing from you. If you have any questions, please call me at (435) 448-2669.

Sincerely:

Chris D. Hansen
Environmental Coordinator
Canyon Fuel Company, LLC

cc: Dave Spillman
Wess Sorensen
Doug Johnson