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FOREST SUPERVISOR'S OFFICE
and PRICE RANGER DISTRICT
599 WEST PRICE RIVER DRIVE
PRICE UT 84501

PHONE: (435) 637-2817
FAX: (435) 637-4940

TO: Mike Sullita

FAX #: 801-539-3940

FROM: Carter Reed

SUBJECT: Canyon Fuel water Drilling and Buried Powerline

TOTAL PAGES INCLUDING COVER PAGE: 27

CONTENTS

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DIVISION OF
LAND MINING



United States
Department of
Agriculture

Forest
Service

Manti-La Sal
National Forest

Supervisor's Office
599 West Price River Drive
Price, UT 84501
Phone # (435) 637-2817
Fax# (435) 637-4940

File Code: 2820-4

Date: August 23, 2001

Dick Manus
Price Field Office Manager
Bureau of Land Management
Price Field Office
125 South 600 West
Price, UT 84501

Dear Mr. Manus:

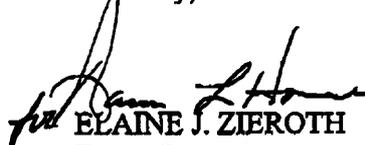
Enclosed is a copy of the Forest Service Decision Memo (DM) for Canyon Fuel Company's proposal to drill three boreholes on Federal Coal Lease U-044076 in the Skyline Mine Permit Area to decrease ground water flow to the mine workings.

As stated in the DM, it has been determined that the project qualifies for categorical exclusion from preparation of an Environmental Assessment or Environmental Impact Statement. Forest Service consent to approval of the coal exploration plan by the Bureau of Land Management is subject to the conditions contained in Attachment 2 of the DM. The Forest Service decision is appealable only by the proponent and there is no mandatory stay of operations. The project may begin upon BLM's approval with conditions.

A performance bond of \$46,000 (bond calculation worksheet attached) has been calculated to assure reclamation of the surface disturbance. The bond required by BLM must include this amount in addition to bonding for hole plugging and abandonment.

If you have any questions, contact us at the Forest Supervisor's Office in Price, Utah.

Sincerely,


ELAINE J. ZIEROTH
Forest Supervisor

Enclosures

cc:

Mary Ann Wright,
Utah Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84111-5801

D-2/3



Decision Memo

CANYON FUEL COMPANY, LLC
SKYLINE MINE
JAMES CANYON DRILLING/WATER DISCHARGE
FEDERAL COAL LEASE U-044076

USDA Forest Service, Intermountain Region
Manti-La Sal National Forest
Ferron-Price Ranger District
Emery County, Utah

I. INTRODUCTION

The Manti-La Sal National Forest has evaluated a proposal submitted by Canyon Fuel Company, LLC to obtain approval to conduct borehole drilling in James Canyon on Federal Coal Lease U-044076 within the permit area of the Skyline Mine. Approximately 1.25 miles of an existing decommissioned roadway in James Canyon would be reopened/restored from the Monument Peak Road (Forest System Road 50018) on Trough Springs Ridge to a drilling pad to be constructed on the reclaimed roadway in the lower reaches of James Canyon. At least three angled boreholes would be drilled from this single drill pad. The purpose of the drilling is to dewater an underground fracture zone and adjacent underground mine workings in the Skyline Mine No. 3, Level 2. Recent mining into the fault or fracture zone encountered large water inflows that exceed the pumping capacity of the mine (estimated at approximately 5,000 gallons per minute). The water would then be piped to Electric Lake, a distance of approximately 0.5 miles. Plastic pipe would be placed along the old roadway below the pad. No road construction would be needed to place the pipe. Permission from the private landowners would be required prior to laying the pipe. It would be placed by hand crews or 4-wheel ATVs. Any wheel tracks would be raked and seeded. The elevation difference between the pad location and Electric Lake discharge point would be sufficient to provide gravity flow from the pad to the pipe outlet.

Dewatering of the fault at a proposed rate maximum rate of approximately 12,000 gpm would potentially create a cone of depression in the ground water sufficient to allow Canyon Fuel to seal the mine entry at the fault and prevent continued inflow and flooding. It is not known how long dewatering through the boreholes would be needed to accomplish these objectives. Canyon Fuel hopes to complete dewatering operations by the end of October. However, operations could continue through the winter months into the year 2002, and potentially beyond.

The drill pad would be located in James Canyon in the SW1/4, SW1/4 of Section 35, T. 13 S. R. 6 E. SLM, Emery County, Utah. The reclaimed roadway to be reconstructed intersects with the Monument Peak Road in the NW1/4, NW1/4 of Section 36, T. 13 S., R. 6 E. and traverses Section 35, T. 13 S. R. 6 E. to the pad site. The surface pipeline would cross private lands in the NW corner of Section 2, T. 14 S., R. 6 E. and enter Electric Lake on private land in the SE1/4, NE1/4 of Section 3, T. 14 S., R. 6 E. Attachment 1 is a map of the project area showing the location of the James Canyon project road, drill, pad, staging area, and pipe location.

The boreholes would be plugged and abandoned following completion of dewatering operations. The drill pad and access road would be reclaimed and revegetated following hole plugging operations. The surface pipe would be removed. The pad would disturb 0.5 acres (110' x 200' including cut and fill), approximately half of which includes the reclaimed roadway. The project access road in James Canyon would disturb approximately 3.0 acres (6,500' length x 20' width) within the original prism of the old roadway. The surface pipeline would not result in vegetation removal or earthwork but could disturb a length of approximately 3,000 feet and width of less than 10 feet within the old roadway prism. The disturbance would be 0.4 acres (3,000' x 5'). The old road prism averages approximately 30 feet in width. Other than at the pad location, it would not be necessary to redisturb the original road slopes. A main staging area would be used for temporary storage of equipment and water tanks at the intersection of the James Canyon project road and the Monument Peak Road. This area is heavily used for dispersed recreation and parking by the recreating public and livestock permittee. This area is approximately 0.5 acres in size. The total surface disturbance (mostly within the old roadway prism) would total approximately 4.4 acres.

The Forest Supervisor has determined that the project qualifies for categorical exclusion from preparation of an EA or EIS because no extraordinary circumstances have been identified, the total disturbed land surface area is approximately 4.4 acres and the operation clearly falls under FSH 1909.15, Section 31.2 Item 3, "Approval, modification, or continuation of minor special uses of National Forest System lands that require less than 5 contiguous acres of land."

The drill pad and majority of the access road lies within an RNG (Range) Forest Plan Management Unit. Management emphasis is on production of forage and cover for domestic livestock and wildlife. Mineral activities are allowed but must provide appropriate mitigation measures to assure continued livestock access and use. Those authorized to conduct developments will be required to replace losses through appropriate mitigations, where a site-specific development adversely affects long-term production or management.

The access road (decommissioned James Canyon Road) traverses the southern edge of a TBR (Timber) Management Unit. Emphasis is on management for the production and use of wood-fiber for a variety of wood products. There are no specific restrictions on mineral development within this management unit. No trees would be removed within the TBR Management Unit.

The old roadway traverses James Canyon along the north slope of the Canyon. No riparian vegetation would be removed or affected by the project.

The visual quality objective for the area is "partial retention"; the project is consistent with this objective. The Recreation Opportunity Spectrum (ROS) classification for the upper portion of James Canyon is "roaded natural appearing". The lower reaches of James Canyon adjacent to the private land is "semi-primitive motorized". The project is consistent with these classifications.

II. DECISION

I have decided to consent to approval of the proposed project by the Bureau of Land Management and Utah Division of Oil, Gas and Mining. Forest Service consent is subject to the terms and conditions of the permit and provisions of the plan as altered by the attached stipulations (Attachment 2).

It is my determination that this decision may be categorically excluded from preparation of an Environmental Assessment (EA) or Environmental Impact Statement (EIS) under Forest Service Handbook 1909.15, Chapter 30, Section 31.2(3): "Approval, modification, or continuation of minor special uses of National Forest System lands that require less than five contiguous acres of land." This category was determined appropriate because the area affected by this decision is less than 5 acres, no extraordinary circumstances were identified during scoping, and surface uses would remain essentially the same.

The proposal, with stipulations, would provide adequate protection of Forest resources. The proposal is consistent with all Forest Plan requirements.

My decisions may be implemented immediately.

III. DECISION RATIONALE

This decision was made after careful consideration of the proposal and the entirety of the supporting record. No one fact or single piece of information led to the decisions. Rather, a combination of factors contributed to it. The key considerations are discussed in the following sub-parts.

Attainment of Agency Goals:

The general purpose and need for this project is to accomplish the following goal of the Forest Plan: "Provide appropriate opportunities for and manage activities related to locating, leasing, development, and production of mineral and energy resources." (Forest Plan, p. III-4). Another related goal of the Forest Plan is: "Manage geologic resources, common variety minerals, ground water, and underground spaces (surficial deposits, bedrocks, structures, and processes) to meet resource needs and minimize adverse effects."

The project-specific purpose and need of the proposed action is to permit Canyon Fuel to dewater the fracture system and flooded portion of the Skyline Mine such that the fracture system can be sealed and mine inflow at this location can be stopped. This would allow this section of the mine to resume coal production.

Discharge water quality is high. No effects to aquatic species or to human uses of the water are expected. Water quality data provided by Utah Fuel Company is contained in the project file.

The decision wholly meets the project's purpose and need and is consistent with Forest Plan direction.

Absence of Extraordinary Circumstances:

Existing resource conditions and potential extraordinary circumstances have been considered in making the decisions.

Steep slopes or highly erosive slopes. The proposed project area is located on stable lands on the north slope of James Canyon on an old reclaimed roadway.

Threatened and endangered species or their critical habitat. The project will not affect any Threatened or Endangered Species.

Sensitive Species. A goshawk survey of the project area has been conducted (project file). There are no goshawks nests or other sensitive species in the project area that could be adversely affected.

Floodplains, wetlands, or municipal watersheds. The project will not affect floodplains, wetlands, or municipal watersheds.

Congressionally designated areas, such as wilderness, wilderness study areas, or National Recreation Areas. There are no wilderness, wilderness study areas, or National Recreation Areas in the project area.

Inventoried Roadless Areas. The project area is not within an inventoried roadless area or an unroaded area contiguous to an inventoried roadless area.

Research Natural Areas. The project area is not located within any Research Natural Areas (RNAs).

Native American religious or cultural sites, archeological sites, or historic properties or areas. A cultural resource survey of the project area was completed by qualified professional archaeologists. The survey report is included in the project file. It has been determined that the project does not have the potential to affect historic properties or cultural sites.

Relationship to Public Involvement: Minimal public scoping was done due to the urgent nature of this project. Representatives of the Emery Water Conservancy District, Huntington-Cleveland Irrigation Company, Price River Water Improvement District, Price River Water Users Association, PacifiCorp (operator/permittee for the Electric Lake Dam/Reservoir), and Utah Division of Wildlife Resources were contacted. None of these representatives voiced any specific concerns or objections regarding the project.

IV. PUBLIC INVOLVEMENT

No legal notices describing the proposal and requesting issues/comments were published in the Sun Advocate (Price, Utah) due to the short time frames associated with this emergency nature of the drilling request. Affected users were contacted by telephone and there were no objections to the project.

V. FINDINGS REQUIRED BY OTHER LAWS AND REGULATIONS

To the best of my knowledge, the decision complies with all applicable laws and regulations. The consistency of my decision relative to some pertinent legal requirements is summarized below.

National Forest Management Act of 1976: The Forest Plan was approved November 5, 1986, as required by this Act. This long-range land and resource management plan provides guidance for all resource management activities in the Forest. The National Forest Management Act requires all projects and activities to be consistent with the Forest Plan. The project is consistent with emphasis for management of RNG and TBR Management Units. The Forest Plan has been reviewed in consideration of this project. The decision will be consistent with the Forest Plan.

National Historic Preservation Act: The proposal would not result in any impacts for cultural or historic resources. Cultural resource survey and clearance documents are contained in the project file.

Endangered Species Act: This project will not result in impacts to threatened or endangered plant or animal species. The Biological Assessment and Biological Evaluation are contained in the project file.

Sensitive Species: A goshawk survey has been conducted (report contained in the project file). There are no goshawks nests or other sensitive species in the project area that could be adversely affected. The Biological Assessment and Biological Evaluation are contained in the project file.

National Environmental Policy Act: The entirety of documentation for this project supports that the project analysis complies with this Act.

Environmental Justice: Based on experience with similar projects on the Ferron-Price Ranger District, it is believed that this project would not have any disparate impacts on individual groups of peoples or communities. Implementation of this project will produce no adverse effects on minorities, low-income individuals, Native Americans or women. No civil liberties will be affected.

VI. IMPLEMENTATION DATE AND APPEAL OPPORTUNITY

Implementation of these decisions may occur upon issuance of the Road-Use Permit and any required approval from the Bureau of Land Management.

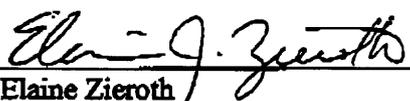
This decision is not subject to appeal by the public in accordance with the Code of Federal Regulations Title 36 part 215.

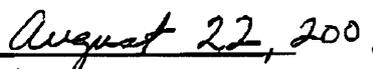
This decision is subject to appeal by the applicant under Code of Federal Regulations Title 36 part 251.

VII. CONTACT PERSON

For additional information concerning the Forest Service decision, please contact Carter Reed at the USDA Forest Service, Manti-La Sal National Forest (address: 599 West Price River Drive, Price, UT 84501; telephone: 435-637-2817).

VIII. SIGNATURE AND DATE


Elaine Zieroth
Forest Supervisor
Manti-La Sal National Forest


Date

ATTACHMENT 2**CONDITIONS OF CONSENT**

1. Drill rigs and heavy equipment (not including water trucks) must not be transported in or out of the project area during the opening of the general elk hunt nor during the opening weekend of the general deer hunt and during holiday weekends. The restriction includes the Friday before the weekend. The water truck must be preceded by a pilot vehicle when hauling water for the project during the hunting season.
2. The permittee is responsible for repair of any damages to roads which are caused by his operations.
3. All traffic must maintain safe speeds commensurate with existing conditions.
4. Roads must be watered if dust becomes a problem or if excessive loss of road material occurs.
5. The operator shall take all reasonable/appropriate measures to prevent the introduction and proliferation of exotic plants and/or noxious weeds for all operations on the land surface. Measures must include cleaning vehicles and equipment before entry onto Federal lands, pre-treatment of areas approved for surface disturbing activities, use of weed free materials (straw, fill materials, gravel, etc.), and control and eradication of exotic species and/or noxious weeds in disturbed/reclaimed areas until liability/bond release. Proposed control/eradication measures for surface operations are subject to approval by the surface management agency.
6. The seed mix to be used for reclamation will be proposed by Canyon Fuel and approved by the Forest Service prior to reclamation.
7. Drill sites and the mud pits when they are dry must be reclaimed by selectively backfilling excavated materials, topsoil last, such that the disturbed area is replaced to the approximate original contour. The disturbed area must be seeded with the approved seed mix.
8. Heavy equipment, drilling equipment, and transport vehicles must be cleaned of mud/debris that could potentially transport noxious weed seeds prior to entering the National Forest.
9. All water bearing zones encountered in the process of drilling will be recorded on the drilling logs. Any zone which is producing a large continuous flow will be reported to the Forest Service prior to abandonment procedures taking place. Continuous flow measurements of water pumped and discharged must be made and reported to the

regulatory authorities. Quality monitoring must be conducted consistent with the the Utah Coal Rules and approved in the mine plan.

10. A locked gate built to Forest Service specifications (including object markers and signs) must be constructed at the intersection of the James Canyon and Monument Peak roads to exclude public traffic from using the James Canyon project road. This gate must remain closed/locked except when vehicles are actually passing through.
11. A minimum of 4 inches of crushed aggregate (must meet Forest Service gravel specifications) must be applied to the road and pad after topsoil is removed.
12. Topsoil must be stripped from the road surface and stored as a berm on the outside edge of the road. Excess topsoil will be piled at other approved locations where the soil can be protected from erosion.
13. The James Canyon project road (14 foot width with 1 foot ditch) will be insloped with an inside ditch installed. Drainage dips will be constructed at a minimum of 150 foot intervals to drain rainwater to the slope below the road. Sediment control structures will be constructed at the dip outlets.
14. Culverts will be constructed under the road to FS specifications to drain live water (springs and surface drainage) under the road surface to prevent saturation of the roadway and prevent contamination of the water.
15. The drill pad must be constructed with a berm (two feet high) around the perimeter to contain all rainwater and other fluids on the pad. The pad must be graded to drain at 1% to the mud pit.
16. Silt fences supported with materials approved by the FS must be constructed at the base of any fill slopes on the pad. A ditch must be constructed to drain overland flow from undisturbed areas away from the pad area with sediment control structures to prevent sediment from entering the James Canyon drainage.
17. The operator must post a bond sufficient to cover reclamation and hole plugging costs with the regulatory authority.
18. All fuel tanks must be constructed with berms adequate to contain spills and precipitation to prevent contaminated fluids from leaving the pad site.
19. Self contained sanitary facilities must be provided and maintained on site during operations. Waste materials must be removed from the Forest and disposed of at suitable licensed facilities.
20. An inventory of springs in the James Canyon area must be completed and a monitoring proposal submitted to the regulatory authority for approval.
21. The operator must conform to all state laws and regulations regarding water discharge, and development/abandonment of the water wells.

Authorization ID: PRI25
Contact ID: CANYON FUEL
Expiration Date: 12/31/2005
Use Code: 643

FS-2700-4 (8/99)
OMB 0596-0082

U.S. DEPARTMENT OF AGRICULTURE
Forest Service
SPECIAL USE PERMIT
AUTHORITY:
FEDERAL LAND POLICY AND MGMT ACT, AS AMENDED October 21, 1976

CANYON FUEL COMPANY, LLC of SKYLINE MINE, HC 35 BOX 380 , HELPER, UT 84526 (hereinafter called the Holder) is hereby authorized to use or occupy National Forest System lands, to use subject to the conditions set out below, on the Manti-La Sal National Forest.

This permit covers .2 acres, and/or 0 miles and is described as: as shown on the location map attached to and made a part of this permit, and is issued for the purpose of:

Bury a 15KVA powerline along the Monument Peak Road (Forest System Road 50018) and the James Canyon Project Road to provide power to operate an electric pump at the drill pad in James Canyon above Electric Lake. Four ¾ inch diameter insulated lines will be buried 4 feet deep along the inside ditches of both roads (see maps and typicals in the special-use permit application). Power will be provided to the electric pump that is used to pump groundwater to the surface and discharged down James Canyon by gravity to Electric Lake via a water pipeline. The buried line originates at the electronic site on private lands on Trough Springs at the head of Boardinghouse Canyon and ends at Canyon Fuel's water well site in James Canyon.

This permit is for only that portion of the line from the private land to a point in James Canyon where the buried powerline enters to the leased coal lands in the Skyline Mine Permit Area (See Drawing No. 1.6-3, dated 9/24/2001) in the application amendment of 9/28/2001. The remainder of the buried powerline from this point to the water well was authorized under Canyon Fuel Company's approved Mining and Reclamation Plan. That portion of the buried power line authorized by this SUP starts in the SW1/4 of Section 25 and ends in the NW1/4 of Section 36 in T.13 S., R. 6 E., SLM, Emery County, Utah, an approximate lineal length of 2,300 feet.

ADDITIONAL REQUIREMENTS

- No construction operations will be allowed along the Monument Peak Road until after Questar has completed water haul necessary for the pipeline hydrostatic test and during the opening weekend of the rifle Deer Hunt starting on Friday October 19 and ending a daylight on Monday October 22.
- Traffic must be allowed to pass during installation of the buried powerline along the Monument Peak Road. Traffic delays are allowed for periods not to exceed 20 minutes.
- Materials excavated for ditch construction must be confined to the immediate area adjacent to the ditch such that through traffic is not obstructed.
- Excavated materials must remain separated from the road gravels. Separation can be achieved by placing these materials onto a geotextile or other approved material placed over the roadbed adjacent to the ditch. Contaminated and/or lost road gravels will be removed/replaced with crushed aggregate meeting Forest Service gradation "G" road gravels.
- Backfill materials placed in the powerline ditch must be compacted to 100% Standard Proctor.
- Restore the original contour of the inside ditch and road cutslope above the ditch with materials compacted to at least 95% Standard Proctor. Any disturbed areas outside of the roadbed must be revegetated with original species composition and density within 3 years of construction.
- Permittee must provide an operating plan that addresses traffic control, sediment control, and revegetation of disturbed areas throughout the project area. These plans are subject to Forest Service approval prior to implementation.
- All road drainage structures, including dips and culverts (inlet, outlet, and pipes) must be returned to original condition if damaged.
- Ground sleeves (junction boxes) will not be permitted along the Monument Peak Road.

The above described or defined area shall be referred to herein as the "permit area".

TERMS AND CONDITIONS

I. AUTHORITY AND GENERAL TERMS OF THE PERMIT

- A. Authority. This permit is issued pursuant to the authorities enumerated at Title 36, Code of Federal Regulations, Section 251 Subpart B, as amended. This permit, and the activities or use authorized, shall be subject to the terms and conditions of the Secretary's regulations and any subsequent amendment to them.
- B. Authorized Officer. The authorized officer is the Forest Supervisor or a delegated subordinate officer.
- C. License. This permit is a license for the use of federally owned land and does not grant any permanent, possessory interest in real property, nor shall this permit constitute a contract for purposes of the Contract Disputes Act of 1978 (41 U.S.C. 611). Loss of the privileges granted by this permit by revocation, termination, or suspension is not compensable to the holder.
- D. Amendment. This permit may be amended in whole or in part by the Forest Service when, at the discretion of the authorized officer, such action is deemed necessary or desirable to incorporate new terms, conditions, and stipulations as may be required by law, regulation, land management plans, or other management decisions.
- E. Existing Rights. This permit is subject to all valid rights and claims of third parties. The United States is not liable to the holder for the exercise of any such right or claim.
- F. Nonexclusive Use and Public Access. Unless expressly provided for in additional terms, use of the permit area is not exclusive. The Forest Service reserves the right to use or allow others to use any part of the permit area, including roads, for any purpose, provided, such use does not materially interfere with the holder's authorized use. A final determination of conflicting uses is reserved to the Forest Service.
- G. Forest Service Right of Entry and Inspection. The Forest Service has the right of unrestricted access of the permitted area or facility to ensure compliance with laws, regulations, and ordinances and the terms and conditions of this permit.
- H. Assignability. This permit is not assignable or transferable. If the holder through death, voluntary sale or transfer, enforcement of contract, foreclosure, or other valid legal proceeding ceases to be the owner of the improvements, this permit shall terminate.
- I. Permit Limitations. Nothing in this permit allows or implies permission to build or maintain any structure or facility, or to conduct any activity unless specifically provided for in this permit. Any use not specifically identified in this permit must be approved by the authorized officer in the form of a new permit or permit amendment.

II. TENURE AND ISSUANCE OF A NEW PERMIT

- A. Expiration at the End of the Authorized Period. This permit will expire at midnight on 12/31/2005. Expiration shall occur by operation of law and shall not require notice, any decision document, or any environmental analysis or other documentation.
- B. Minimum Use or Occupancy of the Permit Area. Use or occupancy of the permit area shall be exercised at least 365 days each year, unless otherwise authorized in writing under additional terms of this permit.
- C. Notification to Authorized Officer. If the holder desires issuance of a new permit after expiration, the holder shall notify the authorized officer in writing not less than six (6) months prior to the expiration date of this permit.
- D. Conditions for Issuance of a New Permit. At the expiration or termination of an existing permit, a new permit may be issued to the holder of the previous permit or to a new holder subject to the following conditions:
1. The authorized use is compatible with the land use allocation in the Forest Land and Resource Management Plan.
 2. The permit area is being used for the purposes previously authorized.

3. The permit area is being operated and maintained in accordance with the provisions of the permit.
4. The holder has shown previous good faith compliance with the terms and conditions of all prior or other existing permits, and has not engaged in any activity or transaction contrary to Federal contracts, permits laws, or regulations.

E. Discretion of Forest Service. Notwithstanding any provisions of any prior or other permit, the authorized officer may prescribe new terms, conditions, and stipulations when a new permit is issued. The decision whether to issue a new permit to a holder or successor in interest is at the absolute discretion of the Forest Service.

F. Construction. Any construction authorized by this permit may commence by 10/10/01 and shall be completed by 12/1/01. If construction is not completed within the prescribed time, this permit may be revoked or suspended.

III. RESPONSIBILITIES OF THE HOLDER

A. Compliance with Laws, Regulations, and other Legal Requirements. The holder shall comply with all applicable Federal, State, and local laws, regulations, and standards, including but not limited to, the Federal Water Pollution Control Act, 33 U.S.C. 1251 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., the Comprehensive Environmental Response, Control, and Liability Act, 42 U.S.C. 9601 et seq., and other relevant environmental laws, as well as public health and safety laws and other laws relating to the siting, construction, operation, and maintenance of any facility, improvement, or equipment on the property.

B. Plans. Plans for development, layout, construction, reconstruction, or alteration of improvements on the permit area, as well as revisions of such plans, must be prepared by a qualified individual acceptable to the authorized officer and shall be approved in writing prior to commencement of work. The holder may be required to furnish as-built plans, maps, or surveys, or other similar information, upon completion of construction.

C. Maintenance. The holder shall maintain the improvements and permit area to standards of repair, orderliness, neatness, sanitation, and safety acceptable to the authorized officer and consistent with other provisions of this authorization. If requested, the holder shall comply with inspection requirements deemed appropriate by the authorized officer.

D. Hazard Analysis. The holder has a continuing responsibility to identify all hazardous conditions on the permit area which would affect the improvements, resources, or pose a risk of injury to individuals. Any non-emergency actions to abate such hazards shall be performed after consultation with the authorized officer. In emergency situations, the holder shall notify the authorized officer of its actions as soon as possible, but not more than 48 hours, after such actions have been taken.

E. Change of Address. The holder shall immediately notify the authorized officer of a change in address.

F. Change in Ownership. This permit is not assignable and terminates upon change of ownership of the improvements or control of the business entity. The holder shall immediately notify the authorized officer when a change in ownership or control of business entity is pending. Notification by the present holder and potential owner shall be executed using Form SF-299 Application for Transportation and Utility Systems and Facilities of Federal Lands, or Form FS-2700-3a, Holder Initiated Revocation of Existing Authorization, Request for a Special Use Permit. Upon receipt of the proper documentation, the authorized officer may issue a permit to the party who acquires ownership of, or a controlling interest in, the improvements or business entity.

IV. LIABILITY

For purposes of this section, "holder" includes the holder's heirs, assigns, agents, employees, and contractors.

A. The holder assumes all risk of loss to the authorized improvements.

B. The holder shall indemnify, defend, and hold the United States harmless for any violations incurred under any such laws and regulations or for judgments, claims, or demands assessed against the United States in connection with the holder's use or occupancy of the property. The holder's indemnification of the United States shall include any loss by personal injury, loss of life or damage to property in connection with the occupancy or use of the property during the term of this permit. Indemnification shall include, but is not limited to, the value of resources damaged or destroyed; the costs of restoration, cleanup, or other mitigation; fire suppression or other types of

abatement costs; third party claims and judgments; and all administrative, interest, and other legal costs. This paragraph shall survive the termination or revocation of this authorization, regardless of cause.

C. The holder has an affirmative duty to protect from damage the land, property, and interests of the United States.

D. In the event of any breach of the conditions of this authorization by the holder, the authorized officer may, on reasonable notice, cure the breach for the account at the expense of the holder. If the Forest Service at any time pays any sum of money or does any act which will require payment of money, or incurs any expense, including reasonable attorney's fees, in instituting, prosecuting, and/or defending any action or proceeding to enforce the United States rights hereunder, the sum or sums so paid by the United States, with all interests, costs and damages shall, at the election of the Forest Service, be deemed to be additional fees hereunder and shall be due from the holder to the Forest Service on the first day of the month following such election.

E. With respect to roads, the holder shall be proportionally liable for damages to all roads and trails of the United States open to public use caused by the holder's use to the same extent as provided above, except that liability shall not include reasonable and ordinary wear and tear.

F. The Forest Service has no duty to inspect the permit area or to warn of hazards and, if the Forest Service does inspect the permit area, it shall incur no additional duty nor liability for identified or non-identified hazards. This covenant may be enforced by the United States in a court of competent jurisdiction.

V. TERMINATION, REVOCATION, AND SUSPENSION

A. General. For purposes of this permit, "termination", "revocation", and "suspension" refer to the cessation of uses and privileges under the permit.

"Termination" refers to the cessation of the permit under its own terms without the necessity for any decision or action by the authorized officer. Termination occurs automatically when, by the terms of the permit, a fixed or agreed upon condition, event, or time occurs. For example, the permit terminates at expiration. Terminations are not appealable.

"Revocation" refers to an action by the authorized officer to end the permit because of noncompliance with any of the prescribed terms, or for reasons in the public interest. Revocations are appealable.

"Suspension" refers to a revocation which is temporary and the privileges may be restored upon the occurrence of prescribed actions or conditions. Suspensions are appealable.

B. Revocation or Suspension. The Forest Service may suspend or revoke this permit in whole or part for:

1. Noncompliance with Federal, State, or local laws and regulations.
2. Noncompliance with the terms and conditions of this permit.
3. Reasons in the public interest.
4. Abandonment or other failure of the holder to otherwise exercise the privileges granted.

C. Opportunity to Take Corrective Action. Prior to revocation or suspension for cause pursuant to Section V (B), the authorized officer shall give the holder written notice of the grounds for each action and a reasonable time, not to exceed 90 days, to complete the corrective action prescribed by the authorized officer.

D. Removal of Improvements. Prior to abandonment of the improvements or within a reasonable time following revocation or termination of this authorization, the holder shall prepare, for approval by the authorized officer, an abandonment plan for the permit area. The abandonment plan shall address removal of improvements and restoration of the permit area and prescribed time frames for these actions. If the holder fails to remove the improvements or restore the site within the prescribed time period, they become the property of the United States and may be sold, destroyed or otherwise disposed of without any liability to the United States. However, the holder shall remain liable for all cost associated with their removal, including costs of sale and impoundment, cleanup, and restoration of the site.

VI. FEES

A. Termination for Nonpayment. This permit shall automatically terminate without the necessity of prior notice when land use rental fees are 90 calendar days from the due date in arrears.

B. The holder shall pay in advance a sum determined by the Forest Service to be the fair market value of the use granted by this authorization for a five (5) year period. The payment is set at \$225.00 for the initial five (5) year period. Payments for each subsequent N/A year period shall be the amount of the payment for the initial period, adjusted using an appropriate indexing factor to reflect more nearly the current fair market value of the use at the beginning of the new period. At certain intervals the Forest Service shall review the fee and adjust the fee as necessary to assure that it is commensurate with the fair market value of the authorized rights and privileges, as determined by appraisal or other sound business management principles.

C. Payment Due Date. The payment due date shall be the close of business on the day noted on the bill for collection of each calendar year payment is due. Payments due the United States for this use shall be deposited at, in the form of a check, draft, or money order payable to "Forest Service, USDA." Payments shall be credited on the date received by the designated Forest Service collection officer or deposit location. If the due date for the fee or fee calculation statement falls on a non-workday, the charges shall not apply until the close of business on the next workday.

D. Late Payment Interest, Administrative Costs and Penalties Pursuant to 31 U.S.C. 3717, et seq., interest shall be charged on any fee amount not paid within 30 days from the date the fee or fee calculation financial statement specified in this authorization becomes due. The rate of interest assessed shall be the higher of the rate of the current value of funds to the U.S. Treasury (i.e., Treasury tax and loan account rate), as prescribed and published by the Secretary of the Treasury in the Federal Register and the Treasury Fiscal Requirements Manual Bulletins annually or quarterly or at the Prompt Payment Act rate. Interest on the principal shall accrue from the date the fee or fee calculation financial statement is due.

In the event the account becomes delinquent, administrative costs to cover processing and handling of the delinquency will be assessed.

A penalty of 6 percent per annum shall be assessed on the total amount delinquent in excess of 90 days and shall accrue from the same date on which interest charges begin to accrue.

Payments will be credited on the date received by the designated collection officer or deposit location. If the due date for the fee or fee calculation statement falls on a non-workday, the charges shall not apply until the close of business on the next workday.

Disputed fees are due and payable by the due date. No appeal of fees will be considered by the Forest Service without full payment of the disputed amount. Adjustments, if necessary, will be made in accordance with settlement terms or the appeal decision.

If the fees become delinquent, the Forest Service will:

Liquidate any security or collateral provided by the authorization.

If no security or collateral is provided, the authorization will terminate and the holder will be responsible for delinquent fees as well as any other costs of restoring the site to its original condition including hazardous waste cleanup.

Upon termination or revocation of the authorization, delinquent fees and other charges associated with the authorization will be subject to all rights and remedies afforded the United States pursuant to 31 U.S.C. 3711 et seq. Delinquencies may be subject to any or all of the following conditions:

Administrative offset of payments due the holder from the Forest Service.

Delinquencies in excess of 60 days shall be referred to United States Department of Treasury for appropriate collection action as provided by 31 U.S.C. 3711 (g), (1).

The Secretary of the Treasury may offset an amount due the debtor for any delinquency as provided by 31 U.S.C. 3720, *et seq.*)

VII. OTHER PROVISIONS

A. Members of Congress. No Member of or Delegate to Congress or Resident Commissioner shall benefit from this permit either directly or indirectly, except when the authorized use provides a general benefit to a corporation.

B. Appeals and Remedies. Any discretionary decisions or determinations by the authorized officer are subject to the appeal regulations at 36 CFR 251, Subpart C, or revisions thereto.

C. Superior Clauses. In the event of any conflict between any of the preceding printed clauses or any provision thereof and any of the following clauses or any provision thereof, the preceding printed clauses shall control.

1. Nondiscrimination in Employment and Services (B1). During the performance of this authorization, the holder agrees:

1. In connection with the performance of work under this authorization, including construction, maintenance, and operation of the facility, the holder shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, or disability. (Ref. Title VII of the Civil Rights Act of 1964, as amended).

2. The holder and employees shall not discriminate by segregation or otherwise against any person on the basis of race, color, religion, sex national origin, age, or disability, by curtailing or refusing to furnish accommodations, facilities, services, or use privileges offered to the public generally. (Ref. Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973; Title IX of the Education Amendments, and the Age Discrimination Act of 1975).

3. The holder shall include and require compliance with the above nondiscrimination provisions in any subcontract made with respect to the operations under this authorization.

4. When furnished by the Forest Service, signs setting forth this policy of nondiscrimination will be conspicuously displayed at the public entrance to the premises, and at other exterior or interior locations as directed by the Forest Service.

5. The Forest Service shall have the right to enforce the foregoing nondiscrimination provisions by suit for specific performance or by any other available remedy under the laws of the United States of the State in which the breach or violation occurs.

2. Bonding (C3). As a further guarantee of the faithful performance of the provisions and terms and conditions of this authorization, the holder agrees to deliver and maintain a surety bond or other acceptable security in the amount of \$10,000.00. Should the sureties or the bonds delivered under this authorization become unsatisfactory to the Forest Service, the holder shall, within thirty (30) days of demand, furnish a new bond with surety, solvent and satisfactory to the Forest Service. In lieu of surety bond, the holder may deposit into a Federal depository, as directed by the Forest Service, and maintain therein, cash in the amounts provided for above, or negotiable securities of the United States having a market value at time of deposit of not less than the dollar amounts provided above.

The holder's surety bond shall be released, or deposits in lieu of bond, shall be returned thirty (30) days after certification by the Forest Service that priority installations under the development plan are complete, and upon furnishing by the holder of proof satisfactory to the Forest Service that all claim for labor and material on said installations have been paid or released and satisfied. The holder agrees that all moneys deposited under this authorization may, upon failure on his or her part to fulfill all and singular the requirements herein set forth or made a part hereof, be retained by United States to be applied to satisfy obligations assumed here under, without prejudice whatever to any rights and remedies of the United States.

Prior to undertaking additional construction or alteration work not provided for in the terms and conditions or when the improvements are to be removed and the area restored, the holder shall deliver and maintain a surety bond in an

amount set by the Forest Service, which amount shall not be in excess of the estimated loss which the Government would suffer upon default in performance of this work.

3. Archaeological-Paleontological Discoveries (X17). The holder shall immediately notify the authorized officer of any and all antiquities or other objects of historic or scientific interest. These include, but are not limited to, historic or prehistoric ruins, fossils, or artifacts discovered as the result of operations under this authorization, and shall leave such discoveries intact until authorized to proceed by the authorized officer. Protective and mitigative measures specified by the authorized officer shall be the responsibility of the holder.

4. Improvement Relocation (X33). This authorization is granted with the express understanding that should future location of United States Government-owned improvements or road rights-of-way require the relocation of the holder's improvements, such relocation will be done by, and at the expense of, the holder within a reasonable time as specified by the authorized officer.

5. Corporation Status Notification (X46). The holder shall furnish the authorized officer with the names and addresses of shareholders owning three (3) percent or more of the shares, and number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote. In addition, the holder shall notify the authorized officer within fifteen (15) days of the following changes:

1. Names of officers appointed or terminated.
2. Names of stockholders who acquire stock shares causing their ownership to exceed 50 percent of shares issued or who otherwise acquire controlling interest in the corporation.
3. A copy of the articles of incorporation and bylaws.
4. An authenticated copy of a resolution of the board of directors specifically authorizing a certain individual or individuals to represent the holder in dealing with the Forest Service.
5. A list of officers and directors of the corporation and their addresses.
6. Upon request, a certified list of stockholders and amount of stock owned by each.
7. The authorized officer may, when necessary, require the holder to furnish additional information as set forth in 36 CFR 251.54 (e)(1)(iv).

6. Operating Plans (R4-X2). The holder shall prepare the following plan(s), in consultation with the Forest Service, and submit said plan(s) for approval by the listed dates:

Operating Plan

Prior to beginning installation of powerline.

Written approval of said plans by the Forest Service Authorized Officer is prerequisite to commencement of holder's operations or maintenance. Upon reasonable notice to the Forest Service, plans may be revised when necessitated by weather or other unpredictable circumstances. Plan revisions will be subject to written approval by the Forest Service Authorized Officer.

When said plan(s) is(are) submitted, it(they) will be marked as Exhibit(s) A and shall be attached hereto and become a part of this permit.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082.

This information is needed by the Forest Service to evaluate requests to use National Forest System lands and manage those lands to protect natural resources, administer the use, and ensure public health and safety. This information is required to obtain or retain a benefit. The authority for that requirement is provided by the Organic Act of 1897 and the Federal Land Policy and Management Act of 1976, which authorize the Secretary of Agriculture to promulgate rules and regulations for authorizing and managing National Forest System lands. These statutes, along with the Term Permit Act, National Forest Ski Area Permit Act, Granger-Thye Act, Mineral Leasing Act, Alaska Term Permit Act, Act of September 3, 1954, Wilderness Act, National Forest Roads and Trails Act, Act of November 16, 1973, Archaeological Resources Protection Act, and Alaska National Interest Lands Conservation Act, authorize the Secretary of Agriculture to issue authorizations for the use and occupancy of National Forest System lands. The Secretary of Agriculture's regulations at 36 CFR Part 251, Subpart B, establish procedures for issuing those authorizations.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service. Public reporting burden for collection of information, if requested, is estimated to average 1 hour per response for annual financial information; average 1 hour per response to prepare or update operation and/or maintenance plan; average 1 hour per response for inspection reports; and an average of 1 hour for each request that may include such things as reports, logs, facility and user information, sublease information, and other similar miscellaneous information requests. This includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This permit is accepted subject to the conditions set out above.

Date _____ CANYON FUEL COMPANY, LLC

(CORPORATE SEAL)

By: _____
(Vice) President

ATTEST: _____

(Assistant) Secretary

The following certificate shall be executed by the Secretary or Assistant Secretary of the Corporation:

I _____ certify that I am the _____ Secretary of the Corporation that executed the above permit; that _____ who signed said permit on behalf of said Corporation was then _____ of said Corporation; that I know his/her signature on said permit is genuine; and that said permit was duly signed, sealed, and attested to for and on behalf of said Corporation by authority of its governing body

(CORPORATE SEAL)

(Assistant Secretary)

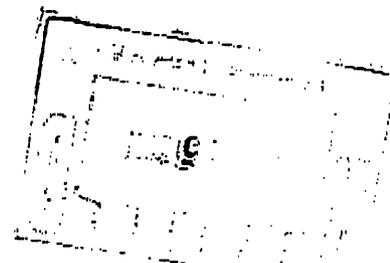
U. S. DEPARTMENT OF AGRICULTURE
Forest Service

By: _____
(Authorized Officer Signature)

ELAINE J. ZIEROTH, FOREST SUPERVISOR
(Name and Title)

(Date)

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



24 September 2001

Ms. Elaine Zieroth
Forest Supervisor
Manti-La Sal National Forest
599 Price River Drive
Price, Utah 84501

RE: Power for Dewatering Wells in James Canyon

Dear Ms. Zieroth:

Skyline Mine is developing dewatering wells in James Canyon to reduce the inflow of water into the mine. One well has been completed and the second well is being completed. To power the wells, Skyline is using a diesel generator that consumes approximately 1,200 gallons per day. It is felt by Skyline personnel that this power source would cause problems during the winter months, as the road would need to be left open to get fuel to the generator. Electrical power is felt to be the best source for the generator. Two routes have been investigated. The first one is a borehole from the mine but it was felt that additional water would be encountered in the hole and the cable may not be able to be installed. The second route would be a buried cable from the Utah Power and Light power line from the Questar building on Trough Spring Ridge to the well site (see attached map). Attached is a Special Use Permit application to allow us to bury the power cable.

Your approval if this application would be greatly appreciated.

Call Chris Hansen at (435) 448-2669 and Mark Bunnell (435) 448-2633 of my staff if you have any questions.

Sincerely,

Dan Meadors
General Manager
Skyline Mine

attachment

STANDARD FORM 299 (6/09)
Prescribed by DOKUSDA/DOOT
P.L. 96-487 and Federal
Register Notice 6-22-95

APPLICATION FOR TRANSPORTATION AND
UTILITY SYSTEMS AND FACILITIES
ON FEDERAL LANDS

FORM APPROVED
OMB NO. 0596-0082

FOR AGENCY USE ONLY

NOTE: Before completing and filing the application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with the help of the agency representative, the application can be completed at the preapplication meeting.

Application Number

Date Filed

1. Name and address of applicant (include zip code)

Canyon Fuel Company, LLC
Skyline Mine
HC 35 Box 380
Helper, UT 84526

2. Name, title, and address of authorized agent
if different from item 1 (include zip code)

3. Telephone (area code)

Applicant

Authorized Agent

4. As applicant are you? (check one)

- a. Individual
b. Corporation*
c. Partnership/Association*
d. State Government/State Agency
e. Local Government
f. Federal Agency

* If checked, complete supplemental page

5. Specify what application is for: (check one)

- a. New authorization
b. Renewing existing authorization No.
c. Amend existing authorization No.
d. Assign existing authorization No.
e. Existing use for which no authorization has been received
f. Other*

* If checked, provide details under item 7

6. If an individual, or partnership are you a citizen(s) of the United States? Yes No

7. Project description (describe in detail): (a) Type of system or facility, (e.g., canal, pipeline, road); (b) related structures and facilities; (c) physical specifications (Length, width, grading, etc.); (d) term of years needed; (e) time of year of use or operation; (f) Volume or amount of product to be transported; (g) duration and timing of construction; and (h) temporary work areas needed for construction (Attach additional sheets, if additional space is needed.)

Bury power transmission cable. The transmission cable will start at the power pole at the Questar building in Section 25, T13S, R6E. The transmission cable will be buried along the Forest Service Road in Section 36, T13S, R6E and down the James Canyon Road to the water well pad in Section 35, T13S, R6E. The transmission cable will be marked with buried cable signs.

8. Attach a map covering area and show location of project proposal

9. State or Local government approval: Attached Applied for Not Required

10. Nonreturnable application fee: Attached Not required

11. Does project cross international boundary or affect international waterways? Yes No (If "yes," indicate on map)

12. Give statement of your technical and financial capability to construct, operate, maintain, and terminate system for which authorization is being requested.

Canyon Fuel Company, LLC is a partnership between Arch Western Resources, LLC (65%) a subsidiary of Arch Coal, Inc. and Itochu Coal International, Inc. (35%) a subsidiary of Itochu Corporation.

(Continued on reverse) This form is authorized for local reproduction.

13a. Describe other reasonable alternative routes and modes considered.

The other route considered was a bore hole from the mine but water would be intercepted and may be the cable could not be installed.

b. Why were these alternatives not selected?

The other routes would disturb new ground and the proposed route is all ready disturbed.

c. Give explanation as to why it is necessary to cross Federal Lands.

All the existing facilities are on Federal land.

14. List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency. (Specify number, date, code, or name)

0410-03-7, 22 August 2001, Road Use Permit (Ref: F.S.M. 7731.16)
James Canyon Drilling/Water Discharge, Decision Memo, 22 August 2001

15. Provide statement of need for project, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits.

See attached page.

16. Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

No probable effects will occur to the rural lifestyle.

17. Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, soil, and soil stability.

See attached page.

18. Describe the probable effects that the proposed project will have on (a) populations of fish, plantlife, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

No probable effects will occur to fish, plant life, and wildlife or threatened or endangered species.

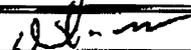
19. State whether any hazardous material, as defined in this paragraph, will be used, produced, transported or stored on or within the right-of-way or any of the right-of-way facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities. "Hazardous material" means any substance, pollutant or contaminant that is listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq., and its regulations. The definition of hazardous substances under CERCLA includes any "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, 42 U.S.C. 6901 et seq., and its regulations. The term hazardous materials also includes any nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. The term does not include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or designated as a hazardous substance under CERCLA Section 101(14), 42 U.S.C. 9601(14), nor does the term include natural gas.

See attached page.

20. Name all the Department(s)/Agency(ies) where this application is being filed. See attached page.

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of Applicant



Date

9-24-01

Title 18, U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

15. Provide statement of need for, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits.

The need for this project is to provide power to the well pump used to dewater the fault zone. Dewatering the fault zone from the surface will provide two benefits. The first benefit will be the reduction of water entering the mine that will need to be pumped out. The second benefit will be another source of water for Electric Lake. The cost for the project has not been determined. Three sources of pump power were considered. They were 1) diesel, 2) natural gas, and 3) electricity. Diesel was ruled out because of the amount of diesel fuel needed to power the generator approximately 1,200 gallons per day, the noise level of the generator, and the possibility of a diesel spill. The second power source to be ruled out was natural gas because of the noise level of the generator and the possibility of the gas to the generator being turned off because of cold weather during the winter months. This leaves electricity as the logical chose to provide power to the well pumps.

17. Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, soil, and soil stability.

No environmental effects will occur to air quality, surface and ground water quality, streams or body of water, noise levels or to the vegetation, soil, and soil stability.

19. State whether any hazardous material, as defined in this paragraph, will be used produced, transported or stored on or within the right-of-way or any of the right-of-way facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities.

No hazardous material will be used, produced, transported or stored within the right-of-way.

20. Name all Departments(s)/Agency(ies) where this application is being filed.

*Manti-LaSal National Forest
599 Price River Dr.
Price, Utah 84501*

(For supplemental, see reverse)

SUPPLEMENTAL

NOTE: The responsible agency(ies) will provide instructions	CHECK APPROPRIATE BLOCK	
	ATTACHED	FILED*
I - PRIVATE CORPORATIONS		
a. Articles of Incorporation		
b. Corporation Bylaws		
c. A certification from the State showing the corporation is in good standing and is entitled to operate within the State		
c. Copy of resolution authorizing filing		
e. The name and address of each shareholder owning 3 percent or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote and the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.		
f. If application is for an oil or gas pipeline, describe any related right-of-way or temporary use permit applications, and identify previous applications.		
g. If application is for an oil and gas pipeline, identify all Federal lands by agency impacted by proposal.		
II - PUBLIC CORPORATIONS		
a. Copy of law forming corporation		X
b. Proof of organization		X
c. Copy of Bylaws		X
d. Copy of resolution authorizing filing		X
e. If application is for an oil or gas pipeline, provide information required by item "f" and "g" above.		
III - PARTNERSHIP OR OTHER UNINCORPORATED ENTITY		
a. Articles of association, if any		
b. If one partner is authorized to sign, resolution authorizing action is		
c. Name and address of each participant, partner, association, or other		
d. If application is for an oil or gas pipeline, provide information required by item "f" and "g" above.		

* If the required information is already filed with the agency processing this application and is current, check block entitled "Filed." Provide the file identification information (e.g., number, date, code, name). If not on file or current, attach the requested information.

NOTICE

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0598-0082.

This information is needed by the Forest Service to fulfill the requests to use National Forest System lands and manage those lands to provide timber resources, administer the land, and ensure public health and safety. This information is required to obtain or retain a benefit. The authority for this requirement is provided by the Organic Act of 1897 and the Federal Land Policy and Management Act of 1976, which authorize the Secretary of Agriculture to promulgate rules and regulations for authorizing and managing National Forest System lands. These statutes, along with the Town Planning Act, National Forest System Act, Geopline-Title Act, Mineral Leasing Act, Alaska Town Planning Act, Act of September 3, 1964, Wilderness Act, National Forest Management Act, and the Act of November 16, 1973, Agricultural Resources Protection Act, and Alaska National Interest Lands Conservation Act, authorize the Secretary of Agriculture to issue authorizations of the use and occupancy of National Forest System land. The Secretary of Agriculture's regulations at 36 CFR Part 261, Subpart B, establish procedures for issuing these authorizations.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.

Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Agriculture, Clearance Officer, Stop 7862, 1400 Independence Avenue S.W., Washington DC 20250-7862; and to the Office of Management and Budget, Chief of Regulatory Affairs, Desk Officer for Forest Service, Washington, D.C. 20503

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

1 October 2001

Mr. Carter Reed
Manti-La Sal National Forest
599 Price River Drive
Price, Utah 84501

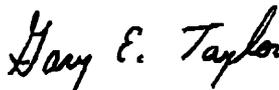
RE: Power for Dewatering Wells in James Canyon

Dear Mr. Reed:

Attached is an amendment to the Special Use Permit filed with the Forest Service to allow Canyon Fuel Company, LLC to bury a power line on Forest Service property. The amendment answers the questions you raised during our telephone conversation of 26 September 2001.

Call me at (435) 448-2620 if you have additional questions.

Sincerely,



Gary E. Taylor
Sr. Environmental Engineer
Canyon Fuel Company, LLC

Attachment

**SPECIAL USE PERMIT
AMENDMENT
BURIED POWER LINE
28 SEPTEMBER 2001**

1. Permit Boundary Map

Drawing No. 1.6-3 show the permit boundary with the power line locations.

2. Power Cable Information

- a. *Four cables will be buried. Three cables for power and one for the ground.*
- b. *The cable will be 1/0 and 3/4 inch in diameter.*
- c. *The cables will be buried approximately 4 feet deep.*
- d. *The cables will be buried on the north side of the road and in the ditch when possible.*

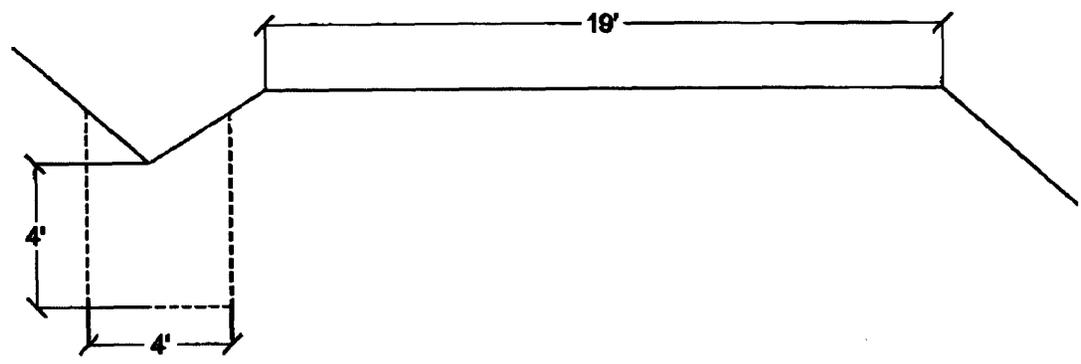
3. Cross Section of Road

A typical cross section of the road is attached.

4. Traffic Control

Flag personnel will be placed on either side of the trench construction and cable installation. Flashing signs will be place at the open trench at the end of each day to warn drivers.

TYPICAL ROAD CROSS-SECTION WITH POWER LINE TRENCH



CAT 325

<small>CFE 102</small> <small>TYKTYLINE ENGINEERING/REGULATORY/REGISTRATION/REG-01 LINE</small>			
TYPICAL ROAD CROSS-SECTION WITH POWER LINE TRENCH			
 Canyon Fuel Company, LLC Skyline Mines			
<small>DATE: 10-01-01</small> <small>SCALE: 1"=5'</small>	<small>DR: G. TAYLOR</small> <small>DR: J. PORTER</small>	<small>REVISION:</small>	
<small>NOTE: NO. 6-300-401 HBR</small>			