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OK



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

*See Coal/See Surface*

July 31, 2002

*New Amended*

Coal Regulatory Program  
Attn.: Pam Grubaugh-Littig  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

*AM026 Mining  
C/007/005  
Copy Over Letter to*

RE: Minor Permit Modification to Include Approximately 84 Acres to the Permit Area, Canyon Fuel Company, LLC Skyline Mine, C/007/005.

*Baron  
Key Area*

Dear Ms. Grubaugh-Littig:

Canyon Fuel Company, LLC Skyline Mine respectfully requests the Utah Division of Oil, Gas and Mining consider a minor permit modification to increase the mine's existing permit area by approximately 84 acres. The permit area increase is will occur in Section 12 of Township 13 South, Range 16 East. This is located in the northeast portion of the existing mine permit area. This additional area is being added to the existing permit to allow for development of main entries to access the North Lease (or Winter Quarters Lease). The North Lease was aquired by Skyline Mine through the LBA process in the mid-1990's. Because of the recent ground water problems in the western portions of the existing mine, Skyline management has determined that mining the North Lease will keep the operation viable for several more years. Ground water was not a significant problem while mining Mine 3 and the north lease area is expected to have conditions similar to those in Mine 3. Skyline Mine has not abandoned the Flat Canyon lease application but has slowed the process to gather more information on the viability of mining the lease. Extensive dewatering of the aquifer underlying the Flat Canyon will need to occur before the coal can be economically mined.

As you are aware, Skyline Mine was moving with all haste to mine the Flat Canyon Tract. Since the mine cannot afford to extract coal from that tract under current conditions, the move to the north is imperative to the life of the mine. At least three more longwall panels will be mined in the existing leases in Mine 2 but development must proceed toward the North Lease. To this end, the mine has begun developing mains to the north and currently plans to be in the minor permit modification area by September 1, 2002.

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AUG 01 2002

DIVISION OF  
OIL, GAS AND MINING

The minor permit modification area is located under private property and contains fee coal. Skyline mine has acquired the right to mine the fee coal in the minor permit modification area but an agreement has not yet been reached with the surface owner. We would like the Division to begin reviewing this application with the understanding that a legal arrangement will be made to undermine the private property before any mining within the modification area is initiated. Copies of the arrangement and coal leases will be sent to the Division within the next two weeks for inclusion in Appendix 118A of the Permit.

Skyline Mine intends to mine only main entries within the area of the minor permit modification. Therefore, no subsidence will occur as a result of mining activity in the modification area. No surface structures, utilities, wells, or permanent roads are located within 2,500 feet of the area. An intermittent stream that carries water only during spring run off is within the area but will not be affected since no subsidence will occur due to mining. The Winter Quarters Mine is in close proximity to the mains but will not be encountered during mining activity. Skyline Mine has extensively researched existing mine maps and feels confident of the old workings location in relation to the mains. Skyline will employ exploratory measures as required by MSHA to make certain the old works are not encountered. Additionally, Skyline Mine is in the process of dewatering the flooded portions of Mine 3 so there will not be a risk of flooding the new mains from existing Skyline workings.

I have included with this letter seven clean copies and four redline/strike through copies of the modified text. Additionally, I have included four updated drawings to be included in the permit. I appreciate your immediate attention to this matter and your help. If you have any questions regarding this submittal, please give me a call.

Sincerely:



Chris D. Hansen  
Environmental Coordinator  
Canyon Fuel Company, LLC.

Attachments

## APPLICATION FOR PERMIT PROCESSING

<input checked="" type="checkbox"/> Permit Change X	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: C/007/005
Title of Proposal: Minor Permit Modification to Include 84 Acres of Energy Fuels and C&P Coal Leases						Mine: Skyline Mines
						Permittee: CANYON FUEL CO., LLC

Description, include reason for application and timing required to implement: The attachment is a time line for the removal of the Mine No. 3 fan.

Skyline Mine would like to be mining on the area 1 September 2002

**Instructions:** If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

<input checked="" type="checkbox"/> X Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? <u>84</u> acres Disturbed Area? _____ acres X increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Is the application submitted as a result of a Division Order? DO # _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input checked="" type="checkbox"/> X Yes	<input type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	9. Is the application submitted as a result of a Violation? NOV # _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain: _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input checked="" type="checkbox"/> X Yes	<input type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input checked="" type="checkbox"/> X Yes	<input type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

Attach 7 complete copies of the application.

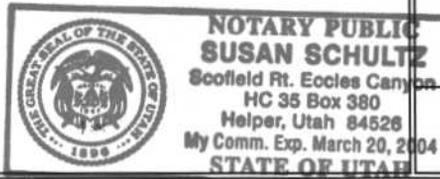
I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein. (R645-301-123)

Signed - Name - Position - Date

Subscribed and sworn to before me this 31 day of July, 192002

*Susan Schultz*  
Notary Public

My Commission Expires: 3-20-04, 19    
Attest: STATE OF Ut  
COUNTY OF Carbon



Received by Oil, Gas & Mining

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DIVISION OF

OIL, GAS AND MINING

ASSIGNED TRACKING NUMBER

