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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt
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Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

December 2, 2002

Dan Meadors, General Manager
Canyon Fuel Company, LLC
HC 35 Box 380
Helper, Utah 84526

Re: Decision Document and Revised Permit for North Lease Extension, Canyon Fuel Company, LLC, Skyline Mine, C/007/005-SR02I, Outgoing File

Dear Mr. Meadors:

The Division has processed the North Lease Extension to the Skyline Mine, including all materials submitted as of this date, and has determined the application to be complete and accurate for issuance of a revised permit. The Decision Document and Permit are enclosed.

Please note the special conditions in Attachment A and have both copies of the permit signed by an authorized representative and return one to the Division.

Prior to conducting coal mining and reclamation operations, Canyon Fuel Company, LLC will need to obtain Federal Mine Plan Approval from the Secretary of the Interior. The Division is forwarding this approval package to the Denver OSM office who will review and forward to OSM in Washington DC and on to the Secretary of the Interior. Thus, the Division may need to amend or rescind any requirements of the permit to conform to any terms or conditions imposed by the Secretary in the approval of the mining plan. Only "development mining" is authorized at this point and any mining that would cause subsidence will require further authorization.

There are further issues which need to be addressed for approval of full extraction mining. The Division will work with you on addressing these:

1) Ground truthing, description, map and productivity information for riparian and wetland areas along the perennial reaches of all stream channels within the permit area in the summer of 2003.
2) Aerial photography of the lease area conducted annually with interpretations of the photo reported to the Division in the Annual report.
3) Macroinvertebrate survey began in the fall of 2002 will continue two years prior to longwall mining and two years after mining in the area.
4) Protocol for the macro invertebrate survey will be jointly established by the Permittee, the Division and the U.S. Forest Service and the U.S. Fish and Wildlife Service.

Utah!
Where ideas connect

5) Annual reporting of continued monitoring of Eccles and Mud Creeks.
6) Annual reporting of analytical results of refuse sampling.

Thank you for your cooperation and close coordination during the permitting process. If you have any questions, please call me or Mary Ann Wright.

Sincerely,

Lowell P. Braxton
Director

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Enclosures
cc: Ranvir Singh, OSM
James Fulton, OSM w/o
Pat Gubbins, BLM w/o
James Kohler, BLM w/o
Elaine Zieroth, USFS w/o
Henry Maddux, USFWS w/o
Mark Page, Water Rights w/o
Dave Ariotti, DEQ w/o
Derris Jones, DWR w/o
Wilson Martin, History w/o
David Levanger, Carbon County Planning and Zoning (certified mail 7099 3400 0016 8895 6412) w/o
Bryant Anderson, Emery County Planning and Zoning (certified mail 7099 3400 0016 8895 6399) w/o
Price Field Office

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