



IN REPLY REFER TO:

United States Department of the Interior

OFFICE OF SURFACE MINING
 Reclamation and Enforcement
 1999 Broadway, Suite 3320
 Denver, Colorado 80202-5733

Incoming
ACT/007/005
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 UT-0003

April 2, 2003

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

RECEIVED

APR 04 2003

DIV. OF OIL, GAS & MINING

RE: Canyon Fuel Company, LLC - "Skyline, Modification of the JC-3 Well Plan"

Dear Mr. Haddock:

This in response to the Utah Division of Oil, Gas, & Mining's (UT-DOGM) April 2, 2003, request for a decision, under 30 CFR 947.30, whether the above subject permit revision constitutes a mining plan modification.

Mining plan approvals by the Secretary of the Interior are required under the Mineral Leasing Act of 1920, 30 U.S.C 181, *et seq.* before coal mining can occur on Federal lands. This letter serves to document OSM's determination whether or not a mining plan approval from the Secretary is required for the above permitting action.

OSM's review of the Modification to the JC-3 Well permit revision has determined that it had originally been proposed as an exploration project, however, UT-DOGM is now requiring it to be permitted and bonded. The Modification to the JC-3 Well Plan still proposes to drill a dewatering well directly into sealed mine works, so that water from a portion of the flooded works can be drained into Electric Lake to facilitate mining and reclamation operations at the Skyline mine, Utah State permit ACT/007/005.

Based on a review of the activities associated with the permit revision, OSM has determined that the proposed permit revision does not meet the requirements of 30 CFR § 746.11(a) and 746.18(d). Therefore, since no changes in the recovery of Federal coal is involved, the proposed permit revision does not constitute a mining plan action requiring Secretarial approval at this time.

The Modification of the JC-3 Well Plan still maintains some potential that the completed JC-3 Well would remain in operation after final reclamation. The applicant proposes, should that eventually be the case, to transfer ownership of the well to the appropriate parties, to permit its continued use and operation. Under this scenario, if there would be a change in the post mining landuse, where the surface is Federally owned, Secretarial approval for a Mining Plan Modification would be required under 30 CFR 746.18(d)(6).

Please notify the applicant of our decision on this matter.

OSM's decision does not, however, relieve UT-DOGM from coordinating the review and approval of the Modification to the JC-3 Well Plan permit revision with other Federal agencies for compliance with other Federal regulations.

Please notify the applicant of our decision on this matter.

Should you have any questions regarding this letter or approval, please contact Carl R. Johnston, Utah Federal Lands coordinator, at (303) 844-1400, extension 1500.

Sincerely,

A handwritten signature in black ink that reads "Ranvir Singh". The signature is written in a cursive style with a large, stylized "R" and "S".

Ranvir Singh
Manager, Northwest Branch

cc: Denver Field Division