


Canyon Fuel Company, LLC
Skyline Mines

HC 35 Box 380
 Helper, Utah 84526
 Telephone: (435) 448-6463
 Facsimile: (435) 448-2632

RECEIVED

JUN 11 2003

DIV. OF OIL, GAS & MINING

 INCOMING
 C10071005
 AM03F

June 10, 2003

Mr. Daron Haddock, Permit Supervisor
 Division of Oil, Gas and Mining
 Utah Department of Natural Resources
 1594 West North Temple, Suite 1210
 PO Box 145801
 Salt Lake City, UT 84114-5801

Re: Skyline Mine, Abandonment of Mining Machinery
 6 Left "B" Longwall Panel, Mine 2

Dear Mr. Haddock:

This letter is in response to your letter of May 13, 2003, regarding Canyon Fuel Company's planned abandonment of longwall mining machinery in the 6 Left "B" Longwall Panel, Skyline Mine. Your letter requested the following documentation:

1. A map designating the final disposal location of the abandoned mining machinery.
2. A description of the equipment or machinery being abandoned and its condition upon abandonment.
3. A revision to the Probable Hydrologic Consequences (PHC) document, which discusses the abandonment of the mining machinery and describes the potential for any Hydrologic impacts as a result of the abandonment.

The following information is submitted in response to your request:

1. A map designating the final disposal location of the abandoned mining machinery.

Enclosed is an updated map which we have submitted in the past titled "Mine 3, Level 2 & 3, Abandoned Mining Equipment Location". It shows equipment that has been abandoned in the mine since 1999, and shows where the long wall equipment is anticipated to be abandoned in panel 6 Left "B".

2. A description of the equipment or machinery being abandoned and its condition upon abandonment.

The mining machinery to be abandoned includes:

1. 118 each (approximately) longwall roof supports manufactured by Dowty originally for the Oak Grove Mine of US Steel. The roof supports are classified as 2-leg, 620-ton chock shields with rigid base and rigid canopy. Each support weighs approximately 14 tons. These supports were first put into service in Skyline Mine No. 1 in March 1995.
2. Three each (approximately) headgate end longwall roof supports manufactured by Kloeckner-Becorit. The headgate end roof supports are classified as 2-leg, 680-ton, G-shaped shields with rigid base and rigid canopy. Each support weighs approximately 19 tons.
3. One each longwall face conveyor tail drive manufactured by American Longwall. The conveyor tail drive weighs approximately 20 tons.
4. One each longwall face conveyor head drive and crossframe manufactured by American Longwall. The conveyor head drive and crossframe weighs approximately 30 tons.
5. 115 each (approximately) longwall face conveyor line pans manufactured by American Longwall. Each line pans weighs approximately two tons.
6. One each longwall stage loader manufactured by American Longwall. The stage loader weighs approximately 50 tons.
7. One each longwall double-ended ranging drum shearing machine manufactured by Joy Manufacturing. The shearing machine weighs approximately 50 tons.

The listing above is all equipment which possibly may not be able to be safely recovered. Our longwall personnel hope that it may be possible to safely recover items 2, 4, 6 and 7 above, but they will not be certain until the longwall recovery line is reached. Following mining of the 6 Left "B" panel, we will notify DOGM of which equipment we were able to remove and which we were not.

Hazardous substances contained in the equipment to be abandoned will be removed as follows:

1. As the longwall face approaches the end of the 6 Left B panel, emulsion fluid will be systematically replaced with straight water to operate the shields. During normal operation emulsion fluid that is used on the face contains 95 parts water to 5 parts neat soluble oil (or 5% solution). Skyline anticipates that replacement of emulsion fluid with straight water will reduce the concentration of oil from 5% to approximately 3% by the time the machinery is abandoned. The hydraulic legs will be pressurized such that each shield canopy is set against the roof. The stabilizing cylinder will be pressurized in the proper attitude to ensure each shield canopy is in contact with the mine roof over as large an area as possible. The advancing cylinder and base lift cylinder on each shield will be as fully collapsed as possible to remove as much remaining emulsion fluid as possible.
2. When mining is completed, lubricating oil will be drained from the tail drive gearbox and torque converter of the face conveyor and properly disposed of in our oil recycling system. This can be done from a safe location beneath the longwall shields. We will plan to remove the head drive gearbox and torque converter. If however, conditions do not allow the head drive to be safely removed, we will drain the oil from the gearbox and torque converter as will be done on the tail drive.

3. Due to the adverse conditions that already exist in the headgate entry, it may not be possible to recover the stage loader. If conditions do not allow its recovery, we will drain the oil from the gearbox and torque converter as will be done on the tail drive.
4. We will plan to remove the Joy shearing machine from the face. However, if conditions do not allow the shearing machine to be safely removed, we will drain all hydraulic, gearbox and other lubricating oils from the machine.
5. Dry cell batteries contained in the face communication phones will be removed from the face prior to abandonment.

No other hazardous substances are contained in the equipment to be abandoned.

3. A revision to the Probable Hydrologic Consequences (PHC) document, which discusses the abandonment of the mining machinery and describes the potential for any Hydrologic impacts as a result of the abandonment.

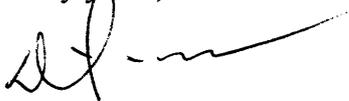
Page 2-51c of Skyline's PHC (revised 11/20/02) states:

“Periodically due to difficult recovery condition or roof collapse, mining equipment is abandoned underground. Prior to leaving equipment underground, hazardous materials and lubricating fluids are drained when possible. Since the equipment is steel and not too different compositionally from the roof support throughout the mine, contamination to ground water from abandoned equipment is not anticipated. A map illustrating the location of equipment left underground is provided as Drawing 2.3.6-2. The drawing includes a description of each piece of equipment.”

We believe this existing statement in the PHC adequately describes this situation and that no further modifications to the PHC are needed.

Your review and comments on this plan are requested. If you have any questions regarding this request please contact Chris Hansen at (435) 448-2669 or Doug Johnson at (435) 448-2609.

Sincerely yours,



Daniels R. Meadors
Mine Manager

+ Enclosure

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: Skyline Mine

Permit Number: C/007/005

Title: 6 Left Abandoned Equipment Modification

Description, Include reason for application and timing required to implement:

Modify permit to allow for the abandonment of longwall shields and other potential machinery not recoverable

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

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

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

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.

Dan Meadors

Print Name

[Signature] Sign Name, Position, Date

6-10-03

Subscribed and sworn to before me this 10 day of June, 2003

[Signature]

Notary Public

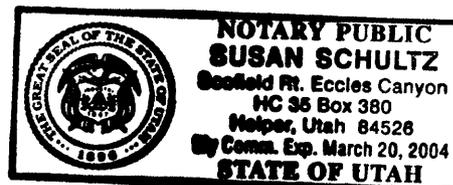
My commission Expires:

UT 3-20, 2004

Attest: State of

County of

Carbon



For Office Use Only:

Assigned Tracking Number:

Received by Oil, Gas & Mining

RECEIVED

JUN 11 2003

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: Skyline Mine

Permit Number: C/007/005

Title: 6 Left Abandoned Equipment Modification

Description, Include reason for application and timing required to implement:

Modify permit to allow for the abandonment of longwall shields and other potential machinery not recoverable

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> 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 the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. Does the 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes <input checked="" 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?
<i>Explain:</i> _____ |
| <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 type="checkbox"/> Yes <input checked="" 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 the 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"/> Yes <input type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation? |
| <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? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22. Does the 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? |

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

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.

Dan Meadors
Print Name

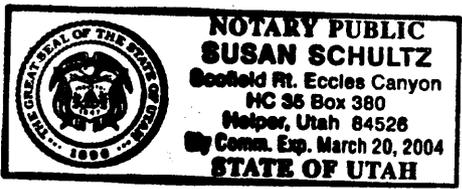
[Signature] 6-10-03
Sign Name, Position, Date

Subscribed and sworn to before me this 10 day of June, 2003

[Signature]
Notary Public

My commission Expires: 3-20, 2004

Attest: State of UT ss:
County of Carbon



For Office Use Only: 	Assigned Tracking Number:	Received by Oil, Gas & Mining <div style="text-align: center; font-size: 1.2em;"> RECEIVED JUN 11 2003 </div> DIV. OF OIL, GAS & MINING
---	---------------------------	---

