

September 12, 2003

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

Re: Revised Cumulative Hydrologic Impact Assessment (CHIA), Canyon Fuel Company, Skyline Mine, C/007/0005, Outgoing File

Dear Mr. Meadors:

As part of the requirements for installing the JC-3 well (final approval July 14, 2003) and to better understand the hydrologic situation associated with the large inflows of water at the Skyline mine, the Division required Canyon Fuel Company to provide an updated PHC. The Division has now had time to evaluate the information that has been provided to date and has consequently revised the Mud Creek Basin & Upper Huntington Creek Basin CHIA. A copy of the revised CHIA is enclosed for your records.

At the present time our finding is that the mining and reclamation operation has been designed to prevent material damage to the hydrologic balance outside the permit area. Undoubtedly the CHIA will be revised again, as more data becomes available and as we learn more about this area.

As you are aware the hydrology of this area is very complex and we are continuing to investigate the waters in this area. We remind you of the ongoing Permit Condition that; Canyon Fuel Company, LLC must continue to submit to the Division all studies and data to update the PHC/MRP as a result of the mine inflows. As water studies are finalized, they must be submitted to the Division within 14 days of completion.

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Thank you for your help in completing this project. If you have any questions, please feel free to call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Permit Supervisor

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Enclosure

cc: Jim Kohler, BLM
Alice Carlton, USFS
Mike Malmquist
Dennis Ward, Huntington Cleveland Irrigation Company
Jay Mark Humphrey, Emery County Water Conservancy District
Price Field Office

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