



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

RECEIVED
MAR 19 2004
DIV. OF OIL, GAS & MINING

March 19, 2004

Daron Haddock
Permit Supervisor
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

RE: Response to the Division's TA Regarding the Submittal of the HCI Ground Water Model, Canyon Fuel Company, LLC, Skyline Mine, C/007/005, Task ID #1752

Dear Mr. Haddock:

Please find enclosed with this letter Skyline Mine's response to the Division's TA Regarding the Submittal of the HCI Ground Water Model. This submittal includes completed C1 and C2 forms, four redline/strikethrough copies of modified text, and seven clean copies of text. I believe the deficiencies presented in the TA have been addressed. I did have a conversation at the beginning of March with Gregg Galecki of your staff regarding the inclusion of the Kravits report that was cited by the HCI ground water model report. We agreed that I would submit to the Division a CD copy of the Kravits report for placement in the PIC room. This CD is included with this letter. One deficiency, the second listed on page 12 of the Division's TA, requests the flow data in Boardinghouse Creek as described in Plate I of the HCI report. It is my understanding this data was obtained from the Division's EDI system.

As part of this submittal and as discussed with Mr. Galecki, Skyline Mine would like to remove the Eccles Creek water monitoring site CS-2 from its monitoring schedule. This site is somewhat redundant since another site, VC-6, is located only a short distance downstream of CS-2. No significant inflows to Eccles Creek occur between the two sites. Attached is a letter report prepared by Erik Petersen of Petersen Hydrologic supporting this request. Additionally, the mine would like to drop CS-3, CS-9, CS-11, and CS-13 from its winter monitoring schedule. A quick review of the historic data presented in the Division's EDI indicates that these sites are typically inaccessible during the winter months either due to deep snow and/or unsafe conditions or are completely frozen.

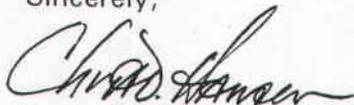
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Date 03/19/04 for additional information

Skyline Mines
March 19, 2004

TA Response
HCI Model Report
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I appreciate your patience in allowing extra time for the preparation of this submittal. If you have any questions, please call me at (435) 448-2669.

Sincerely,

A handwritten signature in cursive script, appearing to read "Chris D. Hansen".

Chris D. Hansen
Environmental Coordinator
Canyon Fuel Company, LLC

enclosures

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: HCI Model TA Response, Task ID #1752

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

Modifications to the M&RP as requested by DOGM regarding the HCI Ground Water Model.

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.

Justin Tatter
Print Name

[Signature] acting Mine Manager 3-18-04
Sign Name, Position, Date

Subscribed and sworn to before me this 18 day of March, 2004

Susan Poulson
Notary Public

My commission Expires: 3-20- 2004
Attest: State of Utah | ss:
County of Cannonville



For Office Use Only:

Assigned Tracking Number:

Received by Oil, Gas & Mining

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