



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

May 24, 2004

Coal Regulatory Program
 Attn.: Pam Grubaugh-Littig
 Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Box 145801
 Salt Lake City, Utah 84114-5801

*Mary J
 C/007/005
 Copy TAM*

RE: Idling of the Canyon Fuel Company, LLC Skyline Mine, C/007/005.

Dear Ms. Grubaugh-Littig:

Canyon Fuel Company, LLC idled the Skyline Mine on Friday May 21, 2004. During the time the mine is idled, Skyline will continue to pump water from the mine to avoid flooding the West Mains and access to the North Lease. Additionally, the mine ventilation fan will continue to operate. It is anticipated the remaining stored coal on the surface will be shipped to customers by the end of June 2004. A staff of approximately 18 persons will perform maintenance duties both underground and on the surface. All access to the property will be controlled either by locked gates or suitable barriers. The entrance to the main office parking will be open from 6:00 a.m. until 5:00 p.m. Before or after these times, access will be restricted and only authorized personnel will be allowed onto the property after being cleared through security.

The duration of the mine's idle status is unknown at this time. However, both the surface and underground will be maintained during this idle period in such a manner as to allow for the restart of full mining operations. If you have any questions regarding the idling of the Skyline Mine, please give me a call at (435) 448-2669.

Sincerely:

Chris D. Hansen
 Environmental Coordinator
 Canyon Fuel Company, LLC.

RECEIVED

JUN 01 2004

DIV. OF OIL, GAS & MINING