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Incoming C0070005 of



United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
P.O. Box 46667
Denver, Colorado 80201-6667

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IN REPLY REFER TO:

DIV. C

March 1, 2006

UT-0003

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

Dear Mr. Meadors:

On February 24, 2006, the Department of the Interior approved a mining plan modification for Federal lease UTU67939 at Canyon Fuel Company LLC's Skyline Mine. This mining plan action relates to Federal lands associated with the Utah Department of Natural Resources, Division of Oil, Gas, and Mining's State Decision Document, Canyon Fuel Company, LLC, North Lease - UTU-67939, Full Extraction Mining, Skyline Mine, C/007/0005 approved on December 2, 2005.

I have enclosed a copy of the mining plan approval document and associated map for this new mining plan. Please read the terms and conditions of the mining plan approval document carefully. Mining and reclamation operations must be conducted in accordance with both the Utah state permit and the approved mining plan.

The February 24, 2006, approval allows you to begin full extraction by longwall mining methods in the Lower O'Connor "A" coal seam, in the of the North Lease Tract, Federal coal lease UTU-67939, within the area covered by Utah State permit ACT/007/0005.

If you have any questions, please contact me at (303) 844-1400, extension 1500.

Sincerely,

Carl R. Johnston, Project Manager

Enclosure

- cc: BLM - Utah State Office
- BLM - Price Field Office
- U.S. Forest Service - Manti-La Sal National Forest
- Utah Department of Natural Resources
- OSM - Denver Field Division

FILE NO: C/0070005 *Guernsey*
 Refer to:
 Confidential
 Shelf
 Expandable
 Date: *03/01/06* for additional information

