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Canyon Fuel
Company, LLC.
Skyline Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

Gregg Galecki, Environ. Coordinator
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Helper, UT 84526
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*Incoming
C/007/0005
Task ID # 2754*

March 2, 2007

Ms. Pam Grubaugh-Littig
Permit Supervisor
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

RE: Re-mining of Scofield Waste Rock Pile – Supplemental Information, Canyon Fuel Company, LLC, Skyline Mine, C/007/005, Task ID #2754

Dear Ms. Grubaugh-Littig:

Please find enclosed with this letter supplemental modifications to the M&RP to address re-mining of Skyline Mines high ash coal from the Waste Rock site located adjacent to Scofield, Utah. Mr. Wayne Western requested a modification to include a statement address movement of topsoil / subsoil. The supplemental information provided is intended to serve as a replacement for the information submitted February 13, 2007.

The planned process is to set up a temporary screening plant to screen the high ash coal from the Waste Rock pile, the high ash coal being sold to Covol Engineered Fuels, LLC, of Wellington, Utah, and the remaining rock to be permanently placed in the Waste Rock site.

In the event that topsoil/subsoil needs to be removed from areas that have been contemporaneously reclaimed, the topsoil will be placed in an approved topsoil storage area.

Please note that all pertinent fees and royalties will be paid on the high ash coal as it is sold. The reclamation plan of returning the area to the Approximate Original Contour (AOC) has not changed.

The submittal includes completed C1 and C2 forms, and eight (8) copies of both clean and redline versions of the text modifications.

If you have any questions, please call me at (435) 448-2636.

Sincerely,

A handwritten signature in cursive script that reads "Gregg A. Galecki".

Gregg A. Galecki
Environmental Coordinator, Skyline Mine
Canyon Fuel Company, LLC

RECEIVED
MAR 09 2007
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: Supplemental information for re-mining the Waste Rock Pile.

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

Remining of Waste Rock pile. Task ID #2754

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.

Wesley K. Sorenson
Print Name

Wesley K. Sorenson
Sign Name, Position, Date
General Manager
3/2/07

Subscribed and sworn to before me this _____ day of _____, 20____

Notary Public

My commission Expires: _____, 20____ }
Attest: State of _____ } ss:
County of _____

For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining RECEIVED MAR 09 2007 DIV. OF OIL, GAS & MINING
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not exceeding two feet in thickness. The permittee is not responsible for the already existing coal fires in the area. However, they will extinguish any fires which may occur in underground development waste material that they deposit at the site. Only employees who have been trained and authorized by the operator will be used to extinguish these potential fires. These employees will follow a plan approved by MSHA and the Division. No burning coal or burned coal mine waste will be removed from the permitted area without approval of the Division.

The compacted layers of fill will be sloped to direct any surface runoff to ditches on the edges of the pile. The ditches collect and direct any drainage from the disturbed disposal area into the sediment pond (Map 3.28-2A).

Shrubs that are along the north and west sides of the disposal area will be removed just prior to the time the area they occupy will be covered with waste rock.

The material will be placed in compacted two foot layers and sloped to the east on a 2:1 slope (Map 3.2.8-2). When an approximate overall twenty foot lift is reached, it, and each succeeding 20' lift, will be reclaimed as outlined in section 4.6.4.1.

On occasion, should economics warrant the process, the Waste Rock pile may be re-mined and screened (on site) with the screened product sold as high-ash coal. Sufficient waste rock will remain in the pile to establish Approximate Original Contours (AOC) at reclamation. If an area to be re-mined has had topsoil placed in conjunction with contemporaneous reclamation, topsoil/subsoil will be stripped and stored in an approved location.

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