

0054



Canyon Fuel Company, LLC. Skyline Mine

A Subsidiary of Arch Western Bituminous Group, LLC

File in: C/007/005, 2007, Incoming
Refer to:
Confidential
Shelf
Expandable
Date: 8/30/07 For additional information

Gregg Galecki, Environ. Engineer
HCR 35, Box 380
Helper, UT 84526
(435) 448-2636 - Office
(435) 448-2632 - Fax

August 30, 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

RECEIVED
AUG 30 2007
DIV. OF OIL, GAS & MINING
#2844

RE: Response to Deficiency letter to Waste Rock Pile Expansion - May 2007 submittal, Canyon Fuel Company, LLC, Skyline Mine, C/007/005, Task ID # 2800

Dear Ms. Grubaugh-Littig:

The following is in response to your July 6, 2007, letter outlining deficiencies or items that required additional clarification. As discussed with Ms. Dana Dean, Sections 14 and 15 of Volume 5 in the M&RP have been significantly modified in this application. Calculations of structures that either no longer exist, or that have been modified have been replaced. Some calculations that exist in the Mine's Volume 5 have been resubmitted in this application because they are apparently missing from the Division M&RP. Both Sections 14 and 15 have been submitted in their entirety, including a table of contents for each section.

One item to note in the calculations is the amount of precipitation per the prescribed storm event is lower in the current calculations. In the calculations currently in Volume 5, the 10 year, 24 hour storm event is 2.34 inches, which is comparable to the Mine site event. Using National Oceanic & Atmospheric Administration (NOAA) data site specific for the Waste Rock site, the same storm event totals 1.99 inches.

R645-301-830.130 and -830.140; Modifications to the bond that were created under the direction of Mr. Wayne Western on a meeting conducted 7/20/07 are included.

R645-301-222; The January 2007 Soil Survey conducted by Clement Drilling and Geophysical has been modified and re-submitted to include the following information: 1) the resume of Craig M. Clement of Clement Drilling and Geophysical, Inc. 2) a map illustrating the location of the soil pits; 3) soil analysis from the horizons identified in the two (2) pits; 4) soil pit log SP-1 has been modified to eliminate the reference to manmade materials; 5) both soil pit logs have been modified to indicate that bedrock was not encountered but it was close; and 6) a description of the site reconnaissance was added.

R645-301-742.221.32; The expired NPDES permit UT-0023540 located in Section 2.3, Exhibit 2.3-1 and Volume A-1 have been removed. Exhibit 2.3-1 has been modified to only to demonstrate a valid permit exists, the current effluent limitation, and where permit updates are maintained. Keep in mind, the permit information supplied is current only until the next modification.

R645-301-742.300; Volume 5 Section 14 has been overhauled. A section table of contents has been added to Volume 5 Section 14. The location of the designs and calculations of the five (5) swales and seven (7) ditches illustrated on Plate 3.2.8-1 are as follows:

- Swales SW-13 and SW-14 could not be located; their designs and calculations have been re-done in SedCad and will be incorporated into Volume 5, Section 14.
- Swale SW-17 is located in the Mine Volume 5, Section 14, pages 29 through 32, respectively, but was not in the DOGM permit. The corresponding pages will be copied and re-submitted for incorporation. Swales SW-18 and SW-19 although were located in Volume 5, Section 14, pages 33 and 34, have been redesigned in conjunction with Ditch UD-6 whose calculations could not be located. The swale designs are located in Volume 5, Section 14 - see section table of contents.
- Ditches UD-6A through UD-6C, have been redesigned in SedCad and will be incorporated in Volume 5, Section 14 - see section table of contents.
- Ditches DD-14 and DD-15 could not be located, their designs and calculations have been re-done in SedCad and will be incorporated into Volume 5 Section 14 - see section table of contents.

- Ditches UD-4 and UD-7, along with the Decant pipe and Plunge Pool from decant pipe are located in Volume 5 Section 15 – see section table of contents.

R645-301-746.212; The Earthfax report has been modified to reflect the 100-yr, 6-hr precipitation event for ditches DD-16 and DD-17. The upper portion of DD-16 requires armoring. The Mine is considering using a half-round pipe made of HPDE or CMP as an alternative to rip-rap. Calculations for both are included. Based on other minor changes associated with the change in precipitation event, the entire Earthfax report has been resubmitted. The copies of the original ditch designs for DD-16 and DD-17 are still located in Volume 5, Section 14 in the event expansion does not take place – which requires modification to DD-16. The Section 14 table of contents clearly identifies the designs and directs reader to Section 15 for expansion designs.

R645-301-746.340; The MRP now has a statement indicating water will be evacuated from the pond if more than 10% of the designed storm event is present in the pond 10 days after the designed storm event occurred.

R645-301-742.212; The 'certification statements' in the M&RP located on pages 3-19 through 3-22 are outdated, redundant, and unnecessary since the drawings and calculations for the ponds are P.E. certified. These pages have been removed from the M&RP and replaced by a blank page indicating these pages have been removed.

R645-301-742.100; Although the permit area has increased, the size of the disturbed area remains the same in ASCA 24. Since no additional disturbed area has been added to ASCA 24, not modifications were necessary.

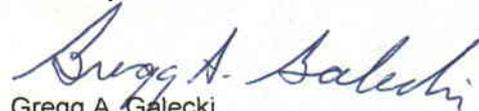
R645-301-744.100; SedCad designs and calculations for ditch UD-4, the plunge pool, and ditch UD-7 and UD-4 are located in Volume 5 Section 15, see Section 15 table of contents.

R645-301-761; All the Operational information has been addressed above – fulfilling the requested requirements for reclamation.

Also included in this response are the quantitative vegetation report conducted in June 2007, and the raptor report that was conducted in May 2007. Skyline Mine committed to conducting the quantitative vegetation report titled, "Vegetation of the Waste Rock Expansion Site", in the original submittal but was waiting until the proper weather conditions. The raptor survey titled, "Waste Rock Area Raptor, Northern Goshawk, and Incidental Species Surveys", was conducted on request by UDWR personnel Leroy Mead.

We at Skyline Mine, appreciate your review of this application. Please call me at (435) 448-2636 if you have any questions.

Sincerely,



Gregg A. Galecki
Environmental Engineer, Skyline Mine
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: Skyline Waste Rock Pile Expansion - Response to Task #2800.

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

Skyline Waste Rock Pile Expansion - Response to Task #2800.

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: 12.65 Disturbed Area: 5.13 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 8/29/07

Subscribed and sworn to before me this 29th day of August, 2007

Kathleen Atwood
Notary Public
My commission Expires: 12/2, 2007
Attest: State of Utah } ss:
County of Carbon



<p>For Office Use Only:</p>	<p>Assigned Tracking Number:</p>	<p>Received by Oil, Gas & Mining</p> <p style="text-align: center; color: red; font-weight: bold; font-size: 1.2em;">RECEIVED</p> <p style="text-align: center; color: red; font-weight: bold; font-size: 1.2em;">AUG 30 2007</p> <p style="text-align: center; color: red; font-weight: bold; font-size: 0.8em;">DIV. OF OIL, GAS & MINING</p>
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APPLICATION FOR COAL PERMIT PROCESSING

Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: Canyon Fuel Company, LLC

Mine: Skyline Mine

Permit Number: C/007/005

Title: Skyline Waste Rock Pile Expansion - Response to Task ID #2800

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED

<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Section 2.3, Exhibit 2.3-1
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Section 3.2, Page 3-18a, 3-23
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input checked="" type="checkbox"/> Remove	Section 3.2, remove pages 3-20 through 3-22
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Section 3.2, after page 3-19 insert page indicating 3-20 through 3-22 are intentionally blank
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Section 3.2, page 3-23
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Section 4.3, Bond Total Page, Earthwork Summary Page, Earthwork Waste Rock Disposal 09 page
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Appendix Volume A-2 Volume 2, Soil Survey - Clement Drilling, January 2007, revised July 25, 2007
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Appendix Volume A-2, Volume 2, Vegetation of the Waste Rock Expansion Site, Mt Nebo Scientific, Inc, June 2007
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Appendix Volume A-2, Volume 2, Waste Rock Area Raptor, Northern Goshawk, and Incidental Species Surveys, Tetra Tech, June 1, 2007
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Appendix Volume A-2 Volume 2, Table of Contents
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Volume 5 Engineering Calculations, Section 14
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input checked="" type="checkbox"/> Remove	Volume 5 Engineering Calculations, Section 15
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Volume 5 Engineering Calculations, Analysis of Sedimentation Pond Capacity following Waste Rock Pile Expansion, Skyline Mine, Scofield, Utah, EarthFax Engineering, August 2007
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Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.

Eight (8) redline/strikeout copies and eight (8) clean copies submitted.

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