

2.2.11 Plans for Casing and Sealing Holes

All exploration drill holes not completed as ground water monitoring wells will be plugged and abandoned using procedures specified by the BLM or the Division. Typically, exploration holes are backfilled with cement to a point at least thirty feet above the uppermost mineable coal seam. A bentonite grout is then placed on top of the cement to within 100 feet of the surface. Surface casings will be removed to at least two feet below ground surface if possible. The remainder of the hole is filled to the surface with a neat cement grout. Occasionally, the governing agency may request a survey monument be placed in the cement cap.

If the exploration hole is to be completed as a monitoring well, it will be constructed by a State licensed driller and in accordance with the requirements set forth by the State Engineer's Office for monitoring well completions. Typical well construction will be as follows. Well screen with appropriately sized apertures and steel casing will be installed in the drill hole to below the lowest mineable coal zone in water-bearing strata. The screened zone will be sand packed and sealed from overlying strata with at least 2 feet of bentonite and the overlying hole annulus will be cemented to the surface. Well casing with a locking lid will be left at the surface extending above the surface approx. 2 ft. The wellhead will be properly identified with either a brass marker or a welded-on identification.

Once a ground water monitoring well is no longer in use, it will be completely plugged with a cement or cement/bentonite slurry to the to ground surface. The wellhead and casing will be removed to at least two feet below ground surface when possible. The surface will be reclaimed to approximate original contour.

In 2009, two (2) drill holes were developed to transfer rock dust from the surface to the underground workings. Each 3.5-inch hole (3-inch I.D) is approximately 255 feet in length, and completed with steel casing. At reclamation, the abandonment procedure outlined for exploration holes (at beginning of this section).

Revised: 6/16/09

File in:

Confidential

Shelf

Expandable

Refer to Record No 0039 Date 07222009

In C 00700052009 Subsiding

For additional information

2-21(a)

0039



Canyon Fuel Company, LLC. Skyline Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

COPY

C/007/0005 Incoming CC: Priscilla

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

#3342 G

July 22, 2009

Mr. James D. Smith Division of Oil, Gas, and Mining 1594 West North Temple Salt Lake City, Utah 84114-5801

RE: Conditional Approval Response, Rock Dust Transfer Lines, Canyon Fuel Company, LLC, Skyline Mine, C/007/005, Task ID #3342

Dear Jim:

Attached to this letter is the requested information outlined in the Conditional Approval letter received from you dated July 16, 2009. To simplify the incorporation process, five (5) complete clean copies of the information is included.

Attached to this cover letter are completed C1 and C2 forms, five (5) copies of the clean text, the bond information, and five (5) clean copies of Plate 3.2.1-1. One copy of the submittal was delivered directly to the Price Field Office.

If you have any questions regarding this information, please give me a call at (435) 448-2636.

Sincerely:

Handwritten signature of Gregg A. Galecki

Gregg A. Galecki Canyon Fuel Company, LLC. Environmental Engineer - Skyline Mines

Enclosures

File in: C/007/0005 2009 Incoming Refer to: Confidential Shelf Expandable 07222009

RECEIVED JUL 21 2009 DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

COPY

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: Skyline Mine

Permit Number: C/007/005

Title: Rock Dust Transmission Lines

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

Clean copies of submittal - Task ID #3342

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.

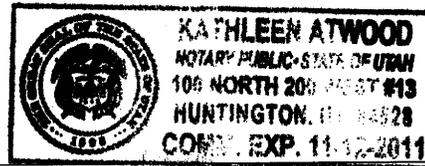
Wesley K Sorensen
Print Name

Wesley K Sorensen
Sign Name, Position, Date
General Manager 7/22/09

Subscribed and sworn to before me this 22nd day of July, 2009

Kathleen Atwood
Notary Public

My commission Expires: 11-12, 2011
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 align="center">RECEIVED</p> <p align="center">JUL 27 2009</p> <p align="center">DIV. OF OIL, GAS & MINING</p>
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Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$1,938,518
Subtotal Backfilling and Grading	\$941,073
Subtotal Revegetation	\$876,537
Direct Costs	\$3,756,128

Indirect Costs

Mob/Demob	\$375,613	10.0%
Contingency	\$187,806	5.0%
Engineering Redesign	\$93,903	2.5%
Main Office Expense	\$255,417	6.8%
Project Management Fee	\$93,903	2.5%
Subtotal Indirect Costs	\$1,006,642	26.8%

Total Cost 2006	\$4,762,770
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Escalation factor		4
Number of years		0.012
Escalation	\$92,879	

Reclamation Cost Escalated	\$4,855,649
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Bond Amount (rounded to nearest \$1,000) 2009 Dollars	\$4,856,000
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Posted Bond September 19, 2006	\$5,137,000
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Difference Between Cost Estimate and Bond Percent Difference	\$281,000 5.79%
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Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost	
	Rock Dust Bld 17																				
	Structure's Demolition Cost	Steel Bld. Large	02220 110 0012	0.26 /CF	CF													15504	CF	4031	
	Structure's Vol. Demolished																	0	CF		
	Rubble's Weight (exclude steel)																				
	Truck's Capacity																				
	Paulage																				
	Transportation Cost Non Steel Truck																				
	Transportation Cost Non Steel Drive																				
	Disposal Cost Non Steel																				
	Steels Weight	City Services	City Service Price	4 /CY	CY													0	CY	0	
	Truck's Capacity																				
	Paulage																				
	Transportation Cost Steel Truck																				
	Transportation Cost Steel Truck Drive																				
	Disposal Cost Steel																				
	Subtotal																				4031
	Equipment's Disposal Cost																				
	Dismantling Cost																				
	Equipment's Vol. Demolished																				
	Loading Costs																				
	Transport Costs																				
	Disposal Costs																				
	Subtotal					255			0.2558									0.9644	CY	193	
	Sealing Transfer Lines	Concrete filling of boreholes (2)		200 /CY	CY																
	Concrete Demolition	Concrete demolition	ConcreteDemo1	6.81 /CY	CY																
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost	Front end loader 3 CY	02315 424 1300	1.43 /CY	CY																
	Disposal Cost	12 CY (16 ton) Dump Truck 1/2 mi. md. trip	02315 450 0320	3.49 /CY	CY																
	Disposal Costs	On site disposal	02220 240 3350	7.75 /CY	CY																
	Subtotal																				193
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				470
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				129
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				314
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				896
	Total																				5854.88

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost	
	Shop Warehouse 01																				367595
	Administration Bld 02																				25308
	Mine No. 1 Transfer Tower 03																				35853
	EC 2 Dine House 04																				8893
	EC 3 Dine House 05																				36369
	Crusher Raw Coal 06																				18741
	Truck Loadout 07																				2592
	Ballast Loadout 08																				21764
	Conveyors 8 total 09																				87798
	Water Tanks Five 10																				6084
	Pump House 11																				1233
	Well House Three 12																				4428
	Water Treatment Bld 13																				16600
	Misc Storage Bld 14																				3009
	Overland Conveyor 15																				88532
	Guard Rail 16																				18300
	Rock Dust Bld 17																				5635
	Overland Dust Collector 18																				1248
	Substation 19																				1980
	Power Line 20																				4605
	Coal Magazine 21																				33
	Pied Storage 22																				2954
	Stoppers 23																				527
	Stacking Tubes 24																				5516
	Stations 25																				45632
	Slope Protection Arvon 26																				17532
	Concrete Lined Ditch 27																				485
	Concrete Silo 28																				15831
	Rock Concrete Middle 29																				2451
	Paving Area Foundation 30																				3796
	Truck Pad Tower 31																				233
	Silo Rail Loadout 32																				140333
	Silo Rail Loadout 33																				5769
	Leadout Foundation 34																				1215
	Prevent Rail Loadout 34																				6975
	Steel 35																				142752
	James Canyon 36																				6132
	Clutter Bouldering 37																				529279
	Channel Construction 38																				245525
	Equipment 39																				5823
	Portal Face Door 40																				2158
	Concrete Building 41																				
	Total																				1,838,577.9