

0045

2007005 Incoming #3360



Canyon Fuel Company, LLC. Skyline Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

COPY

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

K

August 3, 2009

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

RE: Rail Loadout Asphalt – Construction approval, Canyon Fuel Company, LLC, Skyline Mine, C/007/005,

Dear Jim:

Attached to this letter is pertinent information requesting approval to initiate asphaltting the road in the Lower Rail Loadout area. The asphalt would begin at the existing concrete at the entrance, continue around the Silos and to the scales. The work would eliminate all existing gravel in the lower yard. The permit modification consists of: 1) Plate 3.2.1-3 Loadout Facilities Drainage and Permit Boundary Map illustrating the asphalt, and 4) the appropriate adjustments to the Reclamation bond to accommodate demolition and disposal of the asphalt.

Attached to this cover letter are completed C1 and C2 forms, five (5) copies of both redline/strikeout and clean text of the bond information, five (5) clean copies of Plate 3.2.1-3, and one (1) Compact Disc (CD) containing the complete submittal package. 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:

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

Enclosures

RECEIVED

AUG 10 2009

DIV. OF OIL, GAS & MINING

File in:

Confidential

Shelf

Expandable

Refer to Record No. 0045 Date 08032009

In C 007005 2007 Incoming

For additional information

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: Rail Loadout Asphalt

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

Changes made to Surface Facility Map and bond calculationsto accommodate asphalt installation.

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 8/3/09

Subscribed and sworn to before me this 3rd day of August, 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>RECEIVED</p> <p>AUG 10 2009</p> <p>DIV. OF OIL, GAS & MINING</p>
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Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$1,939,843
Subtotal Backfilling and Grading	\$941,073
Subtotal Revegetation	\$876,537
Direct Costs	\$3,757,453

Indirect Costs

Mob/Demob	\$375,745	10.0%
Contingency	\$187,873	5.0%
Engineering Redesign	\$93,936	2.5%
Main Office Expense	\$255,507	6.8%
Project Management Fee	\$93,936	2.5%
Subtotal Indirect Costs	\$1,006,997	26.8%

Total Cost 2006	\$4,764,450
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Escalation factor	4
Number of years	0.012
Escalation	\$92,911

Reclamation Cost Escalated	\$4,857,361
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Bond Amount (rounded to nearest \$1,000) 2009 Dollars	\$4,857,000
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Posted Bond September 19, 2006	\$5,137,000
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Difference Between Cost Estimate and Bond Percent Difference	\$280,000 5.76%
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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
	Shop Warehouse 01																			367595
	Administration Bld 02																			25308
	Mine No. 1 Transfer Tower 03																			35853
	BC 2 Drive House 04																			8893
	BC 3 Drive House 05																			36369
	Crusher Raw Coal 06																			18741
	Truck Loadout 07																			2592
	Railcar Loadout 08																			21764
	Conveyors 8 total 09																			87798
	Water Tanks Two 10																			6084
	Pump House 11																			1233
	Well House Threes 12																			4428
	Water Treatment Bld 13																			16600
	Misc Storage Bld 14																			3809
	Overland Conveyor 15																			86532
	Guard Rail 16																			18300
	Rock Dust Bld 17																			1248
	Overland Dust Collector 18																			1980
	Substation 19																			4605
	Power Line 20																			33
	Cap Magazine 21																			2954
	Fuel Storage 22																			527
	Promane Tanks 23																			5516
	Stacking Tube 24																			45632
	Reclaim Tunnel 25																			17532
	Slope Protection Apron 26																			485
	Concrete Lined Ditch 27																			15831
	Raw Coal Silo 28																			2451
	Parking Area Middle 29																			233
	Truck Loadout Foundation 30																			3796
	Road Pad Lower 31																			140333
	Site Rail Loadout 32																			5769
	Loadout Foundation RR 33																			2540
	Pavement Rail Loadout 34																			6975
	Steel 35																			142752
	James Canyon 36																			6132
	Culvert Backfilling 37																			529279
	Channel Construction 38																			245525
	Equipment 39																			5823
	Portal Face Door 40																			2158
	Concrete Building 41																			
	Total																			133883

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	Total																				1938423

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	Pavement Rail Loadout 34																				
	Structure's Demolition Cost																				
	Structure's Vol. Demolished																				
	Rubble & Weight (exclude steel)																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Non Steel Truck																				
	Transportation Cost Non Steel Drive																				
	Disposal Cost Non Steel																				
	Street's Weight																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Steel Truck																				
	Transportation Cost Steel Truck Drive																				
	Disposal Cost Steel																				
	Subtotal																				
	Equipment's Disposal Cost																				
	Remanufacturing Cost																				
	Equipment's Vol. Demolished																				
	Loading Costs																				
	Transport Costs																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Cost																				
	Subtotal																				
	Asphalt Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Cost																				
	Subtotal																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Cost																				
	Subtotal																				
	Total																				

Demolition Costs

Skyline Mine_Added Asphalt_Task _____

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	Pavement Rail Loadout 34																				
	Structure's Demolition Cost																				
	Rubble's Vol. Demolished																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Non Steel Truck																				
	Transportation Cost Non Steel Drive																				
	Disposal Cost Non Steel																				
	Steel's Weight																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Steel Truck																				
	Transportation Cost Steel Truck Drive																				
	Disposal Cost Steel																				
	Subtotal																				
	Equipment's Disposal Cost																				
	Dismantling Cost																				
	Equipment's Vol. Demolished																				
	Loading Costs																				
	Transport Costs																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Cost																				
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	Concrete's Vol. Demolished																				
	Loading Cost																				
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	Subtotal																				
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	Disposal Cost																				
	Subtotal																				
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	Demolition Cost																				
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	Loading Cost																				
	Transportation Cost																				
	Disposal Cost																				
	Subtotal																				
	Total																				2540