



Canyon Fuel
Company, LLC.
Skyline Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

#3597

K

C/007/005 Incoming

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

July 27, 2010

Mr. Daron R. Haddock
Division of Oil, Gas, and Mining
1594 West North Temple
Salt Lake City, Utah 84114-5801

RE: Winter Quarters Access Road, Canyon Fuel Company, LLC, Skyline Mine, C/007/005,

Dear Daron:

Attached to this letter is pertinent information for upgrading the existing road located in Winter Quarters Canyon necessary to access the Winter Quarters Ventilation Facility (WQVF) during the construction period. The road will be improved to be used as an ancillary road during construction of the Winter Quarters Ventilation Facility. The upgraded road will not be used to transport coal or spoil. After pad construction, the road will not be used for regular mining activities, and will continue to be used by the landowner for the pre- and post-mining land uses between construction and reclamation of the WQVF pad.

During lease negotiations with the Allred Family trust, Canyon Fuel Company representatives initially thought the Allred Family intended to improve and maintain the access road themselves as a condition of the lease. In the end, the Allred Family trust decided that Canyon Fuel Company - Skyline Mine would improve and maintain the access road as a condition of the lease/easement. Following the construction period, maintenance of the road will be returned to the Allred family. Had Mine representatives been aware of the Allred Family's intent on arranging an easement, Skyline Mine personnel would have included the improvements to the existing access road in the initial Winter Quarters Ventilation Facility submittal.

Attached to this cover letter are completed C1 and C2 forms, three (3) redline-strikeout copies of text of the M&RP modified information, numerous plates, an engineering report detailing the road upgrades, a cultural resource report identifying no adverse impacts with the road improvements, and one (1) Compact Disc (CD) containing the complete submittal package. The majority of the plate modifications address adding the Winter Quarters Access road to the permit area. Only plates 3.2.11-B-1 and 3.2.11-B-2 specifically address the upgrades to the existing road.

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

File In C/0070005 Incoming
Date: 07272010 Refer to:

Confidential
 Shelf
 Expandable

RECEIVED

JUL 27 2010

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: Winter Quarters Ventilation Facility

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

Winter Quarters Access road

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: 4.90 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 three (3) copies of the application. (This number includes 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 7/27/10

Subscribed and sworn to before me this 27 day of July, 2010

Susan Rosenberg
Notary Public



My commission Expires: see stamp 20
Attest: State of Utah } ss:
County of San Juan

<p>For Office Use Only:</p>	<p>Assigned Tracking Number:</p>	<p>Received by Oil, Gas & Mining</p> <p style="font-size: 24px; color: red; font-weight: bold;">RECEIVED</p> <p style="font-size: 24px; color: black; font-weight: bold;">JUL 27 2010</p> <p style="color: red; font-weight: bold;">DIV. OF OIL, GAS & MINING</p>
------------------------------------	---	--

