



Canyon Fuel
Company, LLC.
Skyline Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

Gregg Galecki, Environ. Engineer
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September 8, 2011

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

RE: Water Monitoring Modification, Canyon Fuel Company, LLC, Skyline Mine, C/007/005,

Dear Daron:

Attached to this letter are modifications to Plate 2.3.6-1 – Location of Hydrologic Monitoring Stations, and Chapter 2, Section 2.3, page 2-35c which outlines the proposed modifications.

The proposed modifications to Plate 2.3.6-1 include the removal of well W20-4-2 which has breached at approximately 700 feet below the surface, which is approximately 375 feet above the last water level reading. Numerous attempts to acquire water level readings over the last three water monitoring cycles have been unsuccessful.

The other modification includes adding piezometers located in Woods Canyon, that are already in the permit (Figure 2.3.7-1, Page 2-38a), to Plate 2.3.6-1, and modifying the text description in Chapter 2, Section 2.3.7, page 2-35c to better reflect the number of piezometers being monitored.

Submitted electronically to the Division NetStorage website in Adobe Acrobat format are the following files:

- This cover letter
- Plate 2.3.6-1
- Section 2.3 of the M&RP
- Table 2.3.7-1
- C1 and C2 forms

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

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: Water Monitoring Modification

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

Addition of Woods Canyon piezometers, removal of well W20-4-2; need implementation by 10-1-11

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: ___ Disturbed Area: ___ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice publication? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? <i>Explain:</i> _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2) |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |

Information submitted electronically in Adobe Acrobat .pdf format. (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 Sorenson
Print Name

Wesley K Sorenson
Sign Name, Position, Date

Subscribed and sworn to before me this 9th day of Sept., 2011

Kathleen Atwood
Notary Public

My commission Expires: 11-12, 2011
Attest: State of Utah } ss:
County of Carbon



| | | |
|-----------------------------|----------------------------------|--|
| For Office Use Only: | Assigned Tracking Number: | Received by Oil, Gas & Mining |
| | | |

should be accessible for the next several years. The results of the analyses will be monitored for changes in ages that may indicate changes in the source of the mine water inflows. These samples will be obtained as outlined in Table 2.3.7-1.

Samples of water discharging from springs 8-253 (Flat Canyon area), 2-413 (James Canyon), S24-1 (Sulfur Spring in Huntington Canyon), and S15-3 (Upper Huntington Creek) will be collected during the 2nd Quarter (April - June) and 4th Quarter (October - December) monitoring period and analyzed for tritium content. Additional tritium samples will be obtained from EL-1 (inflow to Electric Lake above JC-1 and JC-3 discharge) and EL-2 (outflow from Electric Lake) during the 2nd, 3rd, and 4th Quarter water monitoring periods. These samples will be collected for a period of three years beginning in the spring of 2004. The purpose of collecting these tritium samples, along with the tritium samples from JC-1, is to monitor the change in tritium content, if any, in the local aquifers and Electric Lake during spring, summer, and fall and over the three year period.

Surface-water will be monitored in the vicinity of the Winter Quarters Ventilation Facility (WQVF) by two (2) stream sites located both up- and downstream of the site, CS-20 and CS-24, respectively. The stream sites will monitor the surface-water ensuring neither the shaft or slope is compromising the surface water system. Groundwater Well 08-1-5 screened from 297-317 feet below the surface and will monitor the water elevation below the coal seam. No springs exist on the south facing slope where the WQVF pad is located. Spring WQ1-1 is located on the north-facing slope, is approximately 1/4-mile east of the WQVF pad and monitors near surface groundwater south and east of the WQVF site.

Both surface-water and groundwater monitoring sites were added in Woods Canyon as mining was extended to the east in Section 36, T12S, R6E. CS-25 will monitor stream flow downstream of all mining activity. Shallow ground water along Woods Canyon Creek will be monitored by piezometers WC-1, WC-3N, WC-3S, WC-5N, WC-5S, WC-7N, WC-7S, WC-9N, and WC-9S. Spring WQ36-1 will monitor groundwater within the Blackhawk formation above active mining areas.

Deleted: and

Revised: 9-8-11

2-35c

Deleted: 16-10

Table 2.3.7-1
Comprehensive Water Quality Analytical Schedule
(Surface and Ground Water Stations)
(continued)

| Sample Site | 1st Quarter | | | | | 2nd ² / 3rd ³ / 4th Quarters | | | | | | | | | | | | | |
|--|-----------------------------|--------------------------------------|--------------|------------------|---------------|--|-----------------------------|---|----------------|--------------|-----------------------|----------------------------|------------------|---------------|-------|-----------|---------|-----------|-----------|
| | Lab Analysis ^{a,b} | Field parameters only ^{a,1} | Monthly Flow | Dissolved Oxygen | TDS, TSS, T-P | O & G | Lab Analysis ^{a,b} | Qtrly Field parameters* only ¹ | Quarterly Flow | Monthly Flow | Monthly Seasonal Flow | Quarterly Water Level Only | Dissolved Oxygen | TDS, TSS, T-P | O & G | Carbon 14 | Tritium | Deuterium | Oxygen 18 |
| Wells | | | | | | | | | | | | | | | | | | | |
| JC-1 | | X | | | | | X | X | | | | X | | X | X | X | X | X | X |
| JC-3 | | X | | | | | X | X | | | | X | | | | | | | |
| ELD-1 | | X | | | | | | X | | | | | | | | | | | |
| WC-1 thru WC-9S (See Section 2.3.7) | | | | | | | | | | | X | | | | | | | | |
| W79-10-1B | | | | | | | | | | | X | | | | | | | | |
| W79-14-2A | | | | | | | | | | | X | | | | | | | | |
| W79-26-1 | | | | | | | | | | | X | | | | | | | | |
| W79-35-1A | | | | | | | | | | | X | | | | | | | | |
| W79-35-1B | | | | | | | | | | | X | | | | | | | | |
| W2-1(98-2-1) | | | | | | | | | | | X | | | | | | | | |
| W20-4-1 | | | | | | | | | | | X | | | | | | | | |
| W20-4-2 (remove) | | | | | | | | | | | X | | | | | | | | |
| W99-4-1 | | | | | | | | | | | X | | | | | | | | |
| W99-21-1 | | | | | | | | | | | X | | | | | | | | |
| W20-28-1 | | | | | | | | | | | X | | | | | | | | |
| 91-26-1 | | | | | | | | | | | X | | | | | | | | |
| 91-35-1 | | | | | | | | | | | X | | | | | | | | |
| 92-91-03 | | | | | | | X | | | | | | | | | | | | |
| 08-1-5 | | | | | | | | | | | X | | | | | | | | |

* Field Measurements and Laboratory Analyses are defined in Table 2.3.7-2

^aField parameters will be taken in conjunction with samples collected for Lab Analyses

¹Sites with at least two (2) years of laboratory analysis data will be sampled once every five (5) years for the currently approved laboratory parameters in Table 2.3.7-2 beginning in 2010. If field parameter monitoring indicates any trending changes, regular laboratory analysis may be resumed until trend is adequately characterized.

²2nd Quarter sampling may extend to July 15 in years when spring snow conditions do not allow access before June.

³Baseline Lab Analysis will be conducted every five (5) years beginning in 2010 in the 3rd quarter. (ie. Years 2010, 2015, 2020, etc.)

** Flow measurements discontinued at CS-6 in 12/2009, lower Eccles flow documented with VC-9