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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

C0070005
Outgoing
#4092
R

June 15, 2012

Wess Sorensen, General Manager
Canyon Fuel Company, LLC
HCR 35, Box 380
Helper, Utah 84526

Subject: Determination of Administrative Completeness for North Lease Modification, Canyon Fuel Company, LLC, Skyline Mine, C/007/0005, Task ID #4092

Dear Mr. Sorensen:

The Division has completed a review of the information you submitted on May 2, 2012. This application is considered to be administratively complete. A copy of our review worksheet is enclosed for your information and records.

At this time you should publish a Notice of Complete Application for the North Lease Modification of UTU-67939 to the Skyline Mine as required by R645-300-121. A copy of the publication should be sent to the Division as soon as it is available. You should also insure that a copy of the application is on file at the appropriate County Courthouse. The Division will complete a technical analysis, which must find that your application is technically complete. We anticipate that additional information may be necessary to make your application technically complete and look forward to working with you throughout the permitting process.

Please call me at (801) 538-5325 if you have any questions.

Sincerely,

Daron Haddock
Coal Program Manager

DRH/PWB/sqs

Enclosure

cc: Price Field Office

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**ADMINISTRATIVE COMPLETENESS REVIEW WORKSHEET
(R645-100)**

DATE: June 15, 2012

REVIEWER(S): Priscilla Burton, Ken Hoffman, Ingrid Campbell, James Owen, April Abate, Suzanne Steab

APPLICANT: Canyon Fuel Company, LLC

MINE NAME: Skyline Mine FILE NO.: C/007/005

"Administratively Complete Application" means an application for permit approval or approval for coal exploration, where required, which the Division determines to contain information addressing each application requirement of the State Program and to contain all information necessary to initiate processing and public review.

Directions: The categories listed below correspond to the minimum requirements for information necessary to initiate processing and public review. If a category is checked the Applicant has met the Completeness requirement for that category. If a category is not checked, the Completeness requirements have not been met. The comments column will identify the deficiency and what is necessary to correct it.

Comments

| | | | Comments |
|---------|--|----------|--|
| 301-112 | Identification of Interests | <u>X</u> | |
| 100 | Applicant's Business Structure | <u>X</u> | no change |
| 210 | Applicant's Name/Address/Phone | <u>X</u> | no change |
| 220 | Resident Agent's Name/Address/Phone | <u>X</u> | no change |
| 230 | Name/Address/Phone of AML Fees Payer | <u>X</u> | no change |
| 300 | Corporate Structure & Ownership | <u>X</u> | Current information in MRP General Contents volume. |
| 400 | Identify Other Mining Operations in US | <u>X</u> | no change |
| 500 | Surface & Mineral Ownership | <u>X</u> | Information is provided on Dwg 1-6.3 and 1-6.1 and in Right of Entry Section 114 of the MRP. |
| 600 | Ownership Contiguous to Permit | <u>X</u> | no change |
| 700 | MSHA Numbers | <u>X</u> | no change |
| 800 | Interest in Contiguous Lands | <u>X</u> | no change |

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| 301-113 | Violation Information | <u>X</u> | 5/2/12 AVS Evaluation indicates no violations associated with permit. |
| 100 | Suspension or Revocation Information | <u>X</u> | no change |
| 300 | List of Violations - 3 Previous Years | <u>X</u> | no change |

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| 301-114 | Right of Entry | <u>X</u> | A deficiency will be written regarding figures presented on revised Table 1.114 which may not correlate with previous table. Second deficiency regarding total underground coal mining and reclamation lease acreage on p. 1-39 which appears to be greater than total lease acreage (given on Table 1.114) + surface disturbance acreage (given on p. 1-37). |
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| 301-115 | Status of Unsuitability Claims | <u>X</u> | no change |
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| 301-116 | Permit Term | <u>X</u> | 5 yr permit is dated 4/30/2012, with successive right of renewal. Mine plan extends life of mine for 7 years to 2019. |
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| 301-117 | Insurance | <u>X</u> | Current Certificate of Liability Insurance on file with Division 7/31/11 to 7/31/12. Draft of publication will be revised to include a map to clearly identify the location of the lease expansion location (R645-301-121.120). NA |
| | Proof of Publication | <u>X</u> | |
| | Facilities and Structures Used in Common | — | |

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| 301-118 | Filing Fee | — | N/A |
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| 301-123 | Notarized Signature of Responsible Official | <u>X</u> | Wesley K Sorensen, General Manager 4/30/2012. |
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| 301-130 | Information Collection: Technical Data Accompanied by Names of Persons or Organizations that Collected and Analyzed the Data - Dates of Collections - and Analysis of the Data and Description of the Methodology Used to Collect and Analyze Data | — | |
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| 301-200 | Soils | <u>X</u> | |
| 211 | Description of Pre-mining Soil Resources | — | N/A no surface disturbance |
| 221 | Prime Farmland Investigation | <u>X</u> | Updated discussion Sec. 2.14 p. 2-161, but did not provide the referenced correspondence from Joe Dyer in Appendix Volume A-2. |
| 222 | Soil Survey | — | N/A no surface disturbance |
| 224 | Substitute Topsoil Info (When Proposed) | — | N/A no surface disturbance |
| 230 | Operation Plan Topsoil Handling/Removal/Storage | — | N/A no surface disturbance |
| 240 | Reclamation Plan Soil Redistribution/Stabilization | — | N/A no surface disturbance |

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| 301-300 | Biology | <u>X</u> | |
| 320 | Vegetation Information | <u>X</u> | A vegetation study is provided in Appendix A-2 |
| 322 | Fish and Wildlife Information | <u>X</u> | A survey for threatened and endangered species is provided. No perennial streams are being undermined so no aquatic wildlife information was provided. No surface impacts are anticipated other than subsidence to effect wildlife. A raptor survey was conducted in 2011. |
| 323 | Maps/Photos Vegetation-Fish-Wildlife Areas | <u>X</u> | Vegetation types listed on incorporated plate 2.7.1-1a. No surface impacts are anticipated. |
| 330 | Operation Plan Vegetation-Fish-Wildlife Protection | <u>X</u> | No surface impacts anticipated. No extraction mining will occur under perennial streams. |

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| 341 | Reclamation Plan for Revegetation | <u>X</u> | No surface disturbance is anticipated |
| 342 | Fish & Wildlife Plan for Reclamation Phase | <u>X</u> | No surface disturbance is anticipated. Subsidence impacts to wildlife will be minimal. |

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| 301-400 | Land Use and Air Quality | <u>X</u> | |
| 411 | Pre-Mining Land Use Information (Includes Cultural Resources) | <u>X</u> | Section 2.12, grazing allotments. No cultural resource inventories are provided in application. However, CSES 95-1 includes an inventory of seismic lines on Granger Ridge. |
| 412 | Post-Mining Land Use Information | <u>X</u> | No change |

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| 301-500 | Engineering | — | |
| 510 520 | General Description of Operation Plan (Maps, Locations, Cross-Sections, Narrative, Descriptions & Calculations) | <u>X</u> | Maps depicting coal ownership, mine permit area, surface water rights, ground water rights, hydrologic monitoring points, land use, mining projections, and expected subsidence are included. |
| 522 | Coal Recovery Description | <u>X</u> | Map 3.3-2, five year mining projections, details coal recovery method and plans. Descriptions are also included in the application. |
| 523 | Mining Methods | <u>X</u> | Timing of operations is included in 3-Section 3.3. Map 3.3-2, five year mining projections, details coal recovery method and plans. |
| 524 | Blasting and Explosives Plan | — | N/A |
| 525 | Subsidence Control Plan | <u>X</u> | A pre-subsidence survey map for the North Lease was included with the application (dwg# 4.17-3-1A). The subsidence plan will comply with what is currently approved in the MRP. |
| 526 | Mine Facilities Description (Narrative, Plans, Maps) Including Existing Structures & Support Facilities | — | N/A |
| 527 | Transportation Facilities (Including Plans & Maps) | — | N/A |
| 528 | Coal Mine Waste Plans (Description & Designs) | — | N/A |

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| 529 | Management of Mine Openings (Design) | — | N/A |
| 531 | General Plans for Structures | — | N/A |
| 532 | Sediment Control | — | N/A |
| 533 | Impoundments | — | N/A |

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| 301-534 | Roads (Plans, Drawings, Designs, & Specifications) | — | N/A |
| 535 | Spoil | — | N/A |
| 536 | Coal Mine Waste | — | N/A |
| 537 | Regraded Slopes | — | N/A |
| 540 541-542 | Reclamation Narrative, Maps and Plans | — | N/A |
| 551 | Casing and Sealing Underground Openings | | N/A |
| 553 | Backfilling and Grading Description | — | N/A |

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| 301-600 | Geology | <u>X</u> | Geology description for the expansion area already covered in the MRP |
| 621 | Description of Geology (Permit & Adjacent Area) | <u>X</u> | Expansion Area is covered in the General Geologic Map DWG. No. 2.2.1-1 |
| 622 | Geologic Cross-Sections, Maps, and Plans | <u>X</u> | Winter Quarters Area (Sec. 35) and area to the north is covered on DWG. No. 2.3.4-1A |
| 630 | Plans for Casing and Sealing Holes | <u>X</u> | Information already included in the plan |

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| 301-700 | Hydrology | <u>X</u> | |
| 721 | Description of Hydrologic Resources (Permit and Adjacent Area) | <u>X</u> | Section 2.5 includes discussion of the hydrologic resources |

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| 722 | Cross-Sections and Maps Subsurface Water - Surface Water - Monitoring Stations - Wells | <u>X</u> | Figure 2.3.5.1-1 includes surface water locations; Figure 2.3.5.2-1 includes water rights; Figure 2.3.6-1 includes the new sampling location. |
| 723 | Sampling and Analysis | <u>X</u> | Table 2.3.7-1 includes the sampling plan. |
| 724 | Baseline Information Ground Water - Surface Water - Geology - Climatological & Supplemental; If Needed | <u>X</u> | Baseline data will be collected from the new location and submitted to the online database before mining is begun. |
| 728 | PHC Determination | <u>X</u> | no change |
| 730 | General Operation Plan Minimize Disturbance to Hydrologic Balance & Compliance with Clean Water Act | <u>X</u> | Sections 2.3 and 2.5 includes discussion of the hydrologic balance |
| 731 | Ground and Surface Water Protection | <u>X</u> | Section 2.5 includes discussion of surface water protection. Section 2.3 includes discussion of groundwater protection |
| 732 | Ground and Surface Water Monitoring | <u>X</u> | Table 2.3.7-3 and 2.3.7-1 include a sampling location for the expansion |

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| 301-740 | Plans and Designs Operation and Reclamation Plan Sediment Control Measures | — | no change to existing plan. N/A |
| | Siltation Structures | — | no change to existing plan. N/A |
| | Sediment Ponds | — | no change to existing plan. N/A |
| | Other Treatment Facilities | — | no change to existing plan. N/A |
| | Diversions | — | no change to existing plan. N/A |
| | Road Drainage | — | no change to existing plan. N/A |
| | Impoundments | — | no change to existing plan. N/A |
| | Discharge Structures | — | no change to existing plan. N/A |
| | Disposal of Excess Spoil | — | no change to existing plan. N/A |
| | Coal Mine Waste | — | no change to existing plan. N/A |
| | Disposal of Non-Coal Mine Waste | — | no change to existing plan. N/A |
| | Casing and Sealing of Wells | — | no change to existing plan. N/A |

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| 301-800 | Bonding and Insurance | — | N/A |
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| 820 | Applicant Have Adequate Bond at Permit Issuance | — | N/A |
| 830 | Bond Estimate and Calculations Provided | — | N/A |
| 890 | Certificate of Insurance Provided | — | N/A |

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| 302-200 | Special Categories of Mining | — | N/A |
| 210 | Experimental Practices Mining | — | N/A |
| 220 | Mountaintop Removal Mining | — | N/A |
| 230 | Steep Slope Mining | — | N/A |
| 240 | Auger Mining | — | N/A |
| 250 | In Situ Processing Activities | — | N/A |

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| 302-260 | Coal Processing Plants (Not Located Within Permit Area of Mine) | — | N/A |
| 270 | Variances From Approximate Original Contour Restoration Requirements | — | N/A |
| 280 | Variances for Delay in Contemporaneous Reclamation Requirement in Combined Surface and Underground Coal Mining Activities | — | N/A |
| 290 | Small Operator Assistance Program (SOAP) | — | N/A |

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| 302-300 | Special Areas of Mining | — | N/A |
| 301 | Prime Farmland | — | N/A |
| 302 | Alluvial Valley Floors | — | |