

Received 9/18/2014
C/007/00005
Task ID #4684

September 17, 2014

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

RE: 2014 Abandonment of Water Monitoring Wells, Canyon Fuel Company, LLC, Skyline Mine,
C/007/005

Dear Daron:

Attached to this letter are completed C1 and C2 forms that outline modifications to the Skyline Mine M&RP to accommodate abandonment of three (3) water monitoring wells. Water monitoring wells W91-26-1, 91-35-1, and 79-35-1A need to be abandoned as outlined in our permit, following Utah State Well Abandonment regulations due to the following reasons. Well 91-26-1 is being abandoned, per MSHA request, that the well be abandoned prior to being mined-through. Wells 91-35-1 and 79-35-1A are being abandoned because the well casings have been breached and we are no longer able to attain a water level reading. Unsuccessful attempts to acquire a reading have been taking place since 2012.

Information being submitted electronically include Water Monitoring plate 2.3.6-1; from Section 2.2 page 2-21(a); and from Section 2.3, page 2-36b (part of Water Monitoring Table 2.3.7-1.

Copies of completed Well Abandonment forms will be submitted under a separate cover once the wells have been abandoned and filed with the Utah State Division of Water Rights.

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: 2014 Well Abandonment

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

Document abandonment of monitoring wells that are no longer functioning

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?

Information submitted electronically. (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.

Carl W. Winters
Print Name

Carl W. Winters Gen. Mgr.
Sign Name, Position, Date
9/17/14

Subscribed and sworn to before me this 17th day of Sept., 2014

Kathleen Atwood
Notary Public

My commission Expires: 12-02, 2015
Attest: State of Utah } } ss:
County of Cannon



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

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.

Deleted:

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. Wells that have been abandoned due to being mined-through or blocked include W99-28-1 (2010), W20-4-2 (2011), W79-22-2-1 (2013), W79-22-2-1(2013), W79-14-2B (2013), W79-10-1A (2013), W79-35-1A (2014), W91-35-1 (2014), and W91-26-1 (2014).

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).

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 | Field parameters only ^{a1} | Monthly Flow | Dissolved Oxygen | TDS, TSS, T-P | O & G | Lab Analysis ^a | 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 |
| 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 (abandoned) | | | | | | | | | | | X | | | | | | | | |
| W79-35-1B | | | | | | | | | | | X | | | | | | | | |
| W2-1(98-2-1) | | | | | | | | | | | X | | | | | | | | |
| W20-4-1 | | | | | | | | | | | X | | | | | | | | |
| W20-4-2 (abandoned) | | | | | | | | | | | X | | | | | | | | |
| W99-4-1 | | | | | | | | | | | X | | | | | | | | |
| W99-21-1 | | | | | | | | | | | X | | | | | | | | |
| W20-28-1 | | | | | | | | | | | X | | | | | | | | |
| 91-26-1 (abandoned) | | | | | | | | | | | X | | | | | | | | |
| 91-35-1 (abandoned) | | | | | | | | | | | X | | | | | | | | |
| 92-91-03 | | | | | | | X | | | | | | | | | | | | |
| 08-1-5 | | | | | | | | | | | X | | | | | | | | |

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

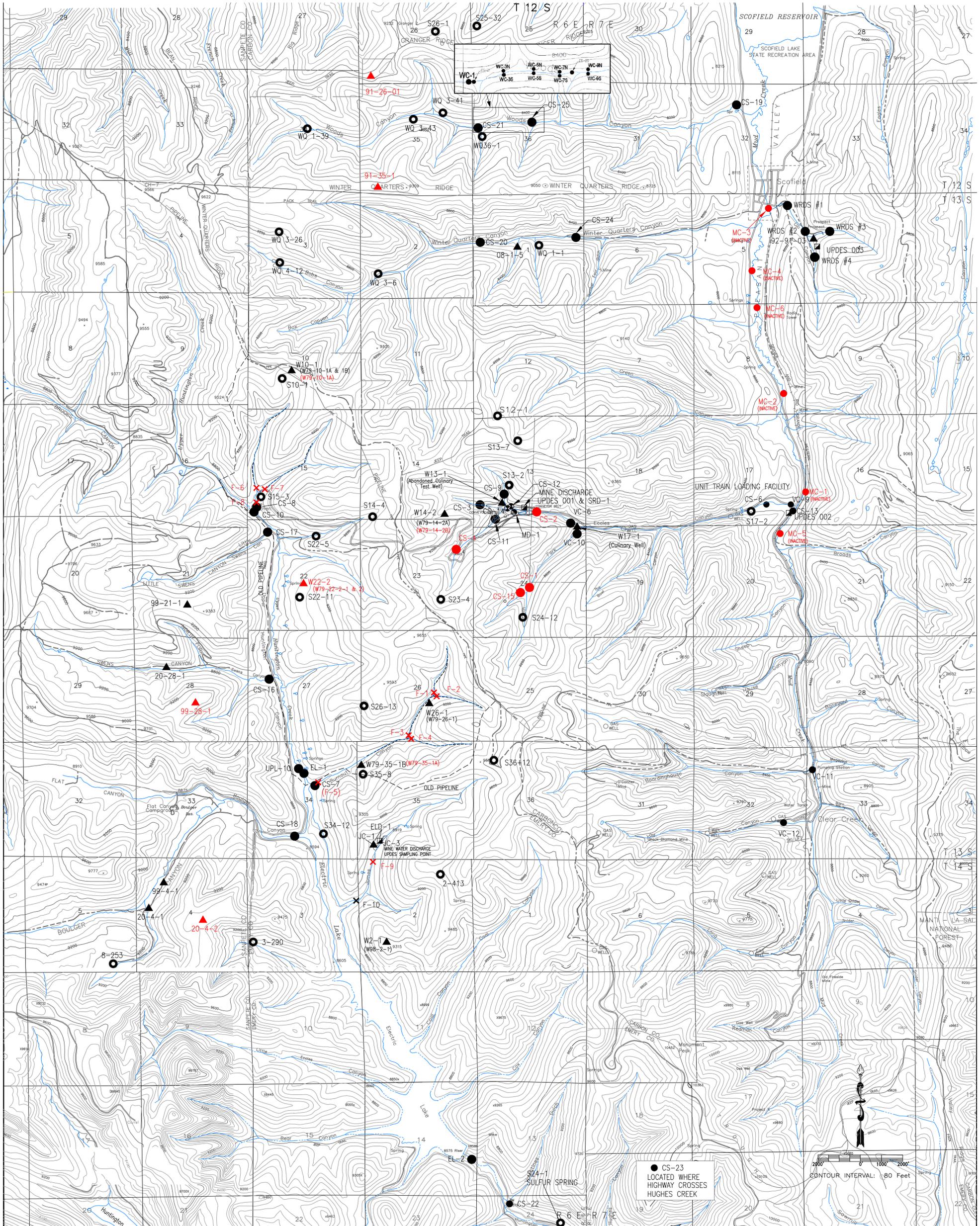
^aField parameters will be taken in conjunction with samples collected for Lab Analyses

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



NOTES:
 1. COORDINATE BASE ON MINE GRID DATA.
 2. MAP DIGITIZED FROM 1:24000 USGS QUADRANGLE MAPS, SCOTFIELD, UTAH AND FAIRVIEW LAKES, UTAH.
 3. MINE FACILITY, CONVEYOR, AND NEW ECCLES CANYON ROAD LOCATIONS FROM EXISTING RECORD DATA AND INCORPORATED TO MAP IN BEST FIT LOCATIONS.
 4. UTM GRID TICK VALUES SHOWN ARE IN METERS.

LOCATIONS F-1 THROUGH F-4 AND F-6 THROUGH F-8 ARE PART OF A USFS SUBSIDENCE STUDY ON BURNOUT CREEK AND NOT PART OF THE M&RP WATER MONITORING PROGRAM
 F-5 AND CS-7 ARE THE SAME LOCATION

BASE PREPARED BY INTERMOUNTAIN AERIAL SURVEYS, SALT LAKE CITY, UTAH - M96147

LEGEND

- STREAM
- SPRING
- ▲ WELL - MONITORING
- MINE DISCHARGE
- STREAM SUBSIDENCE POINTS
- ✕ FLUME LOCATION
- UPDES DISCHARGE POINTS
- ✕ ● DISCONTINUED/ABANDONED

| DATE | No. | REVISIONS | BY | DATE | No. | REVISIONS | BY |
|----------|-----|--|-------|---------|-----|--|---------|
| 09/04/02 | 1 | | GAC | AUG 09 | 10 | Updated Current Water Monitoring Sites, Discontinued W99-28-1, CS-4, F-9 and Removed the Permit Boundary | ARB/GAG |
| 10/07/02 | 2 | | GAG | DEC 09 | 11 | MODIFIED PERMIT BOUNDARY and Discontinued F-1 - F-8 | ARB/GAG |
| 04/03/03 | 3 | | GAG | JULY 10 | 12 | REMOVED PERMIT BOUNDARY; ADDED LOCATION NOTE | JLP/GAG |
| 05/04/03 | 4 | | GAG | SEPT 13 | 13 | RELOCATED CS-24, ADDED CS-25 AND WQ36-1 | ARB/GAG |
| 03/19/04 | 5 | | GAG | JULY 11 | 14 | Added WQ-1 thru WQ-5, Discontinued WQ3-4-2 | ARB/GAG |
| 06/18/04 | 6 | | GAG | OCT 12 | 15 | Added NOC Sites S25-32, S26-1 and CS-26 | ARB/GAG |
| 11/19/04 | 7 | | CH | SEPT 14 | 16 | Discontinued Wells 91-26-1, 91-35-1, 79-35-1A | GAG/GAG |
| 05/05/05 | 8 | | CH | | | | |
| JUNE 07 | 9 | MODIFIED PERMIT BOUNDARY (BC & WASTE ROCK) ADDED WQ1-1; INACTIVATED MC SITES | BR/GC | | | | |

SEE PLATE 1.6-3 FOR PERMIT AND ADJACENT AREAS

Location of Hydrologic Monitoring Stations

Canyon Fuel Company, LLC
Skyline Mines

SCALE: 1" = 2000'
DATE: 04-04-01
DWG. NO.: 2.3.6-1
DR. BY: JLP

REVISION: 16
9-17-2014