

October 16, 2014

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

RECEIVED
OCT 20 2014
DIV. OF OIL, GAS & MINING

RE: Truck Loadout Asphalt – Construction approval, Canyon Fuel Company, LLC, Skyline Mine, C/007/0005, Task #4706

Dear Daron:

Attached to this letter are two (2) clean copies of modifications addressing deficiencies outlined in Task #4687 to initiate asphaltting a section of the road in the Truck Loadout area of the main Mine site.

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

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: Truck Loadout Asphalt - Clean Copies Task 4706

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

Changes made to Surface Facility Map and bond calculations to accommodate asphalt installation. Task 4687

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.

Carl W. Winters
Print Name

Carl W. Winters 10/16/14
Sign Name, Position, Date

Subscribed and sworn to before me this 16th day of Oct, 2014

Kathleen Atwood
Notary Public

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



| | | |
|-----------------------------|---------------------------|--|
| For Office Use Only: | Assigned Tracking Number: | Received by Oil, Gas & Mining <div style="font-size: 24px; color: blue; font-weight: bold;">RECEIVED</div> <div style="font-size: 24px; color: red; font-weight: bold;">OCT 20 2014</div> <div style="font-size: 18px; color: blue; font-weight: bold;">DIV. OF OIL, GAS & MINING</div> |
|-----------------------------|---------------------------|--|

The Eccles Canyon conveyor alignment permit boundary is shown on Maps 3.2.3-3 through 3.2.3-3f. There are 14.19 total acres permitted of which 8.97 acres are disturbed.

Crushed Coal Truck and Train Loading

Two forms of vehicle coal loading are provided: truck loading at the mine site and truck and train loading at the mouth of Eccles Canyon. The truck loading system implemented at the mine site consists of a 200-ton-capacity bin fed by conveyor (BC-7). In 2014, to minimize trackout, the road from the Truck scales to the SR-264 road apron has been covered with asphalt (see page 3-25 (a)1 for road design).

The train loading system is designed to load coal into rail cars at a nominal rate of 5,000 ton/hr while the cars are moving at approximately 0.66 mph. The system consists of a 300-ton capacity bin fitted with a hydraulic-operated control gate and a telescopic chute that can be retracted and traversed to one side to permit the locomotives to pass. An automatic sampling system is incorporated at the train loading station to provide an aggregate sample of the loaded coal.

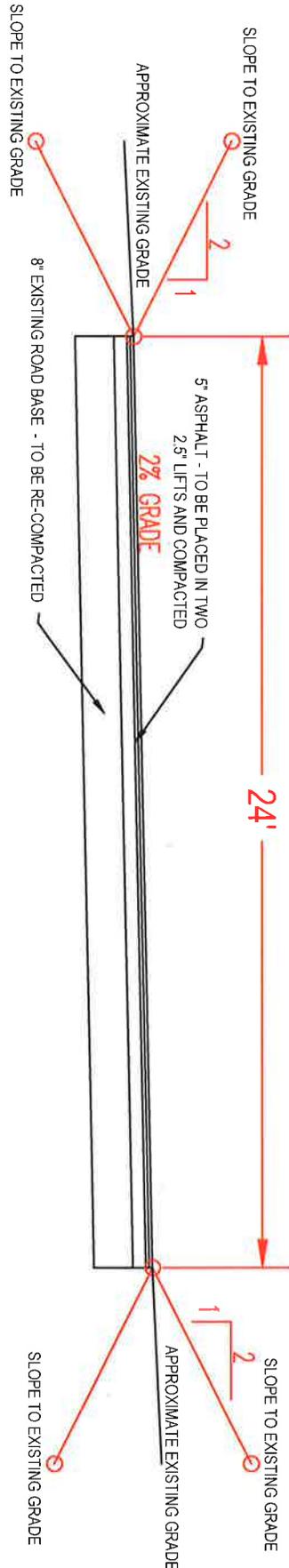
Crushed Coal Storage

The permanent coal storage facility consists of two 15,000 ton capacity concrete silos. Construction of two additional 15,000 ton capacity silos at a later date may be done as additional

Revised 10-16-2014

3-25

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- NOTES:
1. ROAD SLOPES AT 2% TO NORTH SIDE
 2. WATER DRAINS DIRECTLY TO SEDIMENT POND
 3. ASPHALT DESIGN BASED ON INDUSTRY STANDARD AND RECOMMENDATIONS FROM BOTH BIG RED PAVING AND NIELSEN CONSTRUCTION.

TRUCK LOAD OUT
 BC-7 ENTRY WAY
 TYPICAL ROAD DETAIL

Canyon Fuel Company, LLC
 Skyline Mines

| | | | |
|------------------------------------|-----------------|--------------|--------------|
| FOR: 35 BOXCOIL, HELPER, UT, 94604 | DATE: 10/9/2014 | CK BY: CBRWN | REVISION: 00 |
| CAD FILE: 435-448-2832 | SCALE: 1" = 4' | DR BY: CBRWN | |
| DWG. NO.: Page 3-25(a)1 | | | |
| 10/09/2014 | | | |

Skyline Mine
Added Trucker Pavement
_C.Parker

Reclamation Cost Estimate
Required Bond Amount

Revised October 2014

Bonding Calculations

Direct Costs

| | |
|----------------------------------|-------------|
| Subtotal Demolition and Removal | \$2,008,546 |
| Subtotal Backfilling and Grading | \$1,078,911 |
| Subtotal Revegetation | \$912,169 |
| Direct Costs | \$3,999,626 |

Indirect Costs

| | | |
|-------------------------|-------------|-------|
| Mob/Demob | \$399,963 | 10.0% |
| Contingency | \$199,981 | 5.0% |
| Engineering Redesign | \$99,991 | 2.5% |
| Main Office Expense | \$271,975 | 6.8% |
| Project Management Fee | \$99,991 | 2.5% |
| Subtotal Indirect Costs | \$1,071,901 | 26.8% |

| | |
|-----------------|-------------|
| Total Cost 2006 | \$5,071,527 |
|-----------------|-------------|

| | | |
|-------------------|----------|-------|
| Number of years | | 4 |
| Escalation Factor | | 1.005 |
| Escalation | \$95,397 | |

| | |
|----------------------------|-------------|
| Reclamation Cost Escalated | \$5,166,925 |
|----------------------------|-------------|

| | |
|--|-------------|
| Bond Amount (rounded to nearest \$1,000) 2009 Dollars | \$5,167,000 |
|--|-------------|

| | |
|--------------------------------|-------------|
| Posted Bond September 19, 2006 | \$5,137,000 |
|--------------------------------|-------------|

| | |
|---|-----------|
| Difference Between Cost Estimate and Bond | -\$30,000 |
| Percent Difference | -0.58% |

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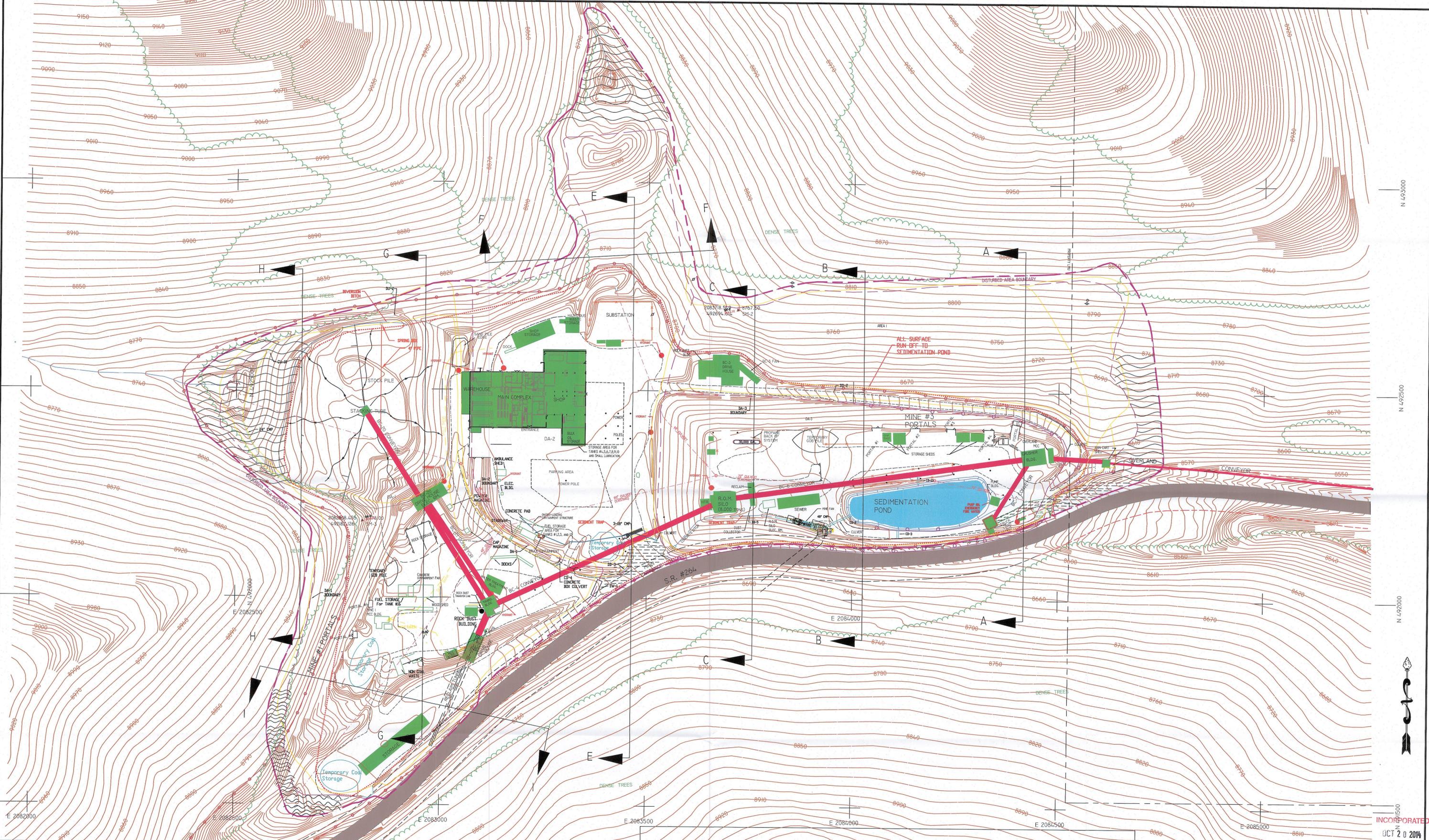
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| Ref. | Description | Materials | Means Reference Number | Unit Cost | Unit | Length | Width | Height | Diameter | Area | Volume | Weight | Density | Time | Number | Unit | Swell Factor | Quantity | Unit | Cost |
|------|---------------------------------------|--------------------------------------|------------------------|-----------|------|--------|-------|--------|----------|------|--------|--------|---------|------|--------|------|--------------|----------|------|------|
| | Truck Loadout 07 | | | | | | | | | | | | | | | | | | | |
| | Deduct 50% no interior walls | | | | | | | | | | | | | | | | | | | |
| | Structure's Demolition Cost | Mixed Materials Bld. Lame | 02220 110 0100 | 0.28 /CF | CF | | | | | | 30000 | | | | | CF | 0.3 | 30000 | CF | 1260 |
| | Structure's Vol. Demolished | | | | | | | | | | | | | | | | | | | |
| | Rubble's Weight (exclude steel) | | | | | | | | | | | | | | | | | | | |
| | Truck's Capacity | | | | | | | | | | | | | | | | | | | |
| | Haulage | | | | | | | | | | | | | | | | | | | |
| | Transportation Cost Non Steel Truck | | | | | | | | | | | | | | | | | | | |
| | Transportation Cost Non Steel Drive | | | | | | | | | | | | | | | | | | | |
| | Disposal Cost Non Steel | City Services | City Service Price | 4 /CY | | | | | | | | | | | | | | | | |
| | 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 Costs | | | | | | | | | | | | | | | | | | | |
| | Subtotal | | | | | | | | | | | | | | | | | | | |
| | Asphalt Demolition | | | | | | | | | | | | | | | | | | | |
| | Demolition Cost | Pavement Removal - 5" at entrance | 02 41 13.1705050 | 9.4 SY | SY | | | | | | 250 | | | | | SY | | | | 2350 |
| | Loading Cost | Front End Loader 3 CY | 31 23 16 42 1900 | 2.05 CY | | | | | | | | | | | | | | | | |
| | Subtotal | Disposal at approved Facility (ECDC) | | 40 Ton | | | | | | | | | | | | | | | | |
| | Concrete Demolition | | | | | | | | | | | | | | | | | | | |
| | Demolition Cost | | | | | | | | | | | | | | | | | | | |
| | Concrete's Vol. Demolished | | | | | | | | | | | | | | | | | | | |
| | Loading Cost | | | | | | | | | | | | | | | | | | | |
| | Transportation Cost | | | | | | | | | | | | | | | | | | | |
| | Disposal Costs | | | | | | | | | | | | | | | | | | | |
| | Subtotal | | | | | | | | | | | | | | | | | | | |
| | Total | | | | | | | | | | | | | | | | | | | |

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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 | | | | | | | | | | | | | | | | | | | | 38270 |
| | Crusher House 06 | | | | | | | | | | | | | | | | | | | | 18741 |
| | Truck Loadout 07 | | | | | | | | | | | | | | | | | | | | 6894 |
| | Railcar Loadout 08 | | | | | | | | | | | | | | | | | | | | 21764 |
| | Conveyors 6 total 09 | | | | | | | | | | | | | | | | | | | | 87798 |
| | Water Tanks Two 10 | | | | | | | | | | | | | | | | | | | | 6084 |
| | Pump House 11 | | | | | | | | | | | | | | | | | | | | 123 |
| | Well House Three 12 | | | | | | | | | | | | | | | | | | | | 442 |
| | Water Treatment Bld 13 | | | | | | | | | | | | | | | | | | | | 1660 |
| | Misc Storage Bld 14 | | | | | | | | | | | | | | | | | | | | 3093 |
| | Overland Conveyor 15 | | | | | | | | | | | | | | | | | | | | 88332 |
| | Guard Rail 16 | | | | | | | | | | | | | | | | | | | | 18302 |
| | Rock Dust Bld 17 | | | | | | | | | | | | | | | | | | | | 593 |
| | Overland Dust Collector 18 | | | | | | | | | | | | | | | | | | | | 1248 |
| | Substation 19 | | | | | | | | | | | | | | | | | | | | 1990 |
| | Power Line 20 | | | | | | | | | | | | | | | | | | | | 4605 |
| | Cap Magazine 21 | | | | | | | | | | | | | | | | | | | | 33 |
| | Fuel Storage 22 | | | | | | | | | | | | | | | | | | | | 2954 |
| | Propane Tanks 23 | | | | | | | | | | | | | | | | | | | | 527 |
| | Stacking Tube 24 | | | | | | | | | | | | | | | | | | | | 5516 |
| | Reclaim Tunnel 25 | | | | | | | | | | | | | | | | | | | | 45632 |
| | Slope Protection Apron 26 | | | | | | | | | | | | | | | | | | | | 17532 |
| | Concrete Lined Ditch 27 | | | | | | | | | | | | | | | | | | | | 485 |
| | Raw Coal Silo 28 | | | | | | | | | | | | | | | | | | | | 15831 |
| | Parking Area Middle 29 | | | | | | | | | | | | | | | | | | | | 2451 |
| | Truck Loadout Foundation 30 | | | | | | | | | | | | | | | | | | | | 233 |
| | Road Pad Lower 31 | | | | | | | | | | | | | | | | | | | | 3796 |
| | Silo Rail Loadout 32 | | | | | | | | | | | | | | | | | | | | 140333 |
| | Loadout Foundation RR 33 | | | | | | | | | | | | | | | | | | | | 5789 |
| | Pavement Rail Loadout 34 | | | | | | | | | | | | | | | | | | | | 6816 |
| | Steel 35 | | | | | | | | | | | | | | | | | | | | 6975 |
| | James Canyon 36 | | | | | | | | | | | | | | | | | | | | 142752 |
| | Culvert Backfilling 37 | | | | | | | | | | | | | | | | | | | | 6132 |
| | Channel Construction 38 | | | | | | | | | | | | | | | | | | | | 529279 |
| | Embankment 39 | | | | | | | | | | | | | | | | | | | | 244526 |
| | Portal Face Door 40 | | | | | | | | | | | | | | | | | | | | 5823 |
| | Concrete Building 41 | | | | | | | | | | | | | | | | | | | | 2158 |
| | Winter Quarters 42 | | | | | | | | | | | | | | | | | | | | 58225 |
| | Total | | | | | | | | | | | | | | | | | | | | 2008546 |

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LEGEND

- DISTURBED AREA BOUNDARY: (AREA WITHIN WHICH RECLAMATION MUST TAKE PLACE) ---
- AREA TRIBUTARY TO SEDIMENTATION POND: ---
- SMALL AREA EXEMPTION: ---
- ALTERNATIVE SEDIMENT CONTROL AREAS: (SEDIMENT CONTROLLED WITH STRAWBALES OR OTHER TECHNIQUES) ---
- BEGINNING OR END OF DITCH: ---
- DITCH SLOPE CHANGE: ---

0 100 200 FEET

- NOTES**
1. THE ALTERNATIVE SEDIMENT CONTROL AREAS WILL BE DISTURBED DURING PHASE 2 RECLAMATION.
 2. THE DISTURBED AREAS ARE DESCRIPTIVE. AN ON THE GROUND SURVEY MADE IN 1985 DEFINES THE DISTURBED AREA AS 31.1 ACRES.
 3. SEE DRAWING 4.4.2-1A AND 4.4.2-1B FOR THE RECLAMATION PLAN AND CROSS SECTIONS.
 4. NUMEROUS DEVICES SUCH AS PAVEMENT, TEMPORARY DRAINAGE AND GRADING CONTROLS, WHICH ARE NOT SHOWN ON THIS DRAWING ARE USED AS NECESSARY TO DIRECT RUNOFF TO THE PERMANENT DIVERSION FACILITIES SHOWN ABOVE.

I CERTIFY THAT THE INFORMATION CONTAINED HEREON IS CORRECT TO THE BEST OF MY KNOWLEDGE.

SEAL:

| DATE | No. | REVISIONS |
|----------|-----|---|
| 6/9/99 | | ADDED SEDIMENT TRAPS, SPRING BOX AND PIPE |
| 4/27/01 | | ADDED FAN, DELETED FAN AND BUILDINGS |
| 7/19/01 | | ADDED SEDIMENT TRAP TO UPPER YARD AT ENTRANCE TO MINE |
| 1/30/06 | 4 | ADDED MISSING TITLES TO BUILDINGS |
| 7/13/06 | 5 | ADDED TEMPORARY COAL STORAGE |
| 9/12/08 | 6 | ADDED BC-3 FAN |
| 3/18/09 | 7 | ADDED OFF-LOADING CONTAINMENT STRUCTURES, REMOVED FUEL ISLAND |
| 6/30/09 | 8 | ADDED ROCK DUST TRANSFER LINE |
| 3/9/10 | 9 | ADDED AMBULANCE SHED |
| 10/16/10 | | ADDED ASPHALT AT TRUCK LOADOUT |

MINE SURFACE FACILITIES

PLOT PLAN

Canyon Fuel Company, LLC
Skyline Mines

DATE: 6-30-06 CK.BY: CWW/GAG REVISION: 10
SCALE: 1" = 100' DR.BY: mdb
DWG. NO.: 3.2.1-1_REV10

OCT 20 2014

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