

October 20, 2014

C/007/0005
Received 10/23/2014
Task ID #4708

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

RE: Rail Loadout Road Rehabilitation and Asphalt – Construction approval, Canyon Fuel Company, LLC, Skyline Mine, C/007/0005, Task #4687

Dear Daron:

Attached to this letter is pertinent information addressing modifications to the Skyline Mine M&RP to include rehabilitation of an access road that was previously eliminated, and an upgrading of the primary access road to include asphalt. Based on an anticipated increase in truck-loading at the Rail Loadout beginning in 2015, the Truck-loop is being extended to include the west entrance of the Rail Loadout facility. To reduce sediment track-out from the site, and improve sediment control within the site, approximately 1675 linear feet of road will be upgraded with additional asphalt. The asphalt project will include approximately 375 linear-feet road that will have an additional 3-inches of asphalt, with the remaining 1300 linear-feet of road being covered with 5-inches of asphalt. To connect the western section of the facility to the eastern section of the site, a previously used section of the road needed to be rehabilitated. No topsoil or subsoil need to be relocated during rehabilitation of the road section. The permit modification consists of: 1) referencing the paving in the text in Section 3.2; 2) updating Plate 3.2.1-3_REV29 illustrating the asphalt; 3) adding Plates 3.2.1-3a through -3d which illustrate detailed construction drawings; and 4) the appropriate adjustments to the Reclamation bond to accommodate demolition and disposal of the asphalt.

Attached to this cover letter are completed C1 and C2 forms, redline-strikeout versions of M&RP modifications in Section 3.2, four (4) plates; and three (3) bond pages in Section 4.3,. Two (2) hard copies of the information will be submitted at final approval.

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: Rail Loadout Road Rehabilitation and Asphalt

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

Surface facility modification at Rail Loadout to accommodate increased truck traffic

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 Winters
Print Name

Carl Winters 10/20/14
Sign Name, Position, Date

Subscribed and sworn to before me this 20th 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

Due to the severe winter conditions most of the water conveniences become iced up and are not maintained during the winter months. During the spring thaw water is directed back into the water ways as they slowly thaw out.

Coal Storage and Load out Facilities

The enclosed coal storage, open coal storage, and the rail loadout facilities are shown in plan view on Map 3.2.1-3. Maps -3a through 3d were added in 2014 to accommodate increased truck traffic through the yard. The increased traffic required upgrading and asphaltting of the existing primary access road and a rehabilitation of a section of road connecting the upper portion of the site to the lower area adjacent to the silos.

Deleted: , 3.2.1-3a, and 3.2.1-3b
Deleted: and -3b

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Facilities within this area consist of two 15,000-ton coal storage silos, an open coal storage area, the unloading facilities for the overland pipe conveyor (discussed in subsection 3.2.3), and a rail car load-out for unit trains. A

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Revised 10-20-14

3-30(a)

Deleted: Date: 10/01/92

Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$2,046,009
Subtotal Backfilling and Grading	\$1,078,911
Subtotal Revegetation	\$912,169
Direct Costs	\$4,037,089

Indirect Costs

Mob/Demob	\$403,709	10.0%
Contingency	\$201,854	5.0%
Engineering Redesign	\$100,927	2.5%
Main Office Expense	\$274,522	6.8%
Project Management Fee	\$100,927	2.5%
Subtotal Indirect Costs	\$1,081,939	26.8%

Total Cost 2006 \$5,119,028

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

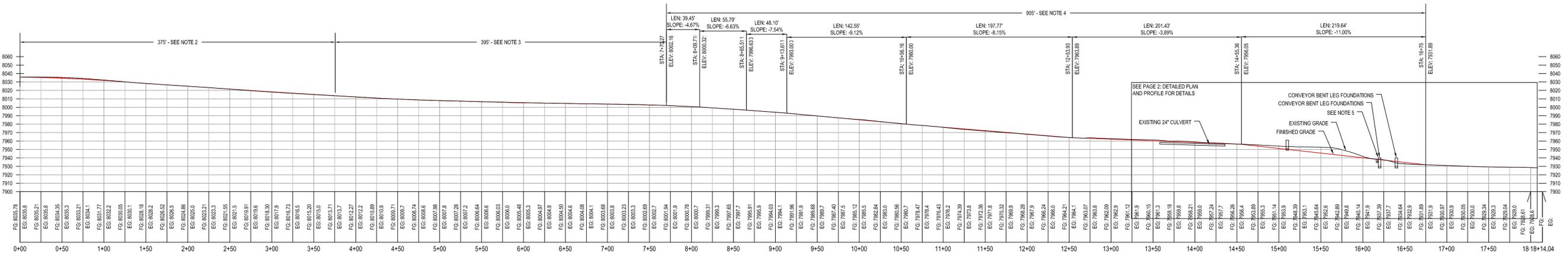
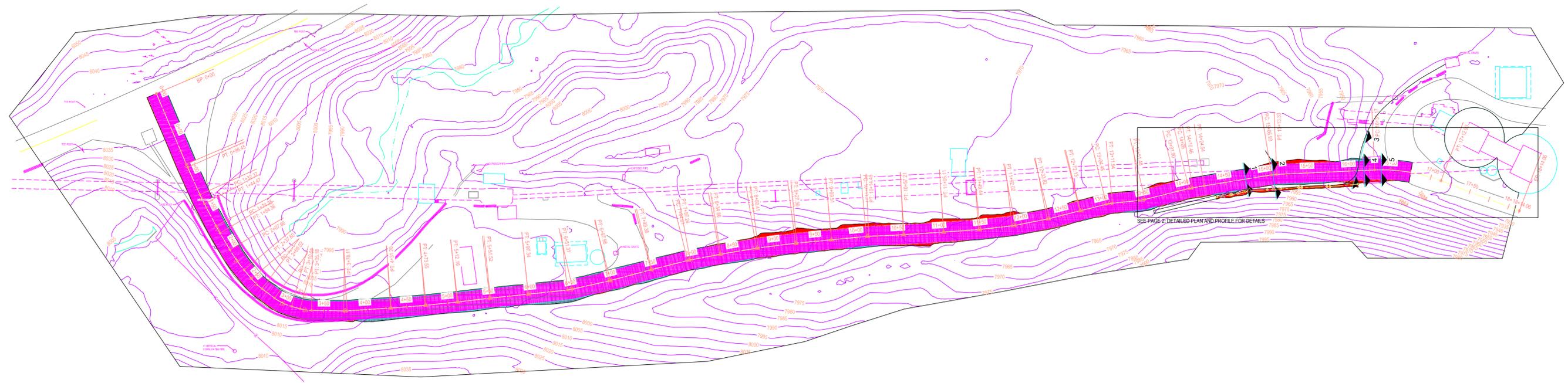
Reclamation Cost Escalated \$5,214,425

Bond Amount (rounded to nearest \$1,000)
 2009 Dollars \$5,214,000

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

Difference Between Cost Estimate and Bond -\$77,000
 Percent Difference -1.48%

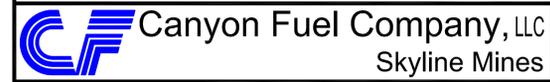
Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Pavement Rail Loadout 34																			
	Structure's Demolition Cost																			
	Structure's Vol. Demolished																			
	Rubble's Weight (exclude steel)																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Non Steel Truck																			
	Transportation Cost Non Steel Drive																			
	Disposal Cost Non Steel																			
	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	Pavement Removal 3"																		
	Demolition Cost	Concrete demolition	ConcreteDemo1	9.92 /CY						4727						SF		116 CY		1146
	Concrete's Vol. Demolished							0.66								FT	1.3	150 CY		150
	Loading Cost	Front end loader track 3 CY		31 23 16 42 1300	1.01 /CY													150 CY		152
	Transportation Cost	12 CY (16 Ton) Dump Truck 1/2 mi. md. tri		31 23 23 18 0320	2.92 /CY													150 CY		438
	Disposal Costs	Disposal on site		02 41 16 17 4200	9.00 /CY													150 CY		1350
	Subtotal																			3088
	Asphalt Demolition	Pavement Removal 3"																		
	Demolition Cost	Disposal at approved facility																		
	Asphalt's Vol. Demolished																			
	Loading Cost	Front end loader 3 CY		02-41-13-17-5010	4.81 /CY														142 CY	685
	Disposal Costs				35 Ton					15371		0.61				Ton		87 Tons		3045
	Subtotal																			3730
	Paving from W entrance to Silos																			
	Asphalt Demolition	Pavement Removal - 5" entire length		02 41 13 1705050	9.4 SY					4592						SY		4592 SY		43165
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost	Front End Loader 3 CY		31 23 16 42 1300	2.05 CY														241 CY	494
	Transportation Cost																			
	Disposal and Transportation Costs	Disposal at approved Facility (ECDC)			40 Ton						579	1.35				Ton		782 Tons		31266
	Subtotal																			
	Total																			44278



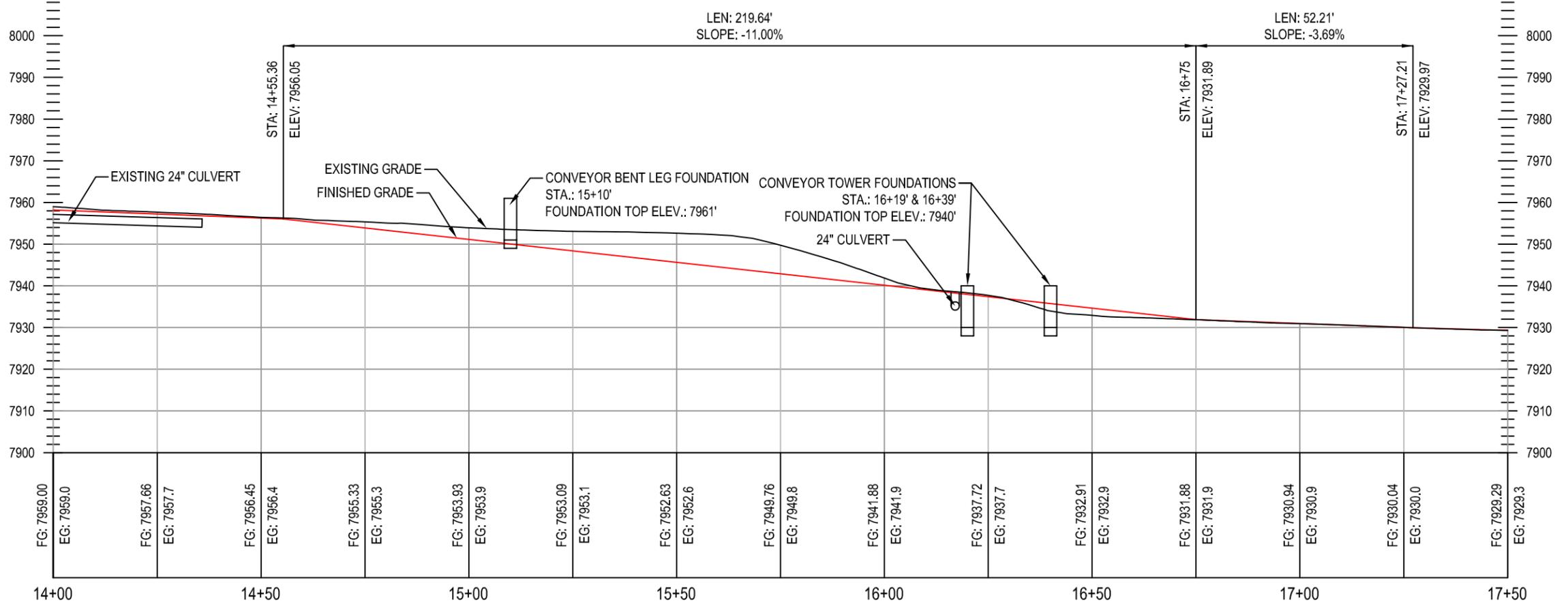
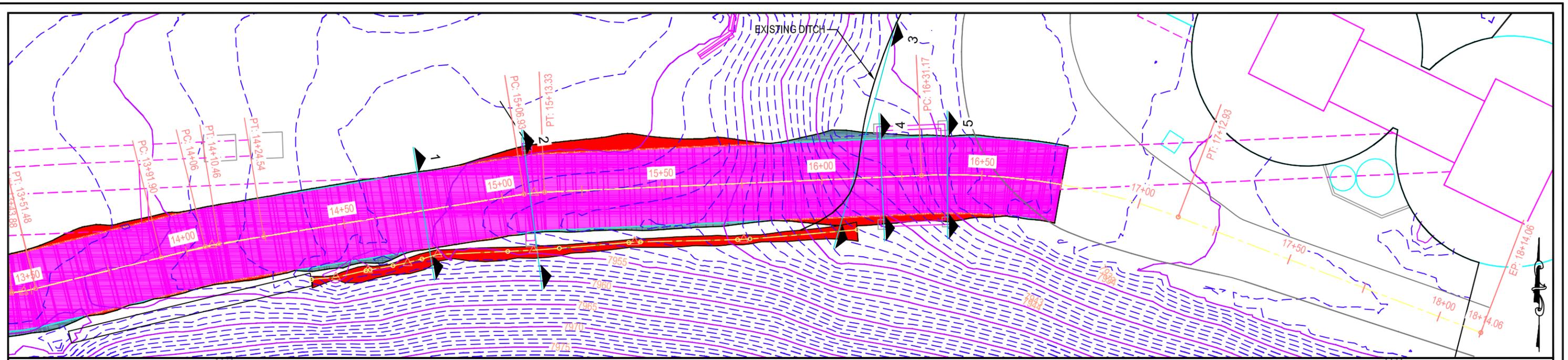
NOTES:

- INTERSECTION AT STATION 0+00 TO BE CLEANED, TACKED AND OVERLAYED WITH 3 INCHES OF ASPHALT. OVERLAY ASPHALT TO TIE INTO EXISTING ROAD.
- STATIONS 0+00 TO 3+75: ROAD TO FOLLOW EXISTING CENTERLINE. GRADE AND WIDTH. EXISTING WIDTH IS APPROXIMATELY 27 FEET. EXISTING ASPHALT TO BE CLEANED, TACKED AND 3 INCHES OF ASPHALT OVERLAY TO BE PLACED.
- STATIONS 3+75 TO 7+70: EXISTING DIRT ROAD TO FOLLOW EXISTING CENTERLINE AND GRADE. WIDTH IS TO BE CUT TO 24 FEET. ROAD TO BE OVER EXCAVATED 13 INCHES. 8 INCHES OF COMPACTED ROAD BASE TO BE PLACED. 5 INCHES OF ASPHALT TO BE PLACED.
- STATIONS 7+70 TO 16+75: EXISTING DIRT ROAD TO BE GRADED TO SURVEYED CENTER LINE AND GRADE. WIDTH TO BE CUT TO 24 FEET. ROAD TO BE OVER EXCAVATED 13 INCHES. 8 INCHES OF COMPACTED ROAD BASE TO BE PLACED. 5 INCHES OF ASPHALT TO BE PLACED.
- STATION 16+75: NEW 24" CORRUGATED CULVERT AS SUPPLIED BY SKYLINE MINE TO BE INSTALLED. CULVERT SIZED TO MATCH EXISTING CULVERT LOCATED DOWNSTREAM AT CD-14.
- STATION 16+75: ROAD INTERSECTION TO BE GRADED ON ALL SIDES WITH SMOOTH ASPHALT TIE IN.
- NATIVE CUT MATERIAL MAY BE HAULED TO SKYLINE MINE WASTE ROCK SITE APPROXIMATELY 0.6 MILES SOUTH EAST OF SCOFIELD. ANY CUT ASPHALT OR CONCRETE MUST BE HAULED TO APPROVED DISPOSAL SITE. CUT TOP SOIL TO BE PLACED IN APPROVED TOP SOIL STORAGE AREA AT THE SKYLINE MINE SITE.
- DITCH TO BE INSTALLED ALONG SOUTH SIDE OF NEW ROAD SECTIONS AS NEEDED. DITCH DETAILS FOUND ON DRAWING NUMBER 3.2.1-3d.

**RAIL LOADOUT
WEST TRUCK LOOP ACCESS ROAD
GENERAL PLAN AND PROFILE**



HCR 35 BOX380, HELPER, UT, 84526 435-448-2632	DATE: 9/29/2014 CK.BY: DWG. NO.: 3.2.1-3a SCALE: 1" = 60' DR.BY: CBROWN	REVISION: 00 10/20/2014
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NOTES & SAMPLE LINE DESCRIPTION:

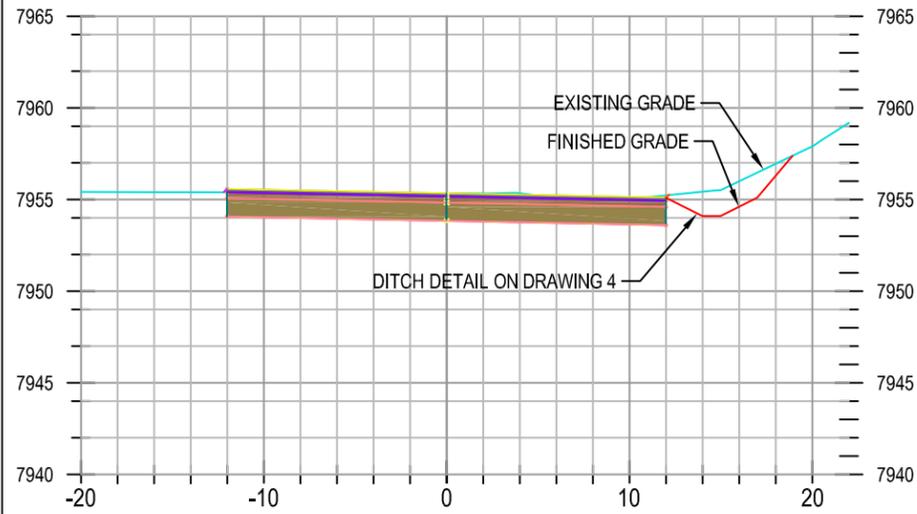
1. SAMPLE LINE 1: TYPICAL ROAD PROFILE
2. SAMPLE LINE 2: SINGLE BENT LEG
3. SAMPLE LINE 3: FUTURE 24" CULVERT
4. SAMPLE LINE 4: WEST LEG SET OF CONVEYOR TOWER
5. SAMPLE LINE 5: EAST LEG SET OF CONVEYOR TOWER
6. FOR SAMPLE LINE SECTION DETAILS SEE PLATE 3.2.1-3c, "SECTION VIEWS"
7. DITCH TO BE INSTALLED ALONG SOUTH SIDE OF NEW ROAD SECTIONS AS NEEDED. ROAD AND DITCH DETAILS ARE FOUND ON PLATE 3.2.1-3d

**RAIL LOADOUT
WEST TRUCK LOOP ACCESS ROAD
PLAN AND PROFILE**

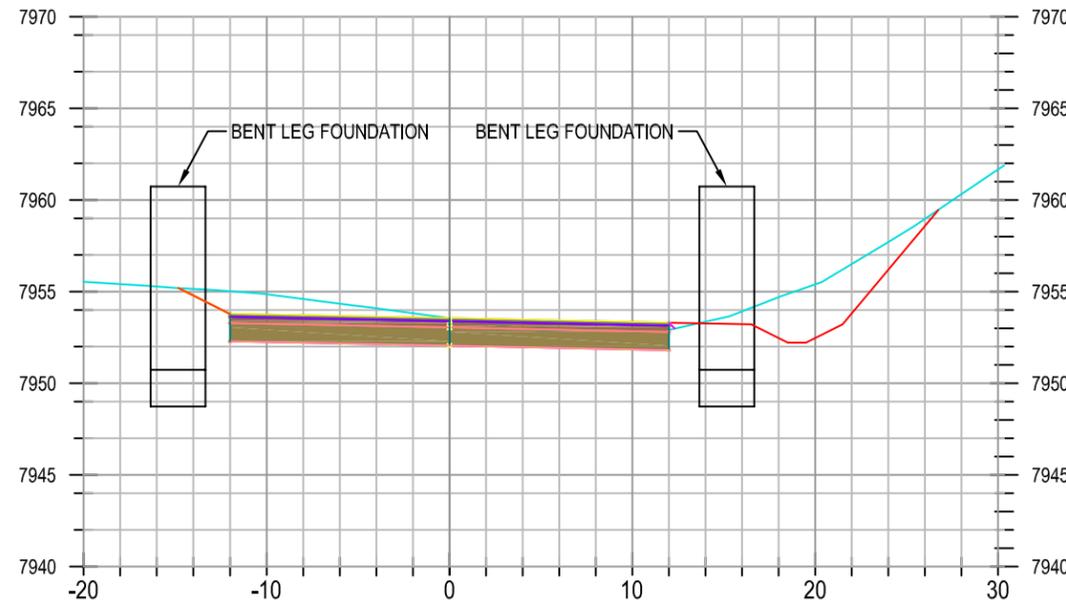


HCR 35 BOX380, HELPER, UT, 84526 435-448-2632	DATE: 9/29/2014	CK.BY: TPOULSEN	REVISION:
DWG. NO.: 3.2.1-3b	SCALE: 1" = 30'	DR.BY: CBROWN	00
CAD FILE: P:\PERMITS\SKY\MRP APPROVED\DRAWINGS\CHAPTER 2 PLATES\3.2.1-3b			10/20/2014

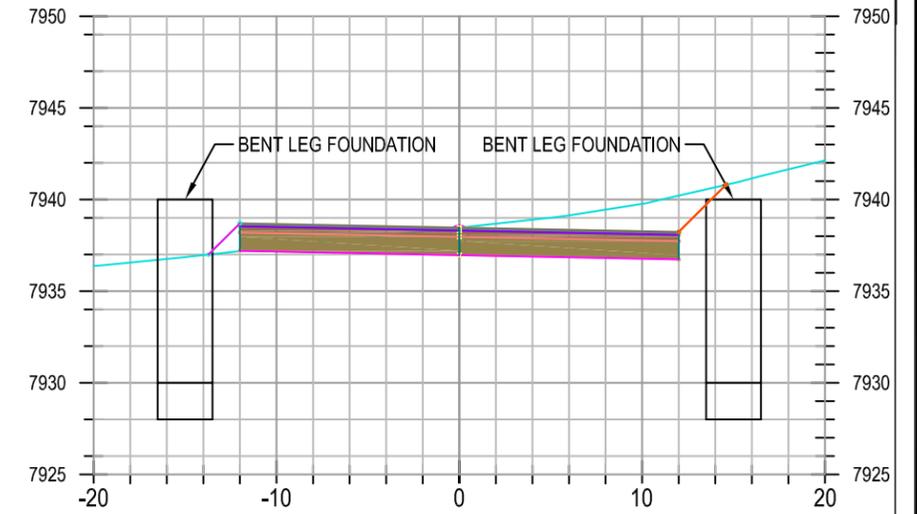
**SAMPLE LINE 1
TYPICAL CUT
STATION 14+75**



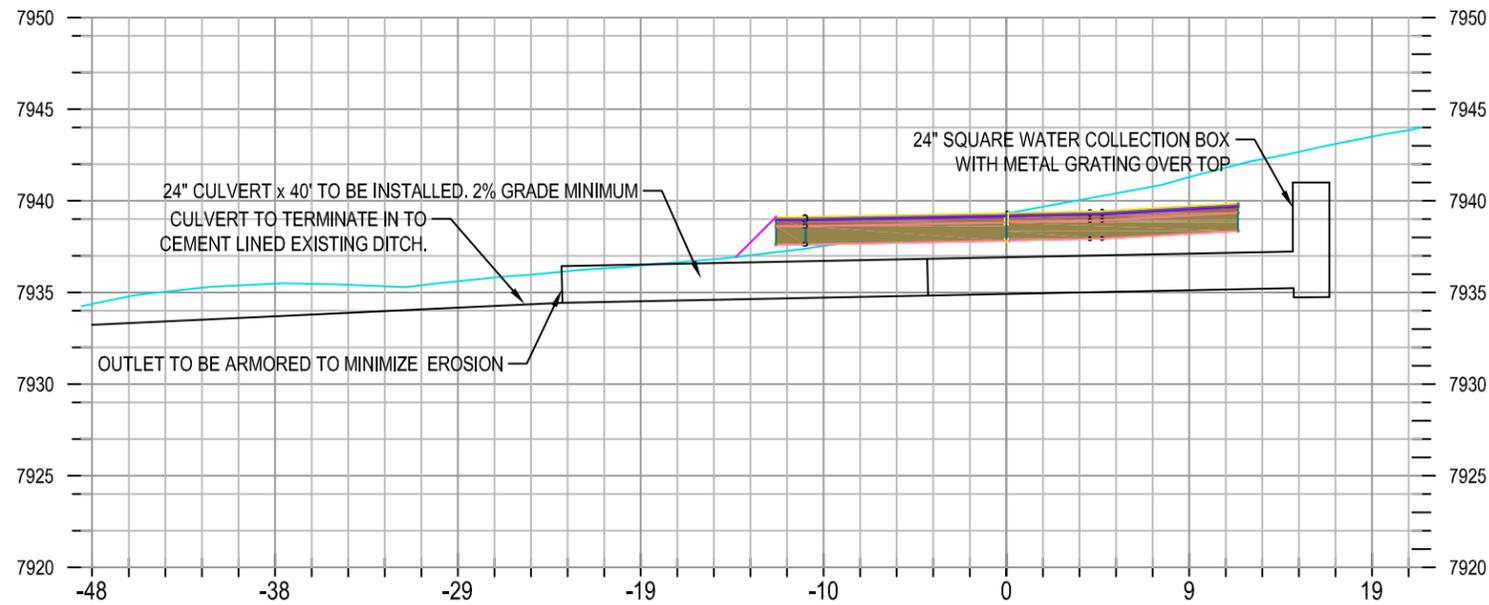
**SAMPLE LINE 2
Single Bent Leg Section Views
STATION 15+09**



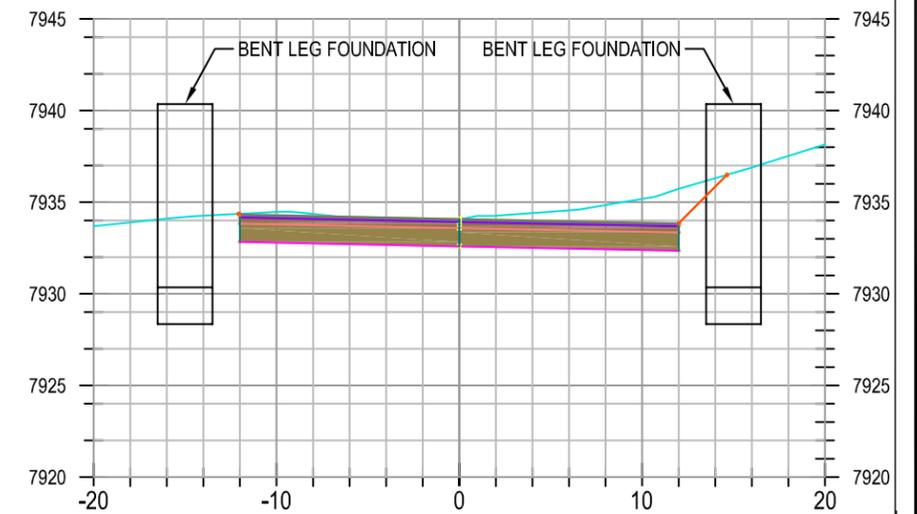
**SAMPLE LINE 4
WEST BENT LEG
STATION 16+19**



**SAMPLE LINE 3
CULVERT
STATION 16+10**



**SAMPLE LINE 5
EAST BENT LEG
STATION 16+39**

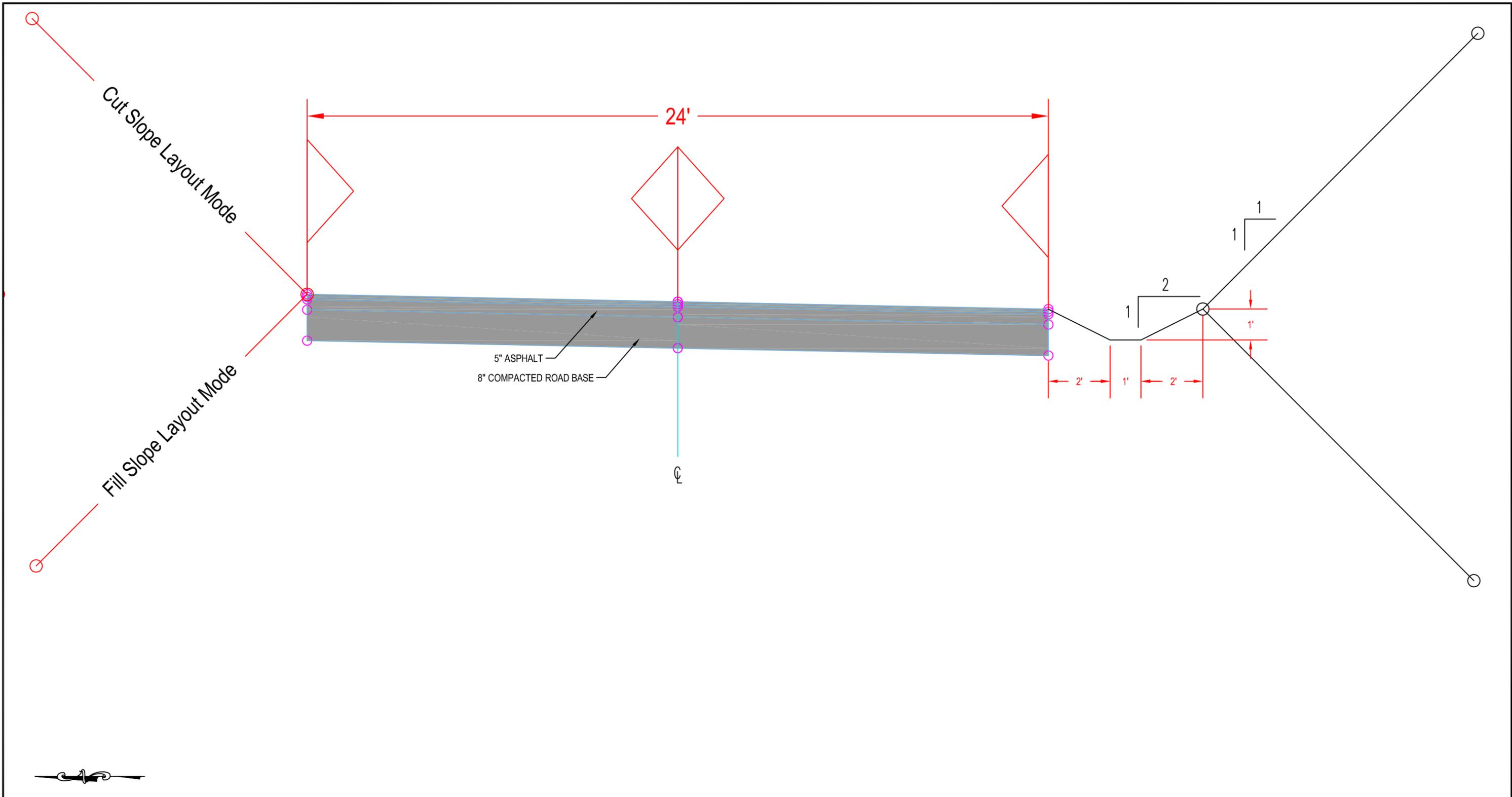


**RAIL LOADOUT
WEST TRUCK LOOP ACCESS ROAD
SECTION VIEWS**



HCR 35 BOX380, HELPER, UT, 84526 435-448-2632	DATE: 9/29/2014	CK.BY: TPOULSEN	REVISION:
DWG. NO.: 3.2.1-3c	SCALE: 1" = 10'	DR.BY: CBROWN	00
CAD FILE: P:\PERMITS\SKY\MRP APPROVED\DRAWINGS\CHAPTER 2 PLATES\3.2.1-3c			10/20/2014





- NOTES:
1. ALL DAYLIGHTING SLOPES ARE 1:1
 2. ROAD SLOPES AT 2% TO DITCH ON SOUTH SIDE
 3. DITCH FORESLOPE AND BACKSLOPE NOT TO EXCEED 2:1
 4. DITCH TO BE INSTALLED ON SOUTH SIDE OF NEW ROAD SECTIONS AS NEEDED

RAIL LOADOUT
WEST TRUCK LOOP ACCESS ROAD
TYPICAL ROAD AND DITCH DETAIL

CF Canyon Fuel Company, LLC
Skyline Mines

HCR 35 BOX380, HELPER, UT, 84526 435-448-2632	DATE: 9/29/2014	CK.BY: TPOULSEN	REVISION:
DWG. NO.: 3.2.1-3d	SCALE: 1" = 3'	DR.BY: CBROWN	00
CAD FILE: P:\PERMITS\SKY\MRP APPROVED\DRAWINGS\CHAPTER 2 PLATES\3.2.1-3d			10/20/2014