

May 22, 2015

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

RE: Rail Loadout Updates, Canyon Fuel Company, LLC, Skyline Mine, C/007/0005,

Dear Daron:

Attached to this letter is pertinent information addressing modifications to the Skyline Mine M&RP to include minor improvements and maintenance items to the site. Concrete will replace pavement west of the silos, the entrance and exit east of SR-96 will be widened, and a cement silt trap will be added to disturbed ditch DD-11 to reduce the sediment load to the sediment pond. No topsoil or subsoil needs to be relocated in these activities. The permit modification consists of: 1) referencing the addition of the silt trap in the text in Section 3.2; 2) updating Plate 3.2.1-3_REV30 illustrating the concrete additions; 3) adding page 3-44a illustrating the silt trap construction; 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 3.2one (1) plate; 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 Updates

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

Addition of pavement, concrete, silt trap to Rail Loadout

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 has been submitted electronically. (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
Sign Name, General Manager, Date 5/26/15

Subscribed and sworn to before me this 26th day of MAY, 20 15

Kathleen Atwood
Notary Public

My commission Expires: 12-02, 20 15
Attest: State of Utah } ss:
County of Carbon



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

material used to construct the dam. The dam was constructed in lifts of heights which ensured maximum compaction. A spillway pipe was added during the construction of the dam. After the dam was completed, a principal emergency spillway was constructed. The pond is shown in plan view and in cross section on (Map 3.2.1-4). The pond requires only limited maintenance, i.e., sediment removal to an approved disposal site when 60% of the design sediment storage volume is exceeded. The pond was enlarged in 1993 to facilitate a small (.04 acres) area being added to the drainage area. Not in hard copy nor incorporated. To help minimize sediment deposition into the pond, a concrete-lined sediment trap was constructed on ditch DD-11 which can be cleaned regularly with a front-end loader (see page 3-44a for design)

3.2.7 Signs and Markers

The Permittee has posted all signs and markers required by State of Utah and Federal requirements. Signs are constructed of durable material and are uniformly designed for high visibility and readability. All signs and markers will be maintained during operations to which they pertain and will conform to local ordinances and codes.

Mine and Permit Identification Signs

The Permittee has posted identification signs at the points of access to the permit area from public roads and highways. The signs state the name, business address and telephone number of the Permittee, the identification numbers of current mining and reclamation permits and other authorizations to operate in a color that will provide significant contrast to the color of the sign board and can easily be seen and read. The identification signs will be maintained in place until after release of all bonds.

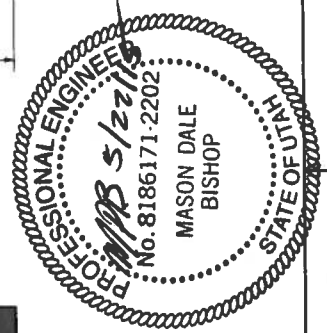
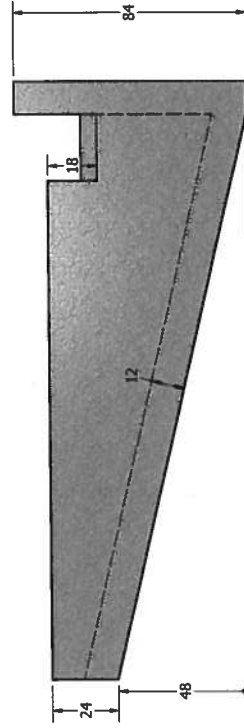
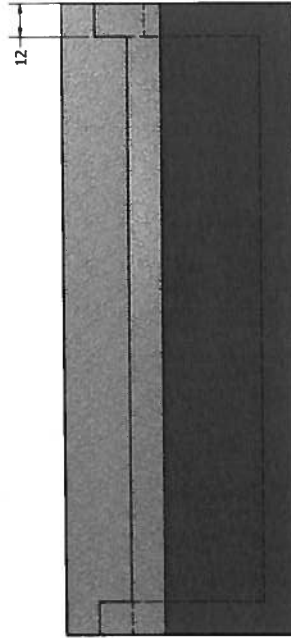
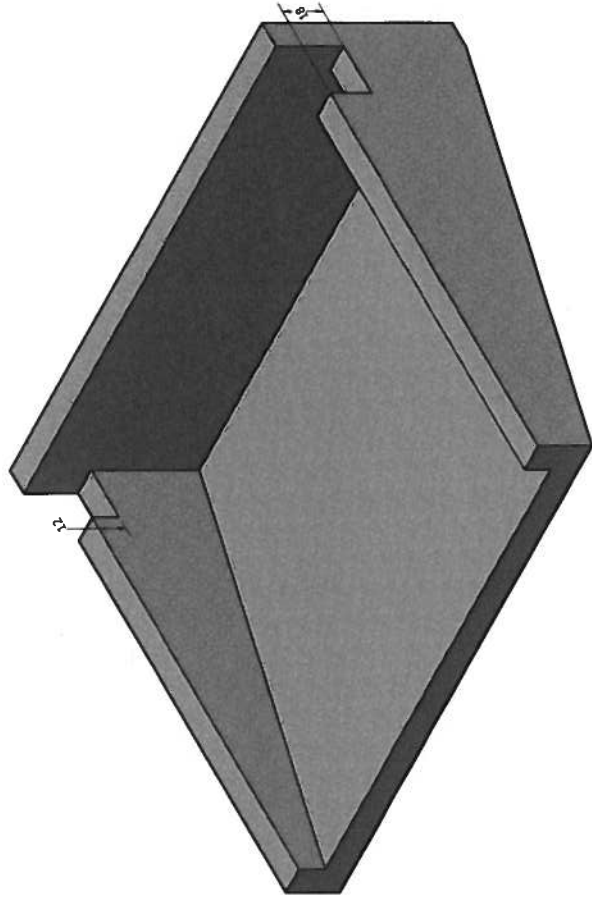
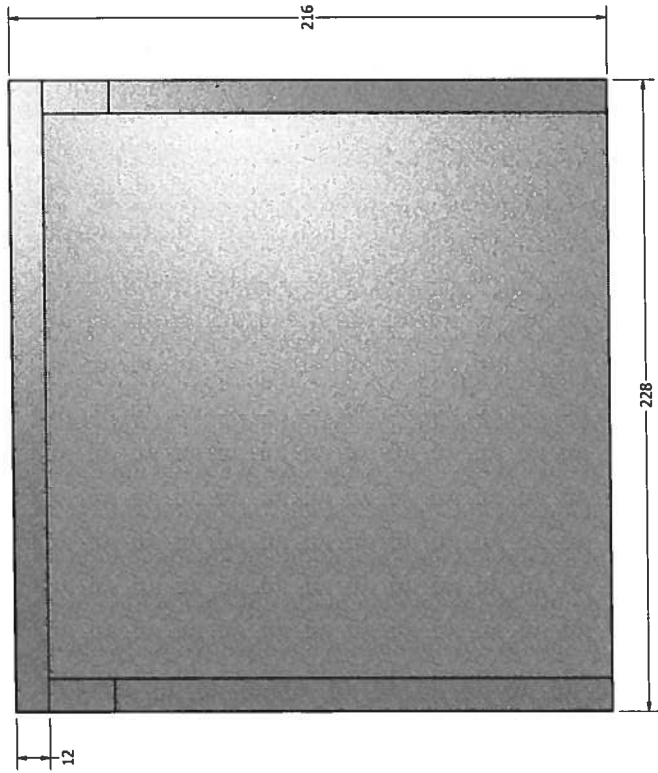
Perimeter Markers

The perimeter of the areas affected by surface operations or mining facilities has been posted with easily identifiable markers with blue steel fence posts.

Revised 5-22-15

3-44

INCORPORATED
Division of Oil, Gas & Mining



DATE	5/22/15	PROJECT	Skyline Mine
DRAWN		TITLE	Rail Load Out Sediment Trap
CHECKED		SIZE	C
DESIGNED		SCALE	
QA		DWG NO	Page 3-44a
MFG		REV	0
APPROVED			

Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$2,159,627
Subtotal Backfilling and Grading	\$1,597,728
Subtotal Revegetation	\$425,908
Direct Costs Subtotal	\$4,183,262.88

Indirect Costs

Mob/Demob	\$418,326	10.0%
Contingency	\$209,163	5.0%
Engineering Redesign	\$104,582	2.5%
Main Office Expense	\$284,462	6.8%
Project Management Fee	\$104,582	2.5%
Subtotal Indirect Costs	\$1,121,115	26.8%

Total Cost 2014	\$5,304,378
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Escalation factor		5
Number of years		0.019
Escalation	\$523,432	
Reclamation Cost Escalated	\$5,827,810	

Reclamation Bond Amount (rounded to nearest \$1,000) 2019 Dollars	\$5,828,000
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Posted Bond March 18, 2015	\$5,799,000
Difference Between Cost Estimate and Bond	-\$29,000
Percent Difference	-1%

Ref	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Emp	Number	Unit	Swell Factor	Quantity	Unit	Cost	
	Concrete Lined Ditch 27																				
	Structure's Demolition Cost																				
	Structure's Vol. Demolished																				
	Rubber's Weight (excludes 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																				
	Sill Trap at Rail Lander																				
	Equipment's Disposal Cost																				
	Demolition Cost																				
	Equipment's Vol. Demolished																				
	Landing Costs																				
	Transport Costs																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Landing Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				
	Total																				2231

Ref	Description	Material	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Rate	Number	Unit	Weight 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																					
	West of Sibs - on lum	Concrete road west of Sibs																				
	Concrete Demolition	Pavement Removal 3"																				
	Structure's Demolition Cost	Pavement Removal 3"	02 41 18 17 0240	3.43	SF	150		0.66		5025										5025 SF	17236	
	Concrete's Vol. Demolished	Slab on grade 8"thick with reinforced																				
	Loading Cost	Front end loader 3 CY	31 23 18 42 1300	1.87	/CY							123								123 CY	205	
	Transportation Cost	12 CY (16 Ton) Dump Truck 6 mi. rnd. trip	31 23 23 20 1014	2.95	/CY							123								123 CY	363	
	Disposal Costs	On site disposal	02 41 18 17 4200	8.65	/CY							123								123 CY	1064	
	Subtotal																				18858	
	Concrete Demolition	Pavement Removal 3"	02 41 18 17 0240	3.43	/SF					4727										118 SF	398	
	Demolition Cost	Slab on grade 4"thick with reinforced						0.66												151 CY	151	
	Concrete's Vol. Demolished	Front end Loader 3 CY	31 23 18 42 1300	1.87	/CY															151 CY	252	
	Loading Cost	12 CY (16 Ton) Dump Truck 1/2 mi. rnd. trip	31 23 23 20 1014	2.95	/CY															151 CY	445	
	Transportation Cost	On site disposal	02 41 18 17 4200	8.65	/CY															151 CY	1306	
	Disposal Costs																				2401	
	Subtotal																					
	Concrete Demolition	Pavement Removal 3"																				
	Demolition Cost	Disposal at approved facility																				
	Concrete's Vol. Demolished	Front end loader 3CY		4.81	CY															142 CY	685	
	Loading Cost																			87 Ton	3045	
	Transportation Cost																					
	Disposal Costs																				3730	
	Subtotal																					
	Paving From W Entriche to Sibs	Pavement Removal - 5' entire length	02 41 13 170550	9.4	SY															4592 SY	43165	
	Asphalt Demolition																					
	Concrete's Vol. Demolished	Front end loader 3CY	31 23 18 42 1300	1.87	CY															241 CY	402	
	Loading Cost																					
	Transportation Cost																					
	Disposal Costs	Disposal at approved facility																			781.65 Tons	31266
	Subtotal																				74833	
	Total																				99832	

