

August 27, 2015

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

RE: Subsidence Monitoring Reduction for Mine #3 Panels 1L – 6L

Dear Daron:

Attached to this letter is pertinent information requesting approval to remove panels 1L-6L in Mine #3 from Skyline Mine's subsidence monitoring program. Subsidence monitoring during 2013 & 2014 has shown that subsidence in the area is completed and further subsidence monitoring is no longer necessary. Subsidence monitoring for 2015 is scheduled for late September 2015. An expedited review of the attached permit modification would be appreciated.

Attached to this cover letter are subsidence maps from 2013 & 2014 annual reports demonstrating that subsidence in the area has ceased (maps zoomed to relevant area), completed C1 and C2 forms, and redline/strikeout text of the M&RP modified information.

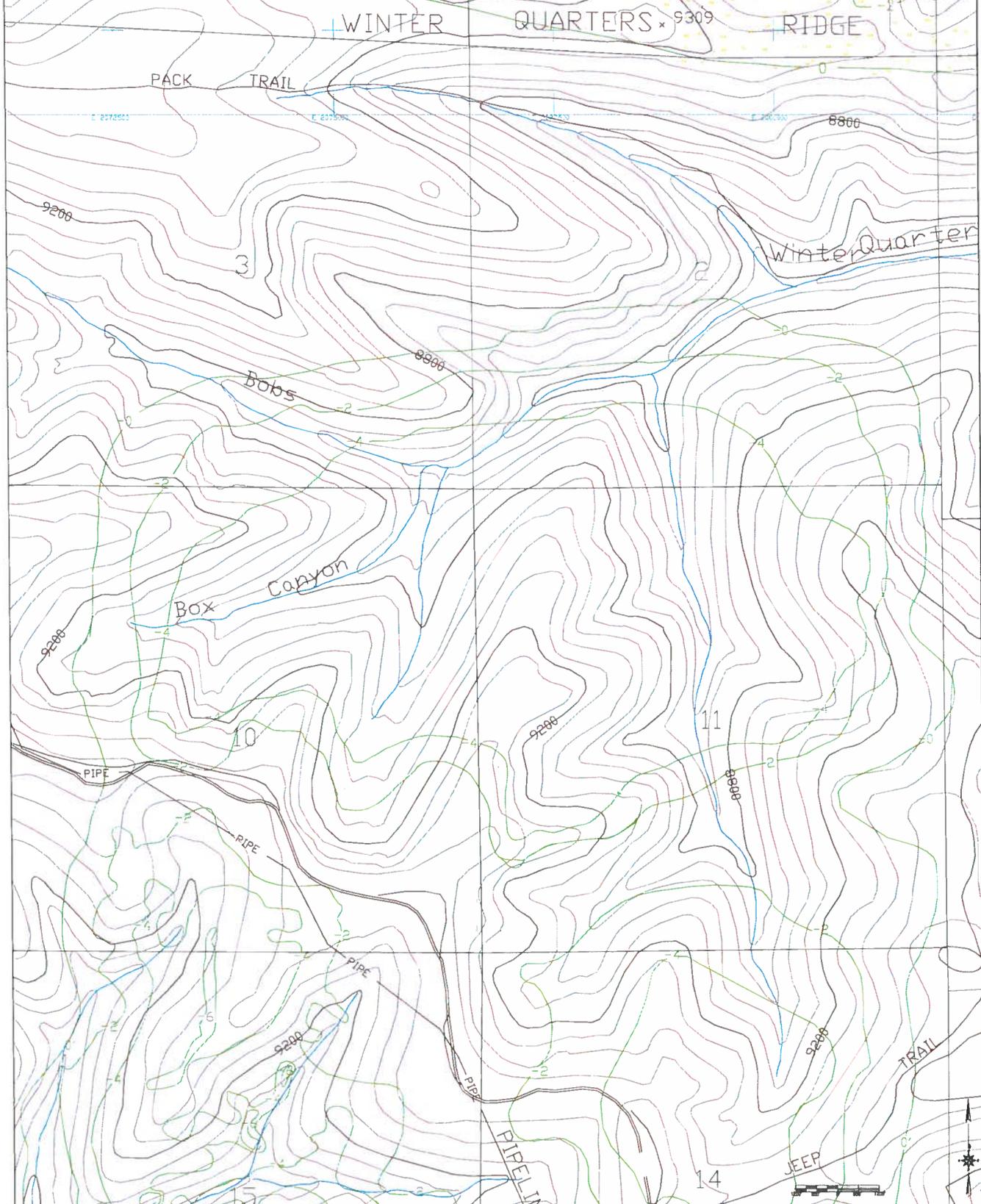
If you have any questions regarding this information, please give me a call at (435) 448-2645.

Sincerely:



Jeremiah Armstrong
Canyon Fuel Company, LLC.
Environmental Engineer – Skyline Mines

2013 SUBSIDENCE BLEND
 WINTER CANYON, UTAH
 DATA FROM PHOTOGRAMM. DATED OCTOBER 18, 2013
 DATA FROM PHOTOGRAMM. DATED OCTOBER 18, 2013
 SCALE: 1" = 500'
 DATA FROM UTM GRID COORDINATE SYSTEM
 PREPARED BY
 PSC/MAT



DATE	NO.	REVISIONS	BY/APP.	DATE	NO.	REVISIONS	BY/APP.
MARCH 01	1	2008 SUBSIDENCE	CAG/MS	03/01	1	2012 SUBSIDENCE	CAG/MS
MARCH 01	2	2008 SUBSIDENCE	CAG/MS	MARCH 11	1	2013 SUBSIDENCE	CAG/MS
MARCH 01	3	2007 SUBSIDENCE	CAG/MS		10		
MARCH 01	4	2008 SUBSIDENCE	CAG/MS		11		
MARCH 01	5	2008 SUBSIDENCE	CAG/MS		12		
MARCH 11	6	2013 SUBSIDENCE	CAG/MS		13		
MARCH 11	7	2013 SUBSIDENCE	CAG/MS		14		
MARCH 11	8	2011 SUBSIDENCE	CAG/MS		15		

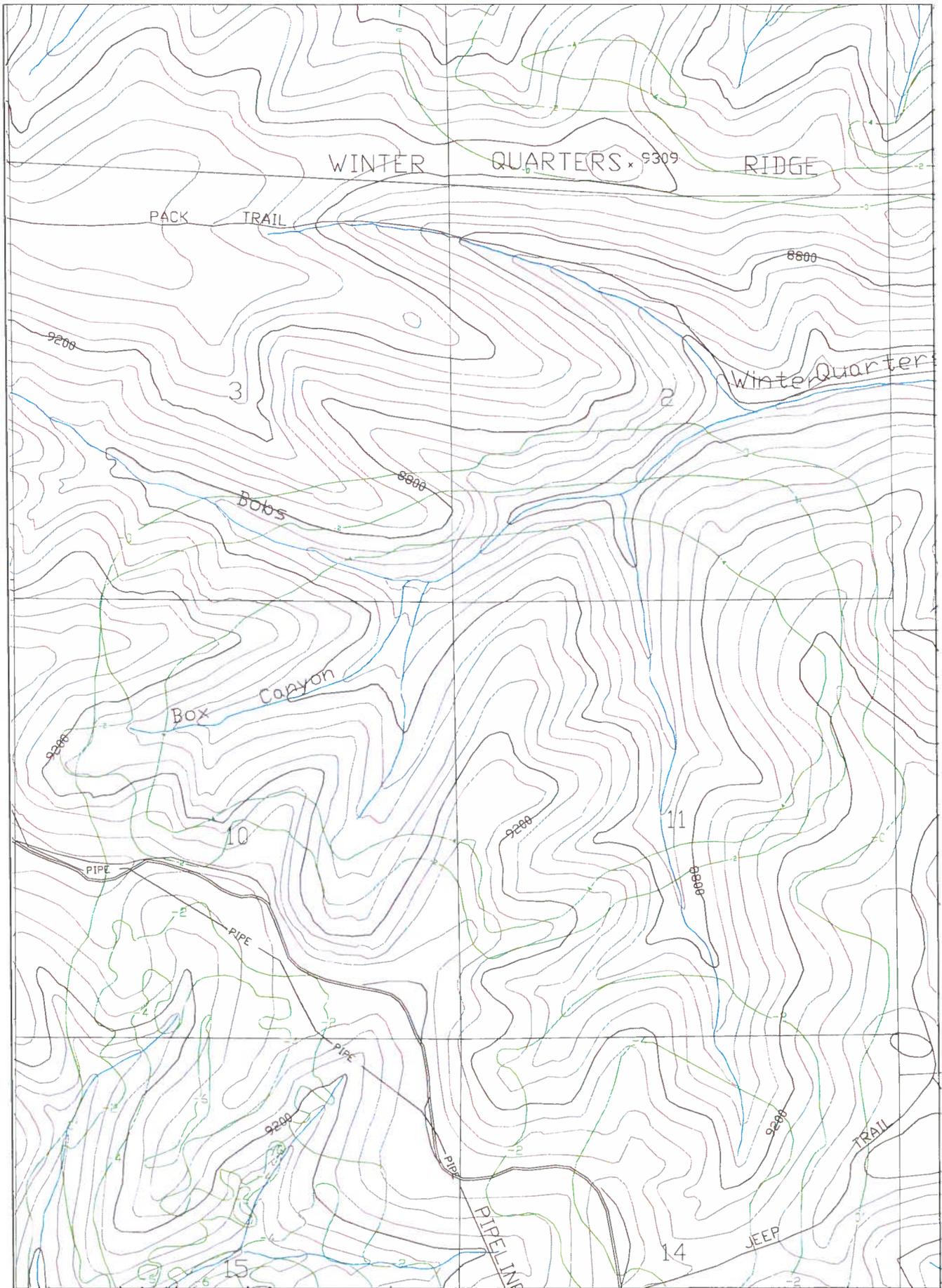
- NOTES:
1. COORDINATE BASE ON UTM GRID DATA.
 2. MAP DERIVED FROM 1:24,000 USGS QUADRANGLE MAPS, SCHEFFEL, UTAH AND FAIRVIEW LAKES, UTAH.
 3. NAME FACILITY, COORDINATE, AND NEW FACILITY CANYON ROAD LOCATIONS FROM EXISTING RECORD DATA AND INCORPORATED TO MAP IN BEST FIT LOCATIONS.
 4. UTM GRID TEXT VALUES SHOWN ARE IN METERS.
 5. SUBSIDENCE SURVEY CONDUCTED IN SEPTEMBER 2003.

Cumulative Subsidence
1982 - 2013


Canyon Fuel Company, LLC
 Skyline Mines

DATE: 3/20/2014 CK BY: CAG
 SCALE: 1" = 1200' DR BY: JCA
 DWG. NO.: Subsidence 2013 Final
 REVISION: 9
 3/25/2014

 -2
 SUBSIDENCE CONTOUR



DATE	REV	REVISIONS	DATE	REV	REVISIONS
MARCH 08	1	2008 SUBSIDENCE	MARCH 13	2	2012 SUBSIDENCE
MARCH 08	2	2008 SUBSIDENCE	MARCH 14	3	2012 SUBSIDENCE
JUNE 08	3	2007 SUBSIDENCE	MARCH 15	10	2014 SUBSIDENCE
MAY 09	4	2008 SUBSIDENCE		11	
MARCH 11	5	2010 SUBSIDENCE		12	
MARCH 11	6	2010 SUBSIDENCE		13	
MARCH 12	7	2011 SUBSIDENCE		14	

- NOTES:
- COORDINATE BASED ON NAD 83 DATUM.
 - MAP DERIVED FROM 1:50,000 SCALE QUADRANGLE MAPS, SECTION 10N AND T10N, R10E AND T10E.
 - WHERE FACILITY CORNER AND NEW TIE LINES CHANGE FROM LOCATION FROM EXISTING RECORD DATA AND ADJUSTMENTS TO MAP TO BEST FIT LOCATION.
 - FOR GRID TIE VALUES SHOWN ARE IN METERS.
 - SUBSIDENCE SURVEY CONDUCTED IN SEPTEMBER 2003.

BASE PREPARED BY INTERMOUNTAIN AERIAL SURVEYS, SALT LAKE CITY, UTAH - 088147

Cumulative Subsidence
1982-2014

Canyon Fuel Company, LLC
Skyline Mines

DATE: 3/20/15
SCALE: 1"=1000'
DRAWN BY: JCA
CHECKED BY: GAG
REVISION: 10
DWG. NO.: Cumulative Subsidence 2014
3/20/2015

SUBSIDENCE CONTOUR



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: Subsidence Monitoring Reduction for Mine #3 Panels 1L – 6L

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

Remove Mine #3 Panels 1L-6L from subsidence monitoring program.

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?

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.

Corey Heaps
Print Name

Corey Heaps, GM, 8-27-15
Sign Name, General Manager, Date

Subscribed and sworn to before me this 27 day of August, 2015

Melissa S Willden
Notary Public

My commission Expires: 3-19, 2019 }
Attest: State of Utah } ss:
County of Carbon

MELISSA S WILLDEN
Notary Public - State of Utah
My Commission Expires
March 19, 2019
Commission #682454

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

4.17

Section

4.17.9

Reduction of
Subsidence
Monitoring
Program

4.17.6 Subsidence Control

The Permittee plans to conduct the underground mining operations so as to prevent subsidence from causing material effect to the surface and to maintain the value and reasonable foreseeable use of that surface in accordance with the preceding subsidence control plan.

4.17.7 Public Notice

Since the surface ownership of the areas of planned subsidence is vested in the United States and is under the authority of the U.S. Forest Service, the annual subsidence monitoring report will be provided to them and to the regulatory authority.

4.17.8 North Lease

Infrared aerial photographs (CIR) will be taken either in August or September of each year. An interpretation of the photographs will be made and a written report will be included in the Skyline Mine Annual Report. If a reduction in renewable resources is noted because of subsidence, the appropriate agencies will be notified and mitigation measures will be developed.

4.17.9 Reduction of Subsidence Monitoring Program

Mining operations were completed in the southern section of Mine #3 (Panels 3R-7R and 1R NM-6R NM) in August 1996. No adverse effects related to subsidence were observed in the area after 1997. The subsidence monitoring program was terminated after monitoring in 2003.

Mining operations were completed for Mines #1 and #2 in August 1998 and April 2004, respectively. No adverse effects related to subsidence were observed in the area after 2004. The subsidence monitoring program was terminated for this area after monitoring in 2006.

Mining operations were completed for panels 1L-6L in Mine #3 in June of 2012. Subsidence monitoring indicates that subsidence has ceased. The subsidence monitoring program was terminated for this area after monitoring in 2014.

Revised: 10/19/20078/27/2015

4-101

INCORPORATED
04/25/08
Division of Oil, Gas & Mining