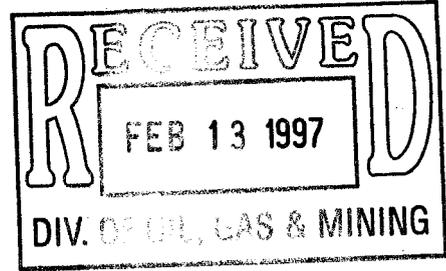




Canyon Fuel Company, LLC
 Skyline Mines
 P.O. Box 719
 Helper, Utah 84526
 801/637-7925 Fax: 801/636-2632



February 11, 1997

Mary Ann Wright, Associate Director
 Utah Coal Regulatory Program
 Division of Oil, Gas, and Mining
 1594 West North Temple, Suite 1210
 Salt Lake City, Utah 84114-5801

Re: Dugout Canyon Exploration Permit Exp/007/018-95A

Mary Ann
 Dear Ms. Wright:

We would like to request a one (1) year extension of the Dugout Canyon Exploration permit Exp/007/018-95A.

Ordinarilly we had anticipated having this site permitted by September 1996 and starting construction at that time. However, due to the sale of Coastal States Energy Company, this permitting process was put on hold.

Canyon Fuel Company, LLC is now re-evaluating the feasibility and economics of the Dugout Canyon mining property. We need to re-enter the opened portals and obtain additional samples as part of the feasibility study. We are therefore requesting this extension so that additional information can be obtained.

We will continue to maintain the site as required by the permit. If you need any additional information please contact either Keith ZoBell or Barry Barnum.

Sincerely,

Keith ZoBell
 For Reid W. Olsen
 General Manager, Solider Canyon Mine

#2
Copy Kenneth,
Ann: JPK
 FAX Steve @ PEO.



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

July 10, 1997

Richard Manus, Area Supervisor
Bureau of Land Management
900 North 7th East
Price, UT 84501

Re: Coal Exploration, Canyon Fuel Company, LLC, Soldier Canyon Mine, ACT/007/018-97A, File #2, Carbon County, Utah

Dear Mr. Manus:

Enclosed please find the technical memos identifying recommendations from reclamation specialists Dave Darby, Susan White, Bob Davidson, and Pete Hess. Questions relative to these documents may be referred to the appropriate author.

Additionally, please call me if I can be of further assistance. Thank you for the opportunity to comment on this exploration project.

Sincerely,

Joseph C. Helfrich
Permit Supervisor

tt
Enclosure
cc: Pete Hess, DOGM
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