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Canyon Fuel Company, LLC
Soldier / Dugout Canyon Mines
P.O. Box 1029
Wellington, Utah 84542
435/637-6360 Fax: 435/637-0108

February 24, 1999

Coal Regulatory Program
Attn.: Joe Helfrich
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114

Re: Temporary Cessation of Coal Production
Soldier Canyon Mine, ACT/007/018

*Copy Mary Ann,
Pete, Joe, Daron*

Dear Mr. Helfrich:

AAA # 2

Due to the deterioration of coal quality, the decision has been made to indefinitely idle all coal production at the Soldier Canyon Mine (SCM). Please be aware that this decision does not effect any surface acreage. The SCM surface facilities currently provide support to our Dugout Canyon Mine. These facilities will continue to be operated and maintained in accordance with the approved M&RP.

The underground mine workings remain ventilated and are routinely inspected by both SCM personnel and MSHA. All mine openings are also being managed in a manner consistent with active coal mines. However, since the SCM may remain idle for several years, declaring the mine to be inactive and temporarily sealing all openings is being considered. Should sealing of any of the mine openings be recommended, actual sealing would only proceed following MSHA approval (30 CFR 75.1711) and as allowed for within the approved M&RP.

Pursuant with R645-301-515.321, I have included five copies of the up-to-date mine progress maps to show the extent of the SCM underground mine workings. These maps are intended for direct incorporation into the approved M&RP.

Should you have any questions concerning this matter, please contact Dave Spillman (435-636-2872) or Chris Hansen (435-448-2669).

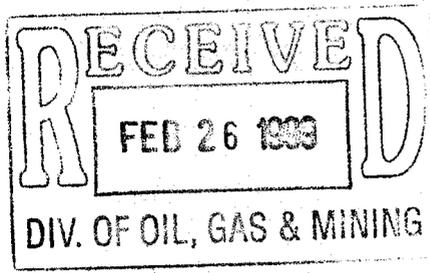
Sincerely,
SOLDIER / DUGOUT CANYON MINES

R. W. Olsen

R. W. Olsen
General Manager

enclosure

cc: Dick Pick, CFC
Chris Hansen, Skyline
Pete Hess, DOGM, Price Field Office ✓
Dave Spillman
Central Files



APPLICATION FOR PERMIT PROCESSING

<input checked="" type="checkbox"/> Permit Change	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: ACT/007/018
Title of Proposal: Update of mine progress maps.						Mine: SOLDIER CANYON
						Permittee: CANYON FUEL

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

Updated mine progress maps have been submitted due to the temporary cessation of coal production at the Soldier Canyon Mine.

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres. Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Is the application submitted as a result of a Division Order? DO # _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	9. Is the application submitted as a result of a Violation? NOV # _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain: _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

*** Attach 5 complete copies of the application.**

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. (R645-301-123)

R. W. Olsen REID W. OLSEN GEN. MGR
 Signed - Name - Position - Date

Subscribed and sworn to before me this 24 day of Feb, 19 99.

Glenna Bullard
 Notary Public

My Commission Expires: 9-15 2008
 Attest: STATE OF Utah
 COUNTY OF Carbon

