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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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October 28, 1999

Rick Olsen, General Manager
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542

Re: Completion of Midterm Review, Canyon Fuel Company, LLC, Soldier Canyon Mine, ACT/007/018-MT99, File #2, Carbon County, Utah

Dear Mr. Olsen:

The Division has completed the midterm review of the Soldier Canyon Mine. The items which were reviewed were identified in our September 23, 1999 letter to you and the results are listed below.

1. An AVS check was conducted and returned with a system recommendation of "Issue". There are no NOV's or CO's which are not corrected for the Soldier Canyon Mine. There are no finalized civil penalties which are outstanding or overdue in the name of Canyon Fuel Company, LLC. Canyon Fuel Company, LLC does not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures fan any operation in the state of Utah.
2. A review of division orders and plan changes has indicated that all pending issues have been addressed. Division order DO99A was complied with and approval of the submittal addressing abandoned machinery was done on August 26, 1999.
3. A review of the applicable portions of the MRP has found that the plan contains a commitment that appropriate sediment control measures will be designed, constructed and maintained using the Best Technology Currently Available (BTCA) to:
 - Prevent, to the extent possible, additional contributions of sediment to stream flow or to runoff outside the permit area;
 - Meet the effluent limitations under R645-301-751; and
 - Minimize erosion to the extent possible. additional contributions of suspended solids to stream flows outside of the permit area.

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There are 9 Alternate Sediment Control Areas (ASCAs) within the permit area and no Small Area Exemptions (SAEs). Design and as-built information in the MRP indicates that the BTCA is being used at the Soldier Canyon Mine.

4. Due to the inactive status of the mine, a technical site visit was not conducted. However, a review of recent inspection reports completed by the compliance inspector, indicates that the mine is in compliance with the performance standards set forth in the R645 rules and the coal regulatory program.
5. The reclamation bond was evaluated and was found to be adequate. No adjustment will be needed at this time. It is noted that the bond covers a preparation plant and waste rock disposal facility that were never constructed. The permittee may wish to apply for a reduction in the bond amount which would more accurately reflect the cost to reclaim actual constructed facilities. In order to do this an application would need to be made which would include a revised cost estimate.

This concludes the midterm review of the Soldier Canyon Mine. Thank you for your cooperation during the review.

Please call if you have any questions.

Sincerely,



Daron R. Haddock
Permit Supervisor

tm
cc: Chris Hansen
Price Field Office
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