



Canyon Fuel Company, LLC
 Skyline Mines
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July 6, 2000

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

Incoming ACT/007/039 (Copy)
Incoming ACT/007/018

RE: Backfill of the Soldier Canyon Mine Portals Using Excess Fill from Dugout Canyon Mine Site

Dear Mary Ann:

As you may be aware, a recent methane explosion occurred at the idled Soldier Canyon Mine. The explosion was the result of a lighting strike occurring near a vertical shaft where methane had accumulated. The resulting explosion damaged the seals within the mine portals and the vertical shaft seal. As required by MSHA, the vertical shaft was backfilled with inert, noncombustible material obtained from a nearby Carbon County gravel pit. Further, MSHA has required Canyon Fuel Company (CFC) to immediately seal the mine portals with inert, noncombustible material. CFC has obtained approval to seal the portals with fill material, including reject material from the gravel pit and excess construction fill.

CFC would like to use the approximately 1000 yds³ of excess fill material stored at the Dugout Canyon Mine as part of the seal material at the Soldier Canyon Mine. The excess material at Dugout Canyon Mine consists of construction fill imported from the gravel pit used by the mine site construction contractor. The 1000yds³ of material was determined to be in excess of the actual volume needed to construct the Dugout Canyon Mine site and was not intended to be used at final reclamation. Also included in the excess material is gravel remaining from construction of the mine site sewage system and construction fill excavated from the sediment pond after the significant flood event that occurred at the site approximately one year ago. The excess fill material CFC wishes to use at Soldier Canyon Mine does not include native topsoil or subsoil from the Dugout Mine site, garbage, or combustible material. Before fill material was transported to the Dugout Canyon Mine site during original construction, including most of the now excess material, it was analyzed and found suitable for use as subsoil during final reclamation.

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DIVISION OF
 OIL, GAS AND MINING

CFC plans to begin backfilling of the Soldier Canyon Mine portals later today. CFC anticipates the need to purchase additional reject material from the Carbon County gravel pit but would like to reduce the overall cost of this project through the use of the excess material from the Dugout Canyon Mine. Your prompt attention to this matter is greatly appreciated.

Sincerely

A handwritten signature in cursive script that reads "Chris D. Hansen". The signature is written in black ink and is positioned below the word "Sincerely".

Chris D. Hansen
Environmental Coordinator
Canyon Fuel Company, LLC

cc: Daron Haddock, DOGM SLC
Steve Demczak, DOGM PFO
Pete Hess, DOGM PFO
Ken Payne, CFC