



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

March 7, 2000

Coal Regulatory Program
Attn.: Mr. Daron Haddock
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 Operations at the Canyon Fuel Company, LLC Banning Loadout, ACT/007/034

Incoming Copy from Daron FAX PFO

Dear Mr. Haddock:

As you are aware, the Soldier Canyon Mine was indefinitely sealed in July 1999 due to coal quality problems and market conditions. Production from the Dugout Canyon Mine has also been reduced due to current market conditions. All coal that is currently produced from the Dugout Canyon Mine is now transported to the Savage Coal terminal for rail shipment. Therefore, Canyon Fuel Company, LLC (CFC) has decided to indefinitely idle the Banning Loadout as a coal loading facility. CFC intends to maintain the site for storage of mining equipment as allowed in the current Mining and Reclamation Plan (M&RP).

Currently, the Banning Loadout facility includes 21.6 acres of permitted disturbed acres. CFC has no intention of enlarging or reclaiming the disturbed acreage at this time. All runoff control structures will be maintained as required by the approved M&RP. Public access to the site will continue to be restricted with a locked gate. All stockpiled coal has been removed from the site. Most of the mobile equipment has been removed from the site but the permanent structures remain.

If 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
General Manager

cc: Dick Pick
Chris Hansen
Dave Spillman
Steve Demczak, DOGM Price Field Office
Central Files

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DIVISION OF
OIL, GAS AND MINING

TRANSACTION REPORT

P. 01

MAR-14-2000 TUE 09:44 AM

FOR: OIL, GAS & MINING

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