



Canyon Fuel Company, LLC
 Soldier / Dugout Canyon Mines
 P.O. Box 1029
 Wellington, Utah 84542
 435/637-6360 Fax: 435/636-2897

August 24, 2001

c/007/039 WQ 01-2
c/007/038 WQ 01-2
c/007/034 WQ 01-2

Coal Regulatory Program
 Attn.: 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: Second Quarter 2001 Water Monitoring Report
 Dugout Canyon Mine, ACT/007/039
 Soldier Canyon Mine, ACT/007/018
 Banning Loadout, ACT/007/034

Copy Daron
Copy Daron

Dear Mr. Haddock:

I have enclosed the second quarter 2001 water monitoring results for the Soldier Canyon Mine, Dugout Canyon Mine and Banning Loadout. This information will also be down loaded into the Division's web site.

Please be aware that we have now completed our two-year obligation of monitoring the groundwater quality parameters at springs SP-20, SC-14, SC-65 and SC-100. In accordance with Dugout's approved M&RP, future monitoring of these springs will include quarterly field measurements only.

Should you have any questions or comments concerning this information, please contact myself (435-636-2872) or Chris Hansen (435-448-2669).

Sincerely,
 SOLDIER / DUGOUT CANYON MINES

David G. Spillman

David G. Spillman, P.E.
 Technical Services Manager

RECEIVED

AUG 27 2001

DIVISION OF
 OIL, GAS AND MINING

enclosures

cc: Chris Hansen, Skyline
 DOGM, Price Field Office
 Central Files