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

December 30, 2004

Ms. Pamela Grubaugh-Littig
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple
Suite 1210
Salt Lake City, UT 84114-5801

Incoming
C/007/0034
#2117

RE: Revisions to Address TA Deficiencies, Task # 1936, Canyon Fuel Company, LLC, Banning Loadout, C/007/034

Dear Ms. Grubaugh-Littig:

Enclosed please find four copies of information to address revisions to the Banning M&RP to deal with deficiencies outlined under Task ID # 1936.

Summary of Deficiencies

R645-300-117.200 - Addressed in a submittal made on 9/28/04

R645-301-112

The reclamation agreement for Banning, if needed, can be revised to reflect the following resident agent. However, the permittee has no copy of a reclamation agreement dated October 24, 2003, we do however have a copy of the permit renewal for that date but could not find a reference to the resident agent in that document.

RESIDENT AGENT: C.T. Corporation Systems
50 West Broadway
Salt Lake City, UT 84104
Telephone: (801) 531-7090

The permittee could find no reference in Chapter 2 to corporate structure information however, Chapter 1 of the Banning Loadout M&RP was revised in November 2004 and was submitted under Task ID #1936 at that time. A general Chapter 1 has been created for the Dugout Canyon Mine, Banning Loadout and Soldier Canyon Mine. The information in the stand alone binder is common to the operations and is referenced in each of the M&RP's. A redline and clean copy of the revised Chapter 1 for Banning can be reviewed at the Division's offices in Salt Lake City and Price.

file In C 0070034 *Incoming*
Date: 010305. Refer to:

RECEIVED

JAN 03 2005

DIV. OF OIL, GAS & MINING

Confidential
 Shelf
 Expandable
For additional information

Task # 1936, CFC
Page 2

R645-301-113.300

Chapter 1 of the Banning Loadout M&RP was revised in November 2004 and was submitted under Task ID #1936. A updated violation history was submitted in the revised General Chapter 1. A redline and clean copy of the revised Chapter 1 for Banning and the General Chapter 1 can be reviewed at the Division's offices in Salt Lake City and Price.

R645-301-120

Exhibit 5-5 was required to satisfy a request for coal/subsurface ownership by Division personnel.

R645-301-241 - Refer to revised text submitted for Chapter 2.

R645-301-242.130 - Refer to revised text submitted for Chapter 2.

R645-301-521 - Refer to revised text submitted for Chapter 5 and Appendix 5-4.

R645-301-521.160 - See attached revised Exhibit 5-2.

R645-301-542.200 - See attached revised Exhibit 5-6

R645-301-820.351 - Refer to revised bond in Appendix 8-1, Table 5-3 is revised, with most of text eliminated.

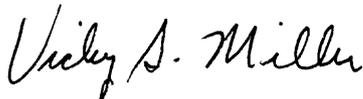
R645-301-830 - Refer to revised bond in Appendix 8-1.

R645-310-820.111 - Refer to revised text submitted for Chapter 5.

An additional copy of the submittal has been delivered to the Price Field Office.

Please contact Vicky Miller at (435) 636-2869, if there are any questions concerning this submittal.

Sincerely yours,



Vicky S. Miller

Cc: Dave Spillman (enclosures)
Price Field Office (enclosures)

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: Banning Loadout

Permit Number: C/007/034

Title: Submittal to Address Deficiencies in Post Mining Land Use - Task ID # 1936

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

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes No 1. Change in the size of the Permit Area? Acres: 0.83 Disturbed Area: 0.41 increase decrease.
- Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
- Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes No 6. Does the application require or include public notice publication?
- Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes No 9. Is the application submitted as a result of a Violation? NOV # _____
- Yes No 10. Is the application submitted as a result of other laws or regulations or policies?
Explain: _____
- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

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.

David Spillman
Print Name

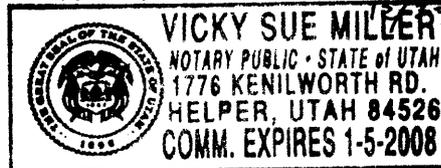
David Spillman, Engineering Manager
Sign Name, Position, Date

Subscribed and sworn to before me this 30 day of December, 2004

Vicky Sue Miller
Notary Public

My commission Expires: 1-5, 2008

Attest: State of UTAH } ss:
County of CARBON



For Office Use Only:

Assigned Tracking
Number:

Received by Oil, Gas & Mining

RECEIVED

JAN 03 2005

DIV. OF OIL, GAS & MINING

