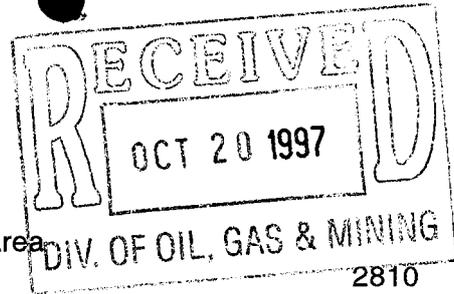


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ACT 10071039 #2



Moab District  
Price River/San Rafael Resource Area  
125 South 600 West  
Price, Utah 84501

2810  
UTU-73294  
(UT-066)

Mr. Ken Payne  
Canyon Fuel Company, LLC  
P. O. Box 1029  
Wellington, Utah 84542

OCT 17 1997

*Copy Aaron, Mike S.*

Dear Mr. Payne:

On October 16, 1997, we received your letter regarding public comments for the proposed Dugout Canyon road project. Your letter requested that we reply with any public comments we received during the thirty (30) day comment period. It is Canyon Fuel's contention that our notice for public comments should serve the same intent as the Division of Oil Gas and Mining's rule (R645-103-234). This rule requires that Canyon Fuel place a notice in a local paper, where a coal mining and reclamation operation is proposed within 100 feet of any public road.

The project that you have proposed was not analyzed in the environmental assessment written to cover the proposed Dugout Canyon road project. There was no mention that over 2400 feet of critical riparian habitat would be destroyed and lost due to the installation of a culvert and expansion of a mine site facility. Therefore, we believe Canyon Fuel should be required to notify the public of the proposed project and afford them the opportunity to comment on the proposal.

We received a copy of the proposed stream alteration permit (SCA 97-91-07SA) covering this project after the comment period had been closed. Also, BLM was not present during the on-site inspection of the area. We notified the Utah Division of Water Rights of our concerns, and requested that they table a decision on the stream alteration permit. This request was made in order that we could determine the potential impacts this project may have to public lands and explore other alternatives.

To address your original question, we received three minor comments from the Utah Division of Wildlife Resources. The comments were mainly about potential impacts to the stream during construction.

If you have any questions please feel free to contact Mark Mackiewicz of my staff at (801) 636-3600.

Sincerely,  
**MARK E. BAILEY**  
Acting  
Area Manager

cc: Utah Division of Oil Gas and Mining ✓  
Division of Water Rights  
Utah Division of Wildlife Resources