

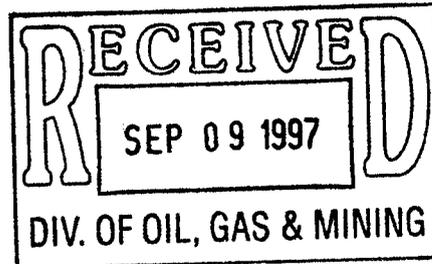
0021

007/039 #2

Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542
801/637-6360 Fax: 801/637-0108



Ken M. Payne
Project Manager



September 9, 1997

Daron Haddock
Permit Supervisor
Division of Oil, Gas and Mining
Coal Program
1594 W North Temple, Suite 1210
Box 145801
Salt Lake City UT 84114-5801

Re: Response to Deficiencies – Dugout Canyon Mine PRO/007/039

Dear Mr. Haddock:

Enclosed are three copies of our response to the Dugout Canyon Mine Technical Analysis dated August 1, 1997. Also included are Forms C1 and C2.

Canyon Fuel Company, LLC (“Canyon Fuel”) takes exception to two requests in the Technical Analysis. These exceptions are:

R645-301-527.100

The request to classify additional roads in the permit area beyond those which have previously been classified in the permit application appears to be unnecessary. Specifically, the Division would be, to the best of our knowledge, asking Canyon Fuel to comply with a more stringent interpretation of the regulation than is required of similar mining operations in the area. The roads in question are on private property and are located outside of any planned mining related surface disturbance. The roads are currently used by the land owner for access to livestock grazing areas and for recreational activities. Canyon Fuel will only use these roads for activities incidental to mining such as periodically accessing ground water, surface water, subsidence monitoring, etc. locations. Canyon Fuel does not intend to improve the existing roads nor construct new roads.

R645-301-533.700

The Division has requested Canyon Fuel provide written specifications for the construction of the sediment pond. In previous permit submittals, the embankment, design drawings, geotechnical analyses and associated calculation sheets, and the related text within the appropriate sections of the permit have been deemed as adequate to satisfy this regulation. Again, Canyon Fuel believes that they are being asked to provide information that has not been previously required of them or of other area mining operations as part of the permitting process.

Canyon Fuel desires to install a culvert in the Dugout Creek during October and November this year if the permit application is approved in a timely manner. The need to install the creek culvert this fall is important due to the low stream flow at this time of the year. Your efforts to achieve this will be greatly appreciated.

If there are any questions, please contact me at 801 636-2880.

Thank you for your attention to this matter.

Sincerely,



Ken Payne
Project Manager

xc: Richard Pick
Rick Olsen
Dan Ferreter

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Application for Permit Change Detailed Schedule of Changes to the Permit

Title of Change: Response to August 1, 1997, Technical Analysis

Permit Number: PRO 007/039

Mine: Dugout Canyon Mine

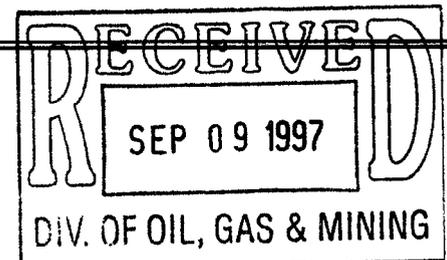
Permittee: Canyon Fuel Company

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit change. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the exiting mining and reclamation plan. **Include page, section and drawing numbers as part of the description.**

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 1, Text, Tables, Figures
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendices 1-1 and 1-2
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 2, Text, Tables
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 2-3, add data to the end of existing data
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 2-5
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 3, Text, Tables
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 3-3, add data to the end of existing data
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 4, Text, Tables, Figures
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 4-3
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 5, Text, Tables, Figures
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendices 5-2 and 5-6
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 5-4, add data to the end of existing data
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 6, Text, Figures
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendices 6-1 and 6-2
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 7, Text, Tables, Figures
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 7-9, Remove pages 82-112 and replace with pages 82-159
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 7-11, Remove pages 1-4 & 12-14, replace with pages 1-4a & 12-15, respectively
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 8, Text
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plates 6-6 and 6-7, added to the Confidential Folder
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 4-1, 5-2A, 5-2B, 5-3, 5-4, 7-5, 7-8
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-2C
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Confidential Data Folder
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

September 9, 1997



APPLICATION FOR PERMIT CHANGE

Title of Change: Response to August 1, 1997, Technical Analysis

Permit Number: **PRO/007/039**

Mine: **DUGOUT CANYON MINE**

Permittee: **CANYON FUEL COMPANY**

Description, include reason for change and timing required to implement:

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	2. Change in the size of the Disturbed Area? <u>10.2</u> acres <input checked="" type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	3. Will permit change include operations outside the Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	4. Will permit change include operations in hydrologic basins other than currently approved?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	5. Does permit change result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	6. Does the permit change require or include public notice publication?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	7. Does the permit change require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	8. Permit change as a result of a Violation? Violation # _____
<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	9. Permit change as a result of Division Order? D.O. # _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	10. Permit change as a result of other laws or regulations or policies? Explain: _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	11. Does the permit change affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	12. Does permit change require or include underground design or mine sequence and timing? (Modification of R2P2?)
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	13. Does permit change require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	14. Could the permit change have any effect on wildlife or vegetation outside the current disturbed area?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	15. Does permit change require or include soil removal, storage or placement?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	16. Does permit change require or include vegetation monitoring, removal or revegetation activities?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	17. Does permit change require or include construction, modification, or removal of surface facilities?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	18. Does permit change require or include water monitoring, sediment or drainage control measures?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	19. Does permit change require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	20. Does permit change require or include subsidence control or monitoring?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	21. Have reclamation costs for bonding been provided for any change in the reclamation plan?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	22. Is permit change within 100 feet of a public road or perennial stream or 500 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	23. Is this coal exploration activity?

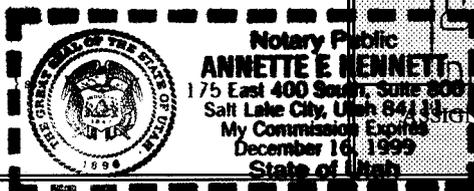
Attach 3 complete copies of proposed permit change as it would be incorporated into the Mining and Reclamation Plan.

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.

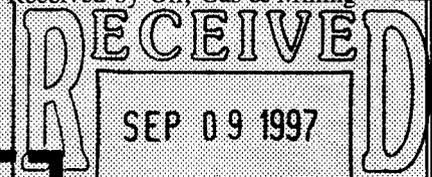
[Signature] Pres. Mgr. - 9-9-97
Signed - Name - Position - Date

Subscribed and sworn to before me this 9th day of Sept, 1997.
[Signature]
Notary Public

My Commission Expires: 12/16, 1999
Attest: STATE OF UTAH
COUNTY OF SALT LAKE



Received by Oil, Gas & Mining



DEPARTMENT OF OIL, GAS & MINING
SIGNED PERMIT CHANGE NUMBER