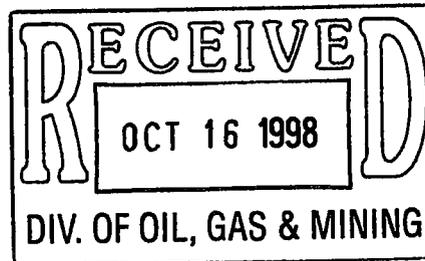


October 16, 1998



Coal Regulatory Program
Attn: Daron Haddock
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt lake City, Utah 84114-5801

RE: Response to the Division's List of Deficiencies, October 14, 1998 Dugout Canyon Mine Phase II Application, Canyon Fuel Company, LLC, ACT/007/039, Folder #3, Carbon County, Utah

Dear Mr. Haddock:

Canyon Fuel Company, LLC is please to submit the enclosed 5 copies of the revised text, plates, and appendices for Phase II of the Dugout Canyon Mine Mining and Reclamation Plan. The texts, plates, and appendices have been revised in response to the above referenced List of Deficiencies produced by your staff on October 14, 1998 and forwarded to us on the same date. This submittal includes the copies of the text changes highlighted by redline and strike-through.

We appreciate your rapid response to our September submittal for Dugout Canyon. If you have any questions regarding this submittal, please feel free to contact me at (435) 448-2669, Mr. Ken Payne at (435) 636-2880, or Ms. Vicky Miller at 561-1555.

Sincerely,

A handwritten signature in cursive script that reads "Chris D. Hansen".

Chris D. Hansen
Environmental Coordinator
Canyon Fuel Company, LLC

Form B00M - Oil Gas and Mining February 14, 1998

File Folder

APPLICATION FOR PERMIT CHANGE

Title of Change: Modifications to the Dugout Phase II Submittal

Permit Number: ACT/007/039

Mine: Dugout Canyon Mine

Permittee: CANYON FUEL COMPANY

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

Change is the result of Division's review of the September 1998 Phase II modification submittal.

<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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Change in the size of the Disturbed Area? _____ acres <input 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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	5. Does permit change result from substitution, 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 type="checkbox"/> Yes	<input checked="" 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 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 type="checkbox"/> Yes	<input checked="" 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 type="checkbox"/> Yes	<input checked="" 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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	21. Have reclamation costs for bonding been provided for any change in the reclamation plan?
<input type="checkbox"/> Yes	<input checked="" 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?

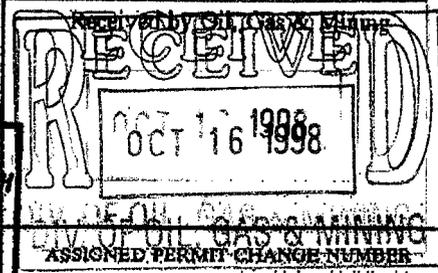
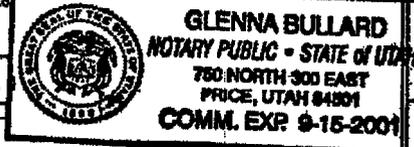
X Attach 5 complete copies of proposed permit change as it would be incorporated into the Mining and Reclamation Plan.

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.

Glenna Bullard Per Mgr 10/15/98
Signed - Name - Position - Date

Subscribed and sworn to before me this 15 day of Oct, 1998.

My Commission Expires: 9-15-2001
STATE OF UTAH
COUNTY OF Carbon



Application for Permit Change Detailed Schedule of Changes to the Permit

Title of Change: Modifications to the Dugout Mine Phase II Submittal	Permit Number: ACT/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	Replace pages 2-2, 2-10, Exhibit A and B cover sheets
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Replace Plates 2-1 and 5-1 of Appendix 2-7 with Exhibit A and Exhibit B, respectively.
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Add tab for Appendix 2-7
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Replace pages 3-22, 3-44, 3-52
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Add additional mitigation mulch data to Appendix 3-1
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Replace Plates 3-1 and 3-1D
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Add Appendix 4-1 cover sheet
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Replace pages 5-44 and 5-68
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Replace pages 7-53, 7-54, 7-56, 7-57, and 7-83
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Replace Plates 7-1, 7-5, and 7-7
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Replace Appendix 7-2
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
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<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<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?

