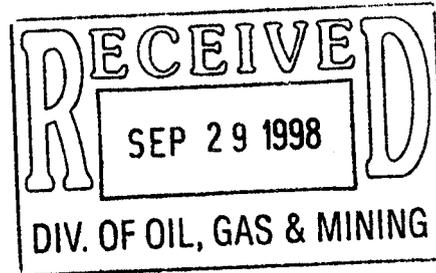


September 29, 1998

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 Review of the September 11 and 16, 1998 Dugout Canyon Mine Phase II Application Modifications, Canyon Fuel Company, LLC, ACT/007/039, Folder #3, Carbon County, Utah

Dear Mr. Haddock:

Canyon Fuel Company, LLC (CFC) is submitting the enclosed modifications to the Dugout Canyon Mine Phase II MRP in response to deficiencies noted in the latest submittal (EarthFax Engineering, Inc. and CFC, September 11 and 16, 1998). This submittal includes modifications to: Chapter 1 to address updating the legal description of the permit boundary; Chapter 2 to indicate areas where topsoil will not be disturbed, removed or salvaged during site construction, to modify the volume of soil available for redistribution at the time of final reclamation, and to provide information regarding the expansion of the topsoil stockpile; Chapter 3 to address comments received from Mr. Paul Baker of the Division regarding vegetation reference areas; Chapter 4 to update Exhibit B in Appendix 4-2. More specifically, Chapter 2, Appendix 2-7 has been modified to address the following items:

- Delineation of the soil types present in the expansion area,
- Provide volume calculations of soil to be stripped prior to site construction,
- Provide ownership and water right information for the expansion area,
- Provide calculations for the sizing of the culvert to be placed in the ditch,
- Indicate the removal of the ditch culvert at final reclamation,
- Modify the plates to indicate these are facilities and transportation maps for the area,
- Indicate the location and type of road accessing the storage area, and
- Modification of Plate 5-5 of Appendix 2-7 to indicate the area where topsoil will not be disturbed until final reclamation and then only to aid in achieving AOC.

Please note that we are only providing the modified text, appendices, and plates necessary to update the approved existing permit for the Dugout Canyon Mine.

Canyon Fuel Company, LLC
September 29, 1998
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Dugout Canyon Mine
Deficiency Response Letter

If you have any questions regarding this submittal, please feel free to contact me at (435) 448-2669 or Canyon Fuel Company employee Mr. Ken Payne at (435)636-2880 or Ms. Vicky Miller at EarthFax Engineering, Inc. at (801)561-1555.

Sincerely,

A handwritten signature in black ink that reads "Chris D. Hansen". The signature is written in a cursive, flowing style.

Chris D. Hansen
Environmental Coordinator
Canyon Fuel Company

APPLICATION FOR PERMIT CHANGE

Title of Change: **Additional Modifications to the September 12, 1998 Dugout Canyon Mine Phase II Submittal**

Permit Number: **ACT/007/039**

Mine: **DUGOUT CANYON MINE**

Permittee: **CANYON FUEL COMPANY**

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

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

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 *Asst Mgr* *9/29/98*
Signed - Name - Position - Date

Subscribed and sworn to before me this 29 day of Sept, 19 98.

My Commission Expires: Sept 15 2001
Notary Public: Utah
State of: Utah
County of: Carbon

