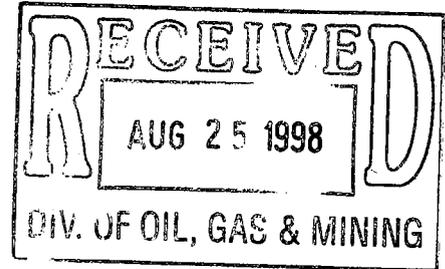




Canyon Fuel Company, LLC  
 Skyline Mines  
 P.O. Box 719  
 Helper, Utah 84526  
 435/448-6463 Fax: 435/448-2632

August 25, 1998



Coal Regulatory Program  
 Attn: Joe Helfrich  
 Utah Division of Oil, Gas and Mining  
 1594 West North Temple, Suite 1210  
 P.O. Box 145801  
 Salt Lake City, Utah 84114

RE: Storage of Waste Rock at a Permitted Temporary Waste Storage Site, Banning Loadout

Dear Joe:

Please find enclosed five (5) copies of modified text for the Dugout Canyon M&RP. The enclosed modifications address the issue of transporting waste rock from the Dugout Canyon Mine to a temporary waste rock storage site at the Banning Loadout. An application to modify the Banning Loadout M&RP to construct the temporary pile is being submitted simultaneously with this application.

As you may already know, storing Dugout Canyon Mine waste rock at the Savage Coal Terminal would require reactivation of the ground water monitoring program at the terminal. This was not a desirable consequence of our initial proposal to ship waste rock to Savage. Therefore, Canyon Fuel Company requests at this time that the application made on August 21, 1998 to modify the Dugout M&RP to allow for storage of waste rock at the Savage Terminal be withdrawn and replaced with the attached application. I spoke with Ms. Grubaugh-Littig about this matter today and she stated that she would withdraw the earlier application.

In this application we have responded to the TA's produced by Ms. Barton and Mr. Western of your staff regarding their review of the previous waste rock storage facilities applications. Your prompt attention to this application will be greatly appreciated since we seem to be working our way into a box with this waste rock disposal issue.

Sincerely,

Chris D. Hansen  
 Environmental Coordinator  
 Canyon Fuel Company, LLC

enclosures

*Copy Joe*  
 ACT/007/023  
 #2

### APPLICATION FOR PERMIT PROCESSING

Permit Change <input checked="" type="checkbox"/>	New Permit <input type="checkbox"/>	Renewal <input type="checkbox"/>	Transfer <input type="checkbox"/>	Exploration <input type="checkbox"/>	Bond Release <input type="checkbox"/>	Permit Number: ACT/007/039
Title of Proposal: Temporary Waste Rock Storage Area Location						Mine: Dugout Canyon
						Permittee: CANYON FUEL CO., LLC

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

Text modifications and additions to Chapter 5 for a temporary waste rock storage area for Dugout waste rock at Banning

**Instructions:** If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation

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

**X Attach 5 complete copies of the application.**

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. (R645-301-123)

Glenna Bullard Proj Mgr 8/25/98  
Signed - Name Position - Date

Subscribed and sworn to before me this 25 day of Aug, 19 98.

Glenna Bullard  
Notary Public



**GLENNA BULLARD**  
NOTARY PUBLIC • STATE OF UTAH  
780 NORTH 300 EAST  
PRICE, UTAH 84501  
COMM. EXP. 9-15-2001

My Commission Expires: 9/15 2000  
Attest: STATE OF UTAH COUNTY OF Utah

Received by: Oil, Gas & Mining

**RECEIVED**

AUG 25 1998

OIL, GAS & MINING  
ASSIGNED TRACKING NUMBER

