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Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, UT 84542
801 637-6360 Fax: 801 637-0108

April 28, 1998

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DIV. OF OIL, GAS & MINING

Coal Regulatory Program
Utah Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801
Attn: Mr. Joe Helfrich

Exploration

RE: Submittal of Application to Conduct Minor Coal Exploration, Dugout Canyon Area

AG/007/039 #2

Dear Sir:

Canyon Fuel Company(CFC) is planning to drill 6 exploration holes during the summer of 1998 in the Dugout Canyon area. In accordance with the State of Utah Coal Mining Regulations, CFC is submitting 3 copies of the Notice of Intention (NOI) to Conduct Minor Coal Exploration. An additional copy of the NOI has also been forwarded to Mr. Steve Demczak at the UDOGM field office in Price.

The contractor selection process is underway and the necessary survey work (archaeological, T & E, etc.) is being scheduled. In order to avoid late season conflicts with wildlife, hunting, or other considerations, CFC would appreciate your expediting the approval process to allow the commencement of drilling activities as soon as possible.

Please let me know if there is anything CFC can do to help ensure the timely approval of this exploration application. Should you have any questions or comments, I can be reached at (435) 636-2873.

Regards,

Mark W. Scanlon

Mark W. Scanlon
Sr. Geologist

attachment

cc: D. Spillman / R. Olsen / C. Hansen / Central File