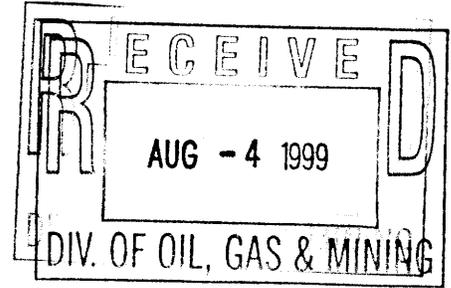




**Canyon Fuel Company, LLC**  
**Skyline Mines**  
 HC 35 Box 380  
 Helper, Utah 84526  
 (435) 448-6463 Fax: (435) 448-2632



August 3, 1999

Coal Regulatory  
 Utah Division of Oil, Gas and Mining  
 1594 West North Temple, Suite 1210  
 P.O. Box 145801  
 Salt Lake City, Utah 84114-5801

ACT 10071039 #2  
 Copy Daron

RE: Response to Finding of Incomplete Application Letter, June 23, 1999 for the Significant Revision to the Dugout Canyon Mine M&RP to include Federal Lease U07064-027821 submitted to the Division May 20, 1999

To Whom It May Concern:

Please find enclosed with this letter five (5) copies of a modification to the Canyon Fuel Company, LLC submittal of a significant revision to the Dugout Canyon Mine M&RP. The original submittal included revisions to the Dugout Mine M&RP to include Federal Lease U07064-027821, which lies east of the currently approved permit area. Included within this submittal are modified text, appendices, and plates that have been modified in response to a completeness report prepared by your staff on June 23, 1999. For your convenience, a redline/strikeout copy of the text modified in each chapter has been included with the five clean copies. Additionally, a copy of the completed C1 and C2 forms is included with this letter.

Following is a discussion of the changes made to the text of each chapter.

Chapter 1 The text has been modified to more accurately describe the acreage within the total permit area. Please note the proposed permit area includes a subsidence buffer zone that extends beyond the Federal coal lease in the eastern and north eastern portion. This subsidence barrier is only an extension on the surface and does not include additional coal in the State leases which border the Federal leases. Therefore no right-of-entry to mine this area is necessary since no coal is to be mined within the subsidence buffer zone. The BLM considers in the R2P2 process the effect of mining near or up to an existing lease boundary on adjacent coal properties. A subsidence boundary was approved for the Alkali Tract at the Soldier Canyon Mine without right-of-way approval from the BLM.

Chapter 3 Text within the chapter was modified to include a discussion regarding the effects of subsidence on Pace Creek. Additionally, Plate 3-2 has been modified and the revised plate is included with this submittal.

Chapter 5 Additional text was added in an effort to clarify the existence of the subsidence buffer zone illustrated on Plate 5-7.

Chapter 7 Text in this chapter was modified to include information on new springs and surface water monitoring sites that have been added to the hydrologic monitoring plan. Baseline date is included for springs and surface water sites within Pace and Rock Canyons. As was discussed in a meeting in early July with Mr. Jim Smith of your staff, the original PHC written by Mayo and included in the existing M&RP evaluated the effects of mining in the area, including the Federal lease area. It is CFC's hope that the additional information contained within this submittal will aid your staff in evaluating the hydrology resources within the extended permit area.

A copy of the Public Notice for the new lease area CFC intends to publish in the Sun Advocate has been enclosed for your review. If changes are necessary to this notice, please advise me.

Canyon Fuel Appreciates your review of this submittal. If you have any questions regarding this submittal, please call me at (435) 448-2669.

Sincerely;



Chris D. Hansen  
Environmental Coordinator  
Canyon Fuel Company, LLC

xc: Dave Spillman, CFC  
Ken Payne, CFC

Form DOGM - C1 (Last Revised August 3, 1999)

File Folder # 3

# APPLICATION FOR PERMIT PROCESSING

Permit Change X  
 New Permit  
 Renewal  
 Transfer  
 Exploration  
 Bond Release

Permit Number: ACT/007/039

Title of Proposal: Modification to the Dugout Canyon Mine Permit to include Federal Leases. **Second Submittal**

Mine: DUGOUT CANYON

Permittee: CANYON FUEL CO., LLC

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

CFC is modifying its Dugout Canyon Mine M&RP to include federal coal leases east of Dugout Canyon Mine.

**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 specialist.

- |   |  |  |
|---|--|--|
| <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 checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | 6. Does the application require or include public notice/publication?  |
| <input checked="" type="checkbox"/> Yes | <input 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 type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities?  |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | 18. Does the application require or include water monitoring, sediment or drainage control measures?   |
| <input checked="" type="checkbox"/> Yes | <input 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.**

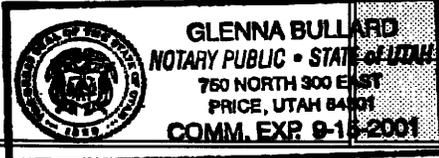
I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein. (8645-301-123)

R. W. Olsen REID W. OLSEN GEN MGR  
Signed - Name - Position - Date

Subscribed and sworn to before me this 3<sup>rd</sup> day of Aug, 19 99.

Glenna Bullard  
Notary Public

My Commission Expires: 9-15, 19 2001  
STATE OF Utah  
COUNTY OF Carbon



Received by Oil, Gas & Mining

ASSIGNED TRACKING NUMBER

## Application for Permit Processing Detailed Schedule of Changes to the MRP

Title of Application: **Modification to the Dugout Canyon Mine Permit to include Federal Leases. Second Submittal**

Permit Number: ACT/007/039

Mine: DUGOUT CANYON

Permittee: CANYON FUEL CO., LLC

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. 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 existing 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, page 1-28
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 3, pages 3-2, 3-7, 3-23 through 3-25
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 3, Plate 3-1
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 5, page 5-28
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 7, pages 7-iii, 7-7 through 7-10, 7-12, 7-31, 7-35 through 7-40, 7-45 through 7-60
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 7, add page 7-10A
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 7, Appendix 7-2 and Appendix 7-7
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 7, Plate 7-1
<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	

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

Items to placed in the Confidential File Folder have been included with this submittal in a separate envelop

**PUBLIC NOTICE**  
**APPLICATION FOR SIGNIFICANT REVISION TO MINING**  
**PERMIT**  
**DUGOUT CANYON MINE**

Canyon Fuel Company, LLC hereby announces its Dugout Canyon Mine's intent to include Federal Coal Lease U-07064-027821 - (2,416.14 acres, Approved 1 January 1957) to its mining permit. A significant revision to the existing Dugout Canyon Mine Mining and Reclamation Plan to include this Federal coal lease has been submitted to the Division of Oil, Gas and Mining. The Federal lease is located in the Dugout Canyon and Pace Canyon drainages. The Federal lease will be accessed through existing Dugout Canyon Mine surface facilities.

Legal description of proposed additional permit area including the Federal lease is as follows:

Federal Coal Lease U-07064-027821 - (2,416.14 acres) - Approved 1 January 1957

T. 13 S., R. 12 E., SLBM, Utah

Section 13: All except N1/2N1/2  
Section 23: E1/2E1/2, W1/2SE1/4, NE1/4SW1/4  
Section 24: All  
Section 25: N1/2N1/2  
Section 26: N1/2NE1/4

T. 13 S., R. 13 E., SLBM, Utah

Section 17 SW1/4NW1/4; W1/2SW1/4  
Section 18: lots 2, 3, 4, E1/2SW1/4; SE1/4NW1/4; S1/2NE1/4  
Section 19: All  
Section 20 W1/2W1/2  
Section 30 Lot 1

The name and business address of the applicant is:

Canyon Fuel Company, LLC - Dugout Canyon Mine  
6955 South Union Park Center, Suite 540  
Midvale, Utah 84047  
Phone: (801)569-4700

After filing, copies of the permit application will be available for inspection at the following locations: Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah, and the Carbon County Recorder's Office, Carbon County Courthouse, Price, Utah.

Written comments, objections or requests regarding this mining permit revision must be made within 30 days of the last publication of this notice and may be addressed to the Utah Division of Oil, Gas and Mining, Box 145801, Salt Lake City, Utah 84114-5801.

Published in the Sun Advocate \*\*\*\*\*1999