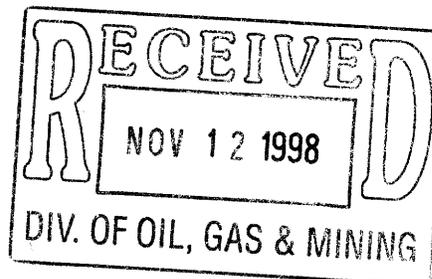


Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542
435/637-6360 Fax: 435/637-0108



Ken M. Payne
Project Manager

November 11, 1998



Mr. Joe Helfrich
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

ACT 10571039 #2
Joe

RE: DUGOUT CANYON MINE BLASTING PLAN

Dear Mr. Helfrich:

Approval is requested for the attached surface blasting plan for the Dugout Canyon Mine. The blasting plan is for blasts that utilize five (5) pounds or less explosive or blasting agent.

The design for the first blast is included with the blasting plan. Approval from MSHA will be obtained prior to blasting due to the blast being approximately 300 feet from a mine portal. A form that will be used to record each blast is also included with the blasting plan.

The blasting plan will be made as an amendment to the approved MRP as Appendix 5-8.

Due to the amount of rock encountered in foundation excavation by one of our construction contractors, we would appreciate prompt approval of this plan

Sincerely yours,

Ken Payne
Project Manager

KP:gb

enclosures

x/c: Steve Demczak, DOGM
Dave Spillman

Rick Olsen
Ray Bridge

Scott Boylen

APPLICATION FOR PERMIT PROCESSING

<input checked="" type="checkbox"/> Permit Change	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: ACT/007/039
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Title of Proposal: Addition of Blasting Plan to the Permit	Mine: Dugout Canyon
Permittee: CANYON FUEL CO., LLC	

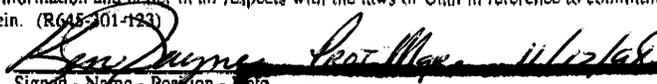
Description, include reason for application and timing required to implement:
Addition of Appendix 5-8, Dugout Canyon Mine Blasting Plan to Chapter 5 of the MRP

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.

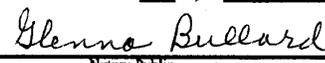
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	1. Change in the size of the Permit Area? <u> </u> acres Disturbed Area? <u> </u> acres <input type="checkbox"/> increase <input type="checkbox"/> decrease
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Is the application submitted as a result of a Division Order? DO # <u> </u>
<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 # <u> </u>
<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: <u> </u>
<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 type="checkbox"/> Yes	<input checked="" 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 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)


 Signed - Name - Position - Date

Subscribed and sworn to before me this 12 day of Nov, 19 98


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



GLENN BULLARD
 NOTARY PUBLIC • STATE OF UTAH
 900 NORTH 800 EAST
 PRICE, UTAH 84501
 COMM. EXPIRES 9-15-2001

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NOV 12 1998

OIL, GAS & MINING
 ASSIGNED TRACKING NUMBER

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PLAZA FOR INTERCOM. ORG.
FORAS NATU. 2004
COMM. EXP. 8-12-000



