



Canyon Fuel Company, LLC
Skyline Mines
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 Helper, Utah 84526
 (435) 448-6463 Fax: (435) 448-2632

January 12, 2000

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

*Copy to
 Johnson Smith*
 ACT/007/039

RE: Response to Division's Technical Analysis dated November 8, 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 and Modified August 8, 1999.

To Whom It May Concern:

Please find enclosed with this letter three (3) copies of Canyon Fuel Company's (CFC) response to the Division's Technical Analysis (TA) of the 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 mining permit area. The original submittal was modified by CFC in August 1999 as requested in the Division's Finding of Completeness. Included within this submittal are text and plates that have been modified in response to your November 8, 1999 TA. For your convenience, a redline/strikeout copy of the text modified in each chapter has been included with the four clean copies. Additionally, copies of the completed C1 and C2 forms are included with this letter. I have also included copies of the previous C2 forms submitted with the May and August 1999 responses regarding the Federal Lease expansion project. A separate copy of the enclosed documents has been sent to the Price Field Office.

Following is a discussion of the responses made based on the November 8, 1999 TA.

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DIVISION OF OIL, GAS & MINING

R645-301-112.500 and R645-301-112.600, The application needs to be revised so land ownership information is consistent between the text and the maps.

Chapter 1 has been revised accordingly to include information regarding property ownership within and adjacent to the permit expansion area.

R645-301-114, Page 1-28 of Section 114 contains a discussion of acreage figures that needs to be clarified. The first part of this discussion apparently refers to surface ownership, but the application needs to make this clear.

The text regarding acreage has been modified in an effort to clarify ownership and permit acreages.

R645-301-411.140, The application needs to either contain adequate cultural resources information or it needs to reference the Soldier Canyon mining and reclamation plan which contains this information.

Chapter 3 has been modified to refer to the appropriate sections of the Soldier Canyon Mine permit that refer to the cultural resources found in the Dugout Mine Federal Lease expansion area.

R645-301-322.200, The applicant needs to update the threatened and endangered species information in Section 322.200 of the mining and reclamation plan, including Table 3.1.

The threatened and endangered species information in Section 332.200 has been updated, including Table 3.1, as requested.

R645-301-522, Revise 55% coal recovery, if needed, and provide the necessary information and/or calculation for justification.

The R2P2 Plan for the Federal Leases is currently under review by the BLM. Details may be made available after the R2P2 is finally approved. The recovery percentage will be updated, if necessary, after approval of the R2P2 plan. CFC is aware that the permit cannot be approved until the R2P2 is approved.

R645-301-525, Revise plate 5-7 by reducing the number of future survey stations within the longwall panels and adding survey stations to determine: a) the true angle of draw for this area, and b) any subsidence outside the existing angle, if it would occur.

Plate 5-7 has been modified to illustrate more appropriate future survey stations for determining subsidence and the actual angle of draw that occurs during longwall mining.

R645-301-332, *In Section 332 is a reference to Section 521.100 that appears to be in error. The correct section is 525.100.*

The text has been corrected to reference section 525.100.

R645-301-333, *The raptor nest monitoring plan needs to be general enough that it includes all nests in the proposed addition to the permit area and any other nest discovered in the future that could be affected by subsidence. Wording in the current plan is specific to certain nests or groups of nests.*

The permit text in Chapter 3 has been modified to include known nests in its raptor monitoring plan as well as a commitment to continue to survey for previously unknown or new nests in the area to be affected by mining subsidence.

R645-301-121.200, -731.200, *In a TA dated October 16, 1998, the operator was asked to provide a commitment to 2 years of quarterly water-quality monitoring, at a minimum the operational parameters listed in Table 7-4 of the MRP, for springs SC-14, SC-65, SC-100, and SP-20 (S-30). A commitment to do this is on pages 7-53 and 7-54 of the October 1998 MRP; the significant revision does not contain this commitment.*

There have been failures to perform the planned monitoring, and the underlying cause seems to be that the monitoring plan is unclear and ambiguous. The ground-water monitoring plan needs to be clearly specified in detail, and preferably in tabular form; for example, as in Tables 7.31-1 through 7.31-4 in Canyon Fuel Company's Soldier Canyon Mine MRP or Tables 7-2 through 7-5 in Canyon Fuel Company's SUFCO Mine MRP

Chapter 7 has been modified to now include the monitoring plan for groundwater and surface water in table form and hopefully in a format that is more comprehensible by the reader. Commitments have also been made to gather additional water monitoring data to add to the existing baseline data.

R645-301-121.200, -724, -731.200, *Monitoring protocols are explicit for DC-1 through DC-5, but are vague for PC-1a, PC-2, and RC-1. The Division*

recommends that the surface-water monitoring schedule be specified in detail in a table.

See above.

R645-301-121.200, *Two lines of text have been omitted at the bottom of page 7-62.*

Page 7-62 has been reprinted to include the necessary text.

R645-301-512.120, *Plate 5-2 will need to be updated as requested in the August complete inspection. The new submission must identify the two areas which are not going to be disturbed as stated on page 5-16. Update the total disturbed area caused by mining in the MRP.*

An updated version of Plate 5-2 has been included with this submittal. However, CFC is continuing to improve the site and these modifications will be illustrated on subsequent submittals of Plate 5-2. An explanation regarding the "undisturbed" areas within the mine disturbed area has been added to address the later part of this deficiency.

Please note the modified pages of text in Chapter 7 are relatively few compared to the total pages delivered for replacement in the M&RP. Replacement of the numerous pages of text in this chapter was necessary due to pagination problems.

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

APPLICATION FOR PERMIT PROCESSING

<input checked="" type="checkbox"/> Permit Change X	<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
Title of Proposal: Modification to the Dugout Canyon Mine Permit, Federal Lease Expansion TA Resposne Third Submittal						Mine: DUGOUT CANYON
						Permittee: CANYON FUEL CO., LLC

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

Modification to the Dugout Canyon Mine Permit in response to Division's TA of the Federal Lease expansion proposal.

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 type="checkbox"/> Yes	<input checked="" 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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain: Response to Division TA
<input checked="" type="checkbox"/> Yes	<input 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 checked="" type="checkbox"/> Yes	<input 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 3 complete copies of the application.

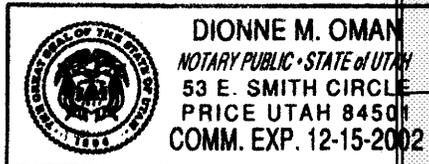
I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein. (R645-301-123)

R. W. Chan REID W. OLSEN GEN MGR 1/12/00
Signed - Name - Position - Date

Subscribed and sworn to before me this 10 day of Jan → 2000

Dionne M. Oman
Notary Public

My Commission Expires: STATE OF UTAH → 2002
Attest: COUNTY OF Carbon



Received by Oil, Gas & Mining
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JAN 12 2000

DIVISION OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER

