



Canyon Fuel Company, LLC
 Soldier / Dugout Canyon Mines
 P.O. Box 1029
 Wellington, Utah 84542
 435/637-6360 Fax: 435/636-2897

RECEIVED

DEC 16 2000

DIVISION OF
 OIL, GAS AND MINING

December 22, 2000

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

Re: Dugout Canyon Mine, 
 Sedimentation Pond Gas Sample

*Copy
 Daron*

Dear Mr. Haddock:

I've attached the analysis sheet for the gas bubbles collected from the Dugout sedimentation pond. This analysis was performed by Standard Laboratories, Inc. located in Somerset, Colorado.

The results show an 81.71% concentration of methane. The detected amounts of oxygen, nitrogen and argon (5.13%, 11.55% & 0.14% respectively), roughly match the composition of air. This suggests that the "bubble" sample was slightly diluted with air, which is highly likely due to the difficulties associated with sampling this site. The 0.61% carbon dioxide, on the other hand, is too high to be explained as air contamination alone. Therefore, it's my opinion that the gas bubbles observed in the pond are composed of nearly pure methane with trace amounts of carbon dioxide and ethane. (Note: Ethane is normally associated with methane. The 709 ppm concentration of ethane is not considered unusual.)

The outflow of methane gas, now confirmed at the sedimentation pond, does not appear to be a health and safety concern. The relative insignificant quantity of outflow, coupled with the open air, well ventilated characteristics of the site, simply will not allow hazardous concentrations or quantities of methane to accumulate.

Should you have any questions or comments concerning this information, please contact me at 435-636-2872.

Sincerely,
 SOLDIER / DUGOUT CANYON MINES

David G. Spillman

David G. Spillman, P.E.
 Technical Services Manager

enclosures

cc: Chris Hansen, Skyline
 DOGM, Price Field Office
 Central Files

12/18/00 11:14

Sample Location 15

DUGOUT

Run Date	Collection Date	Time	H2	O2	N2	CH4	CO	CO2	C2H2	C2H4	C2H6	Ar
			ppm	%	%	%	ppm	%	ppm	ppm	ppm	%
12/18	12/11/00	12:00	NDA	5.13	11.55	81.71	NDA	0.61	NDA	NDA	709	0.14

SEDIMENT POND

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DEC 26 2000

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