



Canyon Fuel Company, LLC
 Dugout Canyon Mines
 P.O. Box 1029
 Wellington, UT 84542
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June 1, 2001

Pam Grubaugh-Littig
 Utah Division of Oil, Gas, & Mining
 P.O. Box 145801
 Salt Lake City, Utah 84114-5801

Exploration
 EX01B

~~1/00/639~~
 Incoming

RE: Submittal of Application to Conduct Minor Coal Exploration, Dugout and Pace Canyon Areas

Dear Pam:

Canyon Fuel Company(CFC) is planning to drill up to 8 exploration holes and complete a seismic reflection survey during the summers of 2001 and 2002 in the Dugout and Pace Canyon areas. In accordance with the State of Utah Coal Mining Regulations, attached is CFC's submittal of the Notice of Intention (NOI) to Conduct Minor Coal Exploration. Since the exploration plan consists of drilling on Federal coal leases, copies of the NOI have also been forwarded to Don Stephens at the BLM field office in Price, Utah. Per your request, a copy of the enclosed NOI has been forwarded to Steve Demzak at the UDOGM Price, Utah office.

The contractor selection process is underway and the necessary archaeological survey work is being scheduled and should be completed June 8, 2001. In order to avoid late season conflicts with wildlife, hunting, or other considerations, CFC would appreciate your prompt review to allow the commencement of drilling activities during the July timeframe.

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) 448-2634.

Regards,

Mike Stevenson

Mike A. Stevenson
 Sr. Geologist

attachments