



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

June 6, 2001

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: Permit Modification
 Dugout Canyon Tract Coal Lease ML 48435-OBA
 Dugout Canyon Mine, ACT/007/039

cc: Daron
 Haddock
 Pam

AMOID

Dear Mr. Haddock:

Canyon Fuel Company has recently been granted the lease for the "Dugout Canyon Coal Tract". I have, therefore, enclosed five copies of the coal lease ML 48435-OBA for incorporation into Appendix 1-1 of our approved M&RP.

Please be aware that incorporation of this lease document into the M&RP is intended to be an information update only. A permit amendment regarding the expansion of the Dugout permit area is currently being prepared. Any expansion of the Dugout Canyon mining operations will only proceed following the Division's review and approval of said amendment.

Should you have any questions concerning this submittal, please contact Dave Spillman (435-636-2872) or Chris Hansen (435-448-2669).

Sincerely,
 SOLDIER / DUGOUT CANYON MINES

R. W. Olsen
 General Manager

Enclosures

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

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: Dugout Canyon Coal Tract - Lease ML 48435-OBA	Mine: DUGOUT CANYON
Permittee: CANYON FUEL CO., LLC	

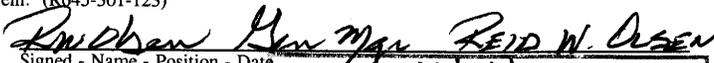
Description, include reason for application and timing required to implement:
 Lease ML 48435-OBA has recently been granted to Canyon Fuel Company by the State of Utah, Trust Lands Administration.

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.

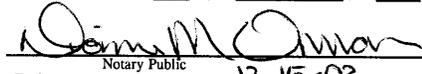
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres x increase <input type="checkbox"/> decrease
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Is the application submitted as a result 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 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 # _____
<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 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 checked="" type="checkbox"/> Yes	<input 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 16 day of June, 2001


 Notary Public



My Commission Expires: 12-15-02
 Attest: Carroll
 STATE OF _____ COUNTY OF _____

REID W. OLSEN
 M. OMAN
 NOTARY PUBLIC - STATE OF UTAH
 891 NORTH 300 EAST
 PRICE, UTAH 84501
 COMM. EXP. 12-15-2002

Received by Oil, Gas & Mining

ASSIGNED TRACKING NUMBER

