



Canyon Fuel Company, LLC
Dugout Canyon Mines
P.O. Box 1029
Wellington, UT 84542
801 637-6360 Fax: 801 637-0108

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AUG 05 2001

DIVISION OF
OIL, GAS AND MINING

August 1, 2001

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

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

~~EXHIBIT B-1~~

Exploration
FAX PFD

Dear Pam:

Canyon Fuel Company(CFC) is re-submitting it's Notice of Intention (NOI) to Conduct Minor Coal Exploration. Changes have been made in the permit to address the deficiencies reported in the Division's technical analysis dated July 19, 2001.

Please note **drill hole DT-3 has been removed from the NOI** to facilitate approval and allow additional investigation of alternative drilling plans and site access.

One copy of the enclosed NOI has been forwarded to Steve Demczak at the UDOGM Price, Utah office.

CFC would appreciate your prompt review to allow the commencement of drilling activities during the mid-August 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 A. Stevenson
Sr. Geologist

attachments

APPLICATION FOR PERMIT PROCESSING

Permit Change <input type="checkbox"/>	New Permit <input type="checkbox"/>	Renewal <input type="checkbox"/>	Transfer <input type="checkbox"/>	Exploration <input checked="" type="checkbox"/>	Bond Release <input type="checkbox"/>	Permit Number: ACT/007/039
Title of Proposal: Application to Conduct Minor Coal Exploration, Dugout and Pace Canyon						Mine: Dugout Canyon
Areas, Dugout Canyon Mine, Re-Submittal A						Permittee: CANYON FUEL CO., LLC

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

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 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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input checked="" type="checkbox"/> Yes	<input 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 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?

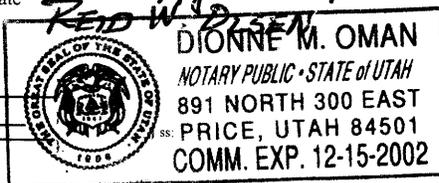
Attach 2 complete copies of the application.

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)

Reid W. Olsen Gen. Mgr. 08/02/01
Signed - Name - Position - Date

Subscribed and sworn to before me this 2 day of August, 2001

Dionne M. Oman
Notary Public



My Commission Expires: 12-15-02
Attest: STATE OF Utah COUNTY OF Carbon

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DIVISION OF OIL, GAS AND MINING

ASSIGNED TRACKING NUMBER

