

Canyon Fuel Company, LLC
 Soldier/Dugout Canyon Mines
 P.O. Box 1029
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R.W. "Rick" Olsen
 General Manager

RECEIVED



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SEP 30 2002

DIVISION OF
 OIL, GAS AND MINING

September 26, 2002

Ms. Mary Ann Wright
 Utah Coal Regulatory Program
 Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Salt Lake City, Utah 84114-5801

*Ingoing
 d/007/039
 Copy RAM*

Dear Ms. Wright:

We have determined through underground ventilation computer modeling that available ventilation quantity will be minimal for our upcoming RC-4 longwall panel. This longwall panel is the deepest panel that will be mined in the Rock Canyon seam reserve. Total methane liberation is a safety concern that currently exists with the RC-4 panel.

Due to the gaseous nature of the coal seams in the Book Cliff Coal Field, it is imperative that we drill a borehole from the surface to intersect with the current longwall gob in order to ventilate methane to the surface via the degasification borehole. When completed, this borehole will assist in controlling overall methane liberation from the current RC-3 and subsequent RC-4 panel gobs.

The purpose of this letter is to request a timely review of the Methane Degas Amendment that was submitted to your office dated September 18, 2002. As aforementioned, there is an underground safety issue directly associated with this request. Due to the upcoming safety concern, this request is deemed to be Priority #2 for Canyon Fuel Company, LLC with the North Lease submittal for Skyline Mine remaining Priority #1.

It is important for you and your staff to note that the site for the proposed MW-02 degas drill hole was previously permitted and developed as an exploration drill hole. This exploration drill hole (DC-5) was drilled in 1998.

We are currently in the process of securing an agreement with an available drilling contractor that has the capability to drill this type of a degas borehole.

If you have any questions or require additional information related to this request, please contact me, Vicky Miller or David Spillman.

Your timely review and subsequent approval of this request will be greatly appreciated.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. W. Olsen".

XC: C. File (DOGM -'02)
R. Pick - SLC Office
D. Meadors - Skyline Mine
Ken May - SUFCO Mine
P. Grubaugh-Littig, DOGM - SLC
S. Demczak, DOGM - Price
V. Miller
D. Spillman