

Canyon Fuel Company, LLC
 Dugout Canyon Mine
 P.O. Box 1029
 Wellington, UT 84542
 (435) 637-6360 Fax: (435) 636-2897

October 18, 2002

Ms. Pamela Grubaugh-Littig
 Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Salt Lake City, UT 84114-5801

RE: Permit Renewal, Dugout Canyon Mine, Canyon Fuel Company, LLC, C/007/039,
 Carbon County, Utah

Dear Ms. Grubaugh-Littig:

Canyon Fuel Company, LLC hereby files application for renewal of permit C/007/039 (ACT/007/039), to operate under the provisions of the Utah Coal Mining and Reclamation Act pursuant to R645-303-300 of the Utah Coal Program Regulations. The legal description of the area associated with the Dugout Canyon Mine can be found in the newspaper notice attached.

The permit renewal package includes the following in compliance with the application requirements (R645-303-232):

- Evidence of a liability insurance policy;
- Evidence of a performance bond in effect for the operation;
- A copy of the proposed newspaper notice as required by R645-300-121.100 and;
- Proof of publication of newspaper notice (submitted after completion of publication).

Should you have any questions please contact either Vicky Miller (435) 636-2869 or David Spillman at (435) 637-6360.

Sincerely yours,

David D. Spillman
 for

R. W. Olsen
 General Manager

cc: David Spillman
 Vicky Miller
 Chris Hansen

Renewal
OK
Spillman
C/007/039
RNO2

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OCT 18 2002

DIVISION OF
 OIL, GAS AND MINING

APPLICATION FOR PERMIT PROCESSING

Permit Change <input type="checkbox"/>	New Permit <input type="checkbox"/>	Renewal <input checked="" type="checkbox"/>	Transfer <input type="checkbox"/>	Exploration <input type="checkbox"/>	Bond Release <input type="checkbox"/>	Permit Number: C/007/039
Title of Proposal: Permit Renewal						Mine: Dugout Canyon
						Permittee: Canyon Fuel Company, LLC

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

Instructions: If you answer yes to any of the first 8 questions (gray), this may be a Significant Revision and require Public Notice. Any questions, please call a Permit Supervisor.

<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 checked="" type="checkbox"/> Yes	<input 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 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 are 5 complete copies of the application for the Salt Lake Office and 1 copy is being delivered to the Price Field Office..

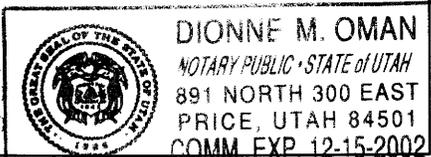
I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

David S. Spillman, Engineering Manager, 10/18/02
 Signed - Name - Position - Date

Subscribed and sworn to before me this 18 day of October, 2002.

Dionne M. Oman
 Notary Public

My Commission Expires: 12-15, 2002
 Attest: STATE OF Utah
 COUNTY OF Cannonville



Received by Oil, Gas & Mining

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OCT 18 2002

DIVISION OF
OIL, GAS AND MINING

ASSIGNED TRACKING NUMBER

Application for Permit Change

Detailed Schedule of Changes to the Permit

Title of Change: Permit Renewal	Permit Number: C/007/018
	Mine: Soldier Canyon
	Permittee: Canyon Fuel Company, LLC

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit change. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the exiting mining and reclamation plan. **Include page, section and drawing numbers as part of the description.**

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 1-2, Insurance and Proof of Publication - Refer to special instruction section.
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

The proof of publication will be provided for insertion into Appendix 1 after we receive the certified copy from the newspaper.

October 18, 2002