



Canyon Fuel Company, LLC
Soldier/Dugout Canyon Mines
P.O. Box 1029
Wellington, Utah 84542

RECEIVED

SEP 05 2003

DIV. OF OIL, GAS & MINING

INCOMING
C0070039 OK

September 5, 2003

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

RE: Revisions to Methane Degassification Amendment, Wells G-1, G-2, and G-3,
Canyon Fuel Company, LLC, Dugout Mine, C/007/039

Dear Ms. Grubaugh-Littig:

Enclosed please find four copies of the submittal to address revisions to the methane degassification wells amendment for Dugout Canyon Mine. The information provided in the degassification amendment is to be kept in a separate binder and not incorporated into the M&RP binders.

The information provided addressed concerns of the reviewers. The productivity letter from the NRCS has been included and the productivity table in Chapter 3 has been updated. A commitment concerning removal of shrubs/vegetation has been added to Chapter 2.

An additional copy of the submittal has been delivered to the Price Field Office.

Please contact Vicky Miller at (435) 636-2869, if there are any questions concerning this submittal.

Sincerely yours,

Vicky S. Miller

Cc: Chris Hansen (no enclosures)
Dave Spillman (enclosures)
Pete Hess (enclosures)

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: Dugout Canyon Mine

Permit Number: C/007/039

Title: Revisions to Degassification Wells G-1, G-2, & G-3 Amendment

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

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: 2.78 increase decrease.
- Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
- Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes No 6. Does the application require or include public notice publication?
- Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes No 9. Is the application submitted as a result of a Violation? NOV # _____
- Yes No 10. Is the application submitted as a result of other laws or regulations or policies?
Explain: _____
- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for 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 Spillman
Print Name

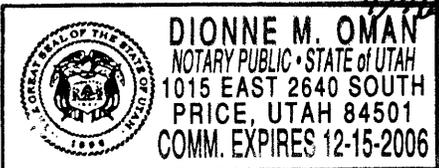
David Spillman, Engineering Manager
Sign Name, Position, Date

Subscribed and sworn to before me this 14th day of Sept, 2003

Dionne M. Oman
Notary Public

My commission Expires: _____

Attest: State of Utah 12-15, 2006 } ss:
County of Carbon



For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining RECEIVED SEP 05 2003 DIV. OF OIL, GAS & MINING
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230 OPERATION PLAN

231 General Requirements

231.100 Removing and Storing Topsoil Methods

The topsoil will be removed, stockpiled and protected with a berm and/or silt fence. A qualified person will be on site during soil salvage to monitor and supervise the operation for the purpose of maximizing salvage volumes. Prior to topsoil salvage shrubs/vegetation will be removed and placed/wind rowed along the inside perimeter of the disturbed area.

After the topsoil is removed, the mud pit will be excavated and the soils from the mud pit excavation will be stored immediately adjacent to the mud pit. Mud pit excavation of subsoil will be approximately 97 CY at each well site. However at Well G-1, a portable container for drilling fluids will be used if necessary, should there not be sufficient subsoil depth to excavate a mud pit.

Topsoil beneath the topsoil stockpiles will not be removed. Ribbon or a marking fabric will be placed on top of the topsoil prior to placement of the topsoil from the well pad area.

The approximate volume of subsoil to be salvaged and used to create berms around the perimeter of the well site including the topsoil stockpile perimeter is: G-1 - 161 CY; G-2 - 254 CY and G-3 - 208 CY.

231.200 Suitability of Topsoil Substitutes/Supplements

See Section 224.

321.100 Plant Communities Within the Proposed Permit Area

During June 2003, the degassification well sites were surveyed by Patrick Collins, Mt. Nebo Scientific). The report and survey for the areas are included in Attachment 3-1.

321.200 Land Productivity Prior to Mining

Productivity of the well site lands prior to mining are shown in Table 3-1. Refer to Appendix 3-1 for a copy of the NRCS letter pertaining to productivity.

TABLE 3-1
Land Productivity

Well No.	Productivity (lbs.) Per Acre
G-1 (Previously Disturbed)	100
G-2	1,500*
G-3	1,500*
Aspen, Maple, Douglas Fir Reference Area	300*
Sagebrush, Snowberry, Grass Reference Area	1,500*

* Community composition is experiencing a declining trend, with decrease in herbaceous production, increase in shrub/tree production.

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Canyon Fuel Company, LLC
Dugout Canyon Mine

Methane Degassification Amendment
September 5, 2003

ATTACHMENT 3-1
VEGETATION INVENTORY
NRCS LETTER

Canyon Fuel Company, LLC
Dugout Canyon Mine

Methane Degassification Amendment
September 5, 2003

ATTACHMENT 3-1
NRCS LETTER

NRCS Natural Resources Conservation Service



NRCS *Utah*

United States
Department of
Agriculture

Natural
Resources
Conservation
Service

Price F.O.
350 N. 400 E.
Price, UT
84501

Phone:
435-637-0041 x24

FAX
435-637-3146

September 4, 2003

Ms Vicky Miller
Canyon Fuel Company, LLC
Dugout Canyon Mine
P.O. Box 1029
Wellington, UT 84542

Re: Production and condition of Proposed Degas Well Sites and Reference Areas

Dear Ms Miller,

Following our visit on August 14, 2003 to the proposed degassing wells I made a follow up visit on August 22, 2003 and made the following determinations for vegetative production and overall, health and trend for the sites. The two ecotypes that will be described in relation to these proposed well sites are sagebrush/grass and Douglas fir/ aspen/ oak types. Depending on the intended use of the area, a couple of different views can be taken on the health/trend and desirability of the sites.

For a high seral (good condition) score to be obtained in the *sagebrush areas* (Wells G2-5 and reference area), percent air-dry weight for the primary functional groups should be as such; grasses 55-65%, forbs 5-15%, and shrubs 25-35%. It is apparent that past management practices (grazing and/or fire management) have allowed the shrub (mainly sagebrush) component to surpass the 25-35% dry-weight, while herbaceous production has decreased. Although the annual production for G-2, G-3, G-5, and reference site is still normal for the climatic conditions we have been experiencing (*1,500 lbs/acre, mid seral*) the community composition is experiencing a declining trend/health due to past and/or present management practices. Although G-4 was included in the sagebrush ecotype to compare with the reference area, it is previously disturbed and contains little resemblance to its potential natural plant community. These conditions have resulted in a dramatic loss in annual production to approximately *150 lbs/acre, low seral*, as well as the obvious drop in health and trend for this particular site. In contrast, the areas are considered suitable for substantial winter and critical summer range for elk as well as substantial year-long and critical summer habitat for mule deer due to the abundance of shrubs, and to a lesser extent forbs and grasses. Historically the area has also been valued for sage grouse brooding and wintering habitat. Nevertheless, it is of my opinion that the sagebrush areas are showing a decline in rangeland health due in part from past management practices thus allowing sagebrush to become a dominate component for the site.

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Similar to the sagebrush sites, the *Douglas fir/ aspen/ oak* communities (Wells G-1 and G-6) past management practices, or the lack of, have resulted in a lower condition score for livestock grazing. A high seral (good condition) score to be obtained for this ecotype, percent air-dry weight for the primary functional groups should be as such; grasses 20-30%, forbs 10-15%, and shrubs 60-70%. The occurrence of palatable herbaceous understory vegetation has declined for the reference area and G-6, while shrub and tree production has increased. Well site G-1 is a previously disturbed site and shows little resemblance to its potential natural community. The reference area and site G-6 are very similar and exhibit an annual production value of approximately *300 lbs/acre (mid seral)*. Due to the past disturbance of proposed well site G-1, it is exhibiting production values of approximately *100 lbs/acre (low seral)*. As with the sagebrush sites, these areas are considered suitable for substantial winter and critical summer range for elk as well as substantial year-long and critical summer habitat for mule deer due to the abundance of shrubs, trees and forbs ultimately providing good cover and thermal habitat.

Please feel free to contact me if you have any further questions or concerns.

Respectfully yours,

A handwritten signature in black ink, appearing to read "M. Dean Stacy". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

M. Dean Stacy
Range Management Specialist