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cc: Jerriann E ✓
Priscilla B ✓

Email: Pete H



Canyon Fuel Company, LLC
Soldier/Dugout Canyon Mines
P.O. Box 1029
Wellington, Utah 84501

(435) 637-6360
Fax (435) 637-0109

FACSIMILE TRANSMITTAL

DATE: 9/15/03 No. Of Pages (Including Cover Sheet) 10

TO: JERRIANN E + PRISCILLA BURTON + PETE HESS

COMPANY: UDOGM

FROM: Vicky Miller

REMARKS: ORIGINALS WILL BE DELIVERED TO
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RECEIVED

SEP 15 2003

DIV. OF OIL, GAS & MINING

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September 12, 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:

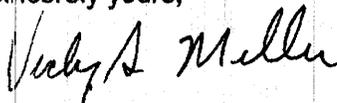
Enclosed please find four copies of the submittal to address revisions to the methane degassification wells amendment for Dugout Canyon Mine. The information provided addressed concerns of the reviewers. Chapter 2 has been revised to add a sentence concerning slopes and gouging, a sentence has been revised concerning gouging in Chapter 3, and in Chapter 4 specific directions to the drill site have been removed.

When the amendment is approved, clean copies of all chapters will be submitted, if needed or Canyon Fuel personnel will be glad to assist in the compilation of the revisions. Please let us know which option you would prefer. Thank you for your assistance in the timely review of this amendment.

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.

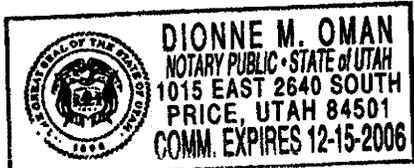
David Spillman
Print Name

David Spillman, Engineering Manager
Sign Name, Position, Date
9/15/03

Subscribed and sworn to before me this 15 day of September, 2003

Dionne M. Oman
Notary Public

My commission Expires: _____
Attest: State of Utah _____ } ss:
County of Carbon



For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining

Canyon Fuel Company, LLC
Dugout Canyon Mine

Methane Degassification Amendment
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231.300 Testing of Topsoil Handling and Reclamation Procedures Regarding Revegetation

Dugout will exercise care to guard against erosion during and after application of topsoil and will employ the necessary measures to ensure the stability on graded slopes. Erosion control measures will include silt fences, berms, seeding, straw bales, soil roughening, and mulching of the soils.

Topsoil will be redistributed and the original soil surface beneath the topsoil stockpile will be roughened as presented in Section 242.100 and seeded with the seed mix described in Chapter 3, Section 352.

Methods used to evaluate success of revegetation and stabilization are discussed in Chapter 3, Section 356.

231.400 Construction, Modification, Use, and Maintenance of Topsoil Storage Pile

Topsoil removed from the drill pad sites will be stockpiled on the site. The estimated volumes of topsoil stockpile for each site are shown in Table 2-1. The stockpiles will be sized as shown in Table 2-2.

The slopes of the stockpile will be 1H:1V or approximately 45° during the construction phase. Soils in these areas generally have an angle of repose greater than 50 degrees, making a stockpile with 1:1 slopes feasible. The steeper slope also help minimize the area to be disturbed. During the operational phase the remaining topsoil will be stockpiled with slopes of 2H:1V.

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232.500 Subsoil Segregation

The B and C soil horizons will not be removed. Any small quantity of subsoil removed with the topsoil will not be segregated.

232.600 Timing

Topsoil removal will take place after all vegetation that could interfere with salvaging the topsoil has been grubbed. ~~The grubbed vegetation will be hauled offsite for disposal, either at a licensed landfill or to a location on private land, as dictated by the landowner.~~

232.700 Topsoil and Subsoil Removal Under Adverse Conditions

The topsoil will be removed first and stockpiled and the remaining soil horizons will be left in place, except where natural conditions render removal operations hazardous or detrimental to soils outside the disturbed area then topsoil will not be removed.

Conventional Machines - In locations where steep grades, adverse terrains, severe rockiness, limited depth of soils, or other adverse conditions exist that render soil removal activities using conventional machines hazardous, soils will not be salvaged and stockpiled. Such conditions are not likely to occur in these areas.

Substitute Topsoil - Importing of substitute topsoil is not anticipated (Section 224).

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the main surface area by a berm and/or silt fence. A sign designating "topsoil" will be installed on the stockpile.

The topsoil stockpile will be constructed in such a manner as to allow access for repair of the pile surfaces and diversion structures.

Wind and Water Erosion Protection - The topsoil stockpile will be protected from water erosion by berms, which trap sediment runoff from the stockpile. The berms have been designed to completely contain the 10-year 24-hour storm event (see Attachment 7-1). The stockpile will be surface pitted, gouged and/or roughened and revegetated using the grass seeds listed in Table 3-2 to prevent wind erosion.

Topsoil Redistribution - Stockpile soil will not be moved until redistribution during contemporaneous or final reclamation operations unless approved by the Division.

234.300 Topsoil Stockpile Relocation

Stockpiled soil in jeopardy of being detrimentally affected in terms of its quantity and quality by drilling operations may be temporarily redistributed or relocated on approval by the Division and modification of this M&RP.

240 RECLAMATION PLAN

241 General Information

Reclamation of the degassification sites (topsoil redistribution, amendments, and stabilization) is discussed in Sections 242, 243, and 244 respectively.

Canyon Fuel Company, LLC
Dugout Canyon Mine

Methane Degassification Amendment
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341.200 Descriptions

Species and Amounts of Seed - The well sites will be planted with the seed mix listed on Table 3-2. The seed mix will be used in both contemporaneous and final reclamation phases. The seed will be incorporated with a small amount of wood fiber mulch and applied by hydroseeding equipment. Refer to Section 234.200 for topsoil stockpile seeding description.

Methods Used for Planting and Seeding - The degassification sites will be graded to final contour, then ripped to relieve compaction. The depth of ripping will be from 18 to 24 inches. Following ripping, topsoil will be applied to the ripped surface and left in a gouged and roughened state.

Mulching Techniques - Wood fiber mulch will be applied on top of the seed with hydroseeding equipment at the rate of 2,000 pounds per acre and anchored with a tackifier.

Irrigation, Pest, and Disease Control - No irrigation is planned and pesticides will not be used unless previously approved by the Division.

Measures Proposed for Revegetation Success - Refer to Section 356.

341.300 Greenhouse Studies, Field Trials or Other Equivalent Studies

Refer to the Section 341.300 of the approved M&RP.

342 Fish and Wildlife

342.100 Enhancement Measures

Post bond release enhancement measure will include the establishment of vegetation for wildlife food, cover, and the break up of large blocks of monoculture to diversify habitat.

Canyon Fuel Company, LLC
Dugout Canyon Mine

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August 28 September 12, 2003

411.130 Land Use Description

The wells are located on land administered by Milton & Ardith Thayn Trust and zoned by Carbon County for mining and grazing (MG-1).

No industrial or municipal facilities are located on or immediately adjacent to the well sites.

411.140 Cultural and Historic Resources Information

Cultural and Historic Resource Maps - Archaeological surveys were conducted in June 2003, of the well sites. Nothing was found that required future investigation. There are no cemeteries, public parks, or units of the National System of Trails or the Wild and Scenic Rivers System located within the well site boundaries. The report can be found in Attachment 4-1 of this submittal.

Previous research in 1980 by "AERC surveyed several sample blocks in Sections 13 and 24, T13S, R12E and Sections 18, 19 and 30 T13S, R13E. They also surveyed the access road into the Snow Mine site. One archeological site (42CB292) was located. The site was described as "Coal mine located in Pace Canyon consists of one known mine portal which has been closed. Site of historic Snow Mine in Pace Canyon which was active in 1906 but had its primary production period from 1932-1940." The site was relatively pristine at the time and still contained a standing coal loadout and foundation with depth potential. Avoidance was recommended pending further historic research. As noted the site has since been extensively modified" (Attachment 4-1, Senco-Phenix, June 24, 2003, SPUT-455, page 2).

Access to the degas holes will not impact or disturb what remains of the archeological site (42CB292). The road in the bottom of Pace Canyon passes the archeological site, but the closed portal is not visible from the road, therefore there is nothing to draw attention to the site. The loadout referenced in the survey no longer exist at the site. ~~Access to the degas holes is as~~

Canyon Fuel Company, LLC
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~~follows (per request by Pricilla Burton, UDOGM, August 2003): Turn left (north) off US Highway 6 (eastbound) 7 miles beyond the city of Wellington onto a dirt road, proceed on dirt road 8 miles to an intersection turn left (west) and proceed 1.5 miles to locked gate, proceed onto road in the bottom of Pace Canyon travel an additional 1 mile to intersection turn left (northwest), travel 1.5 miles to intersection turn left (southwest), proceed 0.5 miles to intersection turn left (south) proceed 0.3 miles to drill site G-3. To proceed to G-2 turn north from G-3 travel 0.3 miles turn left, travel 0.25 miles to intersection turn left (south) proceed 500 feet and turn left 100 feet to drill site G-2. To proceed to G-1 turn right and travel 100 feet, turn right and travel 500 feet, turn left (west) travel 500 feet to intersection turn right, proceed 1000' to drill site G-1. All mileage/footage is approximate.~~

Dugout Canyon agrees to notify the Division and State Historical Preservation Office (SHPO) of previously unidentified cultural resources discovered in the course of operations. Dugout Canyon also agrees to have any such cultural resources evaluated in terms of NRHP eligibility criteria. Protection of eligible cultural resources will be in accordance with Division and SHPO requirements. Dugout Canyon will also instruct its employees that it is a violation of federal and state law to collect individual artifacts or to otherwise disturb cultural resources.

411.200 Previous Mining Activity

Dugout Canyon has no knowledge of the removal of coal or other minerals in the well site areas.

412 Reclamation Plan

412.100 Postmining Land-Use Plan

All uses of the land prior to the wells construction/operation and the capacity of the land to support prior alternate uses will remain available throughout the life of the sites.