



United States Department of the Interior

OFFICE OF SURFACE MINING

Reclamation and Enforcement

P.O. Box 46667

Denver, Colorado 80201-6667

IN REPLY REFER TO:

UT-0041

October 20, 2003

Utah Division of Oil, Gas, & Mining
Coal Regulatory Program
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Canyon Fuel Company, LLC - "Dugout Canyon" Mine - Application for a Permit
Revision, Chapter 1 Update

Dear Sir or Madam:

This in response to the Utah Division of Oil, Gas, & Mining's (UT-DOGM) October 8, 2003, request for a decision, under 30 CFR 947.30, whether the above subject permit revision constitutes a mining plan modification.

Mining plan approvals by the Secretary of the Interior are required under the Mineral Leasing Act of 1920, 30 U.S.C. 181, *et seq.* before coal mining can occur on Federal lands. This letter serves to document OSM's determination whether or not a mining plan approval from the Secretary is required for the above permitting action.

OSM's review of the Application for a Permit Revision, Chapter 1 Update, has determined that it revises the text in Chapter 1 to reflect a 0.97 acre increase in the disturbed area associated with the installation of Degas Well G-3 at the Dugout Canyon mine, Utah State permit C/007/039.

Based on a review of the activities associated with the permit revision, OSM has determined that the proposal does not meet the requirements of 30 CFR 746.11(a) and 746.18(d). Therefore, the proposed permit revision does not constitute a mining plan action requiring Secretarial approval.

OSM's decision was based solely upon the Federal regulations under 30 CFR PART 746 and not the technical aspects of the revision application itself. Consequently, OSM's decision does not relieve UT-DOGM from coordinating the review and approval of the Application for a Permit Revision, Chapter 1 Update with other Federal agencies for compliance with other Federal regulations.

OSM also electronically transmitted the October 8, 2003 request to the Bureau of Land Management and the U.S. Forest Service for their review and comment.

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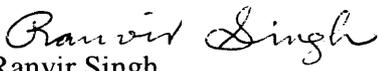
In an electronic transmittal dated October 9, 2003, the U.S. Forest service stated it had no jurisdiction over or comments on the application.

In an electronic transmittal dated October 20, 2003 dated the Bureau of Land Management stated that, in it's opinion, the Chapter 1 Update does not represent a change that would require a Mining Plan Modification.

Please notify the applicant of our decision on this matter.

Should you have any questions regarding this letter or approval, please contact Carl R. Johnston, Utah Federal Lands coordinator, at (303) 844-1400, extension 1500.

Sincerely,


Ranvir Singh
Manager, Northwest Branch

cc: Denver Field Division