



Canyon Fuel Company, LLC
Dugout Canyon Mine
P.O. Box 1029
Wellington, Utah 84542

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*August SITLA Lease
Response
C/007/0039
Task ID #2039*

November 29, 2004

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

RE: SITLA Lease Amendment, Dugout Canyon Mine, Canyon Fuel Company, LLC,
C/007/039, Carbon County, Utah, Task ID #1915

Dear Ms. Grubaugh-Littig:

Attached please find four copies of an amendment to address the deficiencies associated with Task ID # 1915. The ownership and control information requested in this TA have been submitted separately. The permittee's hope is that both amendments will be approved at or near the same time. The ownership and control information applied to multiple operations therefore it was submitted separate from the SITLA Lease amendment.

The mexican spotted owl survey and TES species list requested in this TA were submitted September 23, 2004 and have been approved and added to the M&RP under Task ID #2039 (October 4, 2004). In addition a copy of the affidavit of publication for the SITLA lease was submitted and approved under the Task ID number identified above.

The missing pages of the wildlife report do not exist, the information available mimics what was submitted. We are assuming that the missing pages are merely blank and therefore were omitted in the original copying of the report, since all the pertinent information appears to be in the copied report.

The Nickens report covers many areas in the state of Utah however, only the information relative to the SITLA lease area was copied, since the information is not critical to the amendment we will eliminate the report from Appendix 4-3.

Although, reports and studies are incorporated into appendices in the M&RP, commitments made in these reports do not apply to the permittee unless a commitment is made in the body of the chapter text. Many reports and studies are done by parties not related to the current permittee therefore those commitments are not valid, i.e. "The Study to Determine the Effects of Coal Development on Wildlife in Southeastern Utah"; "The Revised Final Fish and Wildlife Plan for the Proposed Sage Point", etc.

File in: C/0070039 Incoming
Refer to Date Folder 11/29/2004
 Confidential
 Shelf
 Expandable
For additional information

Page 2

RE: SITLA Lease Amendment, Dugout Canyon Mine, Canyon Fuel Company, LLC,
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We are sure the Division is not requiring the permittee to do bat surveys of areas not disturbed by mining and thus incurring costs not necessary. Mine plans change daily at a minimum, therefore to make commitments in the M&RP to do surveys two years prior to disturbance is difficult to predict even with coordination of the mine plan with the cliff habitat.

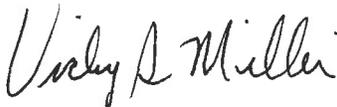
Raptor surveys are completed on an annual basis by the DWR, the DWR chooses the best time frame each year to complete the surveys, however the survey is usually in May of each year. The surveys are conducted by DWR personnel and paid for by individual operators. Operators designate the areas to be surveyed (Section, Township, Range), but leave specific survey site determination to the qualified personnel of the DWR. To commit to do a survey two years or a year before mining an area is difficult due to the survey time frame, for instance if we mine an area in April 2005, we do a survey in May of 2004 and/or May of 2003 we are out of compliance both years and eligible for a violation. Although, the operator could guess when they are going to mine an area and hire a consultant to do the survey, to do a survey not supervised by the DWR seems an ignominy since they are the agency responsible.

During a meeting with Jerriann Ernstsens an internal correspondence from David G. Spillman to Vicky Miller was discussed. The correspondence pertained to subsidence considerations in the SITLA Lease, including Pace Creek. Dugout has committed to a "barrier case" mine layout, because of the potential for caving conditions within the mine causing unsafe conditions. "Based on actual mining experience, as well as extensive geotechnical analysis, it was determined that load supporting barriers would be necessary for future longwall panels. These barriers will essentially isolate individual panel extraction areas, while providing long-term support for the subsidence resistant sandstone members (Castlegate, Upper Sunnyside and Lower Sunny side). This mining plan will not allow for fracturing and caving to propagate to the surface, thus minimizing the potential for subsidence (August 11, 2004, David G. Spillman)". For review a single copy of the internal correspondence and a copy of the most recent projected mine plan is included with this submittal.

A copy of this submittal has been delivered to the Price field office.

Thank you for your assistance and if you have any questions, please call me at (435) 636-2869.

Sincerely yours,



Vicky S. Miller

cc: Dave Spillman
Pete Hess

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: SITLA Lease Amendment - Revisions to Chapters Task ID # 1915

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.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: <u>2,360</u> Disturbed Area: _____ <input checked="" 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 the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes <input checked="" 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?
<i>Explain:</i> _____ |
| <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 checked="" type="checkbox"/> Yes <input 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 the 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation? |
| <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? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharge 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? |

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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
11/24/04

Subscribed and sworn to before me this 29 day of NOVEMBER, 2004

Vicky Sue Miller
Notary Public

My commission Expires: 1-5, 2008

Attest: State of UTAH } ss:
County of CARBON

For Office Use Only: 	Assigned Tracking Number: 	Received by Oil, Gas & Mining
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APPLICATION FOR COAL PERMIT PROCESSING

Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: Canyon Fuel Company, LLC

Mine: Dugout Canyon Mine

Permit Number: C/007/039

Title: SITLA Lease Amendment, Revisions to Chapter Task ID #1915

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED

			DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input checked="" type="checkbox"/> Remove	Chapter 7, Plate 7-3
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input checked="" type="checkbox"/> Remove	Confidential Folder - Biological Information related to Wildlife - Do not throw away*
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Biological Wildlife Information from Confidential File add to Appendix 3-3 of M&RP*
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input checked="" type="checkbox"/> Remove	RA Appendix 4-1 from Refuse Pile Amendment Binder - Do not throw away*
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	RA Appendix 4-1 from Refuse Pile Amendment to Confidential File*
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input checked="" type="checkbox"/> Remove	Attachment 4-1 from Degassification Amendment Binder - Do not throw away*
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Attachment 4-1 from Degassification Amendment to Confidential File*
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Appendix 4-3 - Cultural Information associated with SITLA Lease to Confidential File
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Attachment 4-1 Cover Sheet to Degassification Amendment designating location of Attachment*
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	RA Appendix 4-1 Cover Sheet to Refuse Pile Amendment designating location of Appendix*
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Appendix 4-3 - Cover Sheet to M&RP designating location of Appendix
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input checked="" type="checkbox"/> Remove	Chapter 1, a revised Chapter 1 has been submitted as a separate amendment.
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input checked="" type="checkbox"/> Remove	Appendix 4-3, the Nickens report entitled "A sample-oriented cultural resource inventory in Carbon, Emery and Sanpete Counties, Utah" needs to be removed.
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input checked="" type="checkbox"/> Remove	Chapter 3, Tables 3-1 and 3-2.
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 3, Pages 3-ii, 3-iii, 3-iv, 3-13 thru 3-34, and 3-55
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 5, Page 5-33
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 7, Pages 7-5, 7-22, 7-23, 7-27 thru 7-32, 7-35, 7-37, 7-62 thru 7-65
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plate 7-1
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<p>Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.</p> <p>11/29/04</p> <p>* All though these documents are associated with different binders the tasks were part of deficiencies associated with SITLA Lease, TASK ID. NO.1915</p>	<p>Received by Oil, Gas & Mining</p>
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