



Canyon Fuel Company, LLC
 Soldier Canyon Mine
 P.O. Box 1029
 Wellington, Utah 84542
 (435) 637-6360 Fax: (435) 637-0108

COPY

INCOMING
 C0070039
 Task ID #2039
[Signature]

September 23, 2004

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: Addition of Information to Appendices 1-2, 3-3, 4-1 and 7-8 of the M&RP, Canyon Fuel Company, LLC, Dugout Mine, C/007/039

Dear Ms. Grubaugh-Littig:

Enclosed please find four copies of information to be incorporated into various appendices including, proof of publication, Mexican Spotted Owl survey information, archeological information, etc. for the Dugout Canyon Mine.

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

Vicky S. Miller

Cc:

Dave Spillman (enclosures)
 Pete Hess (enclosures)

For additional information

File in:

Confidential

Shelf

Expandable

Refer to Record No 0058 Date 09232004
 In C/ 0070039, 2004, Incoming

RECEIVED

SEP 24 2004

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

COPY

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: Dugout Canyon Mine

Permit Number: C/007/039

Title: Addition of Information to Appendices for Chapters 1, 3, 4, 7 of the M&RP

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: _____ 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

9/23/04

Subscribed and sworn to before me this 23 day of September, 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

RECEIVED

SEP 24 2004

DIV. OF OIL, GAS & MINING

Canyon Fuel Company, LLC
SCM/Dugout Canyon Mine

Mining and Reclamation Plan
September 2004

APPENDIX 1-2

Insurance and Proof of Publication

ADD TO THE BACK OF THE EXISTING INFORMATION

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Ken Larson, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and that the first publication was on the 19th day of December, 2002, and that the last publication of such notice was in the issue of such newspaper dated the 9th day of January, 2003.

Ken G. Larson

Ken G Larson - Publisher

Subscribed and sworn to before me this 9th day of January, 2003.

Linda Thayne

Notary Public My commission expires January 10, 2003 Residing at Price, Utah

Publication fee, \$ 595.84



LEGAL NOTICE

Canyon Fuel Company, LLC of Midvale, Utah, hereby announces its intent to renew its coal mining permit for the Dugout Canyon Mine under the laws of the State of Utah and the U.S. Office of Surface Mining. The currently approved mining permit is number C/007039.

Canyon Fuel Company, LLC, operates the Dugout Canyon Mine which is located thirteen (13) miles northeast of Wellington, Utah, with facilities in Dugout Canyon located in the west half of Section 23, Township 13 South, Range 12 East, Salt Lake Base Meridian.

Underground coal mining will take place in coal reserves owned or leased by Canyon Fuel Company, LLC. A legal description of the permit boundary includes:

Township 13 S., Range 12 E., Salt Lake Base and Meridian

- Section 9: S1/2SE1/4
- Section 10: S1/2
- Section 11: S1/2
- Section 13: All except N1/2N1/2
- Section 14: All
- Section 15: All
- Section 16: All
- Section 17: E1/2SW1/4; SE1/4
- Section 20: E1/2NW1/4; SW1/4NW1/4; N1/2NE1/4
- Section 21: N1/2NW1/4; NE1/4
- Section 22: N1/2; N1/2S1/2; N1/2NE1/4SE1/4SE1/4; SW1/4NE1/4SE1/4SE1/4; S1/2NW1/4SE1/4SE1/4; N1/2SE1/4SW1/4SE1/4; S1/2SW1/4SW1/4SE1/4; NE1/4SW1/4SW1/4SE1/4
- Section 23: NW1/4; NE1/4; SE1/4, NW1/4NW1/4SW1/4; N1/2NE1/4NW1/4SW1/4; NW1/4SW1/4NW1/4SW1/4; NE1/4SW1/4
- Section 24: All
- Section 25: N1/2N1/2
- Section 26: N1/2NE1/4
- Section 27: NE1/4SE1/4NE1/4NW1/4; S1/2SE1/4NE1/4NW1/4; SE1/4NE1/4NE1/4NW1/4; W1/2NW1/4NW1/4NE1/4

Township 13 S., Range 13 E., Salt Lake Base and Meridian

- Section 17: SW1/4NW1/4; W1/2SW1/4
- Section 18: All except N1/2N1/2
- Section 19: All
- Section 20: W1/2W1/2
- Section 30: NW1/4NW1/4

Topsoil to be used in reclamation of the Dugout Canyon Mine disturbed areas is being stored in T14S; R12E; Section 8, a storage area permitted to Soldier Canyon Mine.

A copy of the permit renewal application will be available for inspection at the following locations:

Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114 and Carbon County Courthouse, 120 East Main Street, Price, Utah 84501

The address of the applicant is: Canyon Fuel Company, LLC, 6955 South Union Park Center, Suite 540, Midvale, Utah 84047

Written comments or request for a hearing regarding this application must be submitted within 30 days of the last publication date of this notice, to the Utah Division of Oil, Gas and Mining, Attention Coal Regulatory Program, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5001.

Published in the Sun Advocate December 19 and 26, 2002 and January 2 and 9, 2003

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Ken Larson, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and the first publication was on the 15th of June, 2004, and that the last publication of such notice was in the issue of such newspaper dated the 6th day of July, 2004.

Ken G. Larson

Ken G Larson - Publisher

Subscribed and sworn to before me this 6th day of July, 2004.

Linda Thayne

Notary Public My commission expires January 10, 2007 Residing at Price, Utah

Publication fee, \$ 599.04



LEGAL NOTICE

Canyon Fuel Company, LLC, of Salt Lake City, Utah, has submitted to the Utah Division of Oil, Gas and Mining, a complete application for adding the SITLA lease (approximately 2,360 acres) to the existing mining and reclamation permitted area. The address of the applicant is: Canyon Fuel Company, LLC, 6955 South Union Park Center, Suite 540, Midvale, Utah 84047.

Canyon Fuel Company, LLC, operates the Dugout Canyon Mine located thirteen (13) miles northeast of Wellington, Utah; in Dugout Canyon within the west half of Section 23; Township 13 South, Range 12 East, Salt Lake Base Meridian. The currently approved Dugout Canyon Mine mining permit number is C/007/039. The permit area is located on the Pine Canyon and Mount Bartles, USGS 7.5 minute quadrangle maps. The description of the permit area is as follows:

Township 13 South, Range 12 East, SLBM, Utah

- Section 9: S1/2SE1/4
- Section 10: S1/2
- Section 11: S1/2
- Section 13: All except N1/2N1/2
- Section 14: All
- Section 15: All
- Section 16: All
- Section 17: E1/2SW1/4; SE1/4
- Section 20: E1/2NW1/4; SW1/4NW1/4; N1/2NE1/4
- Section 21: N1/2NW1/4; NE1/4
- Section 22: N1/2; N1/2S1/2; N1/2NE1/4SE1/4SE1/4; SW1/4NE1/4SE1/4SE1/4; S1/2NW1/4SE1/4SE1/4; SE1/4NE1/4SW1/4SE1/4; N1/2SE1/4SW1/4SE1/4; NE1/4SW1/4SW1/4SE1/4; S1/2SW1/4SW1/4SE1/4
- Section 23: NW1/4; NE1/4; SE1/4; NE1/4SW1/4; NW1/4NW1/4SW1/4; N1/2NE1/4NW1/4SW1/4; NW1/4SW1/4NW1/4SW1/4
- Section 24: All
- Section 25: N1/2N1/2
- Section 26: N1/2NE1/4
- Section 27: W1/2NW1/4NW1/4NE1/4; SE1/4NE1/4NE1/4NW1/4; E1/2SE1/4NE1/4NW1/4; SE1/4SW1/4NE1/4NW1/4

Township 13 South, Range 13 East, SLBM, Utah

- Section 17: SW1/4; SW1/4NW1/4; SW1/4SE1/4
- Section 18: All except N1/2N1/2
- Section 19: All
- Section 20: All
- Section 21: SW1/4; SW1/4NW1/4
- Section 28: NW1/4; N1/2SW1/4; SW1/4SW1/4
- Section 29: All
- Section 30: NW1/4NW1/4; E1/2; E1/2W1/2

Township 14 South, Range 12 East, SLBM, Utah

- Section 18: Portions of E1/2NE1/4

Topsoil is being stored in T14S, R12E, Section 8, a storage area permitted to Soldier Canyon Mine.

A copy of the permit will be available for inspection at the Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah. Written comments or request for an informal conference regarding this application must be submitted within 30 days of the last publication date of this notice, to the Utah Division of Oil, Gas and Mining, Attention Coal Regulatory Program, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801.

Published in the Sun Advocate June 15, 22, 29 and July 6, 2004.

MARSH

CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER
CHI-000333513-04

PRODUCER

Marsh USA Inc.
800 Market Street, Suite 2600
St. Louis, MO 63101-2500

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

- COMPANY
A FEDERAL INSURANCE CO
- COMPANY
B
- COMPANY
C
- COMPANY
D

001950-state-GL8-03-04

Y

INSURED

Canyon Fuel Company, LLC
6955 Union Park Center
Suite 540
Midvale, UT 84047

COVERAGES

This certificate supersedes and replaces any previously issued certificate for the policy period noted below. 6

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR OWNER'S & CONTRACTOR'S PROT <input checked="" type="checkbox"/> Includes XCU	3711-00-10 ***\$500,000 general aggregate "per location"	07/31/03	07/31/04	GENERAL AGGREGATE \$ 500,000 PRODUCTS - COMP/OP AGG \$ 500,000 PERSONAL & ADV INJURY \$ 300,000 EACH OCCURRENCE \$ 300,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED EXP (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				WC STATUTORY LIMITS OTHER EL EACH ACCIDENT \$ EL DISEASE-POLICY LIMIT \$ EL DISEASE-EACH EMPLOYEE \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Permit Dug Out Canyon Mine ACT/007/039

CERTIFICATE HOLDER

Utah Dept. Of Natural Resources
Division of Oil, Gas and Mining
1594 W. North Temple
Suite 1210
Salt Lake City, UT 84114-5801

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDORSE MAIL 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN.

MARSH USA INC.

By: Alfred A. Peterfeso

Alfred A. Peterfeso

MM1(8/02)

VALID AS OF: 07/25/03

MARSH

CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER
CHI-000333513-08

PRODUCER

Marsh USA Inc.
800 Market Street, Suite 2600
St. Louis, MO 63101-2500

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

- COMPANY
A FEDERAL INSURANCE CO
- COMPANY
B
- COMPANY
C
- COMPANY
D

001950-state-GL8-04-05

Y

INSURED

Canyon Fuel Company, LLC
6955 Union Park Center
Suite 540
Midvale, UT 84047

COVERAGES

This certificate supersedes and replaces any previously issued certificate for the policy period noted below. 6

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	3711-00-10 ****\$500,000 general aggregate ****per location****	07/31/04	07/31/05	GENERAL AGGREGATE \$ * 500,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG \$ 500,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$ 300,000
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 300,000
	<input checked="" type="checkbox"/> Includes XCU				FIRE DAMAGE (Any one fire) \$ 50,000
					MED EXP (Any one person) \$ 5,000
					COMBINED SINGLE LIMIT \$
	AUTOMOBILE LIABILITY				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> ALL OWNED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> SCHEDULED AUTOS				
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: \$
					EACH ACCIDENT \$
					AGGREGATE \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS OTH ER
	THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				EL EACH ACCIDENT \$
	OTHER				EL DISEASE-POLICY LIMIT \$
					EL DISEASE-EACH EMPLOYEE \$

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
Permit Dug Out Canyon Mine ACT/007/039

CERTIFICATE HOLDER

Utah Dept. Of Natural Resources
Division of Oil, Gas and Mining
1594 W. North Temple
Suite 1210
Salt Lake City, UT 84114-5801

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL SEND BY MAIL 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN.

MARSH USA INC.

By: Alfred A. Peterfeso

Alfred A. Peterfeso

MM1(3/02)

VALID AS OF: 07/20/04

APPENDIX 3-3

Fish and Wildlife Data

ADD TO THE BACK OF THE EXISTING INFORMATION

Canyon Fuel Company, LLC
SCM/Dugout Canyon Mine

Mining and Reclamation Plan
September 2004

APPENDIX 3-3

Fish and Wildlife Data

Utah's State Listed Species by County

Disclaimer: This list was compiled using known species occurrences from the Utah Natural Heritage Program's Biological and Conservation Database; other species of special concern likely occur in Utah Counties. The list includes both current and historic records. (Last updated on October 24, 2002).

Carbon County

<u>Common Name</u>	<u>Scientific Name</u>	<u>State Status</u>
ARIZONA TOAD	BUFO MICROSCAPHUS	SP
BALD EAGLE	HALIAEETUS LEUCOCEPHALUS	T
BLACK-FOOTED FERRET	MUSTELA NIGRIPES	E
BLUEHEAD SUCKER	CATOSTOMUS DISCOBOLUS	SP
BONYTAIL	GILA ELEGANS	E
BRAZILIAN FREE-TAILED BAT	TADARIDA BRASILIENSIS	SP/SD
BURROWING OWL	ATHENE CUNICULARIA	SP
COLORADO PIKEMINNOW	PTYCHOCHEILUS LUCIUS	E
COMMON YELLOWTHROAT	GEOTHLYPIS TRICHAS	SP
FERRUGINOUS HAWK	BUTEO REGALIS	T
FLANNELMOUTH SUCKER	CATOSTOMUS LATIPINNIS	SP
GREATER SAGE-GROUSE	CENTROCERCUS UROPHASIANUS	SP/SD
HUMPBAC CHUB	GILA CYPHA	E
LONG-BILLED CURLEW	NUMENIUS AMERICANUS	SP/SD
MILKSNAKE	LAMPROPELTIS TRIANGULUM	SP
NORTHERN FLYING SQUIRREL	GLAUCOMYS SABRINUS	SD
NORTHERN GOSHAWK	ACCIPITER GENTILIS	SP
NORTHERN RIVER OTTER	LONTRA CANADENSIS	SP/SD
PEREGRINE FALCON	FALCO PEREGRINUS	E
RAZORBACK SUCKER	XYRAUCHEN TEXANUS	E
ROUNDTAIL CHUB	GILA ROBUSTA	T
SMITH'S BLACK-HEADED SNAKE	TANTILLA HOBARTSMITHI	SD
SMOOTH GREENSNAKE	OPHEODRYS VERNALIS	SP/SD
SOUTHWESTERN WILLOW FLYCATCHER	EMPIDONAX TRAILLII EXTIMUS	E
SWAINSON'S HAWK	BUTEO SWAINSONI	SP
TOWNSEND'S BIG-EARED BAT	CORYNORHINUS TOWNSENDII	SP/SD
WESTERN RED BAT	LASIURUS BLOSSEVILLII	SP/SD
WESTERN TOAD	BUFO BOREAS	SP
WILLIAMSON'S SAPSUCKER	SPHYRAPICUS THYROIDEUS	SD

Key to State Status Field

<u>Symbol</u>	<u>Definition</u>
XNCT	Extinct Species: any wildlife species that has disappeared in the world.
XTRP	Extirpated Species: any wildlife species that has disappeared from Utah since 1800.
E	State Endangered Species: any wildlife species or subspecies which is threatened with extirpation from Utah or extinction resulting from very low or declining numbers, alteration and/or reduction of habitat, detrimental environmental changes, or any combination of the above. Continued long-term survival is unlikely without implementation of special measures.
T	State Threatened Species: any wildlife species or subspecies which is likely to become an endangered species within the foreseeable future throughout all or a significant part of its range in Utah or the world.
SP	Species of Special Concern: any wildlife species or subspecies that has experienced a substantial decrease in population, distribution and/or habitat availability.
SD	Species of Special Concern: any wildlife species or subspecies that occurs in limited areas and/or numbers due to a restricted or specialized habitat.
SP/SD	Species of Special Concern: any wildlife species or subspecies that has both a declining population and a limited range.
CS	Conservation Species: any wildlife species or subspecies, except those species currently listed under the Endangered Species Act as Threatened or Endangered, that meets the state criteria of Endangered, Threatened or of Special Concern, but is currently receiving sufficient special management under a Conservation Agreement developed and/or implemented by the state to preclude its listing above.

**County Lists of Utah's Federally Listed
Threatened(T), Endangered(E), and Candidate(C) Species**

Beaver County

<u>Common Name</u>	<u>Scientific Name</u>	<u>Status</u>
California Condor - Historically	<i>Gymnogyps californianus</i>	E Experimental
Bald Eagle	<i>Haliaeetus leucocephalus</i>	T
Yellow-billed Cuckoo - Possibly	<i>Coccyzus americanus</i>	C
Utah Prairie Dog	<i>Cynomys parvidens</i>	T

Box Elder County

<u>Common Name</u>	<u>Scientific Name</u>	<u>Status</u>
Fat-whorled Pondsail	<i>Stagnicola bonnevillensis</i>	C
Lahontan Cutthroat Trout - Introduced	<i>Oncorhynchus clarki henshawii</i>	T
June Sucker - Introduced	<i>Chasmistes liorus</i>	E
Bald Eagle	<i>Haliaeetus leucocephalus</i>	T
Yellow-billed Cuckoo - Possibly	<i>Coccyzus americanus</i>	C
Gray Wolf - Historically	<i>Canis lupus</i>	T Extirpated

Cache County

<u>Common Name</u>	<u>Scientific Name</u>	<u>Status</u>
Maguire Primrose	<i>Primula maguirei</i>	T
Bald Eagle	<i>Haliaeetus leucocephalus</i>	T
Yellow-billed Cuckoo - Possibly	<i>Coccyzus americanus</i>	C
Brown (Grizzly) Bear - Historically	<i>Ursus arctos</i>	T Extirpated
Canada Lynx - Possibly	<i>Lynx canadensis</i>	T

Carbon County

<u>Common Name</u>	<u>Scientific Name</u>	<u>Status</u>
Uinta Basin Hookless Cactus	<i>Sclerocactus glaucus</i>	T
Graham Beardtongue	<i>Penstemon grahamii</i>	C
Humpback Chub	<i>Gila cypha</i>	E
Bonytail	<i>Gila elegans</i>	E
Colorado Pikeminnow	<i>Ptychocheilus lucius</i>	E
Razorback Sucker	<i>Xyrauchen texanus</i>	E
Bald Eagle	<i>Haliaeetus leucocephalus</i>	T
Yellow-billed Cuckoo - Possibly	<i>Coccyzus americanus</i>	C
Mexican Spotted Owl - Possibly	<i>Strix occidentalis lucida</i>	T
Black-footed Ferret - Unconfirmed	<i>Mustela nigripes</i>	E Extirpated

Daggett County

<u>Common Name</u>	<u>Scientific Name</u>	<u>Status</u>
Ute Ladies'-tresses	<i>Spiranthes diluvialis</i>	T
Humpback Chub - Historically	<i>Gila cypha</i>	E
Bonytail - Historically	<i>Gila elegans</i>	E
Colorado Pikeminnow	<i>Ptychocheilus lucius</i>	E
Razorback Sucker - Historically	<i>Xyrauchen texanus</i>	E
Bald Eagle	<i>Haliaeetus leucocephalus</i>	T
Yellow-billed Cuckoo - Possibly	<i>Coccyzus americanus</i>	C
Black-footed Ferret - Unconfirmed	<i>Mustela nigripes</i>	E Extirpated
Brown (Grizzly) Bear - Historically	<i>Ursus arctos</i>	T Extirpated
Canada Lynx	<i>Lynx canadensis</i>	T

**CANYON FUEL COMPANY'S
2003 GOB VENT BOREHOLE PROGRAM**

Strix occidentalis lucida
**MEXICAN SPOTTED OWL SURVEY
DUGOUT CANYON
CARBON COUNTY**

**CONDUCTED
MAY 20 TO JUNE 18, 2003**

**BY
EIS ENVIRONMENTAL & ENGINEERING CONSULTING
31 NORTH MAIN STREET
HELPER, UTAH 84526
(435) 472-3814
FAX (435) 472-8780
www.eisenviro.com**

Canyon Fuel Company
Dugout Canyon
Mexican Spotted Owl Survey
(*Strix occidentalis lucida*)

Introduction

Canyon Fuel Company has contracted EIS Environmental & Engineering Consulting (EIS) to conduct a survey for their 2003 Coal Exploration Program. The proposed area is located east of Price, Utah. This area consists of primarily of private land and a small portion managed by the Bureau of Land Management (BLM). Proposed activities include the drilling of up to six gob vent boreholes. These proposed drill holes and associated sites are required to be surveyed for the Mexican spotted owl (*Strix occidentalis lucida*). This species has been identified by the U.S Fish and Wildlife Service (USFWS) through past studies as occurring, or potentially occurring within the Canyon Fuel program area. Using established protocols, certified personnel of EIS conducted a field survey of the area. The survey for this Development Program was conducted from May 20 through June 18, 2003.

Methodology

Mexican spotted owl (*Strix occidentalis lucida*)

The inventory work on the project area was conducted from one half hour past sunset until one half hour before sunrise (period of highest owl activity) on May 20th, 27th, June 4th, 11th, and 18th, 2003. Following USFWS protocol, the area of concern was divided into seven calling points, each point being within 0.5 miles of the next. A calling point survey was conducted and each point was called for 20 minutes or more, unless a predator of MSO was encountered.

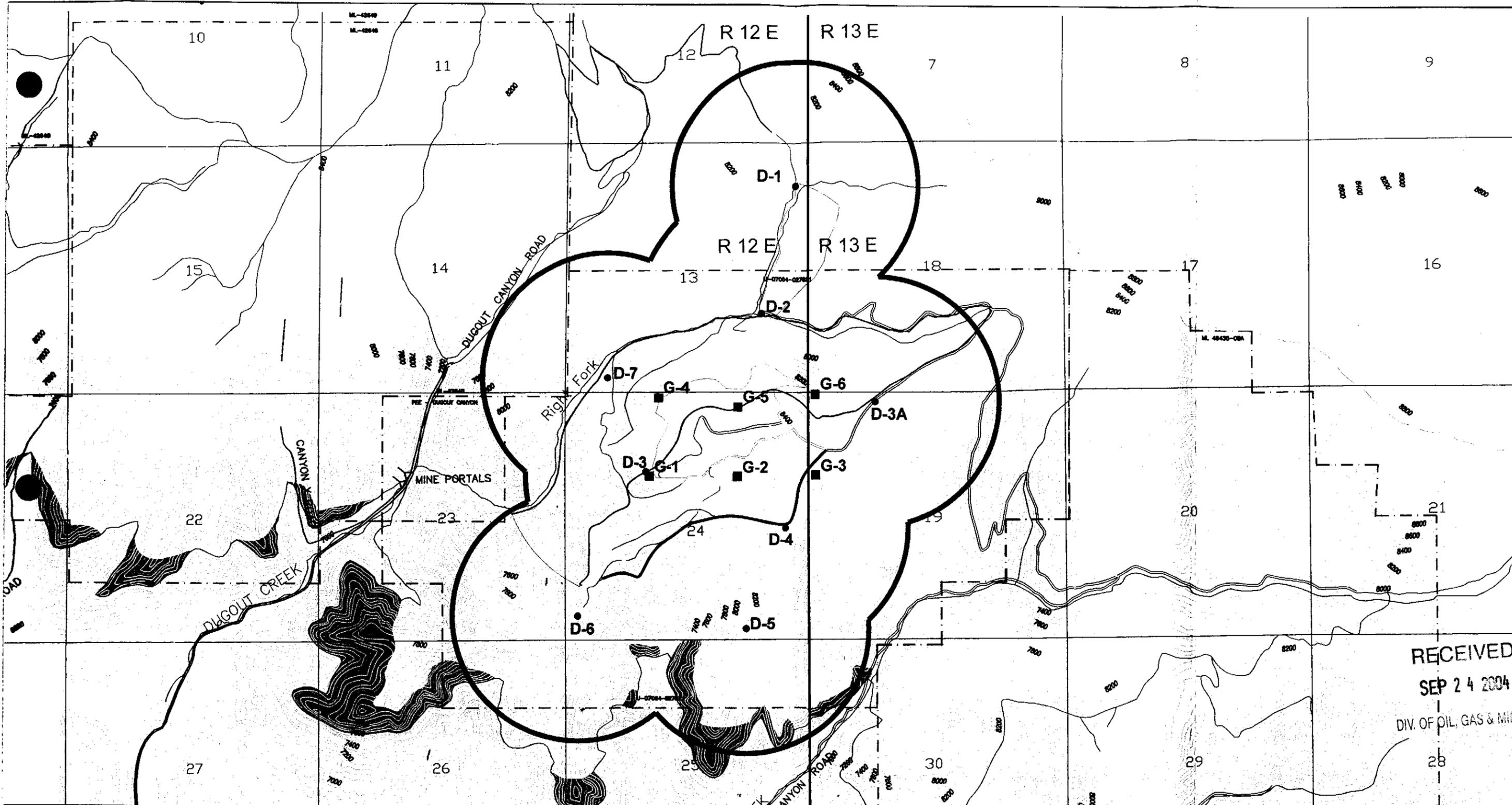
Calling procedures were as follows: surveyors called with their voice using the four-note hoot for one to two minutes, then listened for a return for five minutes. After five minutes, they would call using the four-note hoot and the whistle for one to two minutes, while listening for another five minutes. Finally they would call with the aggravated call, four-note hoot and/or whistle and listen for the remainder of the time. While listening for the last five minutes, a 1,000,000 candlepower spotlight was utilized to search treetops and cliff ledges for any sign of owls (i.e., eye-shine, whitewash, etc.).

Results

Although suitable habitat ^{MAY} did exist within the project area, a thorough search did not reveal the presence of any Mexican spotted owls. However, during the night of May 20th, a Great horned owl was heard. Northern saw whets were noted on May 20th at site D-2, May 27th and June 4th at D-6, June 4th at D-5 and June 11th at D-3.

Field inventory sheets are included in Attachment 1.

Field Sheets



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LEGEND

- Potential Gob Vent Bore Holes
- Call Point
- Burn



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Map Name:
MSO Location Map
 DATE: JULY 2003
 SCALE: SCALE 1" = 2000'

PREPARED FOR:
**Dugout Canyon Mine
 Canyon Fuel Company**
 Map Title:
PLATE 1

DRAWN BY: NICOLE BUTKOVICH
 AUTOCAD REF:
 DUGOUTCANYONFUELCANYONFUEL_MSO.DWG

**Environmental
 Industrial
 Services**
 Environmental & Engineering Consulting

DEPARTMENT OF THE INTERIOR
U.S. FISH AND WILDLIFE SERVICE

3-201
(1/97)

FEDERAL FISH AND WILDLIFE PERMIT

1. PERMITTEE

ENVIRONMENTAL INDUSTRIAL SERVICES
31 NORTH MAIN
HELPER, UT 84526
U.S.A.

2. AUTHORITY-STATUTES

16 USC 1539(A)
16 USC 703-712

REGULATIONS (Attached)

50 CFR 17.32
50 CFR 21.23
50 CFR 21.27

3. NUMBER

TE044836-0

4. RENEWABLE

YES
 NO

5. MAY COPY

YES
 NO

6. EFFECTIVE

08/03/2001

7. EXPIRES

12/31/2005

8. NAME AND TITLE OF PRINCIPAL OFFICER (If #1 is a business)

MELVIN A. COONROD

9. TYPE OF PERMIT

THREATENED SPECIES

10. LOCATION WHERE AUTHORIZED ACTIVITY MAY BE CONDUCTED

ON LANDS SPECIFIED WITHIN THE ATTACHED SPECIAL TERMS AND CONDITIONS

11. CONDITIONS AND AUTHORIZATIONS:

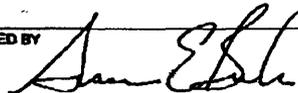
- A. GENERAL CONDITIONS SET OUT IN SUBPART D OF 50 CFR 13, AND SPECIFIC CONDITIONS CONTAINED IN FEDERAL REGULATIONS CITED IN BLOCK #2 ABOVE, ARE HEREBY MADE A PART OF THIS PERMIT. ALL ACTIVITIES AUTHORIZED HEREIN MUST BE CARRIED OUT IN ACCORD WITH AND FOR THE PURPOSES DESCRIBED IN THE APPLICATION SUBMITTED. CONTINUED VALIDITY, OR RENEWAL, OF THIS PERMIT IS SUBJECT TO COMPLETE AND TIMELY COMPLIANCE WITH ALL APPLICABLE CONDITIONS, INCLUDING THE FILING OF ALL REQUIRED INFORMATION AND REPORTS.
- B. THE VALIDITY OF THIS PERMIT IS ALSO CONDITIONED UPON STRICT OBSERVANCE OF ALL APPLICABLE FOREIGN, STATE, LOCAL OR OTHER FEDERAL LAW.
- C. VALID FOR USE BY PERMITTEE NAMED ABOVE.
- D. Further conditions of authorization are contained in the attached Special Terms and Conditions.

ADDITIONAL CONDITIONS AND AUTHORIZATIONS ALSO APPLY

12. REPORTING REQUIREMENTS

ANNUAL REPORT DUE: 12/31

SIGNED BY



TITLE

ARD - ECOLOGICAL SERVICES

DATE

08/03/2001

EIS ENVIRONMENTAL & ENGINEERING CONSULTING STAFF



Melvin A. Coonrod
Owner, EIS

Mel Coonrod has a Bachelors of Science Degree in Vertebrate Zoology and Chemistry, a Masters Degree in Silviculture, and Post-Graduate work in ecology. Mel has a wide range of experience in the environmental arena. Beginning as an instructor in two major universities, then into the private sector where he built the largest reforestation TSI contracting firm in the Intermountain West, planting in excess of one million trees per year. In the mid-1970's, he was hired by Getty Oil Company as an environmental coordinator; and completed the second Approved Mine Reclamation Plan in Utah. When Texaco purchased Getty Oil in 1981, Mel founded EIS Environmental Industrial Service. Under his direction, the firm has implemented numerous NEPA documents, PAP's, LBA's. reclamation and engineering plans throughout the west. The first two coal mines to receive Phase II Bond Release were projects in which EIS played a major role in both planning and implementation. Mel is licensed in engineering; landscape architecture; general contracting; and is certified for Threatened, Endangered, and Sensitive Species surveys; wetland delineation; raptor inventories; asbestos inspection; and numerous MSHA ratings. He is also a licensed pilot and a fully certified diver in open water, with scuba ratings in various areas.

In addition to his vast experience in a variety of fields, he has published a number of articles and has worked extensively with several government agencies in developing training films and literature used to instruct both industry and agency personnel in areas of reclamation and wildlife enhancement. Mel's philosophy relative to development is to create a win-win scenario, wherein the resource can be utilized in a cost-effective manner, while at the same time the environment can be enhanced to such a degree through cost-effective mitigation that there is no net loss for the life of the project.



The State of Utah

Department of
Natural Resources

Division of
Wildlife Resources

ROBERT L. MORGAN
Executive Director

KEVIN K. CONWAY
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

10 August 2004

Vicky Miller
Dugout Canyon Mine
P.O. Box 1029
Wellington, UT 84542

AUG 13 2004

Dear Ms. Miller:

On behalf of the Utah Division of Wildlife I would like to thank the Dugout Canyon Mine for completing mitigation for drilling degassing wells during the summers of 2004, 2005, and 2006. We received 46 nest boxes constructed by dedicated hunters with material provided by Dugout Canyon Mine. We expect the nest boxes to be used by saw-whet owls, kestrels, and a variety of other wildlife species. Your willingness to interact with the Division to enhance wildlife habitat helps us pass our heritage of wildlife diversity to future generations. We look forward to working with you in the future.

Sincerely,

A handwritten signature in cursive script that reads "Anthony Wright".

Anthony Wright
Habitat Section
Utah Division of Wildlife Resources
475 West Price River Drive, Suite C.
Price, UT 84501

CC:DJ, CC, JerriAnn Ernsten

**CANYON FUEL COMPANY'S
2004 GOB VENT BOREHOLE PROGRAM**

SEP - 7 2004

Strix occidentalis lucida
**MEXICAN SPOTTED OWL SURVEY
DUGOUT & PACE CANYON
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Canyon Fuel Company
Dugout Canyon
Mexican Spotted Owl Survey
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Introduction

Canyon Fuel Company has contracted EIS Environmental & Engineering Consulting (EIS) to conduct a survey for their 2004 Coal Exploration Program. The proposed area is located east of Price, Utah. This area consists of primarily of private land and a small portion managed by the Bureau of Land Management (BLM). Proposed activities include the drilling of up to six gob vent boreholes. These proposed drill holes and associated sites are required to be surveyed for the Mexican spotted owl (*Strix occidentalis lucida*). This species has been identified by the U.S Fish and Wildlife Service (USFWS) through past studies as occurring, or potentially occurring within the Canyon Fuel program area. Using established protocols, certified personnel of EIS conducted a field survey of the area. The survey for this Development Program was conducted from May 5 through July 9, 2004.

Methodology

Mexican spotted owl (*Strix occidentalis lucida*)

The inventory work on the project area was conducted from one half hour past sunset until one half hour before sunrise (period of highest owl activity) on May 5th, 13th, 20th, 29th, June 23rd, 30th, and July 9th, 2004. Following USFWS protocol, the area of concern was divided into seven calling points, each point being within 0.5 miles of the next. A calling point survey was conducted and each point was called for 20 minutes or more, unless a predator of MSO was encountered.

Calling procedures were as follows: surveyors called with their voice using the four-note hoot for one to two minutes, then listened for a return for five minutes. After five minutes, they would call using the four-note hoot and the whistle for one to two minutes, while listening for another five minutes. Finally they would call with the aggravated call, four-note hoot and/or whistle and listen for the remainder of the time. While listening for the last five minutes, a 1,000,000 candlepower spotlight was utilized to search treetops and cliff ledges for any sign of owls (i.e., eye-shine, whitewash, etc.).

Results

Although suitable habitat did exist within the project area, a thorough search did not reveal the presence of any Mexican spotted owls. However, during nearly every night of survey Northern saw whets were noted.

Field inventory sheets are included in Attachment 1.

Field Sheets

Environmental & Engineering Consulting / Mexican Spotted Owl Inventory Form

Inventory Area: Pace Canyon

Date 05/05/04

Page 1 of 1

Management Unit _____

District _____

Quad Map Name(S): _____

Survey Type: Nighttime ; Daytime _____ Survey # 1

Complete Survey? Yes

Outing # 1

Aborted? _____

Results Northern Saw Whet

% Area Surveyed 100%

Observers: M. Coonrod

N. Coonrod

Call Point	Survey Method	Time			Call Method	Moon Vis?	Raptor Response											
		Start	End	Total			A/V	Sex	Age	Spp	Time	Bearing		Weather			UTM Zone	
												1 st	2 nd	Wind	Cld	PPT	E	N
Nw1	CP	2110	2140	20	V	N	A	U	U	ACE C	2110	ALL OVER THE PLACE		0	0	0	543113	4392381
Nw2	CP	2150	2210	20	V	N	A	U	U	ACE C	2150	ALL OVER THE PLACE		0	0	0	542783	4392886
Nw3	CP	2218	2239	20	V	Y								0	0	0	542860	4393494
Nw4	CP	2300	2320	20	V	Y	A	U	U	ACE C	2300	ALL OVER THE PLACE		0	0	0	543540	4393295
Nw5	CP	2340	2400	20	V	Y	A	U	U	ACE C	2340	ALL OVER THE PLACE		0	0	0	543639	4392525

- | | | |
|---|---|--|
| <ul style="list-style-type: none"> ➤ Date: should be MM/DD/YY format ➤ Outing #: For cases where it takes multiple outings to complete the survey. ➤ Call Point: Label point on map and reference it here. CP-Call point, CC-Continuous Calling, LF-Leap Frog ➤ Survey Method: ➤ Time - Should be in Military Time ➤ Call Method: V-Vocal, R-Recorded | <ul style="list-style-type: none"> ➤ Raptor Response A/V: A=Audio / V=Visual ➤ Sex: M, F, U ➤ Age: J=juvenile, S=subadult, A=adult ➤ Spp: Species (4 letter abbreviation) ➤ Wind: 0-smoke rises
1-smoke drifts
2-wind felt on face
3-leaves/small twigs in constant motion
4-raises dust | <ul style="list-style-type: none"> 5-small trees in leaf sway 6-Large trees in leaf sway ➤ Cloud: 0-100% ➤ PPT: Precipitation
0=none, 1=fog, 2=light rain, 3=heavy rain, 4=light snow, 5=heavy snow ➤ UTM: E=6digits, N=7 digits ➤ don't forget to attach a map. |
|---|---|--|

EIS Environmental & Engineering Consulting / Mexican Spotted Owl Inventory Form

Inventory Area: Pace Canyon

Date 05/13/04

Page 1 of 1

Management Unit _____

District _____

Quad Map Name(S): _____

Survey Type: Nighttime X; Daytime _____

Survey # 2

Complete Survey? Yes

Outing # 1

Aborted? _____

Results Northern Saw Whet

% Area Surveyed 100%

Observers: K. NASH

D. KENNICK

Call Point	Survey Method	Time			Call Method	Moon Vis?	Raptor Response												
		Start	End	Total			A/V	Sex	Age	Spp	Time	Bearing		Weather			UTM Zone		
												1 st	2 nd	Wind	Cld	PPT	E	N	
Nw3	CP	2042	2102	20	V	N	A	U	U	ACE C	2045	ALL OVER THE PLACE		0	0	0	542860	4393494	
Nw5	CP	2114	2134	20	V	N								0	0	0	543639	4392525	
Nw4	CP	2145	2205	20	V	N								0	0	0	543540	4393295	
Nw2	CP	2219	2239	20	V	N								0	0	0	542783	4392886	
Nw1	CP	2242	2302	20	V	N	A	U	U	ACE C	2243	ALL OVER THE PLACE		0	0	0	543113	4392381	
P8	CP	2317	2337	20	V	N								0	0	0	545562	4391697	
P7	CP	2340	2400	20	V	N	A	U	U	ACE C	2342	ALL OVER THE PLACE		0	0	0	544875	4391754	
P6	CP	0004	0024	20	V	N								0	0	0	544206	4391732	
P5	CP	0030	0050	20	V	N								1	0	0	543612	4391691	
P4	CP	0058	0118	20	V	N	A	U	U	ACE C	0059	ALL OVER THE PLACE		1	0	0	542784	4391714	
P3	CP	0123	0143	20	V	N								0	0	0	542124	4391062	
P2	CP	0148	0208	20	V	N								0	0	0	541714	4390563	
P1	CP	0213	0233	20	V	N								0	0	0	541248	4390059	

EIS Environmental & Engineering Consulting / Mexican Spotted Owl Inventory Form

Inventory Area: Pace Canyon

Date 05/29/04

Page 1 of 1

Management Unit _____

District _____

Quad Map Name(S): _____

Survey Type: Nighttime ; Daytime _____ Survey # 2 Complete Survey? Yes

Outing # 1 Aborted? _____ Results _____ % Area Surveyed 100%

Observers: DeeAnn Kennick

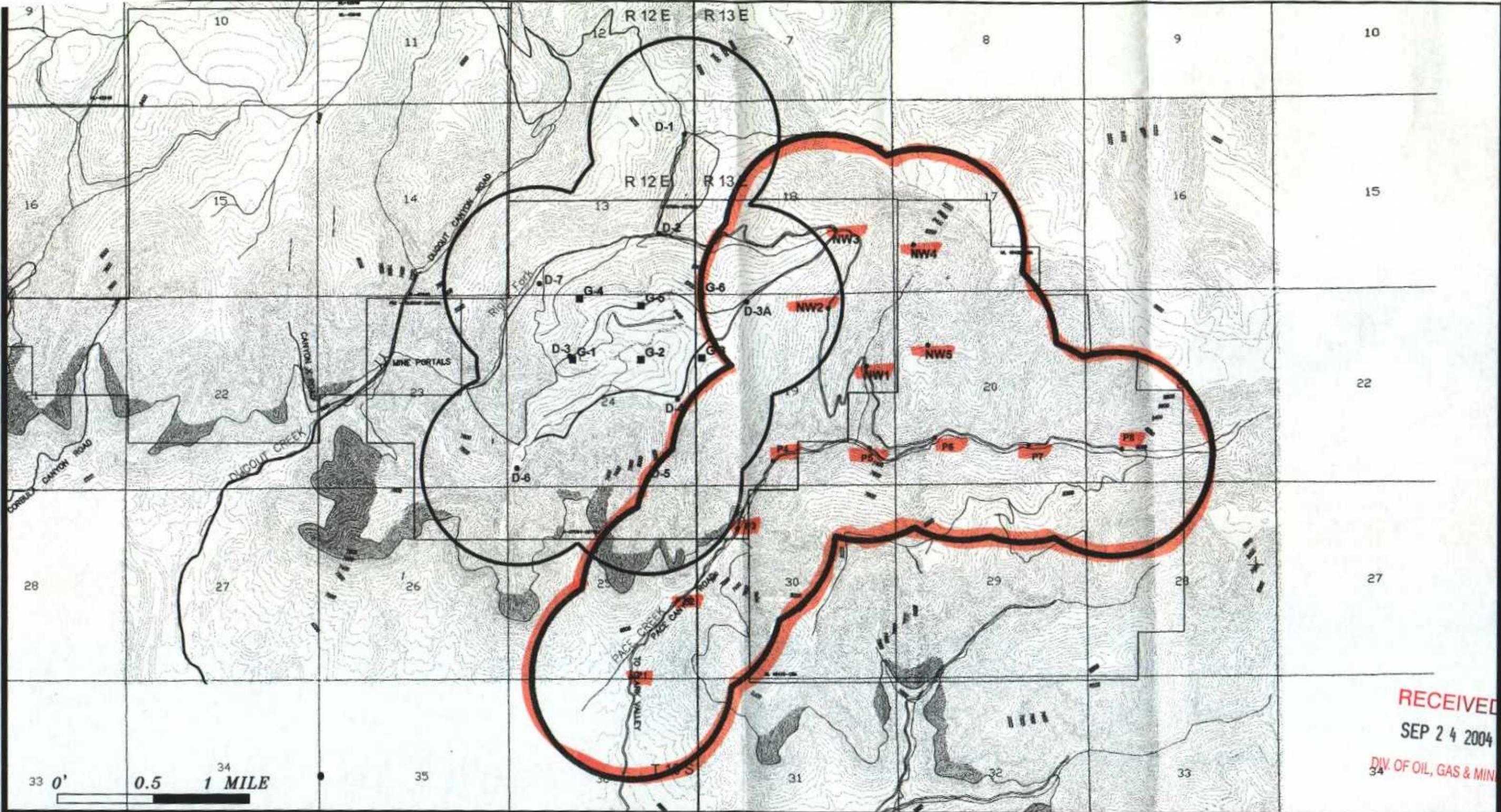
Greg Finger

Call Point	Survey Method	Time			Call Method	Moon Vis?	Raptor Response												
		Start	End	Total			A/V	Sex	Age	Spp	Time	Bearing		Weather			UTM Zone		
												1 st	2 nd	Wind	Cld	PPT	E	N	
D1	CP	2300	2320	20	V	Y									0	0	0	541617	4394439
D2	CP	2326	2346	20	V	Y									0	10	0	541400	4393525
D3A	CP	2349	0009	20	V	Y									2	10	0	542151	4392910
D6	CP	0015	0035	20	V	N									2	20	0	540395	4391994
D5	CP	0043	0103	20	V	N									2	30	0	541487	4391724
D4	CP	0110	0130	20	V	N									1	20	0	541579	4392110
D7	CP	0135	0155	20	V	N									0	15	0	541072	4393289

- Date: should be MM/DD/YY format
- Outing #: For cases where it takes multiple outings to complete the survey.
- Call Point: Label point on map and reference it here. CP-Call point, CC-Continuous Calling, LF-Leap Frog
- Survey Method:
- Time - Should be in Military Time
- Call Method: V-Vocal, R-Recorded
- Raptor Response A/V: A=Audio / V=Visual

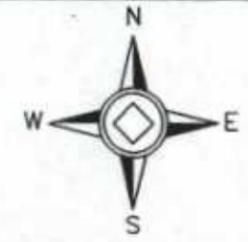
- Sex: M, F, U
- Age: J=juvenile, S=subadult, A=adult
- Spp: Species (4 letter abbreviation)
- Wind: 0-smoke rises
1-smoke drifts
2-wind felt on face
3-leaves/small twigs in constant motion
4-raises dust
5-small trees in leaf sway
6-Large trees in leaf sway

- Cloud: 0-100%
- PPT: Precipitation
0=none, 1=fog, 2=light rain, 3=heavy rain, 4=light snow, 5=heavy snow
- UTM: E=6digits, N=7 digits
- don't forget to attach a map.



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 DIV. OF OIL, GAS & MINING

ENVIRONMENTAL INDUSTRIAL SERVICES
 31 North Main Street
 Helper, Utah 84526
 435-472-3814
 800-641-2927
 Fax 435-472-8780
 eis.gis@preciscom.net

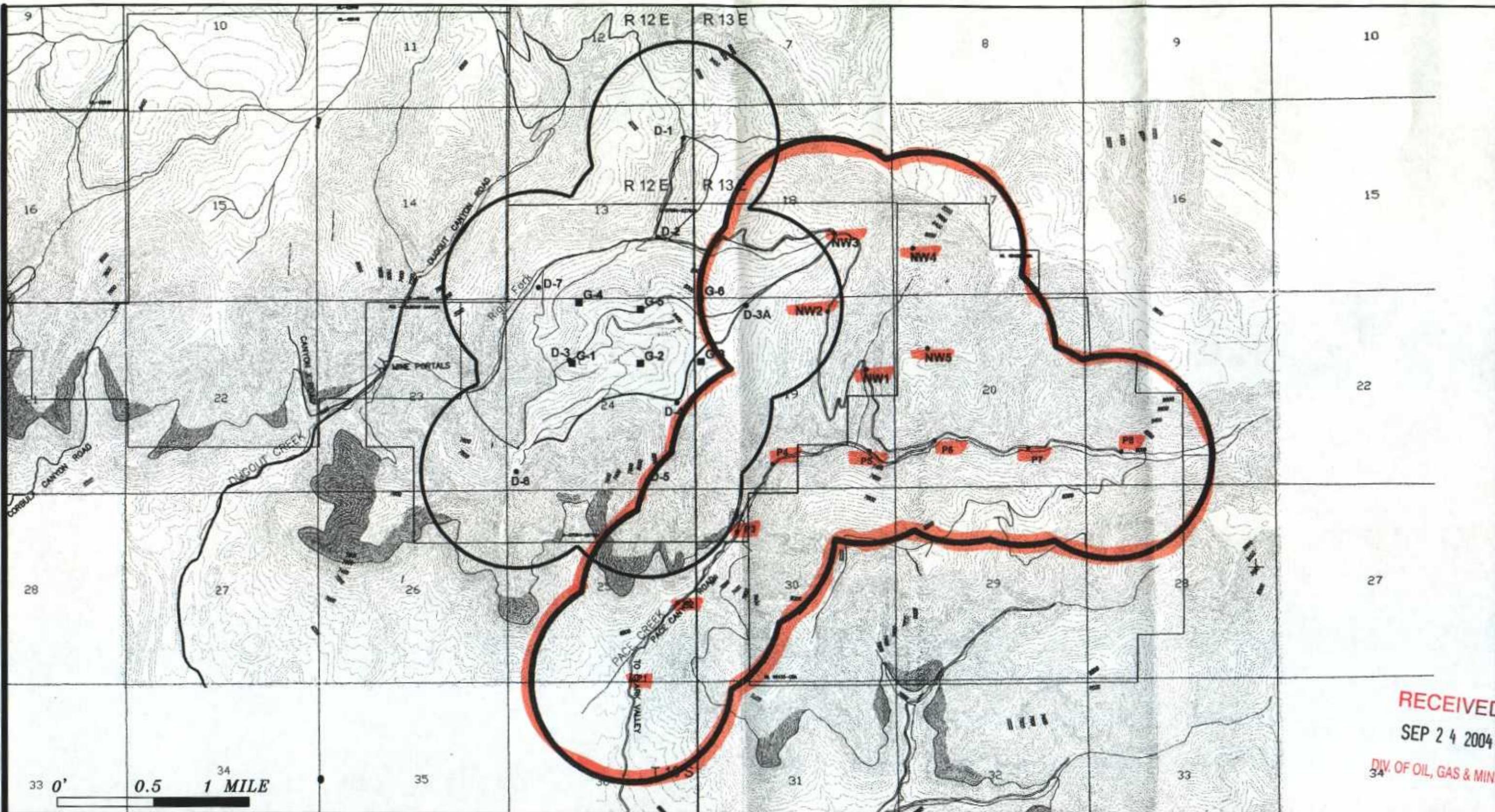


- LEGEND**
- CALL POINTS STARTED 2003
 - CALL POINT 1/2 MILE BUFFER
 - CALL POINT NEW & 1 YEAR FOLLOW UP
 - CALL POINT 1/2 MILE BUFFER

SCALE: AS SHOWN	DATE: AUGUST 2004
	DRAWN BY: KATIE NASH

PREPARED FOR:
CANYON FUEL COMPANY
 DRAWING:
MSO SURVEY

Environmental & Engineering Consulting



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 Helper, Utah 84526
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 800-641-2927
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- LEGEND**
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 - CALL POINT 1/2 MILE BUFFER
 - CALL POINT NEW & 1 YEAR FOLLOW UP
 - CALL POINT 1/2 MILE BUFFER

SCALE: AS SHOWN	DATE: AUGUST 2004
	DRAWN BY: KATIE NASH

PREPARED FOR:
CANYON FUEL COMPANY

DRAWING:
MSO SURVEY

Canyon Fuel Company, LLC
SCM/Dugout Canyon Mine

Mining and Reclamation Plan
September 2004

APPENDIX 4-1

Air Quality Approval Order and Information



SENCO-PHENIX

April 20, 2004

Mr. Kenny Wintch
SITLA Archeologist
675 East, 500 South, Suite 500
Salt Lake City, UT 84102-2818

RE: Dugout Canyon Permit Extension (U04SC0326)

Dear Kenny:

The Dugout Canyon Mine of Canyon Fuel LLC is proposing an extension of their mine permit area on SITLA land in Sections 17, 20, 21, 28, 29, 30, T13S, R13E, Carbon County, Utah. All of the disturbance will be subsurface. There are no surface disturbances planned within the permit extension area. A file search has been performed at the Price Field office of the BLM at various times, most recently April 20, 2004 for the permit extension and adjacent areas. The results of the file search are as follows:

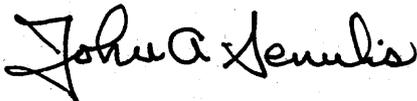
- 1980, AERC surveyed several sample blocks in Sections 18, 19 and 30 T13S, R13E. They also surveyed the access road into the Snow Mine site. One archeological site was located: (80-69)
 - 42CB292 The site was described as "Coal mine located in Pace Canyon consists of one known mine portal which has 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.
- 1983, Metcalf-Zier Archeologists surveyed several access roads and drill locations in Section 19, T13S, R13E. The only cultural resource located was an isolated prehistoric waste flake. (83-49)

- 2001, SENCO-PHENIX surveyed several drill holes and an extensive series of roads. Two new sites were recorded and one previously recorded site was re-recorded: (01-240)
 - 42CB292 The site was the historic Snow Mine in Pace Canyon, which was active in 1906 but had its primary production period from 1932-1940. The area has been heavily logged since the initial recordation and the area around the mine extensively disturbed by heavy equipment, probably dozed. The foundation has been destroyed and the coal loadout has been collapsed and pushed into the bed of Pace Creek. The rock-covered adit and adjacent stonewall are still there on the other side of Pace Creek. There are two 6 x 10 dugouts used as coal loadouts on the west side of the road. Other than recent trash no artifacts were observed. The integrity of the site has been basically destroyed. The site was not recommended for the NRHP.
 - 42CB1595 was a small wood framed one-room cabin that was probably related to the logging industry. It was not recommended for nomination to the NRHP.
 - 42CB1596 was a corral and Aspen art site. It was not recommended for nomination to the NRHP.
- 2003a, SENCO-PHENIX surveyed several drill holes and an extensive series of roads. One cultural resource in the general project area was located.(03-477)
 - 42CB1906 The site is a historic sawmill and log corral site. There wasn't a constructed sawmill building, a portable sawmill was set up on the site and then moved when the logging operations were finished. The site is located on the first southern terrace above a tributary of Dugout Creek. The major portion of the site has been removed; there is little potential for further information. The site is not recommended for nomination to the National Register of Historic Places.
- 2003b, SENCO-PHENIX surveyed a block area for drill holes and an access road. One cultural resource was located. (03-841)
 - 42CB1998: The site is a mid to late twentieth century temporary sawmill site. A portable sawmill was set up on the site and then moved when the logging operations were finished. The major portion of the site has been removed; there is little potential for further information. The site is not considered eligible for the NRHP. (03-841)

No sites eligible for nomination to the National Register of Historic Places (NRHP) have been found in or adjacent to the permit expansion area. It is very unlikely that future survey will reveal sites eligible for the NRHP. The permit extension area is in very steep mountainous terrain with narrow canyons. These areas were not favored by prehistoric

populations, which preferred the broader, more open areas of Nine Mile Canyon, north of the project area and Grassy Trail Creek, south of the project area. Historic populations used the narrow canyons for mining but the destroyed Snow Mine is the only known historic mine in the permit expansion area. Furthermore all activity will be underground with no surface disturbance. For these reasons a finding of "no effect on historic properties" is appropriate and archeological clearance without stipulations is recommended.

Sincerely,

A handwritten signature in cursive script that reads "John A. Senulis". The signature is written in black ink and is positioned above the typed name and title.

John A. Senulis
Principal Investigator

Cc: Miller, Canyon Fuel; Dykman, Utah SHPO

References Cited

Hauck, F. R. and D. G. Weder

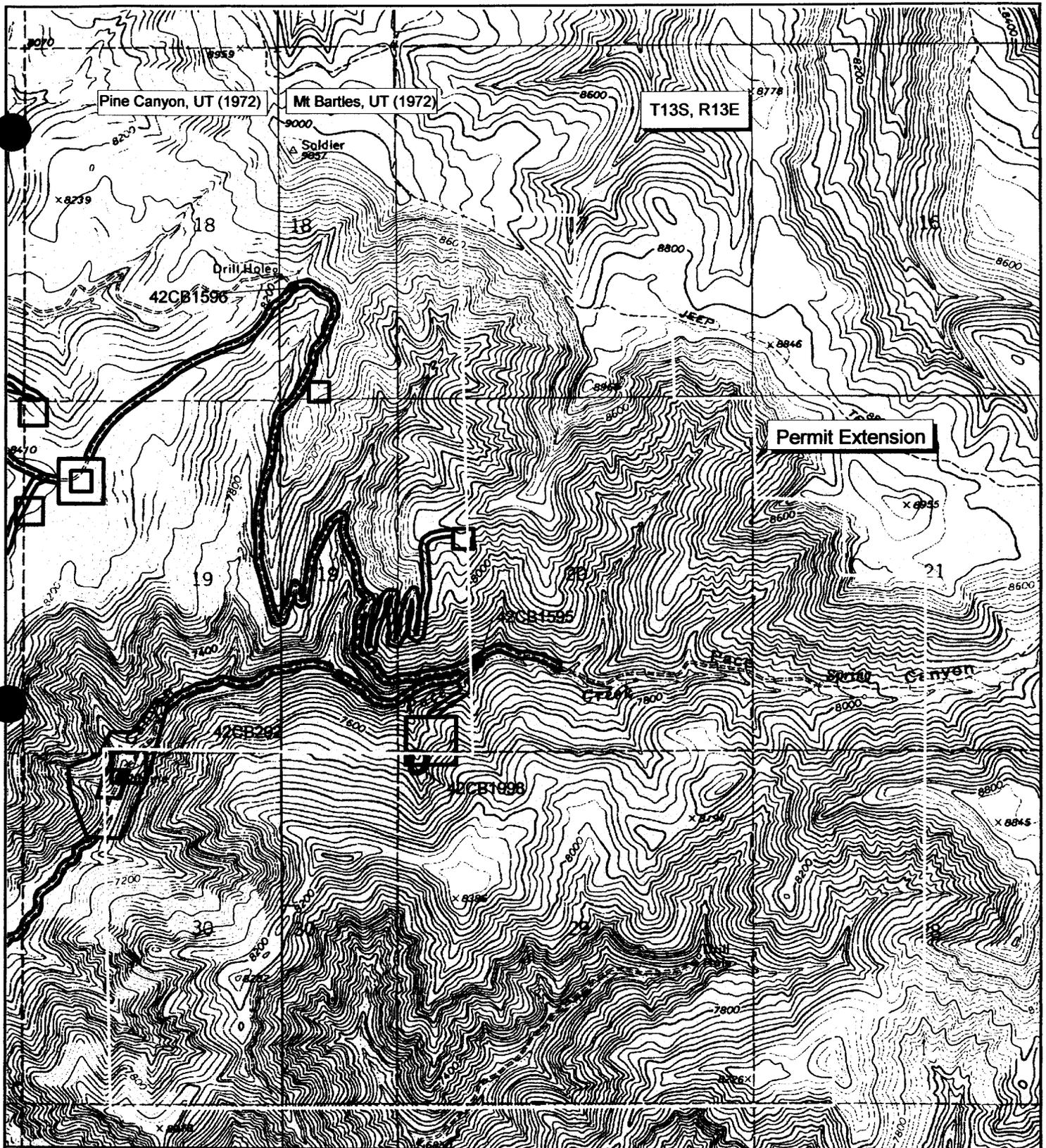
- 1980 *Intensive Archeological Surface Evaluations of the Proposed Sage Point-Dugout Canyon Project in Carbon County, Utah.* Archeological-Environmental Research Corporation, Salt Lake City, Utah. (80-69)

Metcalf, Michael

- 1983 *Cultural Resource Inventory of 1983 Drill Hole Locations at the Sage Point-Dugout Canyon Project, Carbon County, Utah.* Metcalf-Zier Archeologists, Inc., Eagle, Colorado. (83-49)

Senulis, John A.

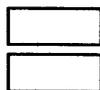
- 2001 *An Intensive Cultural Resource Survey and Inventory of the Dugout Canyon Mine Drill Holes and Access Roads,* SENCO-PHENIX Archeological Consultants, Price, Utah. (01-240)
- 2003a *An Intensive Cultural Resource Survey and Inventory of the 2003 Dugout Canyon Mine Exploration Drill Holes and Access Roads,* SENCO-PHENIX Archeological Consultants, Price, Utah. (03-477)
- 2003b *An Intensive Cultural Resource Survey and Inventory of the 2003 Dugout Canyon Mine Pace Canyon Exploration Drill Holes Block Area and Access Roads,* SENCO-PHENIX Archeological Consultants, Price, Utah. (03-841)



SENCO-PHENIX



Scale 1:24,000
1" = 2,000'



Current Survey
Previous Survey



Eligible Sites
Ineligible Sites

Dugout Canyon Mine Permit Extension
Dugout Mine of Canyon Fuel, LLC
Carbon County, Utah
Sections 17, 20, 21, 28, 29, 30,
T13S, R13E
April 2004
SPUT-468
(U04SC0326)

Canyon Fuel Company, LLC
SCM/Dugout Canyon Mine

Mining and Reclamation Plan
September 2004

APPENDIX 7-8

Sedimentation Pond Design Calculations

ADD TO THE BACK OF THE EXISTING INFORMATION

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Permit Number	ACT/007/039	Report Date	8/24/04
Mine Name	Dugout Canyon Mine		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Surface Facility Sedimentation Pond	
	Impoundment Number	None	
	UPDES Permit Number	UTG040020	
	MSHA ID Number	Impoundment - None (Mine - 42-01890)	

IMPOUNDMENT INSPECTION

Inspection Date	7/12/04		
Inspected By	Dave Spillman		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection and Annual Certification		

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

There were no signs of instability, structural weakness or other hazardous conditions observed during this inspection.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.

*Sediment Storage Capacity - 100% = 0.34 acre-feet @ an elevation of 6,953.56 feet
- 60% = 0.20 acre-feet @ an elevation of 6,951.66 feet*

3. Principle and emergency spillway elevations.

*Principal Spillway Elevation - 6,964.44 feet
Emergency Spillway Elevation - 6,964.5 feet*

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on out slopes of embankments, etc.

Nielson Construction was contracted to clean the sediment accumulation out of the Dugout Canyon Mine sedimentation pond. Cleanout operations were conducted from June 30th through July 8th. Nielson Construction also cleaned the pond in 2003. Following the 2003 cleanout, Johansen and Tuttle Engineering, Inc., was contracted to survey the as-built details of the sedimentation pond. The as-built details of the pond were subsequently submitted to DOGM in September 2003 and were approved by DOGM in October 2003.

During the 2003 cleanout, it was observed that the original pond was excavated to a point where the bottom was solid and substantial. This bottom is easily recognizable during cleaning operations. Given the fact that the pond volume was surveyed and well documented in 2003, no additional surveying was recommended following the 2004 cleanout. This is further substantiated by the fact that the same company with the same equipment and same personnel cleaned the pond to the same solid bottom. The pond volume observed following the 2003 cleanout was virtually identical to the volume observed following the 2004 cleanout.

During cleanout operations, the pond decant valve assembly was repaired. This assembly was observed as being damaged earlier this spring. It is presumed that the assembly was damaged during early spring runoff. Apparently, spring runoff inflow raised the elevation of the ice sheet existing on the pond at that time. Unfortunately, the elevation of the ice sheet existed near the decant elevation when significant spring runoff began. Shifting of this ice sheet apparently damaged the decant connection at the principal spillway riser. In order to prevent reoccurrence of this situation, water levels in the pond may need to be maintained at an elevation well above the decant assembly to prevent ice accumulation at this location. This may be accomplished by diverting some mine water discharge to the pond during winter months. However, diverting mine water towards the pond may not be allowed for under our M&RP. Further checking with DOGM on this matter may be warranted.

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

At the time of inspection, there was virtually no water or sediment accumulated in the pond. The total sediment cleanout had been completed on July 8, 2004, and the full design volume of the pond was available.

Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: _____ Date: _____

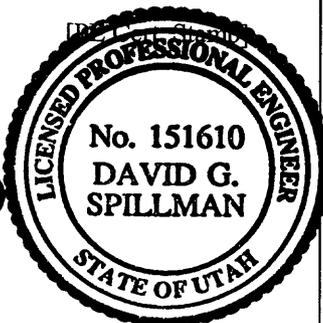
CERTIFIED REPORT

IMPOUNDMENT EVALUATION (if NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	X	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	X	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	X	

COMMENTS AND OTHER INFORMATION

Certification Statement:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.



By: David G. Spillman, Technical Services Manager
(Full Name and Title)

Signature: David G. Spillman Date: 8-24-04

P.E. Number & State: No. 151610, State of Utah