



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

**COPY**

November 16, 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

*Incoming  
C/007/00390A  
Task ID#207.*

**RE:** Revisions to Chapter 1 of the Degassification Well (Stand Alone Binder)  
associated with the Creation of a General Chapter 1 Binder and Ownership  
Changes, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/039

Dear Ms. Grubaugh-Littig:

Enclosed please find four copies of information to address a revision to Chapter 1 of the Dugout Canyon Mine, Degassification Well binder. A general Chapter 1 has been created for the Dugout Canyon Mine, Banning Loadout and Soldier Canyon Mine. The information in the stand alone binder is common to the operations and is referenced in each of the M&RP's. All old and outdated information should be discarded as outlined on the C2 forms attached.

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)  
Price Field Office (enclosures)

RECEIVED

NOV 17 2004

DIV. OF OIL, GAS & MINING

File in:

- Confidential  
 Shelf  
 Expandable

Refer to Record No *0076* Date *11/16/2004*  
In *C/0070039 2004 Incoming*

**APPLICATION FOR COAL PERMIT PROCESSING**

Permit Change  New Permit  Renewal  Exploration  Bond Release  Transfer

**COPY**

**Permittee:** Canyon Fuel Company, LLC

**Mine:** Dugout Canyon Mine

**Permit Number:** C/007/039

**Title:** Revisions to Chapters 1, Degassification Wells

**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)

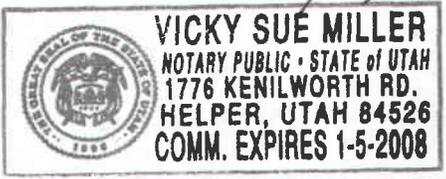
I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

David Spillman  
Print Name

David Spillman, Engineering Manager  
Sign Name, Position, Date

Subscribed and sworn to before me this 16 day of NOVEMBER, 2004

Vicky Sue Muller  
Notary Public



My commission Expires: 1-5, 2008  
Attest: State of UTAH } ss:  
County of CARBON

<p><b>For Office Use Only:</b></p>	<p>Assigned Tracking Number:</p>	<p>Received by <u>Oil, Gas &amp; Mining</u></p> <p align="center"><b>NOV 17 2004</b></p> <p align="center">DIV. OF OIL, GAS &amp; MINING</p>
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Canyon Fuel Company, LLC  
Dugout Canyon Mine

Methane Degassification Amendment  
November 2004

## **CHAPTER 1**

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

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110 MINIMUM REQUIREMENTS FOR LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

111 Introduction

The degassification wells will be located on property owned by the Milton and Ardith Thayne Trust. The well locations are found in Table 1-1 and are shown in Figure 1-1.

TABLE 1-1  
 Degas Well Locations  
 Pine Canyon, Utah Quadrangle, Salt Lake Meridian

Well Number	Section	Township and Range
G-1	Portion of N1/2SE1/4NW 1/4 Section 24	Township 13 South, Range 12 East
G-2	Portion of N1/2SW 1/4NE1/4 Section 24	Township 13 South, Range 12 East
G-3	Portion of N1/2SW 1/4NW 1/4 Section 19	Township 13 South, Range 13 East
G-4	Portion of N1/2NE1/4NW 1/4 Section 24	Township 13 South, Range 12 East
G-5	Portion of N1/2NW 1/4NE1/4 Section 24	Township 13 South, Range 12 East
G-6	Portion of S1/2SW 1/4NW 1/4 Section 18	Township 13 South, Range 13 East

112 Identification of Interests

Refer to the same section of the **General Chapter 1** for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.  
; approved M&RP.

112.100 Business Entity

Refer to the same section of the **General Chapter 1** for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.  
; approved M&RP.

112.200 Applicant and Operator

Refer to the same section of the **General Chapter 1** for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.  
; approved M&RP.

APPLICANT: ~~Operations, Administration, Permit Revisions, and Amendments~~

\_\_\_\_\_  
Canyon Fuel Company, LLC  
\_\_\_\_\_  
6955 South Union Park Center  
\_\_\_\_\_  
Suite 540  
\_\_\_\_\_  
Midvale, Utah 84047  
\_\_\_\_\_  
Telephone: (801) 569-4700  
\_\_\_\_\_  
Employer Identification: 87-0567183

\_\_\_\_\_  
Operator: Canyon Fuel Company, LLC  
\_\_\_\_\_  
6955 South Union Park Center  
\_\_\_\_\_  
Suite 540  
\_\_\_\_\_  
Midvale, Utah 84047  
\_\_\_\_\_  
Telephone: (801) 569-4700

Canyon Fuel Company, LLC  
Dugout Canyon Mine

Methane Degassification Amendment  
November May 2004

Resident Agent C.T. Corporation Systems  
50 West Broadway  
Salt Lake City, Utah 84104  
Telephone: (801) 658-9486

Contact Person: Reed Olsen  
Canyon Fuel Company, LLC  
Dugout Canyon Mine  
P.O. Box 1029  
Wellington, Utah 84542  
Telephone: (435) 637-6360

PERSON WHO WILL PAY ABANDON MINE RECLAMATION FEES:

Richard D. Pick  
Canyon Fuel Company, LLC  
6955 South Union Park Center  
Suite 540  
Midvale, Utah 84047

112.300 Officers of the Applicant

Refer to the same section of the General Chapter 1 for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.  
-approved M&RP.

112.400 Coal Mining and Reclamation Operation Owned or Controlled

Refer to the same section of the General Chapter 1 for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.  
-approved M&RP.

112.500 Legal or Equitable Owner of the Surface and Mineral Properties

The legal and equitable owner of the surface and mineral properties to be affected by this operation during the duration of the permit period are listed below.

Milton & Ardith Thayne Trust	United States of America
7730 East US Highway 6	State of Utah, Department of Interior
Sunnyside Star Route	Bureau of Land Management
Price, Utah 84501	Price Field Office
	125 South 600 West
	Price, Utah 84501

112.600 Owners of Record of Property Contiguous to Proposed Permit Area

Owners of record for surface and mineral properties contiguous to the proposed permit area are listed below.

United States of America	State of Utah
Department of Interior	School and Industrial
Bureau of Land Management	Trust Lands Administration
Price Field Office	675 East 500 South
125 South 600 West	Salt Lake City, Utah 84102-2818
Price, Utah 84501	

112.700 MSHA Numbers

Refer to the same section of the approved M&RP.

112.800 Interest In Contiguous Lands

Canyon Fuel Company, LLC has no interest in contiguous lands other than those currently owned as shown on Plate 1-1 of the approved M&RP.

112 900 Certification of Submittal Information

No information has changed in the approved M&RP because of this submittal. Refer to the same section of the approved M&RP.

113 Violation Information

Refer to the same section of the General Chapter 1 for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations. approved M&RP.

114 Right of Entry Information

Refer to the same section of the approved M&RP.

See Table 1-2 for disturbed acreage for each well site. The disturbed acres will be added to the total disturbed acreage for the Dugout Mine as each site is constructed.

TABLE 1-2  
Disturbed Acres by Well Site

Well Site	Disturbed Acres
G-1	0.6
G-2	1.21
G-3	0.97
G-4	0.85

G-5	0.75
G-6	0.32

#### 115 Status of Unsuitability Claims

Refer to the same section of the approved M&RP.

#### 116 Permit Term

Refer to the same section of the approved M&RP.

#### 117 Insurance, Proof of Publication, and Facilities and Structures Used in Common

The certificate of insurance (s) for each well will be obtained if required when the well is drilled. The certificate of insurance (s) will be included in Appendix 1-2 of the approved M&RP.

#### 118 Filing Fees

Refer to the same section of the approved M&RP.

#### 120 PERM II APPLICATION FORMAT AND CONTENTS

This amendment shall comply with R645-301-120.

#### 130 REPORTING OF TECHNICAL DATA

All technical data submitted in the amendment will be accompanied by the name or organization responsible for the collection and analysis of data, dates of collection and descriptions of

Canyon Fuel Company, LLC  
Dugout Canyon Mine

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methodology used. Technical analyses will be planned by or under the direction of a qualified professional in the subject to be analyzed.

#### 140 MAPS AND PLANS

The maps and plans in the Mining and Reclamation Plan will correspond with the requirements in R645-301-140.

#### 150 COMPLETENESS

CFC believes the information in this permit application to be complete and correct.

Clean COPY

## **CHAPTER 1**

### **LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION**

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State of Utah, Department of Interior  
Bureau of Land Management  
Price Field Office

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Price, Utah 84501

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### **116 Permit Term**

Refer to the same section of the approved M&RP.

### **117 Insurance, Proof of Publication, and Facilities and Structures Used in Common**

The certificate of insurance(s) for each well will be obtained if required when the well is drilled. The certificate of insurance(s) will be included in Appendix 1-2 of the approved M&RP and General Chapter 1.

### **118 Filling Fees**

Refer to the same section of the approved M&RP.

### **120 PERMIT APPLICATION FORMAT AND CONTENTS**

This amendment submittal will comply with R645-301-120.

### **130 REPORTING OF TECHNICAL DATA**

All technical data submitted in the amendment will be accompanied by the name or organization responsible for the collection and analysis of data, dates of collection and descriptions of methodology used. Technical analyses will be planned by or under the direction of a qualified professional in the subject to be analyzed.

### **140 MAPS AND PLANS**

The maps and plans in the Mining and Reclamation Plan will correspond with the requirements in R645-301-140.

Canyon Fuel Company, LLC  
Dugout Canyon Mine

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**150 COMPLETENESS**

CFC believes the information in this permit application to be complete and correct.