

August 6, 2004

Rick Olsen, General Manager
Canyon Fuel Company, LLC
P. O. Box 1029
Wellington, Utah 84542

Re: Concrete Pad Area Extension, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/0039, Task ID #1981, Outgoing File

Dear Mr. Olsen:

The above-referenced amendment is approved effective August 3, 2004. A stamped incorporated copy is enclosed for your copy of the Mining and Reclamation Plan.

If you have any questions, please feel free to call me at (801) 538-5268 or Peter Hess at (435) 613-1146, Extension 203.

Sincerely,

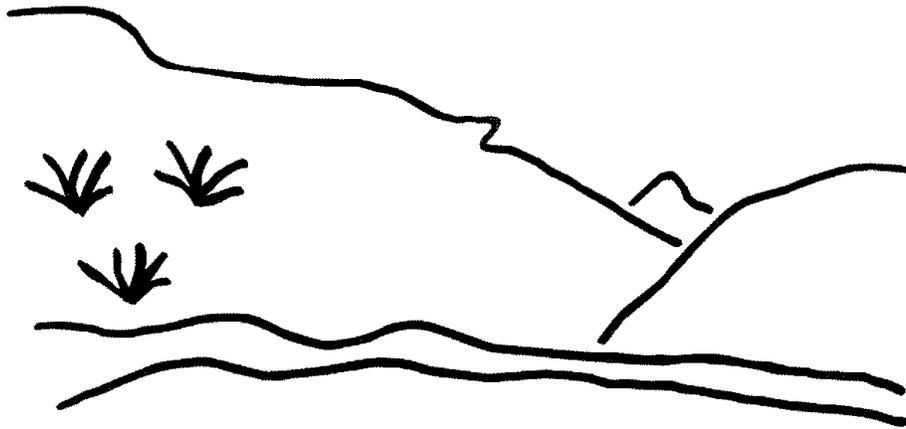
Pamela Grubaugh-Littig
Permit Supervisor

PHH/sd
Enclosure

cc: Ranvir Singh, OSM
Jim Kohler, BLM
Mark Page, Water Rights w/o
Dave Ariotti, DEQ w/o
Derris Jones, DWR w/o
Price Field Office

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Dugout Canyon Mine
Concrete Pad Area Expansion
C/007/039
Task ID #1981
Technical Analysis
August 3, 2004

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TECHNICAL ANALYSIS

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The Division regulates the Surface Mining Control and Reclamation Act of 1977 (SMCRA). When mines submit a Permit Application Package or an amendment to their Mining and Reclamation Plan, the Division reviews the proposal for conformance to the R645-Coal Mining Rules. This Technical Analysis is such a review. Regardless of these analyses, the permittee must comply with the minimum regulatory requirements as established by SMCRA.

Readers of this document must be aware that the regulatory requirements are included by reference. A complete and current copy of these regulations and a copy of the Technical Analysis and Findings Review Guide can be found at <http://ogm.utah.gov/coal>

This Technical Analysis (TA) is written as part of the permit review process. It documents the Findings that the Division has made to date regarding the application for a permit and is the basis for permitting decisions with regard to the application. The TA is broken down into logical section headings which comprise the necessary components of an application. Each section is analyzed and specific findings are then provided which indicate whether or not the application is in compliance with the requirements.

Often the first technical review of an application finds that the application contains some deficiencies. The deficiencies are discussed in the body of the TA and are identified by a regulatory reference which describes the minimum requirements. In this Technical Analysis we have summarized the deficiencies at the beginning of the document to aid in responding to them. Once all of the deficiencies have been adequately addressed, the TA will be considered final for the permitting action.

It may be that not every topic or regulatory requirement is discussed in this version of the TA. Generally only those sections are analyzed that pertain to a particular permitting action. TA's may have been completed previously and the revised information has not altered the original findings. Those sections that are not discussed in this document are generally considered to be in compliance.

INTRODUCTION

INTRODUCTION

The permittee submitted an application to the Division on July 2, 2004 to address an addition/extension of a concrete pad area for the purpose of enhancing material storage capability within the disturbed area of the Dugout Canyon Mine facilities area. The application was received in the Price Field Office on July 15, 2004.

This technical memo will address the adequacy of the submittal, designated as Task ID #1981, relative to the engineering discipline and bonding requirements of the R645 coal rules.

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INTRODUCTION

OPERATION PLAN

OPERATION PLAN

MINING OPERATIONS AND FACILITIES

Regulatory Reference: 30 CFR 784.2, 784.11; R645-301-231, -301-526, -301-528.

Analysis:

The submittal consists of two revisions to Volume 1, Chapter 5, page 5-16 of the Dugout Canyon Mine mining and reclamation plan. The revision contained in paragraph two of page 5-16 removes reference to the temporary warehouse, storage and foreman facilities which were portable containers/trailers implemented for those purposes. Upon the completion of the office/bath house/warehouse/shop building, those temporary facilities were either removed or relocated within the Mine's facilities area.

The second revision to page 5-16 is the addition of verbiage relative to the addition of a concrete pad area east of the office/bath house/warehouse/shop building. The concrete dock area will be used for the storage of pipe and plate, and those materials will be stored on racks to enhance storage efficiency. The concrete structure will be installed such that it surrounds a large diameter HDPE culvert that carries flow in ditch DD-3, (See PLATE 7-5, DISTURBED AREA DIVERSIONS, Dugout Mine MRP). As of the date of the TASK ID #1981 submittal, the concrete structure is still under construction. As such, its completed dimensions are unknown at this time. Upon the completion of the structure, the permittee will update the surface facilities map, PLATE 5-2 in the mining and reclamation plan.

Findings:

The minimum regulatory requirements of this section have been met.

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OPERATION PLAN

RECLAMATION PLAN

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond ount

The permittee submitted a permit amendment to the Division on July 2, 2004 to adjust the reclamation bond amount to address the expansion of a concrete pad area adjacent to the office/warehouse/bath house/shop building. Those revised reclamation cost figures were reviewed by Division personnel via Task ID #1900 and determined to be adequate. Final approval for the Task ID#1900 submittal was given on May 17, 2004.

Findings:

The minimum regulatory requirements of this section have been addressed via Task ID #1900.

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RECLAMATION PLAN
