

0033

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



March 30, 2005

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

*Accounting
C/007/039*

RE: Degas Well G-7, Task #2178 - Dugout Canyon Mine, Canyon Fuel Company, LLC,
C/007/039, Carbon County, Utah

Dear Ms. Grubaugh-Littig:

Attached please find four copies of bond revisions requested by Wayne Western and archeological information pertaining to degas well G-7. The archeological information was received after the submittal of the amendment.

Please do not hesitate to contact us with concerns as they arise in your review process. We are committed to address your concerns as they arise

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

Vicky S. Miller

cc: Dave Spillman
Pete Hess

RECEIVED

MAR 30 2005

DIV. OF OIL, GAS & MINING

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: Revisions to the Degassification Amendment to Add Degas Well G-7 - Task ID No. 2178

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: 1.25 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

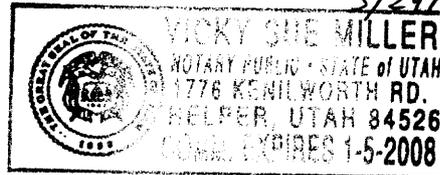
David Spillman, Engineering Manager
Sign Name, Position, Date

Subscribed and sworn to before me this 29 day of MARCH, 2005

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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MAR 30 2005

DIV. OF OIL, GAS & MINING

Canyon Fuel Company, LLC
SCM/Dugout Canyon Mine

Mining and Reclamation Plan
March 2005 ~~February 2005~~

APPENDIX 5-6

Reclamation Bond Estimate

Degas Well G-7

Ref.	Description	Materials	Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost	
	Degas Well G7																				
	Soil Preparation																				
	Pocking	Excavation Bulk Bank 2 CY (322BL)	02315 400 0260	1.73	/CY					1.25						AC		2017	CY	3489	
	Subtotal																				3489
	Seed Mix No 1																				
	Hydroseed Equipment and Labor	Hydro Spreader (equip. & labor) B-81 80MS	Reveg002	18.8	/MSF					1.25						AC		54	MSF	1015	
	Hydroseed Material	Dugout Seed Mix No 1	Dugout 07391S	394.75	/AC					1.25						AC		1.25	AC	493	
	Hay Mulch	Hay material only 02370 700 1200	Reveg001R	57.2	/ton					1.25						AC		1.25	ton/AC	72	
	Transplant Area No 1																				
	Area																				
	Transplant Materials	Dugout Transplant Mix No 1	Dugout 07391T	349	/AC														0	AC	0
	Transplant Labor	Bare root seedlings, 6" to 10"	02912 350 0711	1.21	Ea											#/AC			0	EA	0
	Subtotal																				1580
	Direct Vegetation																				5000
	Reseeding																				
	Assume 25% reveg rate																				1267
	Total																				6336

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost	
	Degas Well G7 No 46																				
	Grade and Backfill	Front end loader 3 CY	02315 424 1300	1.36	/CY						58					CY		58	CY	79	
	Fill In Mud Pit	Backfill Trench Mininal Haul 2 1/4 CY	02315 610 3080	1.49	/CY						1248					CY		1248	CY	1857	
	Subtotal																			1936	
	Plug Well Casing	Concrete Ready Mix 8000 psi	03310 220 0412	166	/CY						21					CY		21	CY	3488	
	Subtotal																			3488	
	Spread Topsoil	Front end loader 3 CY	02315 424 1300	1.36	/CY						1190					CY		1190	CY	1818	
	Spread Topsoil	Backfill Trench Mininal Haul 2 1/4 CY	02315 610 3080	1.49	/CY						1190					CY		1190	CY	1773	
	Subtotal																			3591	
	Fence																				
	Remove Barbed Wire	Remove Barb Wire	02220 220 1600	1.51	LF	920										FT		920	FT	1389	
	Subtotal																			1389	
	Support																				
	Pickup Truck	Pickup Rental	01590 400 7200	76.9	/day										15	hr			1.9	day	148
	Foreman	Foreman Average, Outside	Foreman	\$55.45	HR										15	hr			15	hr	832
	Subtotal																			978	
	Total																			1180	