

0055

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



*Incoming*  
*C/007/0039*

May 13, 2005

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

RE: Incorporation of Information into Attachment 4-2 - Dugout Canyon Mine, Canyon Fuel Company, LLC, C/007/039, Carbon County, Utah

Dear Ms. Grubaugh-Littig:

Attached please find four copies of a letter to the Milton Thayn Trust to be incorporated into Attachment 4-2 concerning operations planned for 2005 associated with Thayn property.

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

RECEIVED

MAY 16 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:** Submittal to Incorporate Information into Attachment 4-2 of Degas Well Binder

**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

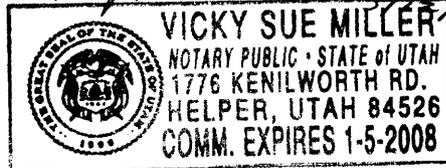
David Spillman, Engineering Manager  
Sign Name, Position, Date

Subscribed and sworn to before me this 12 day of MAY, 2005

Vicky Sue Miller  
Notary Public

My commission Expires: 1-5, 2008

Attest: State of UTAH } ss:  
County of CARBON



<b>For Office Use Only:</b>	<b>Assigned Tracking Number:</b>	<b>Received by Oil, Gas &amp; Mining</b>  <b>RECEIVED</b>  <b>MAY 16 2005</b>  DIV. OF OIL, GAS & MINING
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Canyon Fuel Company, LLC  
Dugout Canyon Mine

Methane Degassification Amendment  
May 13, 2005

**ATTACHMENT 4-2**  
**SURFACE LAND OWNER AGREEMENT**

**add to the back of existing information**



## ARK LAND COMPANY

**DOUGLAS M. DOWNING**  
Vice President - Land

March 28, 2005

Mr. Milton Thayn  
Milton and Ardith Thayn Trust  
7730 East Highway 6  
Price, UT 84601

**RE: Surface Use Agreement dated November, 1999 between Ark Land Company (successor to Canyon Fuel Company, LLC) and Milton and Ardith Thayn Trust (SC-170)**

Dear Mr. Thayn:

In 2005 the Dugout Canyon Mine currently plans to conduct exploration, de-gassing, and permitting activities on the Thayn Lands.

As many as two (2) exploration bore holes will be drilled on the Thayn Lands, see enclosed map. The current plan is to drill both holes from the same surface site due to surface access restrictions. In addition, Dugout would like to complete these holes as Methane Drainage Holes. This will save future costs, permitting efforts, and reduce surface disturbance. These holes will require grading of the access roads, preparation/building of the drill sites, and reclamation of the drill sites and roads as directed by the landowner and permit regulations. In addition, the drilling activities will require obtaining and hauling water from various streams and locations on the Thayn Lands, see map.

As many as nine (9) Methane Drainage Holes will be drilled to remove methane and other gases from the longwall panel gob areas, see map. As shown on the map several of these sites will have one or more holes drilled from the same site. This is due to limited surface access. Similar to the exploration drilling, these boreholes will require road grading/improvements, site building/preparation, reclamation, and water hauling. Permitting activities similar to those required for the exploration drilling will also be conducted in association with the degas drilling. It has not been determined if all nine (9) of the degas boreholes will be drilled or when. However, the G-7 hole may be drilled as early as May, 2005. The remaining holes, including the exploration holes, will be drilled later in the year depending on permitting and drill rig availability.

In conjunction with the exploration activities listed above, there will be permitting activities including, but not limited to, endangered plant and animal surveys, environmental assessment activities, and cultural surveys. All of these activities will be conducted by third party contractors and require no surface disturbance.

A Subsidiary of



1 CityPlace Drive, Suite 300 St. Louis, Missouri 63141 (314) 994-2700 Fax (314) 994-2940  
Direct (314) 994-2954 e-mail: ddowning@archcoal.com

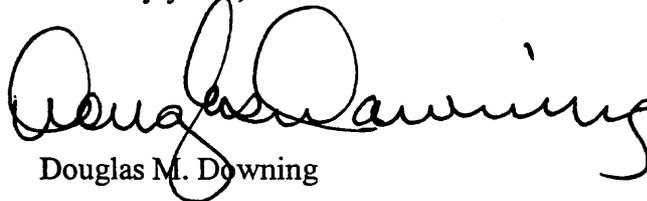
Mr. Milton Thayn  
Milton and Ardith Thayn Trust  
March 28, 2005  
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Associated with the degas activities will be the installation of one or more exhaust-blower units on the degas sites to remove the gases from the mine. The number and duration of the installations are unknown at this time. While the exhaust-blower units are in operation, the units will require frequent inspections to maintain the units. These inspections may range from daily to weekly depending on the effort required to maintain the units.

The Dugout Mine is planning to install a mine ventilation fan in the Pace Canyon. While the fan installation site is located on BLM surface, access to the fan site follows the main road access to the general area and crosses the Thayn Lands. The Dugout Mine currently expects to begin construction of the site in April 2005. These activities may include upgrades and enhancements to the access road that crosses Thayn Lands.

If you have any questions, please feel free to contact Mike Stevenson at 435-448-2634.

Sincerely yours,



Douglas M. Downing

Enc.

cc E. DiClaudio  
M. Stevenson

