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



October 18, 2005

Mr. John T. Blake
Mineral Resource Specialist
School and Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818

RE: ML 48435-Coal – SITLA Dugout Tract Coal Reserves
Conditional Approval of Plan of Operations/R2P2

*Learning
2007/0036
Copy - 1/2/05*

Dear Mr. Blake:

I received your letter requesting “a continuous-miner plan for extracting coal within the southeast quadrant of the leasehold or a justification of why this coal may not be recovered and calculations of the recoverable reserves and panel tonnage within the leasehold”. Your letter has been given to my supervisor, David Spillman to address your requests.

If you need assistance or have additional questions please contact Mr. Spillman at (435) 636-2872.

Sincerely yours,

Vicky S. Miller

cc: David Spillman
Pam Grubaugh-Littig
Jim Kohler

RECEIVED

OCT 21 2005

DEPT. OF OIL, GAS & MINING