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

FACCOMING
COPIES



December 27, 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: Clean Copies of Revisions to M&RP – Removal of Dewatering Device in Sediment Pond and Leachfield Text Revisions. Task ID # 2288. Dugout Canyon Mine, Canyon Fuel Company, LLC, C/007/039, Carbon County, Utah

Dear Ms. Grubaugh-Littig:

Attached please find four clean copies of the revisions to the M&RP associated with the removal of the decant valve in the sediment pond. In addition, there are two small revisions to the text in Chapter 5. These revisions are to clarifying previously approved information.

A copy of this amendment 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,

A handwritten signature in cursive script that reads "Vicky S. Miller".

Vicky S. Miller

cc: Dave Spillman
Pete Hess

DEC 27 2005

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: Clean Copies of Revision to M&RP - Removal of Dewatering Device in Sediment Pond and Leachfield Text

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.

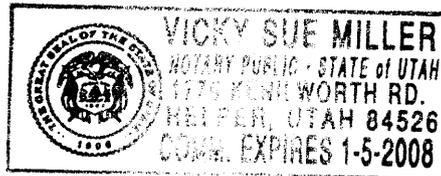
Print Name Erwin Sass

Sign Name, Position, Date *Erwin Sass* 12/27/05

Subscribed and sworn to before me this 27 day of December, 2005

Notary Public *Vicky Sue Miller*

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 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">DEC 27 2005</div>
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and 5-6, respectively. Certified maps and cross sections showing the proposed final (post-reclamation) surface for the Pace Canyon Fan Portal Site is shown on Plate PC5-5 in Appendix 5-10.

Hydrology. Certified maps and cross sections associated with the hydrology of the Dugout Canyon Mine area are provided in Chapter 7.

Geology. Certified maps and cross sections associated with the geology of the Dugout Canyon Mine area are provided in Chapter 6.

512.200 Plans and Engineering Designs

All plans and engineering designs presented in this M&RP were prepared by or under the direction of and certified by a qualified registered professional engineer.

Excess Spoil. No excess spoil will be generated from the permit area.

Durable Rock Fills. No durable rock fills will exist in the permit area.

Coal Mine Waste. The designs of the waste-rock facilities at the Dugout, SUFCo and Skyline Mines were certified by a qualified registered professional engineer. Information regarding these disposal facilities can be found in their respective M&RPs.

Impoundments. An impoundment was constructed for the mining and reclamation operation in Dugout Canyon and consists of a sedimentation pond (see Plate 7-5). A sediment trap has been constructed at the Pace Canyon Fan Portal Site (see Plate PC7-5 in Appendix 7-12). These impoundments have been designed under the direction of a professional engineer using current, prudent, engineering practices. These designs were certified by a qualified registered professional engineer.

All support facilities will be removed following mining in accordance with the reclamation plan discussed in Section 540 of this M&RP.

Water Pollution Control Facilities. Water pollution control facilities at the Dugout Canyon Mine consist of the sedimentation pond, the appurtenant structures associated with the sedimentation pond, and a sewage/wastewater holding tank. All water pollution control facilities will be removed following mining in accordance with the reclamation plan discussed in Section 540 of this M&RP.

The sedimentation pond and appurtenant structures will be constructed as discussed in Chapter 7 and will be used and maintained as discussed in Section 533.700. Sanitary sewage will be routed by gravity through a pipeline from the mine surface facility to a below-grade collection tank which will be located adjacent to the office/bath house building. The waste water will then flow to the leach field located a few miles south of the mine site through the buried pipeline located adjacent to the county road. Material that accumulates in the below grade septic tank will be disposed of in the sewage lagoon at the Soldier Canyon Mine or the Price River Water Improvement District facility at Wellington, Utah. Approval for the use of these facilities by the Dugout Canyon Mine is provided in Appendix 5-3A.

Water pollution control at the Pace Canyon Fan Portal Site will consist of alternate sediment control measures, a sediment trap, and secondary containment for all tanks, transformers, motors and generators. Details regarding the alternate sediment control measures and sediment trap can be found in Appendix 7-12.

527 Transportation Facilities

527.100 Road Classification

Primary roads within the disturbed area include the primary haul road, the coal storage pad road, the substation access road, the portal pad access road, and the water tank access road. The survey monument access road is classified as an ancillary road. The locations of these roads are shown on Plate 5-2. Typical cross sections representing these roads are shown in Figure 5-1.

The private dirt roads outside of the disturbed area but within the permit area will not be classified. These unimproved dirt roads are owned and maintained by the surface land owners, including Canyon

of 6964.4 feet. The stage-capacity curve for the sedimentation pond is contained in Appendix 7-8 and summarized in Table 7-7.

The sedimentation pond has been designed with a 24-inch diameter primary spillway CMP riser attached to a 24-inch diameter CMP pipe barrel that is together capable of safely discharging the peak flow resulting from the 25-year, 6-hour precipitation event. The 25-year, 6-hour storm event was routed through the sedimentation pond to determine an adequate primary spillway. The computer software SEDCAD+ was used to design the primary spillway. SEDCAD assumes that the pond is full to the spillway elevation at the beginning of the storm event. The SEDCAD input and output for the sedimentation pond is contained in Appendix 7-8.

From the final analysis of the 25-year, 6-hour storm event, the maximum inflow rate to the sedimentation pond from storm runoff under design conditions was calculated to be 5.90 cubic feet per second (cfs), with a maximum outflow rate of 3.93 cfs. The corresponding high water elevation in the sedimentation pond will be 6964.3 feet, 1.7 feet below the top of the embankment and 0.2 foot below the crest of the emergency spillway. Hence, the pond has been designed with adequate freeboard.

An open-channel emergency spillway has been designed for the pond to allow discharge from the pond in the event that the primary spillway becomes plugged. Details regarding this emergency spillway are discussed in Appendix 7-8. As noted in that appendix, the emergency spillway was designed assuming that the primary spillway is nonfunctional. Under this scenario, the peak discharge from the pond will be 4.12 cfs, with a peak stage elevation of 6964.7 feet (0.2 foot above the crest of the emergency spillway and 1.3 feet below the crest of the pond embankment). Hence, freeboard on the pond will remain adequate even if the primary spillway plugs and becomes nonfunctional.

The emergency spillway has been designed with a median riprap diameter of 3 inches along the crest and 6 inches down the slope of the spillway. This riprap will be underlain with a geofabric liner. The maximum velocity exiting from the emergency spillway under design conditions will be 5.0 feet per second, which velocity is not considered to be erosive of the adjacent Dugout Creek channel.

Dewatering Device. The dewatering device initially installed on the riser of the primary spillway was removed in 2005 due to maintenance problems. Future decanting of the sediment pond will take place using a pump to remove water from the pond and discharge it to Dugout Creek.

The suction end of the pump hose will be placed below the surface of the pond to avoid discharging any hydrocarbons that may be floating on the water's. Water will be discharged from the pond in accordance with UPDES guidelines.

Short Circuiting. Short circuiting will be minimized in the sedimentation pond because the pond will fully contain the runoff from the 10-year, 24-hour precipitation event. Also, the sedimentation pond spillway will be approximately 150 feet from the primary inlet of the pond when the pond is at discharge stage, thereby increasing the residence time for storms which are larger than the 10-yr 24-hr event.

Sediment Removal. Sediment removal from the sedimentation pond will occur when the sediment level reaches the 60% clean-out level. From the stage-capacity curve presented on Plate 7-4, the 60% clean-out elevation is 6951.7 feet. The sediment will be transported and disposed of as discussed in Chapter 5, and Chapter 7, Section 732.200 of this M&RP. Water that meets the quality standards set forth in the UPDES permit will be discharged to Dugout Creek before sediment cleanout begins. Water not meeting the standards will either be used for dust suppression on mine roadways or be pumped into the sealed, abandoned, "Gilson West - Old Working" as shown on the MSHA approved map (Waste Water Disposal Appendix 5-3A). The Gilson seam is a closed system and does not discharge to the surface. Adding relatively small volumes of surface runoff water will not cause a disturbance in the hydrologic balance in the permit area. Water stored in the "Gilson West - Old Working" is planned to provide process and fire fighting water for the Dugout Canyon Mine.

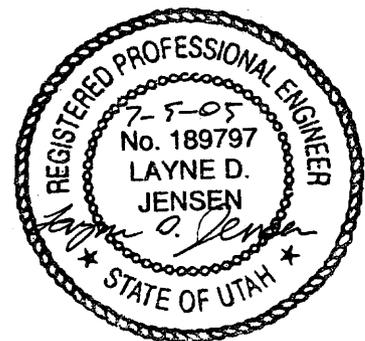
When the pond is cleaned out potentially 87,120 cu. ft. or 651,657 gallons of water and sediment will be pumped underground. Samples of the slurry will be taken before pumping begins and will be tested using Table 6 of the Division's approved Soil and Overburden Handling Guidelines. This will be done to eliminate the potential of a hazardous substance entering the Gilson seam. A water sample will be obtained and analyzed for the UPDES discharge parameters. The only UPDES effluent limitation that should be exceeded will be the amount of total suspended solids. Since the water will not be discharged to Dugout Creek or off the mine site, no violation of the mines various permits will occur.

Canyon Fuel Company, LLC
SCM/Dugout Canyon Mine

Mining and Reclamation Plan
July 2005

APPENDIX 7-8

Sedimentation Pond Design Calculations



Sedimentation Pond Summary

The primary spillway for the sedimentation pond is a drop inlet. Details regarding the sedimentation pond can be seen on Plate 7-4. The drop inlet has a diameter of 24" and includes an oil skimmer. The primary spillway was designed using SEOCAD design software. The primary spillway was designed to pass the 25-yr 6-hr storm event. The barrel conveying the runoff through the embankment is also 24" in diameter.

Primary Spillway

Pond Capacity at the top of the Primary spillway = 2.0 AF (Pg 3)

Spillway Elevation = 6964.0

Runoff Volume from the 10-yr 6-hr storm event = 1.6 AF (Pg 1)

Available Sediment Capacity = 2.0 AF - 1.6 AF = 0.4 AF

Barrel inlet elevation = 6952 (bottom of Riser)

Barrel outlet elevation = 6950

Barrel slope = $\frac{2}{90}$ = 2.22 %

The Primary spillway discharges to Dugout Creek

Peak Discharge = 3.93 cfs (Pg 8)

Outlet Velocity = 4.5 fps < 5.0 fps (Pg 4)

No outlet riprap is required since the outlet velocity is less than 5.0 fps

Minimum Embankment Elevation = 6966

Freeboard = 6966 - 6964.3 = 1.7'