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JON M. HUNTSMAN, JR.  
Governor  
GARY R. HERBERT  
Lieutenant Governor

**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER      JOHN R. BAZA  
Executive Director      Division Director

*Outgoing*  
*C/007/0039*

UTAH DIVISION OF OIL, GAS AND MINING  
FACSIMILE COVER SHEET

DATE: August 30, 2005

FAX#: 435-636-2897

ATTN: Dave Spillman

COMPANY: Canyon Fuel Company, LLC

NUMBER OF PAGES (INCLUDING THIS ONE): 3

FROM: A. Nance

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MESSAGES: \_\_\_\_\_  
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## State of Utah

### Department of Natural Resources

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August 30, 2005

Erwin Sass, General Manager  
Canyon Fuel Company, LLC  
P. O. Box 1029  
Wellington, Utah 84542

Subject: Waste Rock/Coal Refuse Pile – Temporary Coal Stockpiling Proposal, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/0039, Task ID# 2319, Outgoing File

Dear Mr. Sass:

The above-referenced amendment is hereby approved, effective August 24, 2005. Canyon Fuel Company requested authorization to temporarily stockpile excess coal currently stored at the Dugout mine to their permitted refuse disposal site. The permittee has maximized its coal stockpiling capabilities at the mine site and the excess volume is beginning to compromise their ability to operate in a safe and efficient manner. Difficulties in maintaining adequate truck haulage from the mine by their primary coal hauler (Savage Industries, Inc.), has necessitated the need for a temporary storage site.

The permittee has explored other viable options to rectify the situation and this location was determined to be the best solution at this time. Available haul trucks will be used to move approximately 10,000 tons of stockpiled coal to the refuse disposal site. This coal will be temporarily stockpiled at the refuse site until trucking capabilities improve, then the coal will be transported to the Savage Coal Terminal. Fugitive dust will be controlled during transport, stockpiling and subsequent reloading by appropriate applications of water (water trucks & sprays). Appropriate drainage structures are already in place at the refuse storage site to control runoff and sediment.

The transfer of coal will comply with all the current permit requirements for the transport and disposal of the refuse material. The coal will be stockpiled within the footprint of the current refuse material stockpile. Subsequent authorization from the Division to temporarily stockpile a maximum of 50,000 tons of coal at the refuse site, if necessary in the future, was also part of the latest request.

Page 2  
Erwin Sass  
August 30, 2005

In December 2004, the Division granted administrative approval to allow placement of an additional 170,000 tons of refuse material within the existing refuse pile footprint. Of that original 170,000 tons authorization, approximately 91,565 tons of residual storage capacity remains to be used at the refuse site.

The Division hereby authorizes the temporary stockpiling and storage of 10,000 tons of coal (and any future amounts not to exceed 50,000 tons) at the refuse site as part of the previous December 2004 administrative approval. The addition of the coal at the refuse disposal site will be included as part of the original 170,000 ton total of waste rock/refuse material and may not exceed that amount.

The Division's analysis of this minor temporary change represents an insignificant change to the approved mining and reclamation plan. Therefore, an update of the Master Technical Analysis for the Dugout Canyon Mine is not necessary at this time.

If you have any questions, please feel free to call me at (801) 538-5286.

Sincerely,



D. Wayne Hedberg  
Permit Supervisor

an  
cc: Price Field Office  
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