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IN REPLY REFER TO:

# United States Department of the Interior

OFFICE OF SURFACE MINING  
Reclamation and Enforcement  
P.O. Box 46667  
Denver, Colorado 80201-6667

UT-0041

April 20, 2006

Utah Division of Oil, Gas, & Mining  
Coal Regulatory Program  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

*J. Manning*  
4/20/06

RE: Canyon Fuel Company, LLC. - "Dugout Canyon" Mine - Application for a Permit Revision, Soil Borrow Area Report, Task ID No. 2486

Dear Sir or Madam:

This is in response to the Utah Division of Oil, Gas, & Mining's (UT-DOGM) April 14, 2006, request for a decision, under 30 CFR 944.30, whether the above subject permit revision constitutes a mining plan modification.

Mining plan approvals by the Secretary of the Interior are required under the Mineral Leasing Act of 1920, 30 U.S.C. 181, *et seq.* before coal mining can occur on Federal lands. This letter serves to document OSM's determination whether or not a mining plan approval from the Secretary is required for the above permitting action.

OSM's review of the Application for a Permit Revision, Soil Borrow Area Report, has determined that it proposes to add the Soil Borrow Area Report to the approved permit application package for the Dugout Canyon mine, Utah State permit C/007/039.

Based on a review of the activities associated with the permit revision, OSM has determined that the proposal does not meet the requirements of 30 CFR 746.18(d). Therefore, the proposed permit revision does not constitute a mining plan action requiring Secretarial approval.

OSM's decision was based solely upon the Federal regulations under 30 CFR PART 746 and not the technical aspects of the revision application itself. Consequently, OSM's decision does not relieve UT-DOGM from coordinating the review and approval of the Application for a Permit Revision, Soil Borrow Area Report, with other Federal agencies for compliance with other Federal regulations.

OSM also electronically transmitted the April 14, 2006, request to the Bureau of Land Management and the U.S. Forest Service for their review and comment.



RECEIVED  
APR 24 2006  
DIV. OF OIL, GAS & MINING

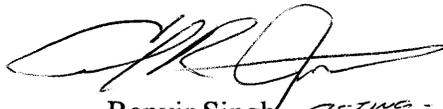
In an electronic submittal dated April 17, 2006, the U.S. Forest service stated it had no comments or concerns with the permit revision.

In an electronic transmittal dated April 19, 2006, the Bureau of Land Management stated in its opinion the permit revision did not constitute a mining plan action requiring Secretarial approval.

Please notify the applicant of our decision on this matter.

Should you have any questions regarding this letter or approval, please contact Carl R. Johnston, Utah Federal Lands coordinator, at (303) 844-1400, extension 1500.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ranvir Singh', with a stylized flourish extending to the right.

Ranvir Singh - *ACTING* -  
Manager, Northwest Branch

cc: BLM - Utah State Office  
BLM - Price Field Office  
USFS - Manti-La Sal NF  
Denver Field Division