

From: <Steve_Rigby@blm.gov>
To: <jblake@utah.gov>
Date: 5/17/2006 8:38:52 PM
Subject: Dugout Mine Degas G-13 thru G-17

John,

The Bureau of Land Management (BLM) has received the "Methane Degassification Amendment Wells G-1 Thru G-17 -- Dugout Canyon Mine, Canyon Fuel Company, LLC, C/007/039, Carbon County, Utah" submittal, dated March 16, 2006. This permit modification is required due to the revision of the original degas plan by adding five wells.

The BLM has reviewed the document and concurs with the need for the additional wells. The proposed wells will aid in the overall recovery of the coal reserves within this lease by allowing an additional means to liberate methane from the mine.

As the addition of these five wells is technically a ventilation plan change, a modification to Dugout's Plan of Operations / R2P2 will be required.

Once the wells are no longer needed, the plugging requirements for the degassification drill holes will need to meet the BLM plugging requirements for exploration drill holes.

If I can be of any further assistance, please let me know.

Thanks,

S. Rigby

CC: <Stan_Perkes@blm.gov>, <petehess@utah.gov>, <Jeff_McKenzie@blm.gov>