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



C/007/0039 8K
#2705

November 20, 2006

Ms. Pamela Grubaugh-Littig
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Refer to Expandable 11 20 2006
file in C0070039, 2006, INCOMING
for additional information

RE: Disturbed Area Expansion – Dugout Canyon Facilities
Dugout Canyon Mine, Canyon Fuel Company, LLC, C/007/039, Carbon County, Utah

Dear Ms. Grubaugh-Littig:

Attached please find four copies of revisions to the M&RP associated with the addition of 0.5 acres to the disturbed area at the mine facilities in Dugout Canyon. The expansion is to prevent impacts to topsoil currently within our disturbed area and allow the potential for expansion of the coal storage piles.

The various studies were done of this area at the time of original permitting application, in anticipation of a potential expansion. The reports for the studies are included in the appendices of their various chapters.

The addition of the 0.5 acres has required additional cross sections to be provided and Plate 5-2 to be revised.

We appreciate your efforts in completing this review in a timely manner. A copy of this submittal 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

RECEIVED

NOV 22 2006

DIV. OF OIL, GAS & MINING

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: Disturbed Area Expansion - Dugout Canyon Facilities

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: 0.5 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.

David Spillman
Print Name

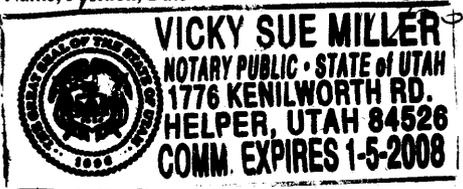
David Spillman, Engineering Manager
Sign Name, Position, Date

Subscribed and sworn to before me this 20 day of NOVEMBER, 2006

Vicky Sue Miller
Notary Public

My commission Expires: 1-5, 2006

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;">RECEIVED</div> <div style="text-align: center; font-size: 1.2em;">NOV 22 2006</div> <div style="text-align: center; font-size: 0.8em;">DIV. OF OIL, GAS & MINING</div>
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