

June 2, 2006

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

Subject: Approval of Subsoil Pile #2 Berm Calculations, Canyon Fuel Company, LLC,  
Dugout Mine, C/007/0039, Task ID# 2466

Dear Mr. Sass:

We have completed our technical review of the submitted calculations for a containment berm on subsoil pile #2 at the Dugout waste rock site. Division approval of this amendment is effective June 2, 2006. A stamped incorporated copy is enclosed for your mine plan records.

A berm surrounding the subsoil pile is currently in place. However, the berm was deemed inadequate by Division staff and a request was made of Canyon Fuel to design an adequately sized berm to minimize erosion and contain sediment loss from the subsoil pile per state regulations. The approval of the calculations will allow the Permittee to construct a containment berm around the subsoil pile that meets State of Utah R645-Coal Mining Rules.

As the berm installation does not represent a substantive change to the mine plan, the Master TA does not need to be modified at this time.

Thank you for addressing the situation in such an expedient manner. Should you have any questions, please call me at (801) 538-5286 or Steve Christensen at (801) 538-5350.

Sincerely,

D. Wayne Hedberg  
Permit Supervisor

an  
cc: Ranvir Singh, OSM  
Jim Kohler, BLM  
Mark Stillson, Water Rights w/o  
Dave Ariotti, DEQ w/o  
Derris Jones, DWR w/o  
Price Field Office  
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