



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

September 6, 2006

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

Subject: Conditional Approval of 2005 Midterm Review, Canyon Fuel Company, LLC,  
Dugout Canyon Mine, C/007/0039, Task ID #2528, Outgoing File

Dear Mr. Sass:

The Division has completed its review of the responses submitted on May 19, 2006 to the permit deficiencies that were identified during the Midterm permit review that was initiated on October 13, 2005. The responses are felt to be adequate to address the requirements of the R645 Coal Mining Rules that were identified in the cover letter sent to Canyon Fuel at the initiation of this review.

As the responses received on May 19, 2006 were in a redline / strikeout format, it will be necessary for Canyon Fuel to submit six clean copies of the submitted information for the incorporation process. Upon receipt of those clean copies, one will be stamped for incorporation and returned to you for insertion into the company's copy of the Mining and Reclamation Plan. Final approval will also be given at that time.

As part of the approval process, the Division has updated the Master Technical Analysis for the Dugout Canyon Mine, and this updated document is being forwarded to you on a compact disc.

The Division appreciates Canyon Fuel Company, LLC for completing this permitting action in an expedient manner. Should you have any questions, please call me at (801) 538-5286 or Peter Hess, team lead, at (435) 613-1146, ext. 203.

Sincerely,

D. Wayne Hedberg  
Permit Supervisor

PHH/sd  
Enclosure  
cc: Price Field Office  
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File in: C0070039 Outgoing  
Refer to:  
 Confidential  
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Date: 090606 For additional information