

**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 13, 2006

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

Subject: Conditional Approval for Coring of Degas Well G-14A, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/0039, Task ID # 2635

Dear Mr. Sass:

Canyon Fuel Company's application to obtain geologic data by coring the Rock Canyon and Gilson coal seams during the installation of degasification well site G-14A is conditionally approved effective today.

Canyon Fuel may proceed with the coring of the coal seams at the G-14A well site.

In order to obtain final approval of this application, your permitting department must submit six clean copies for the incorporation process. Upon receipt of the six clean copies prepared for incorporation, one copy will be stamped and returned to you for insertion into your mining and reclamation plan, as well as the degasification well stand alone document. A Final Approval letter will also be included for your files at that time.

As degasification well G-14A is associated with SITLA lease ML-48435, an approval from that agency was also needed in order to core the two seams at G-14A. This was received by the Division via an E-mail transmission on September 5, 2006.

The USDOJ / BLM / Utah State Office notified the SITLA and the Division on September 13, 2006 that the Agency agrees with the decision to approve geologic data collection at degasification well site G-14A.

The Division has determined that it is not necessary to update the Master Technical Analysis for the Dugout Canyon Mine for this minor modification to the degasification well and MRP operations plan.

Page 2  
Erwin Sass  
September 13, 2006

Should you have any questions or concerns with this approval, please contact me at (801) 538-5286, or Peter Hess at (435) 613-1146, Ext. 203.

Sincerely,

A handwritten signature in black ink that reads "D. Wayne Hedberg". The signature is written in a cursive style with a large, prominent "D" and "H".

D. Wayne Hedberg,  
Permit Supervisor

PHH/an

Cc: John Blake, SITLA  
Steve Rigby, BLM  
Jeff McKenzie, BLM

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