

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



## File in:

C/0070039 *Incoming*

## Refer to:

 Confidential Shelf Expandable

Date

For additional information

03072007

*Incoming*  
*C/007/0039*  
*Task ID #2762*

March 7, 2007

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

RE: Permit Area Expansion – Addition of 40 Acres to Federal Lease U-07064-027821, Task ID #2743, 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 to address deficiencies associated with the addition of 40 acres to the permit area for Dugout Canyon. The expansion is to accommodate a revised mine plan.

**R645-301-525.100**, The Permittee must show that they conducted a pre-subsidence survey of the proposed permit expansion area. If the pre-subsidence survey information is in the MRP then the Permittee must reference the information in the subsidence section of the MRP. For example, information on the types of renewable resource may be in Chapter 4 of the MRP and information on State appropriated water supplies might be in Chapter 7 of the MRP. If the information already exists then the Permittee must reference the information. If there are no non-commercial buildings or occupied structures then the Permittee must state so in the subsidence section of the MRP. A new landowner may potentially be impacted. That landowner's name is provided in Section 112.500 of the MRP as Gil L. Conover; 450 So. State; Ferron, UT 84523. [whw] [pwb]

**A presubsidence survey was completed and included in Appendix 5-12 . Gil Conover was contacted concerning structures existing on his property adjacent to the forty acres being added to the permit area. During the permittee's conversation with Gil Conover on March 2, 2007 he stated that there were no structures on his land except on the other side of the mountain several miles to the North .**

**R645-301-525.460 and R645-301-525.490**, The Permittee must provide the Division with a map that shows the projected subsidence contours. The Division needs that information in order to evaluate the potential subsidence effects. [whw]

**Information has been provided in Appendix 5-12 for the 40 acre addition to the permit area.**

**RECEIVED**

**MAR 08 2007**

**R645-301-114.100**, Plates 7-1 and 7-2 suggest that a jeep trail on Gil L. Conover's land is used to access the monitoring locations in federal lease U-07064-027821. Mr. Conover is listed as an affected owner and his address is provided in Section 112.500 of the MRP. Please provide right of entry for access to the monitoring wells. Conditional approval will be recommended, based upon receipt of the BLM Lease modification for inclusion in Appendix 1-1 of the MRP. [pwb]

**Right of entry to access the water monitoring locations is included in Appendix 4-4. A copy of modification to Federal Lease U-07064-027821 will be submitted upon receipt from the BLM for inclusion in Appendix 1-1 .**

**R645-301-422**, The Mining and Reclamation Plan has the 1999 Air Quality Approval Order and must be updated with the current Air Quality Approval Order. [pwb]

**The current Air Quality Approval order is provided for incorporation into Appendix 4-1.**

**R645-301-528**, The Permittee indicates a desire to increase the 12-month production throughput from 5MT to 7MT. The MRP lacks basic information on the coal storage capability at the site. What is the height of the stacking tube? Given the height of the stacking tube and the angle of repose for coal and the bulk density of coal, what is the area required for the two 7,500 T stockpiles that are indicated on Figure 5-2 Material Flow Diagram for the 5MT throughput? Given the limitations noted on Figure 5-2 for the crusher and loadout bin, will the stockpile size increase under a 7 MT throughput plan? [pwb]

**Information located in Appendix 5-12.**

**R645-301-622**, Plates 6-4, 6-5, 6-6 (Confidential), and 6-7 (Confidential) must show the 40-acre addition is in the permit area. [jds]

**Plates have been revised and included in this submittal.**

**R645-301-121.300**, The Permittee must submit Plate 3.2 Wildlife following proper protocol. [jae]

**Plate 3-2 has been submitted following proper protocol.**

**R645-301-411.142**, There is no proof of "coordination efforts ....and clearances" from the SHPO for this extension. The Division will submit, to the SHPO, a finding of "no potential to cause effects" to historic resources within or adjacent to the extension area. The Permittee will submit a copy of the response letter to their Confidential Binder directly in front of the applicable archaeological report. [jae]

**When a copy of the response letter is received from the Division by the permitte, the permittee will submit a copy of the response letter to be placed in their Confidential Binder directly in front of the applicable archaeological report.**

**R645-301-321.100, -121.200**, Volume Chapter 3 Plate 3.1 illustrates that the community type for the extension area is a sagebrush community. This description on Plate 3.1 is in contrast to the description provided in other portions of the Application (Section 322, Senco-Phenix 2006). The Permittee must provide a brief clarification of the vegetation communities and general condition of the extension area, similar to other qualitative descriptions for areas within the permit boundary. [jae]

**Information has been provided in Section 321.100 of the M&RP.**

**R645-301-322.100, -322.220**, The Permittee commits to conducting bat surveys along with raptor surveys in cliff habitat before subsidence (Volume Chap 3 pg 3-21). For this 40-acre extension, the Permittee must address this commitment and analyze the need for a survey based on timing of mining and possible subsidence as well as bat occurrence, available water resources and other foraging requirements for bats. If it is possible that bats could be present and subsidence could occur during roosting or nursing seasons, then the Permittee must coordinate with the Division and provide a survey, protection, or mitigation plan. Note, that certain bat species migrate to Carbon county around late April through June. [jae]

**Information has been provided in Section 322.200 of the M&RP.**

**R645-301-700**

**A water monitoring location has been added per a request by Steve Christensen. The site is depicted as 259A on Plate 7-1 and analysis data for the site sampled in 2006 has been provided for inclusion into Appendix 7-2.**

Due to the time sensitive nature of this modification of the permit area, we appreciate your efforts in completing this review in a timely manner. A copy of this submittal has been delivered to the DOGM Price field office. Thank you for your assistance and if you have any questions please call me at (435) 636-2869.

Sincerely yours,



Vicky S. Miller

cc: Dave Spillman  
UDOGM Price Field Office

# 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:** Permit Area Expansion, Addition of 40 Acres to Federal Lease U-07064-027821, Task ID #2743

**Description,** Include reason for application and timing required to implement:

The cover letter which accompanies this amendment contains information which should be read by UDOGM reclamation specialists reviewing this amendment. Due to the limitations of this form, additional information related to the urgency of this approval can be given verbally or in a written form if needed. Please contact Erwin Sass or Vicky Miller (435) 637-6360

**Instructions:** If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: <u>40</u> Disturbed Area: _____ <input checked="" type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved?  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice publication?  |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information?  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies?   |
| <i>Explain:</i> _____   |  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use?  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information?  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement?  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities?  |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures?   |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation?  |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring?  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided?  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.

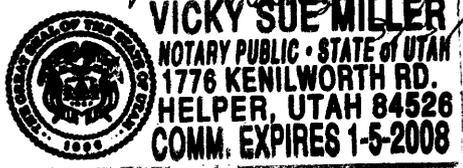
David Spillman  
Print Name

David Spillman Engineering  
Sign Name, Position, Date

Subscribed and sworn to before me this 7 day of MARCH, 2007

Vicky Sue Miller  
Notary Public

My commission Expires: 1-5, 2008  
Attest: State of UTAH ) ss:  
County of CARBON



<b>For Office Use Only:</b>   	<b>Assigned Tracking Number:</b>  	<b>Received by Oil, Gas &amp; Mining</b>  <div style="font-size: 24px; font-weight: bold; margin: 10px 0;">RECEIVED</div> <div style="font-size: 24px; font-weight: bold; margin: 10px 0;">MAR 08 2007</div> <div style="font-weight: bold; margin: 10px 0;">DIV. OF OIL, GAS &amp; MINING</div>
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# APPLICATION FOR COAL PERMIT PROCESSING

## Detailed Schedule Of Changes to the Mining And Reclamation Plan

**Permittee:** Canyon Fuel Company, LLC

**Mine:** Dugout Canyon Mine

**Permit Number:** C/007/039

**Title:** Permit Area Expansion - Addition of 40 Acres to Federal Lease U-07064-027821, Task ID # 2743

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

### DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED

			DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 3, Pages 3-11, 3-22 thru 3-25
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 4, Appendix 4-1, add information to the back of existing information
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 4, Appendix 4-4
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 4, Page 4-ii of Table of Contents
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 5, Pages 5-ix and x-i of Table of Contents
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 5, Pages 5-31, 5-32, 5-47, 5-55ix and x-i
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 5, Appendix 5-12
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 7, Page 7-58, 7-60 and 7-63
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 7, Appendix 7-2 add to the back of the existing information
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<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plate 6-4 and 6-5
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plate 7-1
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
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<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plate 3-2
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plates 6-6 and 6-7
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<p><b>Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.</b></p> <p>1/26/07 The text and plates in this amendment are part of the M&amp;RP. They should be placed in the M&amp;RP binders only. The cover letter provided with this amendment has extensive information pertaining to this lease expansion.</p> <p>No surface disturbance will be associated with the expansion of the permit area at this time.</p> <p>A modified lease document will be submitted for inclusion into the M&amp;RP, once we receive a copy.</p>	<p>Received by Oil, Gas &amp; Mining</p> <p style="font-size: 24pt; font-weight: bold;">RECEIVED</p> <p style="font-size: 18pt; font-weight: bold;">MAR 08 2007</p> <p>DIV. OF OIL, GAS &amp; MINING</p>
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