

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



* Refer to Expandable 03212007 file in 00090039,
 2007, Incoming

* Refer to Confidential 03212007 file in 00090039,
 2007

March 21, 2007

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

Joey
 C/007/0039
 #2762

RE: Clean Copies of Permit Area Expansion – Addition of 40 Acres to Federal Lease U-07064-027821, Task ID #2762, Dugout Canyon Mine, Canyon Fuel Company, LLC, C/007/039, Carbon County, Utah

Dear Ms. Grubaugh-Littig:

Attached please find four clean copies of revisions to the M&RP associated with the addition of 40 acres to the permit area for Dugout Canyon. The expansion is to accommodate a revised mine plan.

Two copies of the **confidential information** have been provided, one is for the Division's Confidential Folder and would you please stamp the other copy "incorporated" and return it to the mine.

We greatly 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. If you have any questions please call me at (435) 636-2869.

Sincerely yours,

Vicky S. Miller

Vicky S. Miller

cc: Dave Spillman
 UDOGM Price Field Office

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MAR 22 2007

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: Permit Area Expansion, Addition of 40 Acres to Federal Lease U-07064-027821, Clean Copies, Task ID #2762

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: 40 Disturbed Area: _____ 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 21 day of MARCH, 2007

Vicky Sue Miller
Notary Public

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



<p>For Office Use Only:</p>	<p>Assigned Tracking Number:</p>	<p>Received by Oil, Gas & Mining</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">RECEIVED</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">MAR 22 2007</p> <p style="text-align: center; font-weight: bold;">DIV. OF OIL, GAS & MINING</p>
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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, Clean Copies, Task ID # 2762

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 1, Text and TOC
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 1, Appendix 1-1, add information to the back of existing information
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 1, Appendix 1-4
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 2, Pages 2-ii, 2-1 thru 2-8
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 3, Pages 3-ii, 3-1 thru 3-22
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 3, Appendix 3-1, add information to the back of existing information
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 4, Text and TOC
<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 5, Pages 5-ix, 5-xi, 5-1, 5-31, 5-46 and 5-53
<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, Pages 7-1, 7-53, 7-55 and 7-57
<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
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plates 1-1, 1-2 and 1-4
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plate 2-1
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plates 3-1 and 3-3
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plate 4-1
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plate 5-7
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plates 6-1, 6-4 and 6-5
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plates 7-1 and 7-2
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	CONFIDENTIAL Binder - Only one copy of information provided in this amendment
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plate 3-2
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Appendix 4-3, add information to the back of existing information
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plates 6-6 and 6-7
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	

Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.

3/21/07 The text and plates in this amendment are part of the M&RP.

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