

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

0067



Incoming
C/007/0039
#2073

October 22, 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 560 Acres (Approx.) to Federal Lease U-07064-027821 and SITLA Lease ML-50582-OBA, 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 associated with the addition of 487.57 acres to existing Federal Coal Lease U-07064-027821, two hundred and forty-seven acres of this added acreage is already included as part of the Dugout permitted area. Acreage was previously added to the permit area in excess of the Federal leased acreage to act as a subsidence buffer zone (207 acres) and to accommodate a revised mine plan (40 acres). In addition, State Lease ML-50582-OBA (320 acres, more or less) was issued to Dugout Canyon Mine in 2007 and is being added to the permit area at this time. The permit area expansion is to accommodate a revised mine plan.

No surface disturbance will be associated with the expansion of the permit area at this time, however all future surface disturbance will be permitted through the Division. Future surface disturbance will likely be related to exploration and degas well pads.

During the June of 2007, an area of 580 acres were surveyed by Senco Phenix, an intensive walking survey was performed on 270 of these acres. The area surveyed includes parts of Section 16, 17, 18 and 21, T13S, R13E. A record search was performed on June 19, 2007. The cultural resource located during the study was in the form of an isolated aspen art inscription, **no other cultural resources** were located during the survey.

Land use will be the same as the currently approved portions of the federal lease and within the SITLA lease. A copy of the surface agreement with Conover et. al. is provided to be incorporated into the confidential binder.

A copy of Federal Coal Lease U-07064-027821 was previously incorporated into the M&RP. A copy of State Lease ML-50582-OBA has been provided with this submittal.

Chapter 7, has been revised to update the PHC. Information and the location for two water monitoring locations outside the proposed permitted area have been included in this amendment. Baseline data is available to allow evaluation of the effect of mining on water within the proposed lease expansion area. The acres proposed for inclusion into the permit area are currently within the CHIA boundary (Plate 1, Cumulative Impact Area (CIA) Book Cliffs Area II CHIA, Revision Date 6/24/2005, DDean, DOGM).

SUFCO M
File in: *C/0070039/2007 Incoming*
Refer to:
 Confidential
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 Expandable
Date: *10-23-07* For additional information

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ne Mines Dugout / Soldier Canyon Mines

Page 2
October 22, 2007

The acres proposed for inclusion into the permit area are currently within the CHIA boundary (Plate 1, Cumulative Impact Area (CIA) Book Cliffs Area II CHIA, Revision Date 6/24/2005, DDean, DOGM).

Revisions were made to the water rights map using information provided in the state water rights database.

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
Price Field Office

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 560 Acres (Approx) - Leases U07064-027821 & ML-50582-OBA

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 2, Pages 2-1 thru 2-6
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 2, Appendix 2-2, add information to the back of existing information
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 3, Text & TOC
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 4, Text and TOC
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 5, Pages 5-xi and 5-1
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 5, Appendix 5-12
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 7, Text and TOC, Table 7-4
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 7, Appendix 7-1 add to the back of the existing information
<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 checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 7, Appendix 7-3 add to the back of the existing information
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plates 1-1, 1-2 and 1-4
<input type="checkbox"/> Add	<input 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 checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	CONFIDENTIAL Binder - Only two copies 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 checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Appendix 4-4, add information to the back of existing information
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Appendix 5-12, 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
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Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.

10/16/07 The text and plates in this amendment are part of the M&RP.

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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 560 Acres - Leases U-07064-027821 & ML-50582-OBA

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: 560 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 22 day of OCTOBER, 2007

Vicky Sue Miller
Notary Public

My commission Expires: 1-5, 2008

Attest: State of UTAH } ss:
County of CARBON

VICKY SUE MILLER
NOTARY PUBLIC • STATE OF UTAH
1776 KENILWORTH RD.
HELPER, UTAH 84526
COMM. EXPIRES 1-5-2008

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