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From: Angela Nance
To: esass@archcoal.com; vmiller@archcoal.com
Date: 1/26/2007 8:44:37 AM
Subject: Dugout, 600 Acre Expansion

Please see the attached letter. The original letter and copies of the application will be available for Vicky Miller to pick up at the Division's front desk on Monday, January 29th.

CC: Pam Grubaugh-Littig; Sheila Morrison

**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

January 25, 2007

Erwin Sass, General Manager
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542Subject: Denial of 600 - Acre Permit Area Expansion, Canyon Fuel Company, LLC,
Dugout Mine, C/007/0039, Task ID #2730

Dear Mr. Sass:

The 600-acre permit area expansion is denied and the application is being returned to you. On a conference call on January 19, 2007 this application was discussed and it is our understanding that new areas will need to be included as part of the application. The new application will need to be complete and accurate and include the necessary resource and operation information.

If you should have any questions, please call me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Pamela Grubaugh-Littig".

Pamela Grubaugh-Littig
Permit Supervisor

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cc: Price Field Office
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