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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

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Executive Director

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JK

March 3, 2008

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

Subject: Topsoil at G-15 and SP 1 and Waste Analysis Lab Data, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/0039, Task ID #2928

Dear Mr. Sass:

The Division has reviewed baseline topsoil information for well site G-15 and a roadside staging location SP 1, along with November and December 2006 and July 2007 waste analysis from the wash plant at Savage. Inter-Mountain Laboratories, Inc. (Sheridan) analyzed the samples. The available information is acceptable for inclusion in RA Attachment 5-4 and Degassification Volume Attachment 2-1, provided that the clean copies describe the location of the sampling of staging area SP-1 (or locate it on a map). When you re-submit the clean copies, please indicate on the C1C2 form that one copy be placed in the Degas Volume Attachment 2-1 and one copy in the Refuse Volume Attachment 5-4. There is no change to the technical analysis for the permit as a result of this information. Please submit six clean copies (at least four paper copies – the other copies can be on CD) by April 3, 2008.

The December 2006 refuse sample (Lab ID S0612270-002) had an alkaline pH of 7.9, but the acid forming potential was minus 4.21 Tons/1000 Tons of waste. Ordinarily, when the total sulfur acid base accounting is negative, the sample is re-analyzed for the acid forming potential based upon pyritic sulfur. We recommend that you ask the lab to re-calculate the acid forming potential based upon the pyritic form of sulfur and provide the revised calculations to us.

Please call me at (801) 538-5262, or Priscilla Burton at (435) 613-3733 if you have any questions.

Sincerely,

James D. Smith
Assistant Permit Supervisor

PWB/an

cc: Price Field Office

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