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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

OK

September 11, 2008

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

Subject: Permit Area Expansion- Addition of 240 Acres, Task ID #3018, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/0039

Dear Mr. Sass:

The Division hereby approves the 240-acre addition to the Dugout Mine permit area with the following conditions:

- By September 22, 2008, Canyon Fuel Company will revise Figure 1 in Appendix 5-12 such that the section lines are visible. The current map provides township and range only. If the depicted area is located in one section, then simply denote that on the figure. In addition, the map must be stamped and signed by a certified Professional Engineer.
- By September 22, 2008, Canyon Fuel Company will add groundwater-monitoring point #324 to the operational monitoring plan. The site must be added to the relevant text and table sections as well as Plate 7-1.
- By September 22, 2008, Canyon Fuel Company will submit six clean copies prepared for incorporation.

Once the conditions have been satisfied, final approval will be granted, at which time you may proceed with your plans. A stamped incorporated copy of the approved plans will also be returned to you at that time, for insertion into your copy of the Mining and Reclamation Plan.

If you have any questions, please call me at (801) 538-5262 or Steve Christensen at (801) 538-5350.

Sincerely,

James D. Smith
Permit Supervisor

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