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United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
P. O. Box 46667
Denver, Colorado 80201-6667

IN REPLY REFER TO:

UT-0041

August 13, 2009

Utah Division of Oil, Gas, & Mining
Coal Regulatory Program
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Canyon Fuel Company, LLC - "Dugout Canyon" Mine - Application for a Permit Revision, Degas Wells G-25 and G-26, Task No. 3348

Dear Sir or Madam:

This is in response to the Utah Division of Oil, Gas & Mining's (UT-DOGM) July 13, 2009, request for a decision, under 30 CFR 944.30, whether the above subject permit revision constitutes a mining plan modification.

Mining plan approvals by the Secretary of the Interior are required under the Mineral Leasing Act of 1920, 30 U.S.C. 181, *et seq*. before coal mining can occur on Federal lands. This letter serves to document OSM's determination whether or not a mining plan approval from the Secretary is required for the above permitting action.

OSM's review of the Application for a Permit Revision, Degas Wells G-25 and G-26, has determined that it addresses omissions and deficiencies found by UT-DOGM during the review of the original permit revision to add revised text, maps and reclamation bond cost calculations to the approved Permit Application Package (PAP) for the Dugout Canyon mine, Utah State permit C/007/0039 to address Degas Wells G-25 and G-26.

Based on a review of the activities associated with the permit revision, OSM has determined that the proposal does not meet the requirements of 30 CFR PART 740 and PART 746. Therefore, the proposed permit revision does not constitute a mining plan action requiring Secretarial approval.

OSM's decision was based solely upon the Federal regulations under 30 CFR PART 746 and not the technical aspects of the revision application itself. Consequently, OSM's decision does not relieve UT-DOGM from coordinating the review and approval of the Application for a Permit Revision, Degas Wells G-25 and G-26, with other Federal agencies for compliance with other Federal regulations.

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DIV. OF OIL, GAS & MINING

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OSM also electronically transmitted the July 13, 2009, request to the Bureau of Land Management and the USDA Forest Service for their review and comment.

In an electronic submittal dated July 14, 2009, the USDA Forest Service stated it had no comments or concerns with the permit revision application.

The Bureau of Land Management did not provide any comments in the thirty day time frame established by the Federal regulations under 30 CFR 944.30, Article VI. D.

Please notify the applicant of our decision on this matter.

Should you have any questions regarding this letter or approval, please contact Carl R. Johnston, Utah Federal Lands coordinator, at (303) 293-5038.

Sincerely,

Michele A. Christmann
Manager, Field Operations Branch

cc: BLM - Utah State Office
BLM - Price Field Office
USFS - Manti-La Sal NF
Denver Field Division