

0005

COPY

C/007/039 Incoming
cc: Steve C.

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

B



February 6, 2009

Coal Regulatory Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

RE: Revisions to Surface Facilities Maps – Plate 5-2 with the addition of structures within the disturbed area and revision to Chapter 5 of M&RP, Dugout Canyon Mine, Canyon Fuel Company, LLC, C/007/039, Carbon County, Utah

Dear Sirs:

Attached please find four copies of revisions to the M&RP associated with changes to the surface facilities drawing for the mine site. Pages of Chapter 5 have been revised to provide reference to structures added to the Dugout mine facility. The structures will be constructed within the current disturbed area. The topsoil has previously been removed. Bonding has been provided for the proposed structures in the submittal.

A concrete pad (approximately 12" X 30') reinforced with rebar will be added immediately adjacent to the fueling station. The pad will be used by vehicles fueling at the station. Two three-sided roofed storage buildings are to be constructed, one to store roof bolts (approximately 12' X 60' X 12') and the second to store drill bits (approximately 12' X 30' X 12'). Both storage buildings will be on concrete pads. In addition, a mobile trailer (12' X 60') will be pulled to the site to be used for offices and storage. Bonding has been provided to facilitate the removal of the mobile trailer from the mine facility area at the time of reclamation.

A copy of this submittal has been delivered to the 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
Steve Demczak

File in: *C/00700392009 Incoming*
Refer to:

- Confidential
- Shelf
- Expandable

Date: *020609* For additional information

RECEIVED

FEB 09 2009

APPLICATION FOR COAL PERMIT PROCESSING

COPY

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: Dugout Canyon Mine

Permit Number: C/007/039

Title: Revisions to Surface Facilities Maps - Plate 5-2 adding two three sided storage building, office trailer and etc.

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: _____ 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.

Erwin Sells
Print Name

Vicky Sue Miller
Sign Name, Position, Date

Subscribed and sworn to before me this 6 day of February, 2009

Vicky Sue Miller
Notary Public

My commission Expires: 1-2, 2012 }
Attest: State of UTAH } ss:
County of CARBON



<p>For Office Use Only:</p>	<p>Assigned Tracking Number:</p>	<p>Received by Oil, Gas & Mining</p> <p style="text-align: center;">RECEIVED</p> <p style="text-align: center;">FEB 09 2009</p> <p style="text-align: center;">DIV. OF OIL, GAS & MINING</p>
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CHAPTER 5
ENGINEERING

File in:

Confidential

Shelf

Expandable

Refer to Record No. 0005 Date 02/06/2009

In C/ 10070039, 2007 Incoming

For additional information

Surface Facilities. Plate 5-2 shows the locations of the following surface facilities:

- Buildings, utility corridors, and facilities to be used, including:
 - Water Tanks - two metal tanks on concrete pads,
 - Water Well Pump House - metal building on concrete pad (Appendix 7-9),
 - Fueling Station - metal structure and fueling equipment on concrete pad,
 - Portals - see Section 529
 - Transfer Building - see subsequent portions of this Section,
 - Conveyor - see subsequent portions of this Section,
 - Truck Loading Bin - metal structure on concrete pad (see Section 528),
 - Fan - metal structure containing a fan,
 - Substation - metal structure sitting on gravel and concrete pad,
 - Small Substation - metal structure sitting on gravel and concrete pad,
 - Temporary Waste Rock Storage Area - see Sections 514.200, and 536,
 - Roads - see Sections 527.100 and 527.200,
 - Sedimentation Pond - see Chapter 7 and Appendix 7-8,
 - Office/Bath House/Shop - block and metal building on concrete pad
 - Parking Areas - gravel or asphalt pads
 - Storage Areas - gravel, asphalt, or soil pads
 - Crusher - metal structure on concrete pad/footings
 - Coal Sampler - Metal structure on skids, on concrete pad
 - Storage Buildings - Metal structure on concrete pad
 - Stoker Coal Storage Bin - concrete container
 - Mobile Trailer - 12' X 60'
- The area of disturbance at the mine mouth,
- Coal storage and loading facilities, and
- The explosive storage and handling facility, which includes two metal magazines.

Once the office/bathroom/warehouse/shop building was completed in late fall of 2002, the temporary facilities were either removed or relocated. Plate 5-2 reflects where the containers used for the temporary warehouse, storage and foreman facilities were moved following the completion of the new building. These containers were placed on either soil or a gravel pad.

Drainage facilities are shown on Plate 7-5, including the site sedimentation pond, culverts, and ditches.

equipment used in the mixing and placement of concrete will be washed in areas well away from stream channels.

The air shaft constructed at the Pace Canyon Fan site will either be lined with concrete or steel.

In 2009, a mobile trailer to be used for offices and for storage, two three-sided roofed buildings and a concrete pad at the fueling station will be added to the surface facilities area as shown on Plate 5-2.

526.200 Utility Installation and Support Facilities

Utility Installations. All coal mining and reclamation operations will be conducted to minimize damage, destruction, or disruption of services provided by electric lines, telephone transmission stations, water lines, and sewer lines which pass over, under, or through the permit area. Areas where these utilities will be located are within non-subsidence zones. No other utility installations exist in the permit area. All utility installations associated with the Dugout Canyon Mine will be removed following mining in accordance with the reclamation plan discussed in Section 540 of this M&RP.

At the Pace Canyon Fan facilities, the fan will operate on electricity transported through the mine. A building with a concrete floor and side walls would be constructed to house the fan's backup diesel generators (fuel tanks hold 1,250 gallon a piece) and a 8,000 gallon diesel fuel storage tank. The concrete building is designed to contain the contents of the 8,000 gallon diesel tank and the spillage of other hydrocarbons within the building (refer to Section 526.200 for cleanup and disposal information). The diesel generators would be linked to the fan via conduit capable of housing the electrical supply and relay devices.

Support Facilities. Support facilities at the Dugout Canyon Mine will be operated in accordance with the permit issued for the mine. Support facilities will be located, maintained, and used in a manner that::

- Prevents or controls erosion and siltation, water pollution, and damage to public or private property;
- To the extent possible, using the best technology currently available, minimizes damage to fish, wildlife, and related environmental values; and

- Minimizes additional contributions of suspended solids to stream flow or runoff outside the permit area.

Certain support facilities are mobile such as the A-Frame hoist, trailers, storage containers, trash containers, containers for the collection of copper and steel, portable toilets, portable generators, portable transformers, storage racks, storage cabinets, degas pumps/separators, portable fuel tanks, the guard shack, and structures being rented can be removed from the mine site and will not be demolished. Therefore, these items are not covered in the Dugout Canyon Mine's bond.

All support facilities will be removed following mining in accordance with the reclamation plan discussed in Section 540 of this M&RP.

Water Pollution Control Facilities. Water pollution control facilities at the Dugout Canyon Mine consist of the sedimentation pond, the appurtenant structures associated with the sedimentation pond, and a sewage/wastewater holding tank. All water pollution control facilities will be removed following mining in accordance with the reclamation plan discussed in Section 540 of this M&RP.

The sedimentation pond and appurtenant structures will be constructed as discussed in Chapter 7 and will be used and maintained as discussed in Section 533.700. Sanitary sewage will be routed by gravity through a pipeline from the mine surface facility to a below-grade collection tank which will be located adjacent to the office/bath house building. Wastewater which collects in the holding tank(s) will be periodically hauled from the site and disposed of in the sewage lagoon at the Soldier Canyon Mine or the Price River Water Improvement District facility at Wellington, Utah. Approval for the use of these facilities by the Dugout Canyon Mine is provided in Appendix 5-3A

Water pollution control at the Pace Canyon Fan Portal Site will consist of alternate sediment control measures, a sediment trap, a sediment basin and secondary containment for all tanks, transformers, motors and generators. Details regarding the alternate sediment control measures and sediment trap can be found in Appendix 7-12.

527 Transportation Facilities

527.100 Road Classification

Primary roads within the disturbed area include the primary haul road, the coal storage pad road, the substation access road, the portal pad access road, and the water tank access road. The

Canyon Fuel Company, LLC
SCM/Dugout Canyon Mine

Mining and Reclamation Plan
July 2005

PAGES 5-37 THRU 5-40 are intentionally blank

survey monument access road is classified as an ancillary road. The locations of these roads are shown on Plate 5-2. Typical cross sections representing these roads are shown in Figure 5-1.

The private dirt roads outside of the disturbed area but within the permit area will not be classified. These unimproved dirt roads are owned and maintained by the surface land owners, including Canyon Fuel Company, LLC and the Thayn family. They may be used by SCM for access to the lease area surfaces for the collection of monitoring data (environmental and subsidence data) as well as other uses deemed appropriate by the landowner. Travel on roads over land not owned by Canyon Fuel Company, LLC will occur with landowner permission.

527.200 Description of Transportation Facilities

No surface conveyors (other than those in the mine yard immediately adjacent to the portals) or rail systems will be constructed, used, or maintained within the permit area. A description of the conveyor systems that will be used in the mine yard is provided in Section 521.100 of this M&RP.

Road Specifications. Cross sections of roads that will be used or maintained by SCM are provided in Figure 5-1. Information regarding road drainage structures is presented in Chapter 7.

The road which will access the mine is a county road that extends from the Soldier Creek Road (Utah Highway 53) to the mine (a distance of approximately 7.5 miles). Carbon County has upgraded this road to handle the increased traffic which is anticipated as a result of mine operation. The County constructed the upgrade and charges SCM a toll for use of the road.

General specifications for the site roads are provided in Table 5-3. As indicated in Figure 5-1 and Table 5-3, the primary haul road and the coal storage pad, substation access, and portal pad access roads will consist of 2 to 4 inches of granular material, asphalt, or concrete on a compacted, in-place subgrade. The surface of the roads will generally slope at angles of 1 to 2 percent for drainage. The grade of the disturbed-area primary roads will vary, but should not exceed 10% generally or 14% locally. Specifically, the primary haul road (see Plate 5-2) will be constructed at a grade of approximately 7%, the coal storage pad road will generally be constructed at a grade of 14%, the substation access road will be constructed with an approximate grade of 13%, the portal pad access road will be constructed at a grade of about 13%, and the water tank access road will exist in its

Canyon Fuel Company, LLC
SCM/Dugout Canyon Mine

Mining and Reclamation Plan
February ~~January~~ 2009

APPENDIX 5-6

Reclamation Bond Estimate

Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$1,130,715.00
Subtotal Backfilling and Grading	\$827,141.00
Subtotal Revegetation	\$474,272.00
Direct Costs	\$2,432,128.00

Indirect Costs

Mob/Demob	\$243,213.00	10.0%
Contingency	\$121,606.00	5.0%
Engineering Redesign	\$60,803.00	2.5%
Main Office Expense	\$165,385.00	6.8%
Project Management Fee	\$60,803.00	2.5%
Subtotal Indirect Costs	\$651,810.00	26.8%

Total Cost	\$3,083,938.00
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Escalation factor		0.016
Number of years		2
Escalation	\$99,476.00	

Reclamation Cost Escalated	\$3,183,414.00
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Reclamation Cost (rounded to nearest \$1,000) 2010 Dollars	\$3,183,000.00
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Bond in 2010 dollars	\$3,300,000.00
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Difference Between Cost Estimate and Bond Percent Difference	\$117,000.00 3.68%
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Ref.	Description	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Micro Bell BC-1 No 1																		19359
	Transfer Building No 2																		34970
	Feed Bell BC-2 No3																		13812
	Stack Tubes 2 No4																		3573
	Head House 1 No 5																		6887
	Transfer Bell BC-2 No 6																		8800
	Head House 2 No 7																		1632
	Head House 3 No 8																		33969
	Reclaim Jumbo No 8																		953
	Escape Tunnel 60 inch No 10																		31287
	Crusher Building No 11																		9946
	Truck Loadout Bell BC 5 No 12																		25633
	Truck Loadout and Scale No 13																		138047
	Bathroom No 14																		1803
	Substation No 15																		1958
	Power Lines and Poles No 16																		59675
	Retaining Wall No 17																		2708
	Gabion Wall No 18																		141481
	Pump House No 19																		48216
	Paved Road No 20																		3097
	Stream Culvert 72 inch No 21																		1092
	Water Tanks No 22																		2848
	Rock Dust Bin No 23																		2000
	Storage Bolts & Bits																		331
	Fuel Tank and Fuel Station No 24																		2280
	Holding Tank No 25																		481
	Ventilation Fan No 26																		73801
	Magnet 27																		24734
	Water System 28																		9800
	Sewage System 29																		4517
	Item 30 removed																		5053
	Storage Containers 31																		1038
	Gilson Well No 32																		26000
	Shop Building No 33																		186
	Switch House No 34																		185
	Portals No 35																		822
	Storage Building No 36																		2854
	Sampling System No 37																		982
	Shaker Storage Bin No 41																		2031
	Substation No 2 No 42																		52771
	Gabion Baskets No 43																		5200
	Pace Fan Culvert																		9673
	Pace Fan Generator																		12287
	Pace Fan Portal																		7690
	Refuse Site No 44																		11058
	Degas Well G2																		12314
	Degas Well G3																		8524
	Degas Well G4																		12314
	Degas Well G5																		11054
	Degas Well G6																		2301
	Degas Well G7																		9287
	Degas Well G8																		9081
	Degas Well G9																		13065
	Degas Well G10																		12924
	Degas Well G11																		11354
	Degas Well G12																		10369
	Degas Well G13																		10043
	Degas Well G14																		21636
	Degas Well G15																		13857
	Degas Well G16																		27825
	Degas Well G17																		67988
	Degas Well G18																		23373
	Degas Well G19																		13812
	AMV Road																		19359
	Degas Well G22 & Road																		19359
	Total																		13812

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost	
	Fuel Tank and Fuel Station No 24																				
	Structure's Demolition Cost	Steel Bld. Large	02220 110 0012	0.26 /CF	CF						3945						0.35	3945	CF	1028	
	Structure's Vol. Demolished																	51	CY		
	Rubble's Weight (exclude steel)																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Non Steel Truck																				
	Transportation Cost Non Steel Drive																				
	Disposal Cost Non Steel																				
	Steel's Weight																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Steel Truck	Truck dump 16 ton payload	01 54 33 20 5300	435.96 /day	day																
	Transportation Cost Steel Truck Drive	Truck Driver, Heavy	Triv	\$43.30 /HR	HR																
	Disposal Cost Steel																				
	Subtotal																				
	Equipment's Disposal Cost																				
	Demolition Cost																				
	Equipment's Vol. Demolished																				
	Loading Costs																				
	Transport Costs																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost	Concrete demolition	ConcreteDemo1	7.7 /CY	CY						18.66										
	Concrete's Vol. Demolished																				
	Loading Cost	Front end loader 3 CY	02315 424 1300	1.59 /CY	CY																
	Transportation Cost	112 CY (16 Ton) Dump Truck 1/2 mi. mdl. trf	02315 490 0320	3.73 /CY	CY																
	Disposal Costs	On site disposal	02220 240 5550	8.8 /CY	CY																
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				
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	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
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	Loading Cost																				
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	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost																				

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Two Storage Buildings for Bolts, Drills and Trailer Awning																			
	Structure of Steel Bld. 02220 110			0.26 /CF	CF						3272						0.35	3272 CF		851
	Structure's Vol. Demolished																	42 CY		
	Rubble's Weight (exclude steel)																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Non Steel Truck																			
	Disposal Cost Non Steel																			
	Steel's Weight											6				TON		6 TON		
	Truck's Capacity																			
	Haulage																			
	Transport Truck dum 01 54 33 2			435.96 /day	DAY									0.4		DAY		0.4 DAY		174
	Transport Truck Driv Trhw			\$43.30 /HR	HR									3		HR		3 HR		130
	Disposal Cost Steel																			
	Subtotal																			1155
	Equipment's Disposal Cost																			
	Dismantling Cost																			
	Equipment's Vol. Demolished																			
	Loading Costs																			
	Transport Costs/Office Trailer			130 /HR	HR									5		HR		5 HR		650
	Disposal Costs																			
	Subtotal																			850
	Concrete Demolition																			
	Demolition Concrete d	Concrete		7.7 /CY	CY						39.99							39.99 CY		308
	Concrete's Vol. Demolished																	1.3		
	Loading CF Front end 02315 424			1.59 /CY	CY															
	Transport 12 CY (16 02315 490			3.73 /CY	CY															
	Disposal On site dis 02220 240			8.8 /CY	CY															
	Subtotal																			1043
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			
	Total																			2848