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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

Outgoing
C0070039
#3400
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November 2, 2009

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

Subject: Degas Well G-29, Task ID #3400, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/0039

Dear Mr. Sass:

The Division has reviewed your application to construct methane degasification well G-29. The Division has determined that there are deficiencies that must be addressed before a determination can be made that the requirements of the R645 Coal Mining Rules have been met and an approval granted. Those deficiencies are listed as an attachment to this letter.

In order to facilitate an expedient review of this application, each deficiency identifies its author by their initials in parentheses.

The plans as submitted are denied. Please resubmit the entire application.

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

Sincerely,

James D. Smith
Permit Supervisor

JDS/SKC/sqs
cc: Price Field Office
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Deficiency List

Task No. #3400

Degas Well G-29

The members of the review team include the following individuals:

Priscilla Burton (PWB)

Steve Christensen (SKC)

R645-301-223, The Permittee must provide the baseline soil analysis with the soil survey.
(PWB)

R645-301-521- The application does not meet the Mining Facilities Maps requirements of the State of Utah R645-Coal Mining Rules. The Permittee must revise/update '*Location of Methane Drainage Well*' in Attachment 5-2 to include proposed degas well G-29 as well as degas wells G-25 and G-26. (SKC)

R645-301-765- In section 541.100 on page 5-16, the Permittee must provide the Division with a more specific commitment relative to final reclamation for all degas wells located within the Dugout Mine permit area. The revised commitment should be provide more specificity as to when reclamation work will commence following the termination of degasification activity at the respective sites. The Division recognizes that underground safety is a concern and determining factor as to when sealing and reclamation of the degas wells can be completed. (SKC)

R645-301-724- The Permittee should provide some discussion that characterizes the nature of the drainage located southwest of proposed degas well G-29. In addition, on page 7-4 of the application, the Permittee should provide a clearer reference as to where Figure 1, Contour Map for G-29 is located. (SKC)