

C/007/039 Incoming

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OK



United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050



UT-0041

April 26, 2010

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, Revisions to Degas Well Amendment, Task No. 3500

Dear Sir or Madam:

This is in response to the Utah Division of Oil, Gas & Mining's (UT-DOGM) April 6, 2010, 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, Revisions to Degas Well Amendment, has determined that it addresses deficiencies found by UT-DOGM during the review of the original Degas Well G-29 permit revision at the Dugout Canyon mine, Utah State permit C/007/0039.

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, Revisions to Degas Well Amendment, with other Federal agencies for compliance with other Federal regulations.

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DIV. OF OIL, GAS & MINING

OSM also electronically transmitted the April 6, 2010, request to the Bureau of Land Management and the USDA Forest Service for their review and comment.

In a telephone conversation of April 8, 2010, 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 time frame requested by UT-DOGM.

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,

A handwritten signature in blue ink, appearing to read 'Robert Postle', with a long horizontal flourish extending to the right.

Robert Postle *acting*
Manager, Field Operations Branch

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