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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

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March 4, 2010

Vicky S. Miller
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542

Subject: Annual Report Format, Canyon Fuel Company, Dugout Mine, C/007/0039 and Soldier Canyon Mine, C/007/0018, Outgoing

Dear Ms. Miller:

Thank you for your letter expressing concern about the Annual Report requirements for the Dugout Canyon and Soldier Canyon mines. As you pointed out, the regulatory requirement for providing information in an annual report is fairly weak and there may not be a requirement to report on the commitments found in your plan. However, we have found that if there is no regular follow up on the commitments, they often get forgotten and sometimes never get completed. This is when enforcement action often occurs. It is our intent to list the commitments so that they can be followed through on and not fall through the cracks. Our hope is that the commitments are known about ahead of time and no one will be surprised at some future date. A prime example of this occurred recently when a mine, during the permitting phase, had committed to doing macroinvertebrate studies and then forgot to do the studies and a violation was issued when it was later discovered.

It is important to note that the Commitments and Conditions section allows for you to report on what has been done during the past year on each commitment. It is likely that nothing may have been done and that nothing was required to be done during this reporting period. There is a box to check if nothing is required. Only those commitments that required action during the year need to be reported on.

You indicate that it is your intent to remove certain commitments from your report, because there is no requirement to submit information in an annual report. Rather than remove the commitment, I would suggest that you just mark the box indicating that reporting is not required this year. That way the commitment will not be lost or forgotten. If you feel that we have inaccurately reflected the commitments that are in your plan, please note that and we can make adjustments as necessary.



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As for the due date of the Annual Report, we apologize for the confusion on the two conflicting dates. We had intended that the Annual Report be submitted by March 30, 2010, but since the report stated April 30, 2010, we will honor the latter of the two dates. You have until April 30, 2010 to submit the report. Thank you again for your help in completing the annual reports.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is written in a cursive style with a large initial "D" and "H".

Daron R. Haddock
Permit Supervisor

DRH/ss
cc: Steve Christensen
Ingrid Wieser
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