



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 6, 2010

Outgoing
C0070039

#3500

OK

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

Subject: Conditional Approval of Degas Well G-29, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/0039, Task ID #3500

Dear Mr. Sass:

On March 8, 2010, the Division of Oil, Gas and Mining received an amendment from Canyon Fuel Company for the construction of methane degas well G-29. The amendment was previously submitted and reviewed under Task ID #3400.

The Division has concluded its technical review and recommended conditional approval. Final approval will be granted when the following conditions have been met:

- Receipt of six clean copies prepared for incorporation.
- Insert the following commitment on page 2-9 of the Methane Degasification Amendment:
 - *Prior to initiating the construction of degas sites G-29 and G-30, the Permittee will submit soil horizon samples for laboratory analysis. At a minimum the laboratory analyses will be submitted to the Division for comment two weeks prior to initiating construction of these degas sites.*

Future permitting of degasification wells will include the requisite soil horizon information and laboratory analytical results during the initial application phase."

Please submit the clean copies for approval by April 29, 2010.

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

Sincerely,

James D. Smith
Permit Supervisor

JDS/SKC/sqs
cc: Price Field Office
O:\007039.DUG\FINAL\WG3500\3500_Cond_Apprv_ltr.doc

