

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

C/007/039 Incoming

#3857

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Aug 2, 2011

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

RE: Revision to Chapter 5, Refuse Pile Amendment – Clean Copies Task #3857, Dugout Canyon Mine, Canyon Fuel Company, LLC, C/007/039, Carbon County, Utah

Dear Sirs:

Attached please find five clean copies of information revised in Chapter 5, to address the acceptance at the Dugout Waste Rock site of approximately 36,500 cyds of pre-SMCRA coal waste from the Abandoned Mine Reclamation Program (AMRP) Knight Ideal Loadout Project in Wellington, Utah (AMR/007/935/L).

The Dugout Canyon Mine will accept the pre-SMCRA off permit coal refuse at the disposal site and treat it the same as the refuse generated from their operations.

Thank you for your assistance and if you have any questions please call me at (435) 636-2869.

Sincerely yours,

A handwritten signature in blue ink that reads "Vicky S. Miller".

Vicky S. Miller

cc: Dave Spillman

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DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: Dugout Canyon Mine

Permit Number: C/007/039

Title: Submittal of Clean Copies of Revisions to Chapter 5, Refuse Pile Amendment, Task #3857

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 Sabb

Print Name

[Signature]

Sign Name, Position, Date

Subscribed and sworn to before me this 2nd day of August, 2011

Vicky Sue Miller

Notary Public

My commission Expires: 1-02, 2012 } ss:
Attest: State of UTAH
County of CARBON



For Office Use Only:

Assigned Tracking Number:

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material returned to the Dugout refuse site could be from any of the Canyon Fuel mines. To assist the Abandoned Mine Reclamation Program (AMRP) Dugout's refuse site will accept for disposal approximately 36,500 cyds of pre-SMCRA coal refuse materials from the AMRP Knight-Ideal Loadout Project in Wellington Utah (AMR/007/935/L). Waste will be sampled as described below under the subheading "Testing".

Operation. Refuse materials will be hauled to the site using either belly dump trailers or end dump trucks. At the refuse site, the trucks will deposit the refuse on a fill bench, where it will be spread and compacted by truck and equipment traffic. Successive lift will be allowed to drain (when necessary) before it is capped with the next lift in the construction sequence.

The gradation of the refuse material will most likely be coarse and poorly graded with a small percentage of fine materials. Therefore, it is necessary to rework and level the lifts to assist in achieving the desired densities and prevent the formation of large voids. Additional compaction of each lift can be accomplished by routing the loaded haul trucks over the lift surface in such a manner as to cover the surface uniformly.

Waste rock loads containing non-cemented, soft shale, clay, or fine-grained materials shall be mixed with coarser graded loads in a controlled manner to limit concentrations of fine materials within the fill. This will be especially true for sediment pond wastes from either the mine site or refuse area sediment pond.

All lifts will be emplaced in a controlled manner to ensure the mass stability of the refuse pile and prevent mass movement during and after construction. Additionally, the lifts shall be graded to promote drainage off the pile surface. No intentional impoundments will be created by the placement of the refuse materials.

As the limits of the site area are reached laterally, the outer slope shall conform to the slope indicated in RA Plate 5-1.

Maintenance. Coal mine and underground development waste may have high moisture content. Controlled placement and compaction of the refuse materials will minimize the potential for spontaneous combustion or ignition of these materials. In the unlikely event that any burning waste