



OGMCOAL DNR <ogmcoal@utah.gov>

Re: Dugout Temporary Cessation

2 messages

Steve Christensen <stevechristensen@utah.gov>

Tue, Feb 11, 2020 at 4:02 PM

To: Robert Marshall <RMarshall@wolverinefuels.com>

Cc: Karl Houskeeper <karlhouskeeper@utah.gov>, Kirt Tatton <Ktatton@wolverinefuels.com>, Chris Hansen <chansen@wolverinefuels.com>, Ryan Wilson <RWilson@wolverinefuels.com>, Dana Dean <danadean@utah.gov>, OGMCOAL DNR <ogmcoal@utah.gov>, Amanda Daniels <amandajdaniels@utah.gov>

Good afternoon Jay,

Thanks for sending the letter and giving us an update on the current conditions at the Dugout Canyon Mine. Hopefully things will turn around in the not so distant future and Dugout will begin operations again.

Based on the letter, it's the Division's understanding that active underground coal extraction has stopped, but that the waste rock site will remain active. Given that, I wanted to inform you that the status of the mine site must remain active along with the current monthly inspection frequency.

If you have questions or want to discuss this, please give me a call.

Regards,
Steve

On Tue, Feb 11, 2020 at 10:27 AM Robert Marshall <RMarshall@wolverinefuels.com> wrote:

Steve:

Please find attached a letter explaining Dugout Coal's Temporary Cessation as required by R645 515.320.

If you have any questions please give me a call.

Thanks

R. Jay Marshall P.E.

Engineering Manager



Wolverine Fuels, LLC

Dugout Canyon Mine

5719 North Dugout Canyon Road, Wellington, Utah 84542

P.O. Box 1029, Wellington, Utah 84542

O: (435) 636 - 2888

M: (435) 820 - 4319)

rmarshall@wolverinefuels.com

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Steve Christensen, Coal Program Manager
Utah Division of Oil, Gas and Mining
[1594 W North Temple, Suite 1210](#)
[Salt Lake City, Utah 84116](#)
(801) 538-5350 w
(385) 290-9937 c
stevechristensen@utah.gov

Steve Christensen <stevechristensen@utah.gov>

Tue, Feb 11, 2020 at 5:36 PM

To: OGMCOAL DNR <ogmcoal@utah.gov>, Karl Houskeeper <karlhouskeeper@utah.gov>, Amanda Daniels <amandajdaniels@utah.gov>

fyi-

----- Forwarded message -----

From: **Robert Marshall** <RMarshall@wolverinefuels.com>
Date: Tue, Feb 11, 2020 at 5:28 PM
Subject: Re: Dugout Temporary Cessation
To: Steve Christensen <stevechristensen@utah.gov>

Thanks Steve that is not a problem.

Sent from my iPhone

On Feb 11, 2020, at 4:02 PM, Steve Christensen <stevechristensen@utah.gov> wrote:

**** STOP. THINK EXTERNAL EMAIL ****

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R. Jay Marshall P.E.
Engineering Manager

<image001.png>

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Steve Christensen, Coal Program Manager
Utah Division of Oil, Gas and Mining
[1594 W North Temple, Suite 1210](#)
Salt Lake City, Utah 84116
(801) 538-5350 w
(385) 290-9937 c
stevechristensen@utah.gov

[Quoted text hidden]

image001.png

11K





Canyon Fuel Company, LLC
Soldier / Dugout Canyon Mines
P.O. Box 1029
Wellington, Utah 84542
435/637-6360 Fax: 435/636-2897

February 11, 2020

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
Steve Christensen
Coal Program Manager

Reference: Temporary Cessation of Operations at Dugout Mine (R645-515.320 and 321.)

Dear Mr. Christensen:

Like all planning efforts, plans are continuously developing and modified as conditions warrant. The discussion below is Dugout's current plan but could be slightly adjusted as needed.

As you are aware, Dugout Coal Mine has been in a warm idle status and no coal has been produced since September 13th. With the current market conditions and requirements of Wolverine Fuels LLC, it has been decided not to produce coal at Dugout in 2020. Dugout will enter a Temporary Cessation of Operations status.

Crews and critical staff already started the transfer process in September and continue currently. Mining crews and equipment that can be utilized by Skyline and SUFCO are being transferred to fill shortages. The transfer of the people and equipment is only temporary, and they will return to Dugout once they are no longer needed by the other two mines.

During this Temporary Cessation the pumps and fan will be turned off in both the Gilson and Rock Canyon Seams. The Gilson Seam will be closed on the Pace Canyon side and at the Gilson slopes. The Rock Canyon Seam will be closed on the Dugout Side. All closures will be done according to applicable DOGM and MSHA regulations, and according to our Mine and Reclamation Plans. Prior to the closures being constructed the appropriate CERCLA certifications will be completed with the BLM.

Dugout will protect the ability to recover the remaining coal resources in the future. Relinquishments and advanced royalties are not a consideration currently.

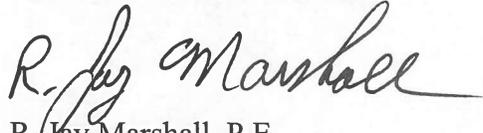
The office and Shop areas as well as the Waste Rock Pile will continue to remain functional. Skyline and SUFCO will utilize the shop for overflow space for rebuilds. The office building will remain active and provide office space as needed. The waste rock pile will remain active providing a depository for refuse produced from the wash plant in Wellington.

The surface area will not be affected. Surface maintenance and environmental monitoring of Dugout, Soldier Creek, and Banning will continue.

It is anticipated that the process of getting to a Temporary Cessation will be completed some time second quarter of 2020.

If you have any questions or desire any additional information, please do not hesitate to call me at (435) 636-2888.

Sincerely,
DUGOUT CANYON MINE

A handwritten signature in black ink that reads "R. Jay Marshall". The signature is written in a cursive style with a large, sweeping "M" and a long, horizontal tail stroke.

R. Jay Marshall, P.E.
Engineering Manager

Enclosures

cc: Kirt Tatton, Dugout
Chris Hansen
Ryan Wilson, Bowie Resources