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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

May 19, 1997

Ken May, General Manager
SUFCO Mine
Canyon Fuel Company, LLC
397 South 800 West
Salina, UT 84654

Re: Five-Year Permit Renewal, Canyon Fuel Company, LLC, SUFCO Mine, ACT/041/002, Folder #3, Sevier County, Utah

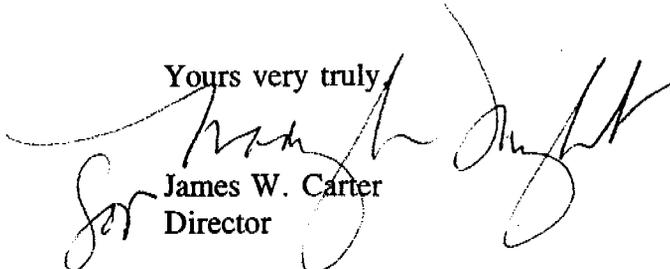
Dear Mr. May:

Enclosed is a renewed permanent program mining permit for the SUFCO Mine with the State's Decision Document. Two conditions have been added to the permit. This first condition involves extension of the public comment period to June 6, 1997. The last date of publication was May 7, 1997 and adequate time (30 days after the last publication date) must be given to the public to comment to the Division. If comments are received, appropriate programmatic consideration will be exercised. The second condition involves updating raptor information into the mining and reclamation plan, including the most recent raptor survey.

Two (2) original permits are included with this letter. Please read the permit to be sure you understand the requirements of the permit and conditions, have both copies signed and return one to the Division.

If you have any questions, please call me or Pamela Grubaugh-Littig.

Yours very truly,


James W. Carter
Director

Enclosures

cc: R. Singh, OSM, WRCC

O:\041002.COM\FINAL\PERMIT\97SUFCO.DOC

**UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
For
PERMIT RENEWAL**

Canyon Fuel Company, LLC
SUFCA Mine
(Previously named Convulsion Canyon Mine)
ACT/041/002
Sevier County, Utah

May 19, 1997

CONTENTS

- * Administrative Overview
- * Location Map
- * Permitting Chronology
- * Findings
- * Permit
- * Determination of Completeness, Letter to Canyon Fuel Company, LLC, dated February 25, 1997
- * Determination of Completeness, Notification letter to Agencies and Interested Parties, dated March 19, 1997
- * Affidavit of Publication
- * Memo to File, AVS Recommendation, dated May 13, 1997

ADMINISTRATIVE OVERVIEW

Canyon Fuel Company, LLC
SUFACO Mine
Five Year Permit Renewal
ACT/041/002
Sevier County, Utah

May 19, 1997

BACKGROUND

Canyon Fuel Company, LLC has made application to the Division of Oil, Gas and Mining for a five-year permit renewal for the SUFACO Mine. This renewal encompasses the same permit area and disturbance as currently approved.

The Convulsion Canyon Mine (now called the SUFACO Mine) is located approximately 30 miles east of Salina, Utah, with the surface facilities and access partly on U.S. Forest Service land in East Spring Canyon, within Section 12, Township 22 South, Range 4 East, Sale Lake Baseline and Meridian. The mine commenced operation in 1941, mining federally-owned coal.

The original mine plan was submitted to the U.S. Geological Survey (USGS) and the Utah Division of Oil, Gas and Mining (DOG M) in 1977. Additional information was submitted, and the mine plan was approved by DOGM pursuant to the Utah Mined Land Reclamation Act on September 14, 1977. The USGS approved the plan on February 3, 1978.

The permit application was determined complete on July 18, 1983. A permanent program permit was issued Coastal States Energy Company on May 19, 1987, consisting of five federal leases (U-28297, U-062343, U-0149084, SL-062583, U-47080) and one fee lease for a total of 7,355 acres. The waste rock site was approved on August 26, 1988 which brought the total area to 7395 acres.

On July 3, 1989, an application was made to add another federal lease known as the Quitcupah lease to the permit area. Approval for the new lease was obtained and a revised permit was issued effective December 21, 1989. This new lease brought the total permit area to 17,301 acres.

On December 20, 1996, the permit was transferred to Canyon Fuel Company, LLC.

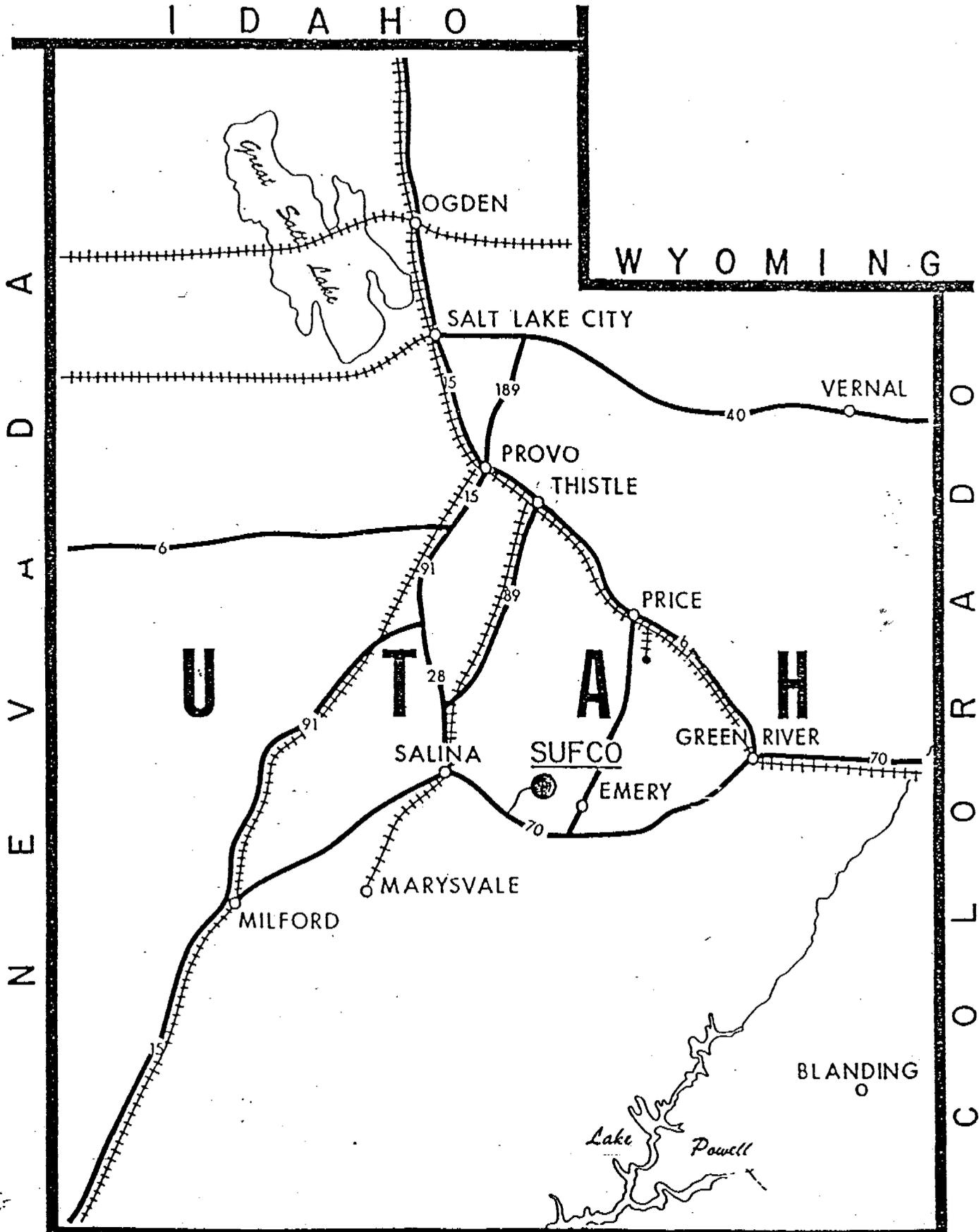
RECOMMENDATION

Canyon Fuel Company, LLC has demonstrated that mining of the SUFCO Mine can be done in conformance with the Surface Mining Control and Reclamation Act and the corresponding Utah Act and performance standards. One issue has been raised, thus far, during the public comment period from the U.S. Fish and Wildlife Service and is attached as a stipulation to the permit. The Emery Water Conservancy District requested a copy of the Cumulative Hydrologic Impact Assessment (CHIA) for the SUFCO Mine, but did not protest the renewal.

The public notice for this permit renewal was last published on May 7, 1997. Therefore, the public comment period has been extended to June 6, 1997. If any public comments are received between the time of permit issuance and the extended public comment period (June 6, 1997), those comments will be given appropriate programmatic consideration.

Approval for this permit renewal is recommended, with two conditions, based on conformance with criteria for approval of permit renewal applications (R645-303-230 thru 235) (see attached Permit Renewal Findings document).

GENERAL LOCATION MAP
SUFACO MINE AREA



PERMITTING CHRONOLOGY

Canyon Fuel Company, LLC
SUFCA Mine
Permit Renewal
ACT/041/002
Sevier County, Utah

May 19, 1997

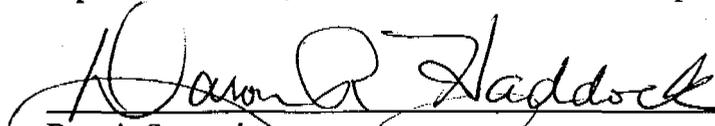
- December 20, 1996 The Skyline Mine permit is transferred to Canyon Fuel Company, LLC.
- January 20, 1997 Canyon Fuel Company, LLC submits application for permit renewal.
- February 25, 1997 Division notifies Canyon Fuel company, LLC that the application is determined administratively complete and immediately proceed with publication.
- March 14, 1997 Canyon Fuel Company, LLC submits revised permit renewal application package. Change of ownership information submitted to be included with the permit renewal application.
- March 19, 1997 Permit renewal notification is sent to other federal, state and local governmental agencies as well as water users.
- April 16, 23, 30 and
May 7, 1997 Permit renewal published in the Richfield Reaper for four consecutive weeks.
- April 16, 1997 USFWS forwards comment about raptor information in the plan to the Division.
- May 16, 1997 Canyon Fuel Company, LLC faxes affidavit of publication to Division.
- May 19, 1997 DOGM issues renewed permit with two conditions.

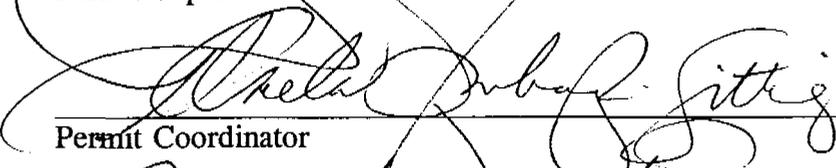
PERMIT RENEWAL FINDINGS

Canyon Fuel Company, LLC
SUFCO Mine
ACT/041/002

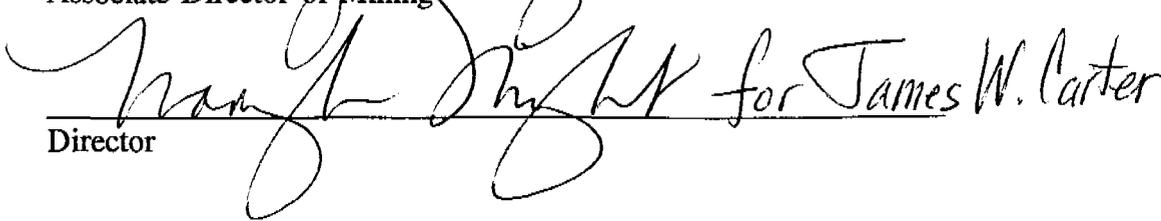
May 19, 1997

1. The permit renewal term will not exceed the original permit term of five years (R645-303-234).
2. The terms and conditions of the existing permit are being satisfactorily met (R645-303-233.110).
3. The present underground coal mining activities are in compliance with the environmental protection standards of the Act and the Utah State Program (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program (R645-303-233.130).
5. The Permittee has provided evidence of having liability insurance (Indemnity Insurance of North America, Policy #ISLG14232560)(R645-303-233.140).
6. The Permittee has posted a reclamation surety in the required amount and has provided evidence that the surety will remain in full effect for the additional permit period. (United Pacific Insurance Company, Bond #U2760730 in the amount of \$3,988,000)(R645-303-233.150).
7. The Permittee has submitted updated information as required by the Division at this time, except updated raptor information, see Condition #2 of renewed permit (R645-233.160).


Permit Supervisor


Permit Coordinator


Associate Director of Mining


Director

FEDERAL
May 19, 1997

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5289

This permit, ACT/041/002, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Canyon Fuel Company, LLC
6955 South Union Park Center, Suite 540
Midvale, Utah 84047
(801) 596-7111

for the SUFCO Mine (previously the Convulsion Canyon Mine.) Canyon Fuel Company, LLC is the lessee of federal, state and fee-owned property. A performance bond is filed with the DOGM in the amount of \$3,988,000.00, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSMRE). DOGM must receive a copy of this permit signed and dated by the permittee.

- Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.
- Sec. 2 PERMIT AREA - The permittee is authorized to underground conduct coal mining and reclamation activities on the following described lands within the permit area at the SUFCO Mine situated in the state of Utah, Carbon County, and located:

Township 21 South, Range 4 East, SLBM

Section 12: E1/2 SE1/4;
Section 13: E1/2 NE1/4, S1/2;
Section 14: E1/2 SW1/4, SE1/4;
Section 23: E1/2, E1/2 W1/2;
Section 24: All;
Section 25: All; and
Section 36: All.

Township 21 South, Range 5 East, SLBM

Section 15: W1/2;
Section 16
thru 21: All;
Section 22: W1/2;
Section 26: W1/2 NW1/4 SW1/4, SW1/4 SW1/4;
Section 27
thru 34: All; and
Section 35: Lots 1, 2, W1/2 NW1/4, N1/2 SW1/4.

Township 22 South, Range 4 East, SLBM

Section 1: All;
Section 12: N1/2, N1/2SE1/4, portion of NE1/4SW1/4; and
Section 18: NW1/4NE1/4.

Township 22 South, Range 5 East, SLBM

Section 3: Lots 1-4, S1/2 N1/2, NE1/4 SW1/4, S1/2 SW1/4,
N1/2 SE1/4, SW1/4 SE1/4;
Section 4: Lots 1, 2, S1/2 NE1/4, SE1/4 SE1/4, W1/2W1/2;
Section 5: All;
Section 6: All;
Section 7: All;
Section 8: All;
Section 9: NE1/4NE1/4;
Section 10: W1/2 NE1/4, NW1/4, N1/2SW1/4;
Section 17: NE1/4,N1/2NW1/4; and
Section 18: N1/2.

This legal description is for the permit area of the SUFCO Mine included in the mining and reclamation plan on file at the Division. The permittee is authorized to conduct underground coal mining activities on the foregoing described property subject to the conditions of the leases, including all conditions and all other applicable conditions, laws and regulations.

Sec. 3 COMPLIANCE - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

May 19, 1997

Page 3

- Sec. 4 PERMIT TERM - This permit becomes effective on May 19, 1997 and expires on May 20, 2002.
- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and R645-303.
- Sec. 6 RIGHT OF ENTRY - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- A. have the rights of entry provided for in 30 CFR 840.12, R645-400-110, 30 CFR 842.13 and R645-400-220; and,
 - B. be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.
- Sec. 7 SCOPE OF OPERATIONS - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.
- Sec. 8 ENVIRONMENTAL IMPACTS - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:
- A. accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
 - B. immediate implementation of measures necessary to comply; and
 - C. warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.
- Sec. 9 DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

- Sec. 10 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:
- A. in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
 - B. utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 11 EXISTING STRUCTURES - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.
- Sec. 12 RECLAMATION FEE PAYMENT - The operator shall pay all reclamation fees required by 30 CFR part 870 for coal produced under the permit, for sale, transfer or use.
- Sec. 13 AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 14 COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq.) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.
- Sec. 15 PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 16 CULTURAL RESOURCES - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.

- Sec. 17 APPEALS - The permittee shall have the right to appeal as provided for under R645-300.
- Sec. 18 SPECIAL CONDITIONS - In addition to the general obligations and requirements set out in the leases, the federal mining plan approval, and this permit, the permittee shall comply with the special conditions appended hereto as Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: _____

Date: _____

Mark A. Smith for James W. Carter
May 19, 1997

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of the Permittee

Date: _____

ATTACHMENT A

- Condition #1 - This permit is effective May 19, 1997. If any public comments are received between the time of permit issuance and the end of the comment period (June 6, 1997), those comments will be given appropriate programmatic consideration.
- Condition #2 - Canyon Fuel Company, LLC must update all information regarding raptors in the text, maps and appendices of the mining and reclamation plan by July 18, 1997. Additionally, all power lines must be raptor proofed with corresponding information updated in the plan by July 18, 1997.

AFFIDAVIT OF PUBLICATION

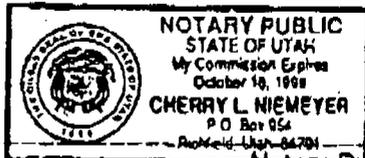
County of Sevier, State of Utah, ss.

I, **SHERRIE OKERLUND**, being first duly sworn, depose and say I am the Legal Secretary of **THE RICHFIELD REAPER**, a weekly paper having a bonafide circulation of more than 200 subscribers in the State of Utah, published every Wednesday at Richfield, Sevier County, Utah.

That the notice **CANYON FUEL COMPANY LLC** a copy of which is attached hereto, was published in said paper for **FOUR** consecutive issues, the first publication having been made in the issue of the 16 day of **APRIL 1997**, and the last publication in the issue of the 7 day of **MAY 1997**, that the said notice was published in the regular and entire issue of every number of said paper during the period of times and publication, and that the same was published in the newspaper proper and not in a supplement.



Subscribed and sworn to before me this 7 day of **MAY, 1997**



Notary Public

My Residence is Richfield, Sevier, County, Utah
My Commission Expires October 18, 1998

LEGAL NOTICE
CANYON FUEL CO. LLC
Canyon Fuel Company LLC,
6955 South Union Park Center,
Suite 540, Midvale, Utah 84047 has
filed an application for a coal min-
ing permit renewal under the laws of
the State of Utah and the U.S. Office
of Surface Mining.

Approval of this application will
allow coal mining operations at the
SUFCA Mine to continue within the
leasehold interest and fee lands
owned by Canyon Fuel Company
LLC. The lands on which mining is
to continue are located in Sevier
County and include parts of the
Fishlake National Forest and Manti-
LaSal National Forest. The mine
portals are located 30 miles east of
Salina, Utah, in East Spring Canyon
off Convulsion Canyon. The entire
property is located within lands
shown on USGS 7.5 minute
"Accord Lakes" and "Emery West"
Quadrangle maps. The approximate-
ly 17,298.26 acre leasehold
involves all or part of the following
coal leases and fee land which have
been assigned or deeded to Canyon
Fuel Company LLC.

Federal Coal Lease U-28297 -
(2,631.98 acres) - Approved
January 1979.

T. 21 S., R. 5 E., SLB&M, Utah
Sec. 32, lots 1-4, N1/2S1/2
Sec. 33, lot 1, NW1/4SW1/4
T. 22 S., R. 5 E., SLB&M, Utah
Sec. 4, lot 4, SW1/4NW1/4,
W1/2SW1/4
Sec. 5, all
Sec. 7, S1/2NE1/4, E1/2SW1/4,
SE1/4

Sec. 8, all
Sec. 17, NE1/4, N1/2NW1/4
Sec. 18, NE1/4, E1/2NW1/4
Federal Coal Lease U-062453 -
(480 acres) - Approved March 1962

T. 21 S., R. 5 E., SLB&M, Utah
Sec. 28, SW1/4SW1/4
Sec. 29, SE1/4SE1/4
Sec. 32, N1/2
Sec. 33, W1/2NW1/4

Federal Coal Lease U-0149084 -
(240 acres) - Approved June 1966
T. 22 S., R. 4 E., SLB&M, Utah
Sec. 12, NE1/4 and N1/2SE1/4
Federal Coal Lease SL-062583 -
(2,202.77 acres) - Approved Sep-
tember 1941, Modified January
1973.

T. 21 S., R. 4 E., SLB&M, Utah
Sec. 36, S1/2
T. 21 S., R. 5 E., SLB&M, Utah
Sec. 31, all
T. 22 S., R. 4 E., SLB&M, Utah
Sec. 1, lots 1 to 4 incl. S1/2N1/2,
S1/2

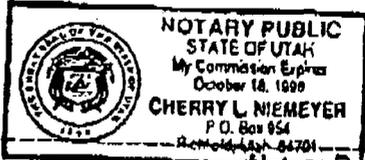
Sec. 12, NW1/4
T. 22 S., R. 5 E., SLB&M, Utah
Sec. 6, all
Sec. 7, N1/2NE1/4, E1/2NW1/4
Federal Coal Lease U-47080 -
(1,158.05 acres) - Approved Octo-
ber 1981

T. 21 S., R. 4 E., SLB&M, Utah
Sec. 25, all
Sec. 36, N1/2
T. 21 S., R. 5 E., SLB&M, Utah
Sec. 30, lots 2-4, W1/2SE1/4
Federal Coal Lease U-63214 -
(9,905.46) - Approved July 1989

T. 21 S., R. 4 E., SLB&M, Utah
Sec. 12, E1/2SE1/4
Sec. 13, E1/2NE1/4, S1/2
Sec. 14, E1/2SW1/4, SE1/4
Sec. 23, E1/2, E1/2W1/2
Sec. 24, all
T. 21 S., R. 5 E., SLB&M, Utah
Sec. 15, W1/2
Secs. 16-21, all
Sec. 22, W1/2

Sec. 26, W1/2NW1/4SW1/4,
SW1/4SW1/4
Sec. 27, all

Subscribed and sworn to before me this 7 day of MAY, 1997



Notary Public

My Residence is Richfield, Sevier, County, Utah
My Commission Expires October 18, 1998

- T. 21 S., R. 5 E., SLB&M, Utah
- Sec. 28, SW1/4SW1/4
- Sec. 29, SE1/4SE1/4
- Sec. 32, N1/2
- Sec. 33, W1/2NW1/4
- Federal Coal Lease U-0149084 - (240 acres) - Approved June 1966
- T. 22 S., R. 4 E., SLB&M, Utah
- Sec. 12, NE1/4 and N1/2SE1/4
- Federal Coal Lease SL-062583 - (2,202.77 acres) - Approved September 1941. Modified January 1973.
- T. 21 S., R. 4 E., SLB&M, Utah
- Sec. 36, S1/2
- T. 21 S., R. 5 E., SLB&M, Utah
- Sec. 31, all
- T. 22 S., R. 4 E., SLB&M, Utah
- Sec. 1, lots 1 to 4 incl. S1/2N1/2, S1/2
- Sec. 12, NW1/4
- T. 22 S., R. 5 E., SLB&M, Utah
- Sec. 6, all
- Sec. 7, N1/2NE1/4, E1/2NW1/4
- Federal Coal Lease U-47080 - (1,158.05 acres) - Approved October 1981
- T. 21 S., R. 4 E., SLB&M, Utah
- Sec. 25, all
- Sec. 36, N1/2
- T. 21 S., R. 5 E., SLB&M, Utah
- Sec. 30, lots 2-4, W1/2SE1/4
- Federal Coal Lease U-63214 - (9,905.46) - Approved July 1989
- T. 21 S., R. 4 E., SLB&M, Utah
- Sec. 12, E1/2SE1/4
- Sec. 13, E1/2NE1/4, S1/2
- Sec. 14, E1/2SW1/4, SE1/4
- Sec. 23, E1/2, E1/2W1/2
- Sec. 24, all
- T. 21 S., R. 5 E., SLB&M, Utah
- Sec. 15, W1/2
- Secs. 16-21, all
- Sec. 22, W1/2
- Sec. 26, W1/2NW1/4SW1/4, SW1/4SW1/4
- Sec. 27, all
- Sec. 28, N1/2, N1/2SW1/4, SE1/4SW1/4, SE1/4
- Sec. 29, E1/2NE1/4, NE1/4, SE1/4
- Sec. 30, Lot 1, N1/2NE1/4
- Sec. 33, lots 2-4, NE1/4, E1/2NW1/4, NE1/4SW1/4, N1/2, SE1/4
- Sec. 34, all
- Sec. 35, lots 1,2, W1/2NW1/4, N1/2SW1/4
- T. 22 S., R. 5 E., SLB&M, Utah
- Sec. 7, lots 1-4, S1/2N1/2, NE1/4SW1/4, S1/2SW1/4, N1/2, E1/4, SW1/4SE1/4
- Sec. 9, NE1/4NE1/4
- Sec. 10, W1/2NE1/4, NW1/4, N1/2SW1/4

Fee Lands owned by Canyon Fuel Company LLC

- T. 21 S., R. 5 E., SLB&M, Utah
- Sec. 29, SW1/4, NW1/4, W1/2, NE1/4, W1/2SE1/4
- Sec. 30, S1/2NE1/4, E1/2SE1/4 containing 640.00 acres.
- T. 22 S., R. 4 E., SLB&M, Utah
- Sec. 18, NW1/4NE1/4 containing 40 acres.

After filing, copies of the permit application will be available for inspection at the following locations: Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah; Sevier County Courthouse, Richfield, Utah, and Canyon Fuel Company LLC, 6955 Union Park Center, Suite 540, Midvale, Utah.

Written comments or requests for an informal conference regarding this application may be addressed within 30 days of the last publication date of this notice, to Utah Division of Oil, Gas and Mining, Box 145801, Salt Lake City, Utah 84114-5801.

Published April 16, 23, 30 and May 7, 1997.

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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
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Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

February 25, 1997

Mr. David M. Arnolds
Canyon Fuel Company, LLC
555 Seventeenth Street
Denver, Colorado 80202

Re: Renewal Application, Canyon Fuel Company, LLC, SUFCO Mine, ACT/041/002, Folder #3, Sevier County, Utah

Dear Mr. Arnolds:

The Division received your application for renewal for the SUFCO Mine on January 21, 1997. An initial review of the information indicates that the application is administratively complete. Because of the strict time frames associated with public notice for renewal application, you should immediately proceed with publication as required by R645-300-121. At the same time you should ensure that a copy of your current plan is filed with the county recorder. A copy of the affidavit of publication should be forwarded to the Division for insertion to the plan as soon as it is available.

A couple of items were identified in the initial review that should also be provided before the renewal deadline. One is the Employer identification number for Canyon Fuel Company. If it has not yet been issued Canyon Fuel should commit to supply it as soon as it is issued. The second item is providing a more accurate cost estimate for reclamation bonding requirements. A Division Engineer, Wayne Western has been working with Wes Sorensen at SUFCO to resolve this issue.

Thank you for your help during the renewal process. Please call, if you have any questions.

Sincerely,

Daron R. Haddock
Permit Supervisor

cc: Ken May, SUFCO
P. Baker
W. Western
P. Grubaugh-Littig
P. Hess



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

March 19, 1997

FIELD(Name)
FIELD(Company)
FIELD(Address 1)
FIELD(Address 2)
FIELD(City), FIELD(State) FIELD(ZIP)

#2

Re: Determination of Administrative Completeness for Permit Renewal, ACT/041/002-97PR, SUFCO Mine, Canyon Fuel Company, LLC, Folder #3, Sevier County, Utah

Dear FIELD(Title) FIELD(Name):

The Division has determined that the permit renewal application for the SUFCO Mine is "complete and accurate," with the submittal of updated legal and financial and violation information, and the current bond and evidence of liability insurance.

In compliance with the Utah Coal Mining Rules R645-300-121.300, R645-300-121.310, R645-300-121.320 and the Utah Coal Mining Act (UCA Section 40-10-1 et seq.), notice is hereby given to all appropriate agencies having a jurisdiction or an interest in the area of the operations that a complete renewal application is available for public review.

The permit area is located in Sevier County, Utah in the Southern Wasatch end of the Plateau Coal Field. A permit area map is attached for your information.

This permit renewal application is available for public review at:

Division of Oil, Gas, and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801.

Page 2
ACT/041/002-96PR
March 19, 1997

Comments may be addressed to :

Utah Coal Regulatory Program
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

If you have any questions please call me or Pamela Grubaugh-Littig.

Sincerely,

Mary Ann Wright
Associate Director of Mining

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cc: Pamela Grubaugh-Littig
PFO
O:\041002.CON\DRAFT\CENLET.

- Mr. James Fulton, Chief
Office of Surface Mining
Reclamation and Enforcement
Western Regional Coordinating Center
1999 Broadway, Suite 3320
Denver, Colorado 80202-5733
- Mr. Richard Manus, Area Manager
Bureau of Land Management
125 South 6th West
Price, Utah 84501
- Mr. Alan Robinoff, Chief
Mining Law and Solid Minerals
Bureau of Land Management
324 South State Street
P.O. Box 45155
Salt Lake City Utah 84145-0155
Mr. Robert D. Williams, Asst. Field Supervisor
U.S. Fish & Wildlife Service
Ecological Services
Lincoln Plaza 145 East 1300 South
Salt Lake City, Utah 84115
- Ms. Janette S. Kaiser, Forest Supervisor
U.S. Forest Service
Manti-Lasal National Forest
599 West Price River Road
Price, Utah 84501
- Mr. Mike Schwinn, District Engineer
U.S. Army Corps of Engineers
1403 South 600 West
Bountiful, Utah 84010
- Mr. William P. Yellowtail, Jr., Regional Administrator
Environmental Protection Agency
999 18th Street
Denver Place, Suite 500
Denver, Colorado 80202-2405
- Mr. Gary L. Roeder, District Conservationist
Natural Resource Conservation Service
350 North 400 East
Price, Utah 84501
- Mr. Robert Morgan, State Engineer

Utah Division of Water Rights
Department of Natural Resources
1636 West North Temple
Salt Lake City, Utah 84116

Mr. Brent Bradford, Deputy Director
Office of the Executive Director
Department of Environmental Quality
168 North 1950 West
P.O. Box 148810
Salt Lake City, Utah 84114-4810

Mr. Tobias A. Martinez, Supervisor
U.S. Forest Service
Fishlake National Forest
115 East 900 North
Richfield, Utah 84701

Mr. Mark Page, Regional Engineer
Utah Division of Water Rights
Southeastern Regional Office
453 South Carbon Avenue
P.O. Box 718
Price, Utah 84501-0718

Mr. Dave Ariotti, District Engineer
Southeastern Utah Health Department
28 South 100 East
P.O. Box 800
Price, Utah 84501

Mr. Max Evans, Director
Utah Division of State History
300 Rio Grande
Salt Lake City, Utah 84101

Mr. John Kimball, Director
Utah Division of Wildlife Resources
1594 West North Temple
Salt Lake City, Utah 84114

Mr. Bill Bates, Habitat Manager
Utah Division of Wildlife Resources
455 West Railroad Avenue
Price, Utah 84501

- Mr. David Terry, Director
School and Industrial Trust Lands Admin..
675 East 500 South
Salt Lake City, Utah 84501
- Mr. Ronald P. Parkin, State Mine Inspector
Industrial Commission of Utah
College of Eastern Utah
451 East 400 North
Price, Utah 84501
- Ms.Carolynn B. Wright, Research Analyst
Governor's Office of Planning and Budget
Government Relations Dept
State Planning Coordinator Office
116 State Capitol
Salt Lake City, Utah 84114
- Mr. Joseph Jenkins, Executive Director
Dept of Community and Economic Dev.
324 South State Street Suite 500
Salt Lake City, Utah 84111
- Mr. Ted Stewart, Executive Director
Dept of Natural Resources
1636 West North Temple Suite 316
Salt Lake City, Utah 84116-3913
- Mr. David D. Lauriski, Chairman
Board of Oil, Gas, & Mining
C/O Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528
- Mr. Bill Howell, Executive Director
Southeastern Utah Association of Local Governments
P.O. Box 1106
Price, Utah 84501
- Mr. John Williams
Five Country Association of Governments
Box 1550
St. George, Utah 84770
- Mr. Bryant Anderson
Emery County Planning and Zoning

P.O. Box 417
Castle Dale, Utah 84513

- Mr. Val Payne, Director
Emery County Public Lands
P.O. Box 1298
Castle Dale, Utah 84513
- Mr. Jay Mark Humphrey
Emery Water Conservancy District
P.O. Box 998
Castle Dale, Utah 84513
- Mr. Darrel V. Leamaster, P.E., District Manager
Castle Valley Special Service District
P.O. Box 877
Castle Dale, Utah 84513
- Mr. Menco Copinga, President
North Emery Water Users Associations
Box 129
Cleveland, Utah 84518
- Mr. Duane K. Jensen, President
Board of Directors
Huntington-Cleveland Irrigation Co.
Box 395
Cleveland, Utah 84518
- Mr. Lee Lemmon, Vice-President
Board of Directors
Huntington-Cleveland Irrigation Co.
Box 1183
Huntington, Utah 84528
- Mr. Varden Wilson, Secretary
Huntington-Cleveland Irrigation Co.
Box 327
Huntington, Utah 84528
- Mr. Eugene Johansen, Chairman
Emery Water Conservancy District
P.O. Box 856
Caste Dale, Utah 84513
- Mr. Joe Drexler, Deputy Director Western Region

United Mine Workers of America
1562 Pearl Street
Denver, Colorado 80203

Mr. Tom Bingham
Utah Mining Association
Kearns Building
136 South Main Suite 825
Salt Lake City, Utah 84101

Mr. Barry Barnum, Environmental Chairman
Skyline Mine
Canyon Fuel Company
P.O. Box 719
Helper, Utah 84526



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

May 13, 1997

To: File

From: Pamela Grubaugh-Littig, Permit Coordinator *pgl*

Re: 510 (c) Recommendation for Permit Renewal, SUFCO Mine,
ACT/041/002, Canyon Fuel Company, LLC, Folder #3, Sevier County,
Utah

As of this writing of this memo, there are no NOVs or COs which are not corrected or in the process of being corrected for the SUFCO Mine. There are no finalized civil penalties which are outstanding and overdue in the name of Canyon Fuel Company, LLC. Canyon Fuel Company, LLC does not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

Attached is an OSM recommendation from the Applicant Violator System with an issue recommendation for the SUFCO Mine for this permit renewal.

Applicant Evaluation

Applicant Violator System

13-May-1997 16:26:42

State : UT	Permit No : ACT041002	Appl No : ACT041002
Applicant : 142816(CANYON FUEL CO LLC)		Seqno : 1

SYSTEM RECOMMENDATION IS BASED ON ENTITY OFT

SYSTEM RECOMMENDATION	: ISSUE	05/13/97
PREVIOUS SYSTEM RECOMMENDATION	: ISSUE	12/19/96

RCM_MNT(F7) PERMIT/APPL(F8)
 PRV_SCR(F3) EVOFT(F5) REPORTS(F9) CHOICES(F10)

▪ avsdg

16 28

Applicant Evaluation

Applicant Violator System

13-May-1997 16:26:42

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RCM_MNT(F7) PERMIT/APPL(F8)
 PRV_SCR(F3) EVOFT(F5) REPORTS(F9) CHOICES(F10)

▪ avsdg

16:28

Applicant Evaluation

Applicant Violator System

13-May-1997 16:26:42

State : UT	Permit No : ACT041002	Appl No : ACT041002
Applicant : 142816(CANYON FUEL CO LLC)		Seqno : 1

SYSTEM RECOMMENDATION IS BASED ON ENTITY OFT