



Canyon Fuel Company, LLC
SUFCO Mine
397 South 800 West
Salina, Utah 84654
(435) 637-4880 Fax: (435) 636-4499

June 24, 1999

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

Copy Aaron
#2

RE: ROW on 160-Acre Pines Tract Lease Modification, SUFCO Mine, ACT/041/002

Dear Permit Supervisor:

Canyon Fuel Company, LLC was the successful bidder on the Pines Tract UTU-76195. To provide efficient recovery and orderly development of these reserves Canyon needs to begin development access into the Pines Tract in December 1999. If this development cannot be started then, it will be impossible to develop the first planned longwall panel in sufficient time to avoid interruption to operations following completion of the 14L4E longwall panel in the present longwall block. Mining operations will have to be curtailed or the first panel development will be cut short and longwall reserves bypassed. In any case maximum economic recovery of these reserves could best be implemented by allowing development to proceed into the Pines Tract while a complete mine plan is being approved.

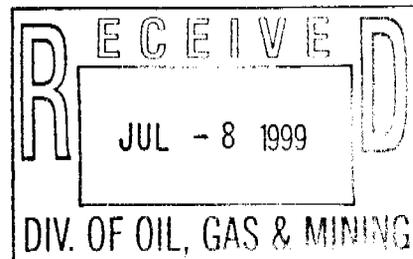
This submittal includes a new map showing the ROW application, modifications to the text in Chapter 1 on pages 1-33, 1-35 to 1-37, and a copy of the application sent to BLM for the underground development access.

Approval to mine the ROW would involve no environmental impact since only first mining would be done at a depth of about 1,000 ft. The EIS process has been completed for the Pines Tract Project and was issued in January 1999.

Your timely review and approval of the ROW on the 160-acre lease modification request as an incidental boundary change will be greatly appreciated. Approval is respectfully requested by August 1, 1999. This action will allow continued operations of all mining sections at the SUFCO Mine and recovery of the reserves in the lease modification area.

Sincerely,
CANYON FUEL COMPANY, LLC
SUFCO Mine

Kenneth E. May
Kenneth E. May
General Manager



Encl.

APPLICATION FOR PERMIT PROCESSING

Permit Change <input checked="" type="checkbox"/>	New Permit <input type="checkbox"/>	Renewal <input type="checkbox"/>	Transfer <input type="checkbox"/>	Exploration <input type="checkbox"/>	Bond Release <input type="checkbox"/>	Permit Number: ACT/041/002
Title of Proposal: 160-Acre ROW IBC Lease Modification to Lease UTU-76195, the Pines						Mine: SUFCO MINE
Tract:						Permittee: CANYON FUEL CO., LLC

Description, include reason for application and timing required to implement: Lease Modification for 160 acres of reserves that are located in Lease UTU-76195, the Pines Tract. This permit amendment is respectfully requested by August 1, 1999 to meet planned mine development.

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? 160 acres Disturbed Area? _____ acres <input checked="" type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Is the application submitted as a result of a Division Order? DO # _____
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	9. Is the application submitted as a result of a Violation? NOV # _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain: _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

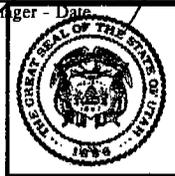
X Attach 8 complete copies of the application.

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. (R645-304-123)

Kenneth E. May
 Signed - Kenneth E. May, General Manager - Date 6/23/99

Subscribed and sworn to before me this 25 day of June, 19 99.

Mitzi Crane
 My Commission Expires: 1-27-2003
 Attest: STATE OF SALT LAKE COUNTY OF Salt Lake



NOTARY PUBLIC
MITZI CRANE
 155 West Main
 Salina, Utah 84654
 My Commission Expires
 January 27, 2003
STATE OF UTAH

Received by Oil, Gas & Mining

RECEIVED

JUL 1 1999

DIV. OF OIL, GAS & MINING

