

0013



Canyon Fuel
Company, LLC.
Sufco Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

OK C/041/002 Incoming #2963

Ken May, General Manager
397 South 800 West
Salina, UT 84654
(435) 286-4400 - Office
(435) 286-4499- Fax

April 22, 2008

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

Re: Mine Yard Directional Horizontal Burn Drilling Amendment, Canyon Fuel Company, LLC,
SUFCO Mine C/041/002

Dear Permit Supervisor:

The enclosed eight complete clean copies of the Mine Yard Directional Horizontal Burn Drilling Amendment are being submitted for approval to drill one horizontal drill hole to the West from the Sufco minesite north coal & equipment storage yard area. Attached are DOGM forms C-1 and C-2 and appropriate pages.

By drilling this exploration hole from the existing minesite yard this new drilling project will not affect any new disturbance to the permitted area or any change in runoff, vegetation, and topsoil.

Sufco needs approval of this amendment as soon as possible to start drilling on approximately April 30, 2008. If you have any questions or need additional information, please contact Mike Davis at (435) 286-4421.

Sincerely,
CANYON FUEL COMPANY, LLC
SUFCO Mine

Handwritten signature of Kenneth E. May in cursive.
Kenneth E. May
General Manager

Encl.

KEM/MLD:kb

cc: DOGM Price Field Office
DOGM Correspondence File

sufpub\govt2008\dogmmp\Mine Yard Burn Drilling.ltr.doc

RECEIVED

APR 23 2008

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: SUFACO MINE

Permit Number: C/041/002

Title: Mine Yard Directional Horizontal Burn Drilling

Description, Include reason for application and timing required to implement:

Drilling procedure changes. Need by April 30, 2008

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.

KENNETH E. MAY, MINE MANAGER
Print Name

Kenneth E. May 4/22/08
Sign Name, Position, Date

Subscribed and sworn to before me this 22nd day of April, 2008

Mitzi Crane
Notary Public



My commission Expires: _____ }
Attest: State of Utah 1-27, 2011 } ss:
County of Sevier

For Office Use Only: 	Assigned Tracking Number:	Received by Oil, Gas & Mining RECEIVED APR 23 2008 DIV. OF OIL, GAS & MINING
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TABLE OF CONTENTS

Section	Page
6.10 Introduction	6-1
6.1.1 General Requirements	6-1
6.1.2 Certification	6-1
6.20 Environmental Description	6-2
6.2.1 General Requirements	6-2
6.2.2 Cross Sections, Maps and Plans	6-2
6.2.3 Geologic Determinations	6-4
6.2.4 Geologic Information	6-4
6.2.4.1 Regional Setting	6-4
6.2.4.2 Test Boring and Drillhole Data (overburden removed)	6-11
6.2.4.3 Test Boring and Drillhole Data (overburden not removed)	6-11
6.2.5 Additional Geologic Information	6-13
6.2.6 Sampling Waivers	6-13
6.2.7 Description of the Overburden Thickness and Lithology	6-13
6.30 Operation Plan	6-14
6.3.1 Casing and Sealing of Exploration Holes	6-14
6.3.2 Subsidence Monitoring	6-14
6.3.3 Exploration Drilling	6-15
6.3.4 Exploration Hole Reclamation	6-16
6.40 Performance Standards	6-18
6.4.1 Exploration and Drillholes	6-18
6.4.2 Monuments and Surface Markers of Subsidence Monitoring Points	6-18
6.4.3 Exploration Drilling	6-18
6.4.3.1 Exploration Activities	6-18
6.4.3.2 Soils	6-18
6.4.3.3 Biology	6-19
6.4.3.4 Hydrology	6-19
6.4.3.5 Archaeology	6-19
6.4.3.6 Acid or Toxic-Forming Materials	6-20
6.50 Reclamation	6-21
6.5.1 Wheel Tracks and Drill Sites	6-21
6.5.2 Permanent Casing and Sealing of Wells	6-21
References	6-22

LIST OF FIGURES

Figure	Page
6-1 Generalized Stratigraphic Section	6-3
6-2 Location and approximate setup of directional horizontal drillsite within the permitted Sufco minesite area.	6-17

The type of exploration to be used is rotary drilling or continuous wireline core drilling using a 2,000 ft rated drill rig. The drilling procedure for rotary drilling will be as follows: rotary drill using a tri-cone bit to core point, core the coal intervals using air with a diamond or carbide bit, ream the cored interval and rotary drill to total depth. Air will be used as a drilling medium as much as possible though conditions may warrant water, foam or mud. The drilling procedure for continuous wireline core drilling will be as follows: continuous core drill through total depth. Drilling medium will be water, polymer, and/or mud. Upon completion of drilling, the holes will be geophysically logged then plugged the full depth with concrete or a combination of concrete and bentonite hole plug or abandonite as approved by the BLM. A total of up to 4.0 acre-feet of water will be pumped from the North and/or South Fork of Quitcupah Creek or Muddy Creek for use during drilling and hole plugging operations. No coal will be removed beyond that which is cored.

Some of the drill sites will be accessed using existing wheel tracks or over the existing surface and a few will require that new roads be built off of U. S. Forest Service roads or existing wheel tracks (see amended Plate 6-1). Helicopter-supported drilling techniques may also be utilized at times to minimize surface impacts.

The drill sites will be approximately 80 feet by 100 feet in size. One half of the site will be for the drill rig and water truck while the other half will have 1 to 2 mud pits and temporary supply storage.

The applicant requests that any information from exploration drilling be kept confidential and that public access to any of the information be limited to only persons with an interest which is or may be adversely affected as provided under Section 40-10-10 (4) of the Act.

Mine Yard Directional Horizontal Burn Drilling

One horizontal directional exploration drillhole will be drilled from within the permitted Sufco minesite at a location shown on Figure 6-2. This drillhole will be drilled to determine coal burn location west of the Sufco minesite for mine planning purposes. The directional drillhole will be nominally 3.8 inch and will be drilled almost entirely within the Upper Hiawatha coal seam. Only minor excavation of existing mine yard fill material will occur on the existing permitted Sufco minesite. A small ditch and

mudpit/sump will be constructed to contain drill water and fluids. Drill fluids will be recycled as much as possible. Drilling fluid additives will be minimal and nontoxic. Excess fluids and cuttings will be hauled to an approved waste disposal site. The mudpit will be constructed in such a way as to allow easy access for cleaning and hauling away cuttings (Figure 6-2). Cuttings will be hauled to Sufco Mine's permitted waste rock site along the Sufco haul-road to the southwest. Drill water will be supplied by the existing minesite water system. Upon completion, the drill hole collar will be plugged with a cement or grout to a depth of approximately 100 ft. Drilling is planned to begin on approximately April 30, 2008, and be completed by June 30, 2008. Upon completion all equipment will be removed and the yard fill smoothed out. No surface or vegetation disturbance or change in runoff will occur since the work is being conducted on the permitted minesite.

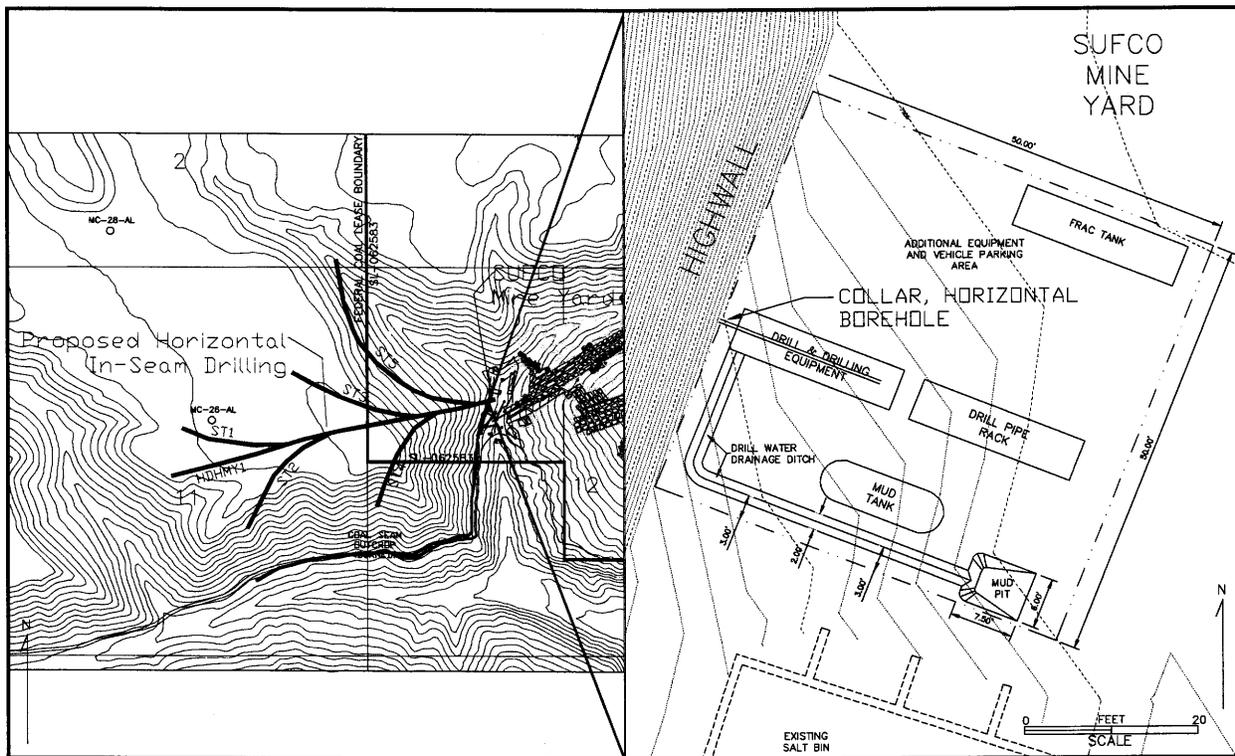


Figure 6-2. Location and approximate setup of directional horizontal drillsite within the permitted Sufco minesite area.

6.3.4 Exploration Hole Reclamation

The exploration holes will be filled with concrete or concrete/hole plug-abandonite slurry through their full depth after exploration activities are completed. Concrete will be used through all minable coal zones. This will be done by pumping concrete or slurry through the drill pipe which hangs 40-60 ft. off the bottom of the hole until the hole up to the drill pipe is filled. The drill pipe is then tripped-out another 40-60 ft. and more concrete or slurry is pumped into the hole. This process is repeated until the full depth of the hole is filled and good drill hole wall to concrete/hole plug-abandonite contact is assured.