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C/041/002 Incoming

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Canyon Fuel Company, LLC. Sufco Mine

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Ken May, General Manager 597 South SR 24 Salina, UT 84654 (435) 286-4400 - Office (435) 286-4499- Fax

A Subsidiary of Arch Western Bituminous Group, LLC.

August 26, 2009

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: New Sedimentation Overflow Pond Amendment, 2nd Submittal, to the Canyon Fuel Company, LLC, Sufco Mine, Permit Number C/041/0002

Dear Permit Supervisor:

Please find enclosed with this letter the Sufco Mine permit amendment to include a new Sedimentation Overflow Pond in the mine's M&RP. We have included four copies of the modified text in redline/strikethrough format along with completed C1 and C2 forms. One additional copy was sent to the Price Field Office. Clean copies of the pages with modifications will be forwarded to the Division once the modification is approved for inclusion in the permit.

This resubmittal has been revised to clarify and address the deficiencies in the Division letter dated August 18, 2009 received on August 21, 2009.

The deficiencies and responses are:

1. R645-301-222, This site is 900 feet downstream from the existing soil survey. The existing soil survey information was reviewed and provides variable information on depth to lithic contact and depth of the surface horizon. Please gather site specific soil survey information prior to disturbance. Information to be gathered should be that required for soil survey, i.e. soil pedon description including slope, aspect, rock cover, vegetation, horizonation, depth to lithic contact etc.; field analysis of each horizon for pH, EC, texture and color, soil sample collection from each soil horizon for analysis; followed by analysis of soil samples. A commitment to gather soil survey information prior to disturbance and to utilize the site specific information in determining topsoil salvage depth and to provide the soil survey information in an as-built addendum to Appendix 2-2 would suffice. This information may be gathered a day before disturbance by a qualified professional who will be directing the soil salvage operation. [pwb]

Response:

Amendment was modified to add this commitment in the text of the MRP in Chapter 2, Section 2.2.2. Pages 2-3 and 2-8.

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AUG 27 2009

DIV. OF OIL, GAS & MINING

File in:

Confidential

Shelf

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Refer to Record No. 0040 Date 08262009

In C 0410002, 2007, Incoming

For additional information

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2. **R645-301-232.100**, Applying the available information to the overflow pond suggests that in general a minimum of 12 inches of soil could be salvaged from the site before disturbance. The salvaged soil will likely have a high percentage of stones and rock, which is highly desirable for the channel reclamation. The area to be affected appears to be approximately 1.5 acres. The application describes the stockpile size based upon an estimate of 6 inches of topsoil salvage over 1.14 acres for a total of 925 cubic yards. The available soil information would suggest that 12-15 inches of soil might be obtained from the drainage with rock forming >35% of the salvage volume. Absent a soil survey for the exact location, the application should plan for the stockpile to hold 1,800 cubic yards.

Response:

Amendment was modified to add this commitment in the text of the MRP in Chapter 2 on Pages 2-17 to 2-19.

3. **R645-301-121.200**, Provide information on a potential boulder stockpile as described in the MRP, Section 2.3.1.1. Will the out slope of the overflow pond dam be used as substitute topsoil at final reclamation as described in Section 2.2.4? If so, what is the quality of the material to be imported to be used for the overflow pond dam?

- No topsoil salvage is planned for the installation of the bypass culvert. Please estimate the acreage to be disturbed by the culvert installation such that the Division may determine whether this disturbance is exempt from topsoil salvage under R645-232-400. [pwb]

Response:

No boulder stockpile is anticipated for the overflow pond. The out slope of the overflow pond dam will not be used as substitute topsoil at final reclamation since it will be required to be used for the final reclamation of the overflow pond area as discussed in Chapter 5 on Page 5-68A.

The topsoil salvage for the installation of the bypass culvert was added in the text of the MRP in Chapter 2 on Page 2-18.

4. **R645-301-231.400**, A commitment to report as built topsoil stockpile volumes and construction details of the topsoil stockpile is requested. [pwb]

Response:

Amendment was modified to add this commitment in the text of the MRP in Chapter 2 on Pages 2-17 to 2-19.

5. **R645-301-532,742.120**, No discussion of how sediment from the disturbed area will be controlled during the construction of the new overflow sediment pond is included in the application. [aaa]

Response:

Amendment was modified to add this commitment in the text of the MRP in Chapter 5 on Page 5-56 and in Chapter 7 on Page 7-63.

6. **R645-301-742.323**, On page 7-78 of the application, it states that the channels to be constructed on the east and west flanks of the overflow sediment pond were designed for the 100-year, 6-hour

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storm. The application incorrectly references regulation R645-746-330. No calculations for the 100-year, 6-hour storm are included in Appendix 7-23, nor are they required. Furthermore, R645-746-330 relates to coal mining waste impoundment structures. The Permittee should remove this language from the application. [aaa]

Response:

Amendment was modified to remove this language in the text of the MRP in Chapter 7 on Page 7-78.

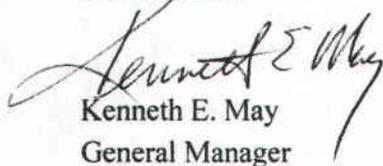
7. **R645-301-760 thru 64**, The application states that the reclamation of the overflow sediment pond will be performed in accordance with the reclamation plan outlined in Sections 5.4 of the MRP. However, Sections 5.4.2.2 and 5.4.2.5 of the MRP only discuss the primary sediment pond and does not specifically provide any information on the removal, timetable and reclamation relating to the overflow sedimentation pond. The reclamation information does not appear to have been updated to include the additional sediment overflow pond and the waste rock site sediment pond. The Permittee should review and update this section of the MRP accordingly and provide a reference in the application that the reclamation plan for the overflow pond has been addressed in the reclamation sections of the MRP. [aaa]

Response:

Amendment was modified to add this reclamation information in the text of the MRP in Chapter 5 on Pages 5-68A and 5-75.

Sufco needs approval of this new Sedimentation Overflow Pond Modification as soon as possible to start construction the first part of October. If you have any questions or need additional information, please contact Mike Davis at (435) 286-4421.

Sincerely,
CANYON FUEL COMPANY, LLC
SUFCO Mine


Kenneth E. May
General Manager

Encl.

KEM/MLD:kb

cc: DOGM Price Field Office
DOGM Correspondence File

APPLICATION FOR COAL PERMIT PROCESSING

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Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: CANYON FUEL COMPANY, LLC

Mine: SUFCO MINE

Permit Number: C/041/0002

Title: Sedimentation Overflow Pond - 2nd Submittal

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

Sediment cleanout and increased retention time. Approval required for construction this year.

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: 2.126 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.

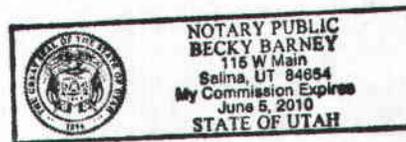
KENNETH E. MAY, MINE MANAGER
Print Name

Kenneth E. May 8/26/09
Sign Name, Position, Date

Subscribed and sworn to before me this 26 day of August, 2009

Becky Barney
Notary Public

My commission Expires: Utah 6/5, 2010
Attest: State of Utah) ss:
County of Sevier



<p>For Office Use Only:</p>	<p>Assigned Tracking Number:</p>	<p>Received by Oil, Gas & Mining</p>
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APPLICATION FOR COAL PERMIT PROCESSING COPY

Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: CANYON FUEL COMPANY, LLC

Mine: SUFCO MINE

Permit Number: C/041/0002

Title: Sedimentation Overflow Pond - 2nd Submittal

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED

<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Pages 1-10, 1-11 and 1-12 in Chapter 1, Volume 1 of MRP.
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Pages 2-2, 2-3, 2-8, 2-17 to 2-20 and 2-23 in Chapter 2, Volume 1 of MRP.
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Pages 5-2, 5-3, 5-14, 5-56 to 5-59, 5-68A, 5-69 and 5-75 in Chapter 5, Volume 1 of MRP.
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Pages 7-53 to 7-84, 7-90 and 7-91 in Chapter 7, Volume 2 of MRP.
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Pages 7-84A and 7-84B in Chapter 7, Volume 2 of MRP.
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plates 5-2B and 5-6 in Chapter 5, Volume 1 of MRP.
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plates 7-4A, 7-5A, 7-5B and 7-5C in Chapter 7, Volume 2 of MRP.
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Plates 7-6 and 7-7 in Chapter 7, Volume 2 of MRP.
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Replace Bond Calculation pages: Total2068 page 1, DEMO2068 pages 1 and 12, Earth2068 pages 1 and 2, and Reveg2068 page 1 in Appendix 5-9 in Volume 6 of MRP.
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Add new Appendix 7-23 in Volume 8 of MRP.
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<p>Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.</p>	<p>Received by Oil, Gas & Mining</p>
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