



Canyon Fuel  
Company, LLC.  
Sufco Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

C/041/002 Incoming  
K

Ken May, General Manager  
597 South SR 24  
Salina, UT 84654  
(435) 286-4400 - Office  
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May 14, 2010

Mr. Daron Haddock  
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: Reclamation Bond Reduction, Sufco Mine, Canyon Fuel Company, LLC, Permit Number  
C/041/0002

Dear Daron:

During Sufco Mine's (Sufco) efforts to revise the Reclamation Agreement between the mine and the Utah Division of Oil, Gas and Mining (Division), it came to our attention the Division and Sufco had recently performed an evaluation of the reclamation costs that resulted in a reduction in the mine's reclamation liability amount. The previous reclamation bond amount was \$4,439,000.00. The new, recalculated and approved reclamation cost amount is \$2,674,000.00. This reduced amount was approved by the Division on October 29, 2009 as part of Task I.D. # 3370. Sufco seeks the approval of the Division to obtain a new reclamation bond in the amount of \$2,874,000.00 and use this amount in the updated Reclamation Agreement. The additional \$200,000.00 in the bond above the current reclamation costs will cover the reclamation associated with the yet-to-be permitted installation of three new portals planned for the mine's surface facilities site. The total proposed reduction in bond liability will be \$1,565,000.00.

Sufco respectfully requests the Division issue a letter to the mine approving of their request to move forward with reducing the amount of the reclamation bond. This will enable the mine to obtain a new bond and update the Reclamation Agreement.

If you have any questions or need additional information, please contact me at (435) 286-4483.

Sincerely,  
CANYON FUEL COMPANY, LLC  
SUFSCO Mine

Leland Roberts  
Environmental Engineer

cc: Angela Nance, UDOGM  
Kathy Britton, Arch Coal  
UDOGM Correspondence File

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DIV. OF OIL, GAS & MINING