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# State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

Outgoing  
C0410002  
#3816  
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May 23, 2011

Mr. Ken May, General Manager  
Canyon Fuel Company, LLC  
597 South SR24  
Salina, Utah 84654

Subject: Conditional Approval of Sufco Mine, C/041/0002, West Lease Beltline, Task ID #3816

Dear Mr. May:

The above-referenced amendment is conditionally approved. Please note that as of 2011, the Division requires all bonding calculations to be escalated out to 5 years using an escalation factor of 1.7%. The updated sheet should include the 5 year escalation with an escalation factor of 1.7% showing updated escalation cost totals in 2016 dollars. The Division requests that the mine submit updated hard and soft copy versions of the bonding spreadsheets. Upon receipt of updated bond sheets with 8 clean copies prepared for incorporation (the Division has already received the required clean copies of the West Lease Beltline submittal), final approval will be granted, at which time you may proceed with your plans. Please submit these copies by June 23, 2011.

Furthermore, Sufco commits to submitting updated and certified "as-built" versions of Plates 5-2A, 5-2B, and 7-6 once the portal and beltline activities are completed.

A stamped incorporated copy of the approved plans will also be returned to you at that time, for insertion into your copy of the Mining and Reclamation Plan. This modification does not necessitate an update to the Technical Analysis.

If you have any questions, please call me at (801) 538-5262 or April Abate at (801) 538-5214.

Sincerely,

James D. Smith  
Permit Supervisor

JDS/AAA/sqs  
cc: Price Field Office  
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