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Lieutenant Governor

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
#3884
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August 10, 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, Yard Hoist, Coal and Sand & Salt Bins, Task ID #3884

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 includes the 5 year escalation in 2016 dollars but requires an escalation factor of 1.7%. 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 remainder of the submittal), final approval will be granted, at which time you may proceed with your plans. Please submit these copies by September 10, 2011.

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) 538-5325 or April Abate at (801) 538-5214.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/AAA/sqs
cc: Price Field Office
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