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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

November 7, 2011

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

Subject: West Lease Boreholes, Canyon Fuel Company, LLC, SUFCO Mine, C/041/0002, Task ID #3942

Dear Mr. May:

Canyon Fuel Company (CFC) has requested approval from the Division to install 4 boreholes using a helicopter drill rig to assess conditions in the areas of old workings of the SUFCO mine that were sealed in the 1970s. SUFCO is conducting these activities as part of development of the West Lease reserves. The above-referenced amendment is approved effective November 7, 2011 due to the emergency nature of the task, but based on the following conditions for approval:

Please provide the Division with a letter report documenting that the work has been complete with accompanying photographic documentation. The photographic documentation should indicate 1) the conditions of each drill site: before disturbance, during the drilling operation, and upon reclamation and 2) provide the aspect and slope of each drill site and 3) inspect and photograph each reclaimed drill site during the 2012 field season to check for erosion. The photographic documentation should be able to demonstrate that the boreholes were properly abandoned in accordance with [R645-301.631.200 - 301.641. -301.755 -301.765]. Furthermore, if drilling continues into January 2012, CFC must immediately consult with the Division and DWR to discuss the necessity of raptor surveys prior to any helicopter or drilling activities.

This modification does not necessitate an update to the Technical Analysis. A stamped incorporated copy is enclosed for your copy of the Mining and Reclamation Plan. If you have any questions, please feel free to call me at (801) 538-5325 or April Abate at (801) 538-5214.

Sincerely,

Daron Haddock
Coal Program Manager

sqj

Enclosure

cc: Kenneth Walker, OSM;
Jeff McKenzie, BLM
Liz Close, USFS
Marc Stilson, Water Rights w/o
Dave Ariotti, DEQ w/o
Chris Wood, DWR w/o
Price Field Office

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