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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
#4200
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December 6, 2012

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

Subject: South Fork Quitchupah 2R2S, Canyon Fuel Company, SUFCO Mine, C/041/0002, Task ID #4200

Dear Mr. May:

The Division has reviewed your application to mine the 2R2S panel below the South Fork of Quitchupah Creek. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The Permittee is required to develop a data recovery plan in coordination with the Forest Service and the Utah State Historic Preservation Office (USHPO). Once the data recovery plan has received concurrence from the USHPO, and the Memorandum Of Agreement (MOA) is signed, the MOA and the data recovery plan must be submitted to the Division for incorporation into the Mining and Reclamation Plan in Appendix 4-6.

The initials of the deficiencies authors are provided so that your staff can communicate directly with that individual should questions arise. The plans as submitted are denied. Please resubmit entire application along with the necessary information by no later than January 31, 2013.

If you have any questions, please call me at (801) 538-5350.

Sincerely,

Steve Christensen
Permit Supervisor

SKC/AA/ss
cc: Price Field Office
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Deficiency List
Task No. 4200
South Fork Quitchupah 2R2S

Members of the review team with outstanding deficiencies:

April A. Abate (AAA)
Ingrid Campbell (IC)
James Owen (JO)

[R645-301.731.530]: Water Right 94-113 was found to be small undeveloped seep. The PHC recommended a total of six springs be monitored along the reach of the South Fork of Quitchupah. The seep associated with Water Right No. 94-113, was not included in this group. The location of this seep is approximately 500 feet off the northwest edge of the 2R2S panel (refer to Plate 7-2Av6). Because this is a state appropriated water right and located within the angle of draw where subsidence cracks are possible, please include this seep in the water monitoring protocol. (AAA)

[R645-301.731.224]: The downstream surface water monitoring point 006D should be added to Figure 7-9 in the MRP and included in the gain/loss surveys to be completed as part of the mitigation plan. (AAA)

Ingrid Campbell issued no deficiencies.

James Owen issued no deficiencies.