

*Via Certified Mail

Date

Price River Water Improvement District
265 South Fairgrounds Rd
Price, Utah 84501

RE: Canyon Fuel Company, LLC, Skyline Mines; Continued Mining in Federal Lease UTU-67939
commonly referred to as the "North Lease"

To Whom It May Concern:

As required by State mining regulations (R645-301-525.700), Canyon Fuel Company, LLC (CFC) Skyline Mines is notifying you of the mine's plan to expand mining further into Sections 25, 26, and 34 in Township 12 South, Range 6 East, SLB&M. CFC currently holds the coal leases in this area, commonly referred to as the "North Lease" and plans to continue to mine Federal Lease UTU-67939 underlying National Forest lands in these areas. Mining is ongoing and will continue through approximately 2018. . No subsidence or surface disturbance will occur as the result of developing the mains in any of the areas listed. Minor surface subsidence may occur in areas where longwall mining will be conducted, but no surface or ground water flows will be interrupted or diminished as a result of this mining activity. Copies of the mine plan may be examined at the Carbon County Courthouse or at the Utah Division of Oil, Gas & Mining offices in Salt Lake City, Utah.

If you have any questions regarding this letter or would like to discuss future mining plans for the above referenced sections, please call Gregg Galecki at (435) 448-2636 or me at (435) 448-2619.

Sincerely,

Wess Sorensen
Mine Manager, Skyline Mine
Canyon Fuel Company, LLC.

xc: Angela Nance, Utah Division of Oil, Gas & Mining