



Canyon Fuel
Company, LLC.
Skyline Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

Gregg Galecki, Environ. Engineer
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Helper, UT 84526
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November 16, 2012

Mr. Daron R. Haddock
Coal Program Manager
Division of Oil, Gas, and Mining
1594 West North Temple
Salt Lake City, Utah 84114-5801

RE: North Lease Permit modification, Deficiency Response, Canyon Fuel Company, LLC, Skyline Mine, C/007/005, Task No. 4092

Dear Daron:

Attached to this letter are C1 and C2 forms outlining information submitted in response to deficiencies identified in Task No. 4092. The amendment is to extend the Skyline Mine North Lease area approximately 770.52 acres per the extension of BLM Coal Lease UTU-67939.

The following addresses each deficiency individually:

R645-301-121.200 and R645-301-114; Table 1.114 had not been updated since 2002 so the table did not reflect changes in both leases and lease relinquishments. Table 1.114 has been updated to be clear, concise, and consistent with information listed on pages 1-37, 1-39, and Plates 1.6-1 through 1.6-3. Please note only leases (or portions of leases) that are currently identified as 'Authorized for Coal Mining and Reclamation Activities' are identified.

R645-301-121.200; Correspondence from Joe Dyer is attached.

R645-301-322.200; A pre-survey investigation of the requested surveys has determined the Columbia Spotted Frog and the Three Toed Woodpecker will be the only species surveyed one year prior to undermining the North Lease expansion area. A report by Western Land Services, Inc. is located in Appendix A-2. This survey and report was discussed with Ms. Ingrid Campbell.

R645-301-512.100; At final approval two (2) copies of plates needing certification will be provided.

R645-301-525.100; A symbol was added to the legend of Plate 4.17.3-1 identifying the existing jeep trails.

R645-301-525.440; Projected subsidence monitoring stations are located on Plate 4.17.5-1. The plate has been updated to include additional points north of Granger Ridge to accommodate the lease modification of mining further north and modified locations of re-established points.

R645-301-525.700; At least six months prior to mining, notification letters will be sent to the respective surface owners and water conservancy district. Letters will be sent soon after final approval. Copies of the letters are attached, and will be added to Appendix 118-A of the M&RP.

R645-301-632; Section 2.2.13 has been added to Section 2.2 – Geology and Geotechnical, informing readers that the Subsidence Control Plan is located in Section 4.17 of the M&RP.

R645-301-642; Section 4.17 – Subsidence Control Plan, as part of the subsidence monitoring program, on page 4-98 a commitment to reclaim monuments as needed has been added.

R645-301-731.211 & R645-301-724; Initial water quality samples have been collected and are included in PHC Addendum Appendix L. In Section 2.5 - Hydrologic Impacts of Mining Activities, Skyline commits to collecting two (2) years of baseline data (page 2-51g). The water monitoring plan outlined in Section 2.3 – Groundwater Hydrology commits to collecting field parameters on a quarterly basis and a complete water quality analysis every five years which includes total iron and total manganese (pages 2-29d and table 2.3.7-1).

R645-301-724 & R645-301-731.200; Division of Water Rights personnel responded to a request to list all water rights in the immediate area around the lease expansion area are included on Plates 2.3.5.1-1 and 2.3.5.2-1, respectively. A map the Division of Water Rights provided is attached to this letter. All the water rights the Division posted were already on the respective plates. WR 91-3917 (Spring S26-1) and WR 91-1039 (Spring S25-32) were re-plotted on the respective plate based on GPS field measurements.

R645-301-724.100; PHC Addendum Appendix L outlines the additional baseline information that has been collected, and will be updated with additional information collected in 2013.

R645-301-724.100 Appendix L of the Addendum to Probable Hydrologic Consequences provides a thorough seep and spring survey of the North Lease modification expansion area as it address hydrologic information in the Fish Creek basin potentially affected by the lease expansion. Water Rights has been contacted and provided the existing water rights; and Spring and stream flows have been identified and documented, with a commitment to collect additional seasonal data. Only two (2) perennial water sources have been located above the coal seam, which will be included in the water monitoring program. No water-bearing stratum has been identified below the coal seam as the seam does not outcrop prior to Fish Creek – located almost two miles north of the project area.

R645-301-724.310; Appendix L has been added to the Addendum to the Probably Hydrologic Consequences to include available baseline information on seasonal water quality and quantity. There is also a commitment to collect additional baseline information in 2013.

In addition to the information cited above, all other pertinent information is being submitted electronically to the Division WebDav website will be the following files:

- This cover letter and C1 and C2 forms (.pdf format)
- Chapter 1; (1) text file, (12) Plate and document files (.pdf format),
- Chapter 2; (9) text files, (5) Plate files (.pdf format)
- Chapter 3; (1) text file, (1) Plate file (.pdf format)
- Chapter 4; (2) text files, (2) Plate files (.pdf format)
- Addendum to Probably Hydrologic Consequence; (1) report (.pdf format)
- Appendix A-2; (3) reports (.pdf format)

A total of 34 files are being submitted.

Two (2) copies of certified plates will be supplied upon final approval of the application.

If you have any questions regarding this information, please give me a call at (435) 448-2636.

Sincerely:



Gregg A. Galecki
Canyon Fuel Company, LLC.
Environmental Engineer – Skyline Mines

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change ☐ New Permit ☐ Renewal ☒ Exploration ☐ Bond Release ☐ Transfer ☐

Permittee: Canyon Fuel Company, LLC

Mine: Skyline Mine

Permit Number: C/007/005

Title: North Lease - Lease Modification response to Task No. 4092

Description, Include reason for application and timing required to implement:

Modification to extend BLM lease UTU-67939 by approximately 770 acres

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- ☐ Yes ☒ No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ ☐ increase ☐ decrease.
- ☐ Yes ☒ No 2. Is the application submitted as a result of a Division Order? DO# _____
- ☒ Yes ☐ No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- ☒ Yes ☐ No 4. Does the application include operations in hydrologic basins other than as currently approved?
- ☐ Yes ☒ No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- ☒ Yes ☐ No 6. Does the application require or include public notice publication?
- ☐ Yes ☒ No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- ☐ Yes ☒ No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- ☐ Yes ☒ No 9. Is the application submitted as a result of a Violation? NOV # _____
- ☐ Yes ☒ No 10. Is the application submitted as a result of other laws or regulations or policies?
Explain: _____
- ☐ Yes ☒ No 11. Does the application affect the surface landowner or change the post mining land use?
- ☒ Yes ☐ No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- ☒ Yes ☐ No 13. Does the application require or include collection and reporting of any baseline information?
- ☐ Yes ☒ No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- ☐ Yes ☒ No 15. Does the application require or include soil removal, storage or placement?
- ☐ Yes ☒ No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- ☐ Yes ☒ No 17. Does the application require or include construction, modification, or removal of surface facilities?
- ☒ Yes ☐ No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- ☒ Yes ☐ No 19. Does the application require or include certified designs, maps or calculation?
- ☒ Yes ☐ No 20. Does the application require or include subsidence control or monitoring?
- ☐ Yes ☒ No 21. Have reclamation costs for bonding been provided?
- ☐ Yes ☒ No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- ☒ Yes ☐ No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

The information has been submitted electronically. Two (2) hard copies of plates will be submitted at final approval, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Wesley K Sorensen
Print Name

Wesley K Sorensen
Sign Name, Position, Date

Subscribed and sworn to before me this 14th day of NOV, 20 12

GM Skyline 11/14/12

Kathleen Atwood
Notary Public

My commission Expires: 12/2, 20 15
Attest: State of Utah } ss:
County of Carbon



For Office Use Only:

**Assigned Tracking
Number:**

Received by Oil, Gas & Mining

APPLICATION FOR COAL PERMIT PROCESSING

Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: Canyon Fuel Company, LLC

Mine: Skyline Mine

Permit Number: C/007/005

Title: North Lease - Lease Modification Response to Task No. 4092

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED

<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 1 Table 1.114(page 1-23), pages 1-30, 1-31, 1-32, 1-36, 1-37, 1-39
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 1 Appendix 118-A Legal Notice - Draft for newspaper, map for newspaper, Copies of Letters to Water Users and Landowners
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 1, Plates 1.6-2 rev7, 1.6-3 rev7
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 2 Section 2.2, Page 2-21(b)
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 2 Section 2.3 pages 2-29d, 2-30(j1), 2-30(k), 2-35a, 2-36 and 2-36a (Table 2.3.7-1), 2-38
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 2 Section 2.5 pages 2-51e, 2-51g
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 2 Section 2.7 pages 2-61d, 2-62,
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter2 Section 2.8 page 2-67
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 2 Section 2.9 page 2-99
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 2 Section 2.10 page 2-111b
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 2 Section 2.12 pages 2-122, 2-124
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 2 Section 2.14 page 2-161
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 2 , Plates 2.2.7-2_rev5, 2.3.5.1-1_rev6, 2.3.5.2-1_rev6, 2.3.6-1_rev15, 1.12.1-1_rev5
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Appendix A-2, Volume 2; A Review of Potential Threatened, Endangered, & Sensitive Species in the North Lease Expansion Area, 2012, Mt. Nebo Scientific, Inc.
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Appendix A-2 Volume 2: NRCS Prime Farmland Determination, Joseph Dyer
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Appendix A-2 Volume 2; Habitat Assessment for Sensitive Wildlife Species Western Toad, Columbia Spotted Frog, Townsend's western big-eared bat, spotted bat, and three-toed woodpecker, Western Land Services, Inc. 11-01-12
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 3 Section 3.3 page 3-81
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 3, Plate 3.3-2 rev9
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 4 Section 4.11 page 4-70
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 4 Section 4.17 pages 4-92, and 4-98
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter 4 Plate 4.17.3-1A_rev8, 4.17.5-1_rev6
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Addendum to Probable Hydrologic Consequences - Appendix L - Summary of the Spring and Seep Survey and Baseline Monitoring Activities In the Wife and Andrew Dairy Canyon Areas, 2011-2013
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	

Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.

The information is submitted in redline form electronically. A clean copy will be submitted electronically at approval. Plates needing certification will be provided at final approval.

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