

GENERAL INFORMATION

1. Permit Number	ACT/007/005
2. Mine Name	Skyline Mines
3. Permittee Name	Canyon Fuel Company, LLC
4. Operator Name (if other than Permittee)	
5. Permit Expiration Date	April 30, 2002
6. Company Representative, Title	Dan Meadors, Vice President/General Manager
7. Phone Number	435-448-2619
8. Fax Number	435-448-2632
9. Mailing Address	Skyline Mines HC 35 Box 380 Helper, UT 84526
10. Resident Agent, Title	Corporation Trust Company
Mailing Address	Corporation Trust Center 1209 Orange Street Wilmington, DE

IDENTIFICATION OF OTHER PERMITS

Identify other permits which are required in conjunction with mining and reclamation activities.

Permit Type	ID Number	Description	Expires on
1. MSHA Mine ID(s)	1211-UT-09-01566-01	Skyline Mines	NA
	1211-UT-09-01566-02	Skyline Mines Waste Rock Disposal Site	NA
	1211-UT-09-01566-03	Skyline Mines Temporary Waste Rock Disposal Site	NA
2. MSHA Impoundment(s)	NA		
3. NPDES/UPDES Permit(s) (water)	UT0023540-01, 02, 03	UPDES Permit for Skyline Mines, Rail Loadout, and Waste Rock Disposal Site	September 30, 2004
4. PSD (Air) Permit(s)	147-98	Consolidation of Three Approval Orders	NA
6.			

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

Changes in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is requesting that each permittee review and update the legal, financial, compliance and related information in the plan as part of the Annual Report. Provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other changes as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include any certified financial statements, audits or worksheets which may be required to meet bonding requirements. Specify whether the information is currently ON FILE with the Division or included as APPENDIX C to this Annual Report.

Legal/Financial Data:	Report Required?		INCLUDED or ON FILE w/DOGM?			Comments
	YES	NO	YES	NO	ON FILE	
1 Department of Commerce, Annual Report of Officers		X	X			Appendix C
2 Other						

MINE MAPS

Copies of mine maps, current and up-to-date through at least December 31, 1998, are to be provided to the Division as APPENDIX D to this Annual Report in accordance with the requirements of R645-301-525.270. These map copies shall be made in accordance with 30 CFR 75.1200, as required by MSHA. Upon request, mine maps shall be kept confidential by the Division.

Map Number(s)	Map Title / Description	Confidential?
NA	Cumulative Subsidence 1982-1999, Skyline Mine	No

OTHER INFORMATION

Please provide any comments or further information to be included as part of the Annual Report. Any other attachments are to be provided as APPENDIX E to this Annual Report.

Additional attachments to this report? No Yes

Mine 1 Levels 2 and 3 Abandoned Equipment Location Map

Mine 1 Level 1 Abandoned Equipment Location Map

APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

as required under R645-301-514

CONTENTS

Fourth Quarter and Annual Pond Inspection Report

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Permit Number	ACT\007\005	Report Date	February 18, 2000
Mine Name	Skyline Mines		
Company Name	Canyon Fuel Company		
Impoundment Identification	Impoundment Name	Mine Site Sediment Pond	
	Impoundment Number	001	
	UPDES Permit Number	UT0023540	
	MSHA ID Number	NA	

IMPOUNDMENT INSPECTION

Inspection Date	12-28-99
Inspected By	Carl W. Winters
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly/Annual

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

No instability of the embankment was noted. However, a portion of the south bank of the pond appears to be eroding, possibly undercutting a jersey barrier adjacent to the south access road. Also, at the time of inspection, the inlet culvert that transports surface runoff from the upper mine pad to the pond appeared to be approximately 50% obstructed with ice at its outlet.

Required for an impoundment which functions as a SEDIMENTATION POND.**2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.**

Sediment Storage Capacity: 72,658 ft³
 60% Elevation: 8567.3 feet ASL (above sea level)
 100% Elevation: 8570.5 feet ASL
 Current sediment level elevation: 8566.9 or 56% of sediment storage volume (as measured on 12-29-99 at the outlet structure by Chris Hansen)

3. Principle and emergency spillway elevations.

Principal and Emergency Spillway Elevations: 8579.6 (The outlet structure for Pond 001 serves as both the Principal and Emergency Spillways)

4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

Water elevation at the time of inspection is 8579.7 (0.1 feet above discharge elevation). The discharge is approximately 617 gpm. A sample of the pond discharge water has been taken on weekly basis throughout the quarter. On a biweekly basis the water sample is analyzed for total and dissolved iron and total dissolved solids. Weekly samples include oil and grease, total suspended solids, pH and conductivity. None of the discharge limits established for the pond discharge by DEQ have been exceeded during this quarter.

As discussed previously in Section 1, the culvert that discharges water collected as surface runoff from the upper mine pad was approximately 50% obstructed with ice. The discharge pipes used to direct mine water to the pond are beneath the surface of the pond but appear to be working as designed. The outlet structure appears to be working as designed.

Also as discussed in Section 1, the south bank of the pond appears to have partially eroded material from under a jersey barrier protecting an access road. No other stability problems were observed at the time of inspection.

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The overall geometry of the pond does not appear to have been modified this quarter. The pond has continually discharged this quarter, therefore the minimum elevation has been no less than 8579.6. Flow depth above the level of the discharge pipe varies between .01 and .15 feet. The estimated sediment in the pond is 40,688 ft³ and remaining sediment storage capacity based on the measurement obtained by C. Hansen on 12-29-99 is 31,969 ft³. Total storage volume for water and sediment combined is 179,014 ft³ (4.1 ac-ft). Based on the volume of estimated sediment, the estimated volume of water in the pond is 138,326 ft³ (3.2 ac-ft).

Qualification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure, that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness, or other hazardous conditions of the structure affecting stability.

Signature: *Carl W. White* Date: 2-18-00

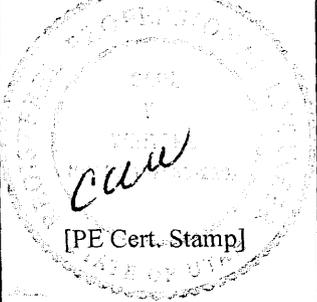
CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	Yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	Yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	Yes	

COMMENTS AND OTHER INFORMATION

(This section is currently blank.)

Certification Statement:



I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: Carl W. Winters PE
 (Full Name and Title)

Signature: Carl W. Winters Date: 7-15-00

P.E. Number & State: UTAH 22-157958-2202

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Permit Number	ACT\007\005	Report Date	February 18, 2000
Mine Name	Skyline Mines		
Company Name	Canyon Fuel Company		
Impoundment Identification	Impoundment Name	Rail Loadout Sediment Pond	
	Impoundment Number	002	
	UPDES Permit Number	UT0023540	
	MSHA ID Number	NA	

IMPOUNDMENT INSPECTION

Inspection Date	12-28-99		
Inspected By	Carl W. Winters		
Reason for Inspection <small>(Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)</small>	Quarterly/Annual		

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

No instability of the of the embankment was noted. The embankment was covered with several inches of snow at the time of the inspection.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.

Sediment Storage Capacity: 54,710 ft³
 60% Elevation: 7915.0 feet ASL (above sea level)
 100% Elevation: 7915.6 ASL
 Estimated Current Average Sediment Elevation: Unable to determine since ice covered pond at the time of inspection

3. Principle and emergency spillway elevations.

Principle Spillway Elevation: 7919.7 feet ASL
 Emergency Spillway Elevation: 7922 feet ASL

4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

Water (ice) level is approximately 7917 feet ASL, 2.7 below discharge level at the primary spillway. Currently there is at least three inches of ice on top of the pond water. Pond was not discharging at the time of inspection and has not discharged since early in the third quarter. Therefore, no water quality samples have been taken this quarter. The inlet was re-riprapped in the previous quarter and appeared to be functioning as designed. The outlet appeared to be unobstructed at the surface. A delta of sediment has formed in the southeast corner of the pond where wash down water from a conveyor belt is discharged to the pond. Since the sediment level was not determined at the time of inspection, it is unknown if the cleanout level has yet been reached. It is recommended the sediment level be measured as soon as conditions permit and the pond cleaned-out if necessary.

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The geometry of the pond does not appear to have changed recently. Average depth of water in the pond during the quarter is unknown. The pond has not discharged this quarter. The maximum depth of water for this quarter is unknown. The minimum depth of water during the quarter is also unknown at this time. The total volume of water is unknown since the depth of water and volume of sediment contained in the pond is not known at this time. Current elevation of the ice on the surface of the water in the pond is approximately 7917 feet ASL. The pond is designed for a maximum storage capacity of 95,380 ft³ (2.2 ac-ft) of water and sediment combined.

Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations, and that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: *C. W. White* Date: *2-15-00*

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	Yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	Yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	Yes	

COMMENTS AND OTHER INFORMATION

Certification Statement:

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.



By Carl W. Winters, P.E.
(Full Name and Title)

Signature: Carl W. Winters Date: 2-18-00

P.E. Number & State: UTAH 22-157958-7202

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 3
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Permit Number	ACT\007\005	Report Date	February 18, 2000
Mine Name	Skyline Mines		
Company Name	Canyon Fuel Company		
Impoundment Identification	Impoundment Name	Waste Rock Site Sediment Pond	
	Impoundment Number	003	
	UPDES Permit Number	UT0023540	
	MSHA ID Number	NA	

IMPOUNDMENT INSPECTION

Inspection Date	12-28-99		
Inspected By	Carl W. Winters		
Reason for Inspection <small>(Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)</small>	Quarterly/Annual		

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

No instability of the of the embankment was noted. The embankment was covered with several inches of snow at the time of the inspection.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.

Sediment Storage Capacity: 6906 ft³
 60% Elevation: 7860.8 feet ASL (above sea level)
 100% Elevation: 7861.3 ASL
 Estimated Current Average Sediment Elevation: No significant volume of sediment in pond observed. Current elevation of pond floor is 7860 feet ASL

3. Principle and emergency spillway elevations.

Principal and Emergency Spillways are the same for this pond. Elevation is 7865.5 feet ASL

4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on out slopes of embankments, etc.

No free water is currently in the pond. Only a few inches of ice are located in bottom of pond. No sampling or monitoring is necessary since the pond is not discharging. The inlet and outlet to the pond appear to be in good working order. The sediment in the pond was removed late in the 3rd quarter of 1999.

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No significant change to the geometry of the pond was noted at the time of the inspection. Future plans for the second or third quarter of 2000 include deepening the pond (as conditions permit). Since the pond was recently cleaned, total sediment storage capacity of 6,906 ft³ is available. Water currently in the pond (less than 2-inches depth) is less than 5% of storage volume available. Water storage capacity for the pond is 0.98 ac-ft. Therefore, water storage capacity remaining is at least 0.93 ac-ft.

Qualification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: *C. M. White* Date: *2-18-00*

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)

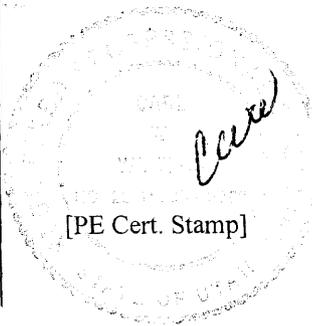
	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	Yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	Yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	Yes	

COMMENTS AND OTHER INFORMATION

(This section is currently blank.)

Certification Statement:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.



By: Carl W. Winters
(Full Name and Title)

Signature: Carl W. Winters, PE Date: 2-18-00

P.E. Number & State: UTAH 22-15758-7202

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE		Page 1 of 2	
Permit Number	ACT\007\005	Report Date	February 18, 2000
Mine Name	Skyline Mines		
Company Name	Canyon Fuels Company, LLC		
Excess Spoil Pile or Refuse Pile Identification	Pile Name	Skyline Waste Rock Site	
	Pile Number	NA	
	MSHA ID Number	42-01566	
Inspection Date	12-28-99		
Inspected By	Carl W. Winters		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Quarterly/Annual	
		Attachments to Report? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
Field Evaluation			
<p>1. Foundation preparation, including the removal of all organic material and topsoil.</p> <p>Removal of topsoil and vegetation had been completed previous to the fourth quarter of 1999.</p>			
<p>2. Placement of underdrains and protective filter systems.</p> <p>No underdrains are present or required at this site.</p>			
<p>3. Installation of final surface drainage systems.</p> <p>Existing surface is not at final contour. Therefore, final surface drainages have not yet been constructed. The existing surface drainage system includes a temporary ditch on the north side of the pile that captures undisturbed runoff from the drainage to the east of the site, the AML reclamation slopes north of the site, and the runoff from the ditch embankment. Runoff in the temporary ditch is treated through a straw bale dike before discharge. All other surface runoff from the refuse pile is treated by the sediment pond. Runoff from the main access road below the sediment pond is treated by straw bale dikes.</p>			
<p>4. Placement and compaction of fill materials.</p> <p>No fill material has been placed during this quarter.</p>			

5. Final grading and revegetation of fill.

Contemporaneous reclamation of the waste rock pile is taking place as the site is backfilled with waste rock. The backfill slopes are built to 1 1/2h:1v or less and seed consistent with the final reclamation seed mix is planted after the placement of soil on top of the waste rock. Since this inspection took place during the winter and snow covered most of the ground surface, an accurate evaluation of the vegetative cover was not possible.

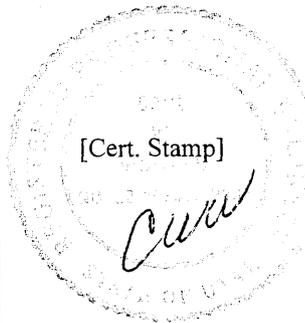
6. Appearances of instability, structural weakness, and other hazardous conditions.

No signs of apparent instability, structural weakness or other hazardous conditions were noted. However, as noted in the previous section, snow covered most of the ground surface.

7. Other Comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.

The pile has a remaining storage capacity of approximately 60,750 tons. The total storage capacity as designed is 334,125. No evidence of fire was noted during the inspection. No material has been placed at the site during this quarter.

Certification Statement



I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Carl W. Winters, PE
(Full Name and Title)

Signature: [Handwritten Signature] Date: 2-15-00

P.E. Number & State: UTAH 27-157958-2202

APPENDIX B

Reporting of Technical Data

including monitoring data, reports, maps, and other information
as required under the approved plan
or as required by the Division

in accordance with the requirements of R645-301-130 and R645-301-140.

CONTENTS

Subsidence Monitoring Map
Vegetation Monitoring Data
Raptor Map

Map(s) is kept with this report located in the Public Information Center of our Salt Lake City office.

STEEP SLOPE VEGETATION AT SKYLINE MINE

Prepared by
Keith W. ZoBell

When we refer to steep slope vegetation at the Skyline Line Mine we are referring to the steep slopes that are attended to the construction of the access road leading to the mine. Originally the access road up Eccles Canyon was a permitted road, however it became a designated Utah State highway which changed the permitting status. A conveyor bench was constructed adjacent to the highway at the same time that the highway was constructed. This conveyor bench was constructed down Eccles Creek Canyon to approximately the mouth of Whisky Creek. The conveyor bench was to accommodate a future conveyor to move coal from the mine site to the railroad loadout at the mouth of Eccles Canyon. When the access road was designated a Utah State Highway it was determined that for reclamation purposes that the cut slopes adjacent to the highway was part of the rights-of-way for the state highway and that the mine's responsibility started at the edge of the conveyor bench and extended to the top of the cut above the constructed conveyor bench. The Skyline M&RP was modified and approved to reflect these changes.

The original vegetation plan for the cut slopes along the conveyor bench called for the slopes to be hydromulched then covered with jute netting and then to be overplanted with shrub and tree seedlings at one meter intervals. This revegetation work was accomplished during the late summer and early fall of 1981. During the spring of 1982 a mass failure occurred with the jute netting. As the slope thawed and the soil underneath the netting became soft the surface layer of the soil started to move down slope. As it moved it pulled up the pinning holding the jute netting and the netting started to slide pulling up the shrubs and tree seedlings with the entire netting slipping, sliding and rolling to the bottom of the slope. All of the hydoseeding, and hand set shrubs and trees were destroyed on all slopes that exceeded approximately 45-50 percent. It was determined that the basic cause of failure was the use of jute netting. Had it not been used we may have had some localized areas of soil movement but not a total loss of the slope vegetation.

In the fall of 1982 the slopes were again hydoseeded. Seedling establishment and survival was very poor. Selected areas were hydoseeded again in the fall of 1983 along with hand seeding all remaining areas. Again the results were poor. The steep slope above the conveyor bench are basically south facing. The winter snows do not accumulate to any great extent on these slopes. These slopes become bare of snow quite early in the season and when the growing season starts, temperature wise, these slopes are already becoming very dry. During 1984 and 1985 assistance was sought from the Soils Department of Utah State University at Logan, Utah. On site investigation by the University revealed two important things; 1) the soils on the slopes are probably becoming ^{too} dry early in the growing season for seeding establishment and 2) since the top soil and much of the subsoil has been lost we have probably lost most of the

necessary soil microbes needed for plant establishment. Soil moisture blocks were established at several sites and at various soil depths on the conveyor steep slopes. These soil moisture blocks were read at weekly intervals during the summers of 1986 and 1987. These soil moisture blocks confirmed that the necessary soil moisture in the top six inches of soil was inadequate for seedling establishment during the growing season.

The local Price, Utah office of the SCS (Soil Conservation Service) was contacted and arrangements were made for a service trip for the plant materials specialist from Boise, Idaho to visit the mine site. This service trip was made to the mine site during the summer of 1989. As a result of this service trip a revegetation plan was developed for the revegetation of these steep slopes. The basic concept of this plan was that these steep slopes are difficult sites and that we should start now to establish vegetation that would meet the requirements for final reclamation. The plan called for the establishment of a seeding trial of various grasses and forbs to help determine suitable plants that could be established on the slopes. The plan also called for various other treatments on the slopes including the planting of selected shrub seedlings in selected highly desirable "safe" locations where the probability of success was highest. The idea being if we could get some scattered established shrubs established that they would overtime start creating a favorable micro-climate for the establishment of additional seedlings. The plan also called for the hand seeding of selected grass species of all disturbed areas each fall, with the idea being although we may only get 1-5% survival annually the accumulation over several years would start to added up so that we would have some noticeable establishment. The plan also called for some selected areas to receive drip irrigation. to assist in the establishment of vegetation. These are some of the highlights of the plan. The complete plan is on file at the Skyline Mine office.

On September 9, 1999 a field trip was made to inspect the current situation of the vegetation on these steep slopes and to determine a course of action for the future. Those attending the field trip were; Keith W. ZoBell-Environmental Specialist, Chris Hansen-Canyon Fuel Company, Environmental engineer, Gary Taylor- Canyon Fuel Company, Mining Engineer and Paul Baker- Division of Oil, Gas, and Mining, Reclamation Specialist.

The groups first stop was to visit the seeding test plots that were established by the SCS in 1989-90. Many of the stakes that delineated the plots have been destroyed. However there were enough stakes that most of the plot boundaries could be recognized. These seeding test plots were established at the end of the conveyor bench near the mouth of Whiskey Creek. The plots were laid out so that half of the plot was on the flat part of the conveyor bench while the other half was on the steep slope above the bench. The majority of the species that were seeded have not survived. However the list of species that have survived should serve as a guide for future species selection for seeding on the steep slopes along the conveyor bench. Some of the predominate species observed during the field trip were: 1) Rush Wheatgrass, 2) Blue leaf Aster, 3) Western Yarrow, and 4) Cicer Milkvetch. This is not a complete list. A complete list of the species originally seeded should be reviewed and another field examination made to determine a complete list of species that are still surviving.

The group then went up to the first steep slope just down the canyon from the mine site. This is the area where most of the revegetation work has been done over the past several years. The revegetation efforts are paying off as this slope now has a fair stand of grasses, forbs and shrubs established on it with a good diversity of species. It was the consensus of the group this slope should continue to receive annual treatment of fall seeding but that the planting of seedlings should be concentrated on some of the slopes further down the canyon that do not have as good of stand of established vegetation. It was also felt that if the efforts put forth in the past could continue on the steep slopes on down the canyon that adequate vegetation could be established on this slope by the time that mining ceases at the Skyline Mine site. As mentioned earlier these slopes are difficult to get vegetation established on. The most economical way to establish the vegetation on these slopes is to continue the modest annual vegetation program that has been practiced in the past.

Several years ago Paul Baker from DOGM and Keith ZoBell from Utah Fuel Company discussed the vegetation standards for these steep slopes above the conveyor bench. It was concluded that the standards and vegetation reference areas that have been established at the Skyline Mines do not fit the situation for these steep slopes and that an additional reference area should be established the was similar the conditions the exist on the conveyor bench steep slopes. Although some fieldwork was done to try and find a suitable reference area none were found or established by the time the Keith ZoBell retired from the company. This effort should be renewed as it will become more and more important to the company to have this vegetation reference area established and included in the approved M&RP for the Skyline Mines.

The raptor survey conducted in October, 1999 was initially designed to survey the new Flat Canyon lease area. However, the entire area in which Skyline Mines will extract coal in the next two years was also covered during the survey. No raptor nests were found within the areas to be subsided in 2000 and 2001. Additional ground surveys will be performed in the summer of 2000 and 2001.

Map(s) is kept with this report located in the Public Information Center of our Salt Lake City office.

APPENDIX C

Legal, Financial, Compliance and Related Information

Annual Report of Officers
as submitted to the Utah Department of Commerce

and other changes in ownership and control information
as required under R645-301-110.

CONTENTS

List of Canyon Fuel Company and Arch Coal Officers

Canyon Fuel Company, LLC

Status: Active
Formation: Delaware
Federal ID #: 87-0567183

43-181130

Primary Address

CityPlace One
Suite 300
St. Louis, MO 63141

43-181130

Registered Address

The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, DE

DIRECTORS

Yuzo Hirono
Steven F. Leer
Robert W. Shanks
Akio Shigetomi

Title
Director
Director
Director
Director

OFFICERS

Richard D. Pick ✓
John W. Eaves
James E. Florczak
William H. Rose ✓
Rosemary L. Klein

Title
President, Chief Executive Officer and General Manager
Vice President - Marketing
Vice President - Finance
Assistant Secretary
Secretary

INCORPORATION/QUALIFICATIONS

Jurisdiction **Inc/Qual**
Delaware Formation

Tax ID No.

Duration

Arch Coal, Inc.

Status: Active
 Incorporation: Delaware
 Entity Type: Corporation
 Federal ID #: 43-0921172

Primary Address

CityPlace One
 Suite 300
 St. Louis, MO 63141-7056

Registered Address

The Corporation Trust Company
 Corporation Trust Center
 1209 Orange Street
 Wilmington, DE 19801

Former Name (s)

Arch Mineral Corporation

From Date

June 20, 1969

Through Date

June 30, 1997

Comment: Changed name to Arch Coal, Inc. upon merger with Ashland Coal, Inc.

DIRECTORS

	Title
Philip W. Block	Director
James R. Boyd	Director
Paul W. Chellgren	Director
Thomas L. Feazell	Director
Robert L. Hintz	Director
Douglas H. Hunt	Director
Steven F. Leer	Director
James L. Parker	Director
A. Michael Perry	Director
J. Marvin Quin	Director
Theodore D. Sands	Director
Ignacio Dominguez Urquijo	Director

OFFICERS

	Title
James R. Boyd	Chairman of the Board
Steven F. Leer	President & Chief Executive Officer
Kenneth G. Woodring	Executive Vice President - Mining Operations
John W. Eaves	Senior Vice President - Marketing
C. Henry Besten, Jr.	Vice President - Strategic Marketing
Robert W. Shanks	Vice President - Operations
David B. Peugh	Vice President - Business Development
Terry O'Connor	Vice President - External Affairs
Larry R. Brown	Vice President & Chief Information Officer
William H. Rose	Vice President - Tax Planning
Bradley M. Allbritten	Vice President - Human Resources
Robert G. Jones	Vice President - Law, General Counsel and Assistant Secretary
James E. Florczak	Treasurer

John W. Lorson
Rosemary L. Klein
Charles David Steele

Controller
Secretary
Internal Auditor

DIRECT SUBSIDIARIES

Arch Australia Pty Limited
Arch Energy Resources, Inc.
Arch Reclamation Services, Inc.
Arch Western Acquisition Corporation
Ark Land Company
Allegheny Land Company
Apogee Coal Company
Arch Coal International, Ltd.
Arch Coal Sales Company, Inc.
Arch Coal Terminal, Inc.
Ashland Terminal, Inc.
Catenary Coal Holdings, Inc.
Coal-Mac, Inc.
Energy Development Co.
Mingo Logan Coal Company
Mountain Gem Land, Inc.
Mountain Mining, Inc.
Mountaineer Land Company
P. C. Holding, Inc.
Paint Creek Terminals, Inc.

Incorp/Formed in

New South Wales, Australia
Delaware
Delaware
Delaware
Delaware
Delaware
Barbados
Delaware
Delaware
Delaware
Delaware
Delaware
Kentucky
Iowa
Delaware
West Virginia
Delaware
Delaware
Delaware
Delaware

INCORPORATION/QUALIFICATIONS

Jurisdiction	Inc/Qual
Delaware	Incorporation
Alabama	Qualification
Colorado	Qualification
Illinois	Qualification
Kentucky	Qualification
Missouri	Qualification
Montana	Qualification
New Mexico	Qualification
Virginia	Qualification
West Virginia	Qualification
Wyoming	Qualification

APPENDIX D

Mine Maps

as required under R645-301-525.270.

CONTENTS

Mine 3 Level 1 (Lower O'Conner "B" Seam) 1999 Production

Map(s) is kept with this report located in the Public Information Center of our Salt Lake City office.

APPENDIX E

Other Information

in accordance with the requirements of R645-301 and R645-302.

CONTENTS

Mine 3 Level 1 and Mine 3 Levels 2 and 3 Abandoned Equipment Maps

Map(s) is kept with this report located in the Public Information Center of our Salt Lake City office.