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Canyon Fuel Company, LLC
Skyline Mines
ACT/007/005

2000 Annual Report



GENERAL INFORMATION

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

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 Mine	NA
	1211-UT-09-0156602	Skyline Mine Waste Rock Disposal Site	NA
	1211-UT-09-01566-03	Skyline Mine Temporary Waste Rock Disposal Site	NA
2. MSHA Impoundment(s)	NA		

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3. NPDES/UPDES Permit(s) (water)	Ut0023540-01, 02, 03	UPDES Permit for Skyline Mine, Rail Loadout, and Waste Rock Disposal Site	10-30-04
4. PSD (Air) Permit(s)	147-98	Consolidation of three approval orders	

CERTIFIED REPORTS

List the certified inspection reports as required by the rules and under the approved plan which must be periodically submitted to the Division. Specify whether the information is included as APPENDIX A to this Annual Report or currently ON FILE with the Division.

Certified Reports:	Reports Required?		INCLUDED or ON FILE w/DOGM?		Comments
	YES	NO	Included	ON FILE	
1. Excess Spoil Piles					None on site
2. Refuse Piles	X				Appendix A
3. Impoundments	X		X		Appendix A

REPORTING OF OTHER TECHNICAL DATA

List other technical data and information as required under the approved plan which must be periodically submitted to the Division. Specify whether the information is included as APPENDIX B to this Annual Report or currently ON FILE with the Division.

Technical Data:	Reports Required?		INCLUDED or ON FILE w/DOGM?		Comments
	YES	NO	Included	ON FILE	
1. Climatological Data		X			
2. Subsidence Monitoring Data	X		X		Appendix B
3. Vegetation Monitoring Data	X		X		Appendix B
4. Raptor Survey	X		X		Appendix B
5. Soils Monitoring Data		X			
6. Water Monitoring Data					
First Quarter Report	X			X	
Second Quarter Report	X			X	
Third Quarter Report	X			X	
Fourth Quarter Report	X			X	
7. Geological/Geophysical Data		X			
8. Engineering Data		X			
9. Other Data					

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	Included	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, 2000, 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?
	Mine 3 Level 1 (Lower O'Conner "B" Seam) 2000 Production and Projected Mining	Yes

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. If information is submitted as a group rather than by individual mine. Please identify each of the mines data in the list below.

Additional attachments to this report? No Yes

APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

as required under R645-301-514

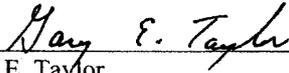
CONTENTS

Quarterly Pond and Gob Pile Inspection Reports

31 March 2000

I, Gary Taylor, personally inspected the sedimentation pond located at the mine portal area of the Skyline Mines, and it:

1. Has been basically constructed and maintained as designed, and in accordance with the approved plan and R645-301-533.
2. This impoundment meets the SCS Class A criteria in TR60.
3. Is monitored according to UPDES Permit No. UT-0023540.
4. Has a depth of 19.6 feet, a capacity of 8.98 acre-feet, and an overflow elevation of 8579.6 feet. Water was flowing from the pond at the time of inspection. The water elevation was approximately 8579.8 feet. A sediment delta has built up on the west end of the pond and will need to be cleaned out.
5. No fires have occurred in the construction material.
6. No hazardous conditions or instability of the dam or embankment have been detected.

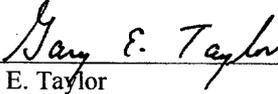


Gary E. Taylor

31 March 2000

I, Gary Taylor, personally inspected the sedimentation pond located at the railroad loadout associated with the Skyline Mines, and it:

1. Has been basically constructed and maintained as designed, and in accordance with the approved plan and R645-301-533.
2. This impoundment meets the SCS Class A criteria in TR60.
3. Is monitored according to UPDES Permit No. UT-0023540.
4. Has a depth of 5.7 feet, a capacity of 1.62 acre-feet, and an overflow elevation of 7919.71 feet. Water was not flowing from the pond at the time of inspection. The water elevation was approximately 7919.5 feet. The depth of the sediment currently held in the pond was not measured. It is recommended that the depth of the sediment be measured and the sediment removed if necessary.
5. No fires have occurred in the construction material.
6. No hazardous conditions or instability of the dam or embankment have been detected.

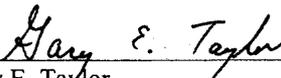


Gary E. Taylor

31 March 2000

I, Gary Taylor, personally inspected the sedimentation pond located at the waste rock site associated with the Skyline Mines, and it:

1. Has been basically constructed and maintained as designed, and in accordance with the approved plan and R645-301-533.
2. This impoundment meets the SCS Class A criteria in TR60.
3. Is monitored according to UPDES Permit No. UT-0023540.
4. Has a depth of 5.5 feet, a capacity of 1.62 acre-feet, and an overflow elevation of 7865.5 feet. Water was not flowing from the pond at the time of inspection. The water elevation was at 7860.5 feet.
5. No fires have occurred in the construction material.
6. No hazardous conditions or instability of the dam or embankment have been detected.



Gary E. Taylor

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 3
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Permit Number	ACT/007/005	Report Date	16 June 2000
Mine Name	Skyline Mines		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Minesite	
	Impoundment Number	001	
	UPDES Permit Number	UT0023540	
	MSHA ID Number	NA	

IMPOUNDMENT INSPECTION

Inspection Date	16 June 2000		
Inspected By	Gary E. Taylor		
Reason for Inspection <small>(Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)</small>	Quarterly		

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

No instability of the embankment was noted.

<p>Required for an impoundment which functions as a SEDIMENTATION POND.</p>	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>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: 8567.3 feet or 60% sediment storage volume. (Pond needs to be cleaned).</p>
	<p>3. Principle and emergency spillway elevations.</p> <p>Principle and emergency spillway elevation: 8579.6 feet ASL. (The outlet of Pond 001 serves as both the principle and emergency spillway).</p>

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 8579.77 (.17 feet above discharge elevation). A sample of the pond discharge water is taken weekly, throughout the quarter. On a biweekly basis the water sample is analyzed for total iron and total dissolved solids. Weekly samples include oil and grease, total suspended solids, pH, and conductivity. The total suspended solids, seven-day average discharge limit established for the pond by DEQ was exceeded during this quarter. The remainder of the limit were not exceeded.

The culvert that discharges water collected as surface runoff from the upper mine pad is working as designed. The discharge pipes used to direct mine water to the pond are working as designed. The outlet structure is working as designed.

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 is continually discharged this quarter, therefore the minimum elevation has been no less than 8579.6 feet. Flow depth above the level of the discharge pipe varies between .15 and .20 feet. The estimated sediment in the pond is 43,595 ft³ and the remaining sediment capacity is 29,063 ft³. Total storage volume of 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 135,419 ft³ (3.11 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: *Harry E. Taylor* Date: *16 June 2000*

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Permit Number	ACT/007/005	Report Date	16 June 2000
Mine Name	Skyline Mines		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Rail Loadout Sediment Pond	
	Impoundment Number	002	
	UPDES Permit Number	UT0023540	
	MSHA ID Number	NA	

IMPOUNDMENT INSPECTION

Inspection Date	16 June 2000		
Inspected By	Gary E. Taylor		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly		

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

No instability of the embankment was noted.

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 feet ASL.
 Current Sediment Level Elevation: 7915.0 feet ASL or 60% sediment storage volume. (Pond needs to be cleaned).

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 level is approximately 7916.4 feet ASL, 3.3 feet below discharge level at the principle spillway. Pond was not discharging at the time of the inspection but did discharge in early April but not since. The discharge in April was approximately 42 gal/min. A sample of the discharge water was taken. None of the discharge limits established for the pond discharge by DEQ have been exceeded during the quarter. Deltas of sediment have formed in the southeast corner of the pond where wash down water from a conveyor belt discharged to the pond and at the west entrance of the pond where surface runoff enters the pond.

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 changed during the quarter. The water elevation is 7916.4 feet ASL. The estimated sediment in the pond is 32,826 ft³ and the remaining sediment capacity is 21,884 ft³. Total storage volume of water and sediment combined is 95,380 ft³ (2.2 ac-ft). Based on the volume of estimated sediment, the estimate volume of water in the pond is 8,222 ft³ (.19 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: Harry E. Taylor Date: 16 June 2000

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 3
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Permit Number	ACT/007/005	Report Date	16 June 2000
Mine Name	Skyline Mines		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Waste Rock Site Sediment Pond	
	Impoundment Number	003	
	UPDES Permit Number	UT0023540	
	MSHA ID Number	NA	

IMPOUNDMENT INSPECTION

Inspection Date	16 June 2000		
Inspected By	Gary E. Taylor		
Reason for Inspection <small>(Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)</small>	Quarterly		

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

No instability of the embankment was noted.

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: 6,906 ft³.
 60% Elevation: 7860.8 feet ASL (above sea level).
 100% Elevation: 7861.3 ASL
 Current Sediment Level Elevation: No significant volume of sediment in the pond observed. Current elevation of pond floor is 7860 feet ASL.

3. Principle and emergency spillway elevations.

Principle and emergency spillway elevation: 7865.5 feet ASL. (The outlet of Pond 003 serves as both the principle and emergency spillway).

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. No sampling or monitoring is necessary since the pond is not discharging.

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 changed during the quarter. Total storage volume of water and sediment combined is 42,6889 ft³ (.98 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: *Mary E. Taylor* Date: *16 June 2000*

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Permit Number	ACT\007\005	Report Date	22 September 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	22 September		
Inspected By	Gary E. Taylor		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly		

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

No instability of the embankment was noted.

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: 149,190 ft³
60% Elevation: 8568.5 feet ASL (above sea level)
100% Elevation: 8571.5 feet ASL
Current sediment level elevation: 8564.59 or 30% of sediment storage volume. Pond was cleaned in August
- 3. Principle and emergency spillway elevations.**

Principal and Emergency Spillway Elevations: 8579.6 feet ASL (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 out slopes of embankments, etc.

Water elevation at the time of inspection is 8579.68 (0.08 feet above discharge elevation). The discharge is approximately 1223 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 iron and total dissolved solids. Weekly samples include oil and grease, total suspended solids, pH and conductivity. The total iron discharge limits established for the pond discharge by DEQ have been exceeded twice this quarter. The remainder of the limits were not exceeded.

The culvert that discharges water collected as surface runoff from the upper mine pad is working as designed. The discharge pipes used to direct water to the pond are working as designed. The outlet structure is working as designed.

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 .08 and .1 feet. The estimated sediment in the pond is 44,757 ft³ and remaining sediment storage capacity is 104433 ft³. Total storage volume for water and sediment combined is 409,000 ft³ (9.39 ac-ft). Based on the volume of estimated sediment, the estimated volume of water in the pond is 364,243 ft³ (8.36 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: Gary E. Taylor Date: 25 September 2000

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Permit Number	ACT\007\005	Report Date	25 September 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	25 September 2000		
Inspected By	Gary E. Taylor		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly		

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

No instability of the of the embankment was noted.

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
 Current Sediment Level Elevation: 7914 feet ASL. Pond was cleaned in July.

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 out slopes of embankments, etc.

Water level is approximately 7916.4 feet ASL, 3.3 below discharge level at the primary spillway. Pond was not discharging at the time of the 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 geometry of the pond does not appear to have changed recently. The water elevation is 7916.4 feet ASL. The estimated sediment in the pond is 0.0 ft³ since the pond was cleaned in July and not much runoff has occurred. Total storage volume of water and sediment combined is 95,380 ft³ (2.2 ac-ft). Based on the volume of estimated sediment, the estimated volume of water in the pond is 33,976 ft³ (.78 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: *Mary E. Taylor* Date: *25 September 2000*

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Permit Number	ACT\007\005	Report Date	25 September 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	25 September 2000		
Inspected By	Gary E. Taylor		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly		

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

No instability of the of the embankment was noted.

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
 Current Sediment Level Elevation: 7861.0 feet ASL (Pond needs to be cleaned)

3. Principle and emergency spillway elevations.

Principal and Emergency Spillways Elevation: 7865.5 feet ASL (The outlet of Pond 003 serves as both the principal and emergency spillway).

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.

The is currently less than 6 inches of free water in the west end of the 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 needs to be removed.

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. Water currently in the pond (less than 6-inches depth) is less than 15% of storage volume available. Water storage capacity for the pond is 0.98 ac-ft. Therefore, water storage capacity remaining is at least 0.83 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: *Mary E. Taylor* Date: *25 September 2000*

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 3	
Permit Number	ACT007\005	Report Date	January 4, 2001
Site 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	December 21, 2000		
Inspected By	Carl W. Winters		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly		
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>No instability of the of the embankment was noted. The pond does contain water but it is currently frozen. Several inches of snow cover the embankments.</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Sediment Storage Capacity: 54,710 ft³ 60% Elevation: 7915.0 feet ASL (above sea level) 100% Elevation: 7915.6 ASL Current Sediment Level Elevation: 7914 feet ASL. Pond was cleaned in July.</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Principle Spillway Elevation: 7919.7 feet ASL Emergency Spillway Elevation: 7922 feet ASL</p>		

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.

The ice level is below discharge level of the primary spillway. Since a thick layer of ice covers the pond, the actual water level elevation was not determined. Pond was not discharging at the time of the inspection nor has it discharged this quarter.

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. The estimated sediment in the pond was not determined because of the ice cover. Sediment in the pond was removed in July of this year and it is unlikely the pond contains a significant volume of sediment at this time. Total storage volume of water and sediment combined is 95,380 ft³ (2.2 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: _____ Date: _____

CERTIFIED REPORT

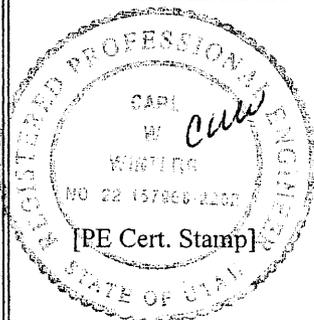
IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	Yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	Yes	
3. Has the impoundment met all applicable performance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

COMMENTS AND OTHER INFORMATION

(This section is currently blank for 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.



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

Signature: *Carl W. Winters* Date: Jan. 4, 2001

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

Permit Number	ACT007005	Report Date	January 4, 2001
Line 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	December 21, 2000
Inspected By	Carl W. Winters

Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly
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I. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

The banks of the sediment pond are generally snow covered. Therefore, signs of instability are not readily observable. However, near the southeast corner of the pond, a corrugated metal pipe used as a piling to support the embankment appears to have been slightly damaged. The piling currently tips toward the pond. The cause of the damage is unknown.

The surface of the pond is currently covered with ice except in the extreme west end where surface runoff enters the pond. Long-term employees report they have not seen the pond frozen over since its initial construction.

Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Sediment Storage Capacity: 149,190 ft³ 60% Elevation: 8568.5 feet ASL (above sea level) 100% Elevation: 8571.5 feet ASL The current elevation of the sediment within the pond could not be estimated due to the ice cover. The pond was cleaned in August of this year.</p> <p>3. Principle and emergency spillway elevations.</p> <p>Principal and Emergency Spillway Elevations: 8579.6 feet ASL (The outlet structure for Pond 001 serves as both the Principal and Emergency Spillways)</p>
---	--

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.

Water elevation at the time of inspection was 8579.62 (0.02 feet above discharge elevation). The discharge from the pond at the time of inspection was approximately 80 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 iron and total dissolved solids. Weekly samples include oil and grease, total suspended solids, pH and conductivity.

Exceedances of the total iron and TDS limits have occurred this quarter. The exceedances were not excessive as defined by the Utah Division of Water Quality (personal communications between Chris Hansen, CFC and Mike Herkimer, UDWQ).

Surface water is collected from the upper mine pad and discharged through a culvert located on the west end of the pond. The culvert appeared to be functioning as designed. The outlet structure was working as designed. Currently, the mine discharges water collected in Mine #3 directly to the pond outlet structure, by-passing the pond. The maximum volume of water discharged from Mine #3 to the outlet structure is approximately 1400gpm.

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 8579.60. Flow depth above the level of the discharge pipe can vary between less than 0.01 and 0.1 feet. The estimated sediment in the pond in the third quarter of this year was 44,757 ft³ and remaining sediment storage capacity is 104,433 ft³. Total storage volume for water and sediment combined is 409,000 ft³ (9.39 ac-ft). During the third quarter of 2000, the estimated volume of water in the pond was 364,243 ft³ (8.36 ac-ft). Since ice covered the majority of the pond, a simple measurement of the sediment depth was not possible. Therefore, an estimated volume of sediment could not be made. It is unlikely the volume of sediment has increased significantly since the third quarter of 2000.

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: _____ **Date:** _____

CERTIFIED REPORT

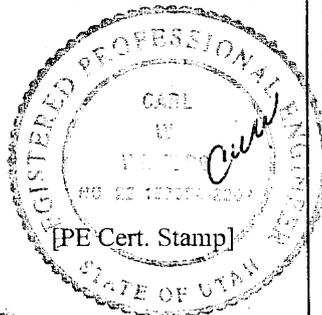
IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	Yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	Yes	
3. Has the impoundment met all applicable performance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

COMMENTS AND OTHER INFORMATION

Exceedances of the total iron and TDS limits have occurred this quarter. The exceedances were not excessive as defined by the Utah Division of Water Quality.

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
 Senior Mining Engineer
 (Full Name and Title)

Signature: Carl W. Winters Date: Jan. 8, 2000

P.E. Number & State: 22-157958-2702

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 3	
Permit Number	ACT007\005	Report Date	January 4, 2001
Line 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	December 21, 2000		
Inspected By	Carl W. Winters		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly		
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>The pond was not accessible at the time of inspection since the access road to the area was not passable due to a thick covering of snow.</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Sediment Storage Capacity: 6906 ft³ 60% Elevation: 7860.8 feet ASL (above sea level) 100% Elevation: 7861.3 ASL Current Sediment Level Elevation: 7860 feet ASL (estimated since pond was in accessible and cleaned in October of this quarter)</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Principal and Emergency Spillways Elevation: 7865.5 feet ASL (The outlet of Pond 003 serves as both the principal and emergency spillway).</p>		

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.

Accumulated sediment was removed from the pond in October of this quarter. The sediment was disposed of in the waste rock pile. The pond did not discharge this quarter, therefore no samples have been obtained. Since the site was inaccessible at the time of inspection, no other information is available.

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.

Site was inaccessible.

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: _____ Date: _____

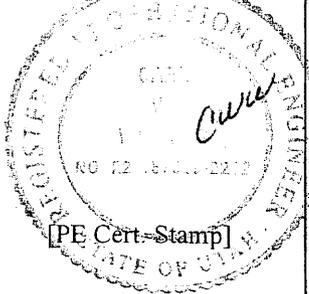
CERTIFIED REPORT

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

No water has discharged from the pond this quarter.

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)
 By: Senior Mining Engineer

Signature: C. W. Winters Date: Jan. 8, 2001

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

Permit Number: ACT\007\005 Report Date: April 19, 2000

Mine Name: Skyline Mines

Company Name: Canyon Fuel 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: 03-30-99

Inspected By: Carl W. Winters

Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly
	Attachments to Report? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes

Field Evaluation

1. **Foundation preparation, including the removal of all organic material and topsoil.**
 Removal of topsoil and vegetation had been completed prior to the first quarter of 2000.

2. **Placement of underdrains and protective filter systems.**
 No underdrains are present or required at this site.

3. **Installation of final surface drainage systems.**
 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.

4. **Placement and compaction of fill materials.**
 No fill material has been placed during this quarter.

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. Snow covered much of the north facing slopes and the east side of the current waste rock pile. New spring growth has not yet begun at the site.

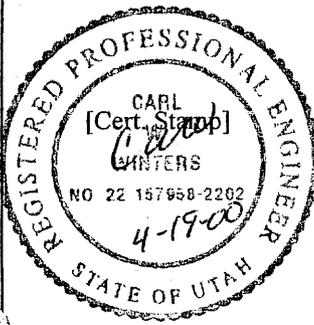
6. Appearances of instability, structural weakness, and other hazardous conditions.

No signs of apparent instability, structural weakness or other hazardous conditions were noted. However, as noted in the previous section, snow covered portions of the site. The ditch conveying water from the north side of the waste rock site to the pond will need to be repaired. Some of the rip rap has moved downstream in a portion of the ditch toward the pond and will need to be replaced.

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 Mining Engineer
(Full Name and Title)

Signature: [Signature] Date: 4-19-00

P.E. Number & State: Utah 221579582202

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE

Permit Number	ACT\007\005	Report Date	27 June 2000
Mine Name	Skyline Mines		
Company Name	Canyon Fuel 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	27 June 2000		
Inspected By	Douglas E. Johnson		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly		Attachments to Report? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes

Field Evaluation

1. **Foundation preparation, including the removal of all organic material and topsoil.**
 Removal of topsoil and vegetation had been completed prior to the first quarter of 2000.

2. **Placement of underdrains and protective filter systems.**
 No underdrains are present or required at this site.

3. **Installation of final surface drainage systems.**
 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.

4. **Placement and compaction of fill materials.**
 5,219 tons of waste rock were hauled this quarter

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. New spring growth has begun at the site.

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

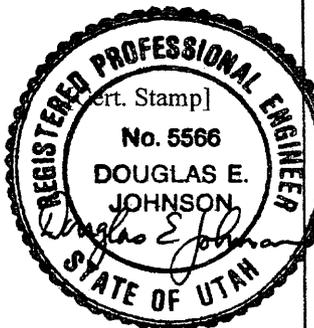
No signs of apparent instability, structural weakness or other hazardous conditions were noted. Some of the rip rap has moved downstream in a portion of the ditch toward the pond and will need to be replaced.

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 55,531 tons. The total storage capacity as designed is 334,125. No evidence of fire was noted during the inspection.

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: DOUGLAS E. JOHNSON, MGR. ENGR

(Full Name and Title)

Signature: Douglas E. Johnson Date: 6-27-2000

P.E. Number & State: 5566 UTAH

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE

Permit Number	ACT007005	Report Date	28 September 2000
Mine Name	Skyline Mines		
Company Name	Canyon Fuel 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	28 September 2000		
Inspected By	Douglas E. Johnson		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Quarterly	
		Attachments to Report? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	

Field Evaluation

1. **Foundation preparation, including the removal of all organic material and topsoil.**
Removal of topsoil and vegetation had been completed prior to the first quarter of 2000.

2. **Placement of underdrains and protective filter systems.**
No underdrains are present or required at this site.

3. **Installation of final surface drainage systems.**
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.

4. **Placement and compaction of fill materials.**
No waste rock was hauled this quarter

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 as described in the final reclamation seed mix is planted after the placement of soil on top of the waste rock.

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

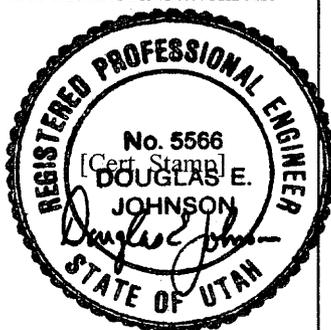
No signs of apparent instability, structural weakness or other hazardous conditions were noted. The pond has been cleaned out again and the riprap in the channel discharging into the pond has been repaired.

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 55,531 tons. The total storage capacity as designed is 334,125. No evidence of fire was noted during the inspection.

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: DOUGLAS E. JOHNSON, MGR TECH SERVICES
(Full Name and Title)

Signature: Douglas E. Johnson Date: 11-7-00

P.E. Number & State: 5566 UTAH

Permit Number	ACT007005	Report Date	January 4, 2001
Mine Name	Skyline Mines		
Company Name	Canyon Fuel 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	December 21, 2000		
Inspected By	Carl W. Winters		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly		Attachments to Report? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes

Field Evaluation

1. **Foundation preparation, including the removal of all organic material and topsoil.**
 Removal of topsoil and vegetation had been completed prior to the year 2000.

2. **Placement of underdrains and protective filter systems.**
 No underdrains are present or required at this site.

3. **Installation of final surface drainage systems.**
 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. No changes to the drainage system have been made since the previous quarter.

4. **Placement and compaction of fill materials.**
 No waste rock was hauled this quarter

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 seeded as described in the final reclamation plan. The seed mix specified in the Reclamation Plan planted after the placement of topsoil.

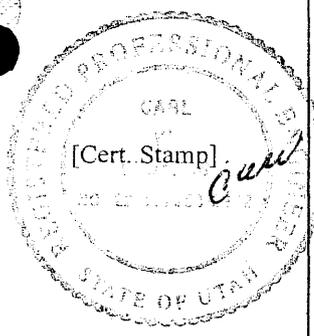
6. Appearances of instability, structural weakness, and other hazardous conditions.

The site was inaccessible this quarter since snow covered both the site and the access road. During winter months the road is generally cleared of snow only if waste rock is hauled to the site.

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 55,531 tons. The total storage capacity as designed is 334,125. As stated above, the site was inaccessible for the fourth quarter 2000 inspection.

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 Senior Mining Engineer
(Full Name and Title)

Signature: Carl Winters Date: Jan. 8, 2001

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

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 Data

Vegetation Report for Skyline Mine

Based on the results of the 1999 site visit and report prepared by Keith Zobell (former Environmental Coordinator for Skyline Mine), the upper steep conveyor bench slope located just below the main mine site was spot reseeded in the fall of 2000. (the 1999 report was included in the 1999 annual report.) This was done in an effort to continue to establish vegetation in this area. In addition to the seeding, an attempt was made to gather seeds from the native and successful transplants growing in the upper bench area and the conveyor bench area at the mouth of Whiskey Creek. Seeds were collected from wild rose, sage brush, rabbit brush, and bitter brush. Because of the dry climatic conditions during the late summer and early fall, the seed crop was generally low in the bench areas.

In 2001, CFC intends to collect additional seeds from the various thriving plant communities in the reseeded areas and continue to add seed from the approved reclamation seed mix. The Lone Peak State Nursery facility in Salt Lake County will be contracted with to raise seedlings from the seed collected from the two sites during 2000 and 2001. The seedlings will then be transplanted to the steep slope areas at the appropriate time.

Additionally, it is planned that during the 2001 raptor survey of the Skyline Mine area, a helicopter will be used to locate suitable reference areas for the steep slope reclamation sites. It is anticipated that a representative of DOGM will participate in the search for the reference area. Once a suitable site is located, a baseline survey of the intended reference area will be conducted.

The areas to be mined in 2001 were surveyed on the ground during the summer months of 2000. The enclosed raptor map is based on information collected in field by USFS and CFC personnel. The goshawk nest is located outside of any anticipated areas that will be subsided by coal mining activities. The single nest was observed by USFS personnel.

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

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
Theodore D. Sands	Director
Thomas L. Fezell	Director
Robert L. Hintz	Director
Douglas H. Hunt	Director
Steven F. Leer	Director
James L. Parker	Director
A. Michael Perry	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	Controller
Rosemary L. Klein	Secretary
Charles David Steele	Internal Auditor

DIRECT SUBSIDIARIES

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

Canyon Fuel Company, LLC

Status: Active
Formation: Delaware

Federal ID #: 87-0567183

Primary Address
CityPlace One
Suite 300
St. Louis, MO 63141

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

DIRECTORS

Yuzo Hirono
Steven F. Leer
Robert W. Shanks (Chairman)
Masayoshi Araya

Title
Director
Director
Director
Director

OFFICERS

Richard D. Pick
John W. Eaves
James E. Florczak
Robert G. Jones
William H. Rose
Janet L. Horgan

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

INCORPORATION/QUALIFICATIONS

Jurisdiction	Inc/Qual	Tax ID No.	Duration
Delaware	Formation		

APPENDIX D

Mine Maps

as required under R645-301-525.270.

CONTENTS

Mine 3 Level 1 (Lower O'Conner "B" Seam) 2000 Production and Projected Mining

Mine 3 Level 1 Mine Map (no mining occurred in this mine in 2000)

Mine 3 Levels 2 and 3 Mine Maps (mining only occurred in Level 2 in 2000)

APPENDIX E

Other Information

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

CONTENT

None