

0005

From: Suzanne Steab
To: ggalecki@archcoal.com; wsorensen@archcoal.com
CC: Daron Haddock; Dave Darby; Jim Smith
Date: 2/11/2009 12:28 PM
Subject: 2008 Annual Report
Attachments: Skyline Mine C0070005.doc; AnnualReportLetter.pdf

Outgoing
C0070005
OK

Hello,

Attached is the 2008 Annual Report for Skyline C0070005 and the Annual Report Letter.

Thanks

Letter in
General File



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

COPY

General

OK

February 11, 2009

All Coal Operators

Subject: 2008 Coal Mining Annual Reports for Active and Inactive Coal Mines, Outgoing File

Dear Sirs:

Enclosed, please find an updated 2008 Annual Report document. This single document is to be used by the operator, the inspector, and the DOGM staff. This 2008 Annual Report document is being sent in a format that is compatible with most word-processing programs, and you should be able to open the file and enter your information directly into the form electronically. When completed, it can be submitted to the Division electronically. If for some reason you cannot make use of this electronic format, please fill out a hard copy and mail it to the Division at:

Utah Division of Oil, Gas and Mining
1594 W. North Temple, Suite 1210
Post Office Box 145801
Salt Lake City, Utah 84114-5801.

The 2008 Annual Report form includes entries for regulatory requirements, such as annual impoundment certification; however, many Mining and Reclamation Plans include unique, mine-specific commitments that also must be reported annually. The Division has compiled these commitments for each mine and incorporated them into a 2008 Annual Report form that is distinct for each mine. Both these commitments and the regulatory requirements need to be addressed in the 2008 Annual Report. Timing for the 2008 Annual Report submittal is outlined below.

- The Division will send out 2008 Annual Report forms by February 28, 2009.
- The Operator will submit the required information by May 15, 2009.
- The Inspectors will review 2008 Annual Report information during a complete inspection by July 31, 2009. If required information is not included, the Division can initiate enforcement and compliance action.
- If the Inspector determines that more review is needed of a specific item, the Inspector will comment and forward the 2008 Annual Report to an assigned staff member.
- This additional review will be handled separately, as a Special Project, and completed by October 31, 2009.



COPY

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All Coal Operators
February 11, 2009

If you have any questions, please call me at (801) 538-5325 or Dave Darby at (801) 538-5341.

Sincerely,

A handwritten signature in black ink, appearing to read "Daron Haddock" with a stylized flourish at the end.

Daron Haddock
Permit Supervisor

Enclosure

O:\AnnualReport\2008 Annual Reports\2008 Annual Report letter.jds.doc

This Annual Report shows information the Division has for your mine. Please review the information to see if it is current. If the information needs to be updated please do so in this document. At the end of each section the operator is asked to verify if the information is correct. Please answer these questions and make all comments on this document. Submit the completed document and any additional information identified in the Appendices to the Division by April 30, 2009. During a complete inspection an inspector will check and verify the information. To enter text, click in the cell and type your response. You can use the tab key to move from one field to the next. To enter an X in a box, click next to the box, right click, and select properties, then the checked circle, then hit enter, or hit the unchecked circle if the X is to be removed.

GENERAL INFORMATION

Permittee Name	Canyon Fuel Company, LLC
Mine Name	Skyline Mine
Operator Name (If other than permittee)	
Permit Expiration Date	April 30, 2012
Permit Number	C/007/0005
Authorized Representative Title	Wess Sorensen, Mine Manager
Phone Number	(435) 4482619
Fax Number	(435) 4482636
E-mail Address	wsorensen@archcoal.com
Mailing Address	Skyline Mine HRC 35 Box 380 Helper, UT 84526
Designated Representative	Gregg Galecki
Resident Agent	Corporation Trust Company
Resident Agent Mailing Address	Corporation Trust Company 1209 Orange Street Wilmington, DE
Number of Binders Submitted	

Operator, please update any incorrect information.

IDENTIFICATION OF OTHER PERMITS

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

Permit Type	ID Number	Description	Expiration Date
MSHA Mine ID(s)	1211-UT-09-01566-01	Skyline Mine	N/A
	1211-UT-0901566-02	Skyline Mine Waste Rock Disposal	N/A
MSHA Impoundment(s)	None		
NPDES/UPDES Permit(s)	UT 0023540-01, 02, 03	UPDES Permit for Skyline Mine, Rail Loadout, Waste Rock Disposal Site	11/30/09
PSD Permit(s) (Air)	147-98	Approval Order	N/A
Other			
MSHA Mine ID(s)	1211-UT-09-01566-03	Skyline Temporary Waste Rock Disposal Site	N/A
Storm Water Permit	UTR000578	Storm Water Discharge Permit	12/31/11

Operator, please update any incorrect information.

CERTIFIED REPORTS

List the certified inspection reports as required by the rules and under the approved plan that must be periodically submitted to the Division. Specify whether the information is included as Appendix A to this report or currently on file with the Division.

Certified Reports:	Required Yes	No	Included Included	or DOGM file location Vol, Chapter, Page
Excess Spoil Piles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Refuse Piles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other				
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Operator Comments:

Inspector:
 Has the operator complied with this section? Yes No

Inspector Comments:

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If the particular section is blank, no commitment has been identified and no response is required for this report. If additional written response is required, it should be filed under Appendix B to this report.

Admin R645-301-100
Soils R645-301-200

Title: WASTE ROCK SAMPLING

Objective: To document chemical characteristics and support reclamation plan using less than four feet of cover and to protect surface and groundwater.

Frequency: During periods of deposition at the waste rock site.

Status: Quarterly sampling, 1 sample per 2000 tons hauled to disposal site.

Reports: Annual reporting.

Citation: Vol. 3, Section 4.4, pg. 4-30, 2nd para. And 1988 Soils Guidelines Table 6.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

Title: SUBSOIL SAMPLING AT WASTE ROCK SITE.

Objective: To provide chemical characteristics of purchased subsoil.

Frequency: Sample purchased subsoil for parameters in Table 1 of the Utah 1988 Guidelines.

Status: Ongoing with contemporaneous reclamation at the waste rock site.

Reports: None specified. Suggest verbal communication with Division and lab analysis to be included in bond release application.

Citation: Vol. 3, Section 4.6.4.1, pg. 4-38a, 3rd para. And pg. 4-38b.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

Title: SAMPLING PRIOR TO SLURRY PLACEMENT IN ABANDON UNDERGROUND WORKINGS.

Objective: Protection of groundwater.

Frequency: Every 450 ft. of advance.

Status: Ongoing.

Reports: Notification if parameters are out of compliance with Guidelines for Topsoil and Overburden.

Citation: Volume 2, Incorporation of 97K-1 and Section 1.2 (at the end of Section 3.2) and Section 3.2.8.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

Title: SAMPLING OF WASTE ROCK IN TEMPORARY STOCKPILES.**Objective:** Protection of surface and groundwater.**Frequency:** If remains in temporary location longer than three months.**Status:** 1 sample/ 2000 tons of temporary stockpiled material.**Reports:** Annual reporting not specified, but assumed to be the same as disposal site sampling (previous paragraph on same page).**Citation:** Vol. 3, Section 4.4, pg. 4-30, 3rd para. And 1988 Soils Guidelines Table 6.**Operator Comments:****Inspector:**Has the operator complied with this section? Yes No **Inspector Comments:**

Biology R645-301-300

Title: CULTURAL RESOURCES**Objective:** If during the course of mining operations, previously unidentified cultural resources are discovered, the Permittee shall ensure that the site(s) is not disturbed and shall notify the Division of Oil, Gas, and Mining. The Division, after coordination with OSM, shall inform the Permittee of necessary actions required. The Permittee shall implement the mitigation measures required by the Division within the time frame specified by the Division.**Frequency:** As needed.**Status:** Ongoing.**Reports:** Annual.**Citation:** Permit Condition Sec. 16.**Operator Comments:****Inspector:**Has the operator complied with this section? Yes No **Inspector Comments:**

Title: MACROINVERTEBRATE SURVEYS

Objective: To determine if mining and mining related activities are impacting the perennial streams located in Woods, Eccles, Burnout and James Canyons.

Frequency: Fall and Spring every three years beginning in 2007.

Status: Ongoing.

Reports: Annual.

Citation: Appendix A-3, Volume 2, The Macro benthos of Burnout and James Canyon Creek. Benthos of Boardinghouse & Eccles Creek, Fall 2001. Macroinvertebrates of Eccles Creek, October 2004. Volume 1A, Section 2.8, pages 2-71, 71A, B, C, Section 2.8, table 2.8-1a.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

Title: FISH SURVEYS

Objective: To determine if mining and mining related activities are impacting the perennial streams located in Woods, Eccles, Burnout and James canyons.

Frequency: In the Fall Every three years beginning in 2007.

Status: Ongoing.

Reports: Annual.

Citation: Volume 1A, Section 2.8, page 2-71.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

Title: TOPSOIL SAMPLING.

Objective: To determine fertilizer application rate.

Frequency: At final reclamation sample topsoil for N, P, K, Fe, Mg, Mn, Zn, Ca and pH.

Status: Analysis of redistributed topsoil.

Reports: None specified. Suggest verbal communication with Division and lab analysis to be included in bond release application.

Citation: Vol. 3, Section 4.5, pg. 4-32, 2nd para.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

Engineering R645-301-500

Geology R645-301-600

Hydrology R645-301-700

Title: Age-monitoring of Water.

Objective: Understand possible sources of groundwater inflows

Frequency: When inflows of 800 gpm are encountered.

Status: No significant inflows in the North Lease.

Reports: As needed.

Citation: Volume 1, Page 2-35b, Paragraph 2.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

Title: Measurement of Sediment Yield.

Objective: Understand how much excess sediment the mine is contributing to Eccles Creek.

Frequency: Annually.

Status: Ongoing.

Reports: Annually.

Citation: Volume 1a, Page 2-43a, Paragraph 2.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

Title: North Lease Perennial Stream Flow Measurement.

Objective: Understand the impact of longwall mining on perennial portions of streams in Winter Quarters and Woods Canyons.

Frequency: Monthly, June through October and when accessible, 1 year prior to, during and 1 year after undermining.

Status: Ongoing.

Reports: Quarterly to database - we should ask fo a better map, or list of undermined dates for these sites yearly, otherwise it is impossible to tell if they are within the timeframes.

Citation: Volume 1a, Page 2-44a, Paragraph 5.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

Title: Monthly Reporting of Pumped Flows to Electric Lake and Eccles Creek.

Objective: Be aware at all times, of the volume of water being pumped out of the Skyline Mine, and to which drainage.

Frequency: Cumulative monthly flows.

Status: Ongoing.

Reports: Monthly - first week.

Citation: Permit Condition 2.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

Bonding & Insurance R645-301-800

Other Commitments

*Reminder: If equipment has been abandoned during 2008, an amendment must be submitted that includes a map showing its location, a description of what was abandoned, whether there were any hazardous or toxic materials and any revision to the PHC as necessary.

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 report or currently on file with the Division.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

Change 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. Please 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 change 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 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 the report.

Legal / Financial Update **Required** **Included** **or** **DOGM File location**
 Yes No Included Vol, Chapter, Page

Department of Commerce, Annual Report Officers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other				
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2008, are to be provided to the Division as Appendix D to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential. (Please provide a CD.)

Confidential information is limited to:

R645-300-124.310. Information that pertains only to the analysis of the chemical and physical properties of the coal to be mined, except information on components of such coal which are potentially toxic in the environment.

R645-300-124.330. Information on the nature and location of archeological resources on public land and Indian land as required under the Archeological Resources Protection Act of 1979 (P. L. 96-95, 93 Stat. 721, 16 U.S.C. 470).

R645-301-322, Fish and Wildlife Information; R645-301-322.100, the scope and level of detail for such information will be determined by the Division in consultation with state and federal agencies with responsibilities for fish and wildlife and will be sufficient to design the protection and enhancement plan required under R645-301-333 and R645-301-322.230, other species or habitats identified through agency consultation as requiring special protection under state or federal law; R645-301-333.300, Include protective measures that will be used during the active mining phase of operation.

The Division will provide procedures, including notice and opportunity to be heard for persons both seeking and opposing disclosure.

Map Number(s) Map Title/ Description

Annual subsidence map			
Mine map			
Other maps		Confidential	
		Yes	No
		<input type="checkbox"/>	<input type="checkbox"/>
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		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

OTHER INFORMATION

Please provide any comments of further information to be included as part of the Annual Report. Any other attachments are to be provided as Appendix E to this report. If information is submitted as a group rather than by individual mine, please identify each of the mine's data in the list below.

Additional attachment to this report? Yes No

APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

As required under R645-301-514

CONTENTS

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 requirement of R645-310-130 and R645-301-140

CONTENTS

APPENDIX C

Legal Financial, Compliance and Related Information

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

Other change in ownership and control information
As required under R645-301-110

CONTENTS

APPENDIX D

Mine Maps

As required under R645-302-525-270

CONTENTS

APPENDIX E

Other Information

In accordance with the requirements of R645-301 and R645-302

CONTENTS