



Canyon Fuel
Company, LLC
Skyline Mine

A Subsidiary of Arch Western Bituminous Group, LLC

Incoming
C0070005
#3948 R

Wess Sorensen, General Manager
HCR 35, Box 380
Helper, UT 84526
(435) 448-2619 - Office
(435) 448-2632 - Fax

October 26, 2011

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

RE: Permit Renewal, Skyline Mines, Canyon Fuel Company, LLC, Skyline Mine, C/007/0005.

Dear Mr. Haddock

Canyon Fuel Company, LLC, hereby files an application for renewal of permit C/007/0005, to operate under provisions of the Utah Coal Mining and Reclamation Act pursuant to R645-303-300 of the Utah Coal Program Regulations.

The permit renewal package includes the following in compliance with application requirements (R645-302-232):

- Evidence of a liability insurance policy
- Evidence of a performance bond in effect for the operation (Appendix B from Reclamation Agreement)
- A copy of the proposed newspaper notice as required by R645-300-121.100

Should you have any questions please contact either Gregg Galecki (435) 448-2636 or myself.

Sincerely yours,

Wess Sorensen
General Manager

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OCT 26 2011

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: Skyline Mine

Permit Number: C/007/005

Title: Permit Renewal

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

Required information for Permit Renewal

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

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


Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

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

Wesley K Sorenson Print Name Wesley K Sorenson Sign Name, Position, Date
10/26/11 GM Skyline

Subscribed and sworn to before me this 26th day of Oct, 20 11

Kathleen Atwood
 Notary Public
 My commission Expires 11-12, 20 11
 Attest: State of Utah County of Carbon



For Office Use Only:	Assigned Tracking Number:	Received by: Oil, Gas & Mining <div style="text-align: center; color: red; font-weight: bold; font-size: 1.2em;">RECEIVED</div> <div style="text-align: center; color: red; font-weight: bold; font-size: 1.2em;">OCT 26 2011</div> <div style="text-align: center; color: red; font-weight: bold; font-size: 0.8em;">DIV. OF OIL, GAS & MINING</div>
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APPLICATION FOR COAL PERMIT PROCESSING

Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: Canyon Fuel Company, LLC

Mine: Skyline Mine

Permit Number: C/007/005

Title: Requirements for Permit Renewal

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

DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED

	Add	Replace	Remove	DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Evidence of Liability Insurance
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appendix B from Reclamation Agreement for Performance bond demonstration
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Copy of proposed newspaper Public Notice
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
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Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.

One(1) clean copy submitted.

Received by Oil, Gas & Mining

RECEIVED

OCT 26 2011



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/28/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh USA Inc. 701 Market Street, Suite 1100 St. Louis, MO 63101-1830 Alln_silours_certrequest@marsh.com, 212-948-0811		CONTACT NAME PHONE (A/C, No., Ext) E-MAIL ADDRESS		FAX (A/C, No)	
001950-Reg-11-12		INSURER(S) AFFORDING COVERAGE		NAIC #	
INSURED Canyon Fuel Company, LLC c/o Arch Western Bituminous Group, L.L.C. 225 N. 9th Street, Suite 900 Grand Junction, CO 81501		INSURER A: National Union Fire Ins Co Pittsburgh PA		19445	
		INSURER B:			
		INSURER C:			
		INSURER D:			
		INSURER E:			
		INSURER F:			

COVERAGES CERTIFICATE NUMBER: CHI-004084894-29 REVISION NUMBER: 10


THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR	POLICY NO	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		GL 093 61 11	07/31/2011	07/31/2012	EACH OCCURRENCE \$ 300,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 300,000 GENERAL AGGREGATE \$ 500,000 PRODUCTS - COMPOP AGG \$ 500,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY		*\$500,000 general aggregate applies per location			
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					
	<input checked="" type="checkbox"/> Explosion Liability (XLU)					
	GEN'L AGGREGATE LIMIT APPLIES PER					
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO JECT <input checked="" type="checkbox"/> LOC					
	AUTOMOBILE LIABILITY					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> ANY AUTO					
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS				
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS				
	<input type="checkbox"/> UMBRELLA LIAB	<input type="checkbox"/> OCCUR				EACH OCCURRENCE \$
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE				AGGREGATE \$
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$					
	WORKERS COMPENSATION AND EMPLOYERS LIABILITY					WC STATU TORY LIMITS <input type="checkbox"/> OTH ER <input type="checkbox"/>
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N				E L EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below					E L DISEASE - EA EMPLOYEE \$
						E L DISEASE - POLICY LIMIT \$

Mary E. Eikmeier
 MARY E. EIKMEIER
 Notary Public/Notary Seal
 State of Missouri
 St. Louis County
 COMMISSION #07504611
 My Commission Expires 12-02-2011

DESCRIPTION OF OPERATIONS (LOCATIONS; VEHICLES) (Attach ACORD 701. Additional Remarks Schedule, if more space is required):
 Permit Dig Oil Canyon Mine C007039
 Blasting and use of explosives is not excluded under the policy.

INCORPORATED
 SEP 30 2011
 Div. of Oil, Gas & Mining

CERTIFICATE HOLDER Utah Dept. Of Natural Resources Division of Oil, Gas and Mining 1594 W. North Temple Suite 1270 Salt Lake City, UT 84114-5801	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS AUTHORIZED REPRESENTATIVE of Marsh USA Inc. 
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AGENCY CUSTOMER ID: 001950

LOC #: St. Louis



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY Marsh USA Inc.		NAMED INSURED Canyon Fuel Company, LLC c/o Arch Western Bituminous Group, L.L.C. 225 N. 5th Street, Suite 900 Grand Junction, CO 81501	
POLICY NUMBER		EFFECTIVE DATE	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM.

FORM NUMBER: 25 **FORM TITLE:** Certificate of Liability Insurance

This policy is amended as follows:

In the event that the Insurer cancels this policy for any reason other than non-payment of premium, and:

1. the cancellation effective date is prior to this policy's expiration date;

2. the First Named Insured is under an existing contractual obligation to notify a certificate holder(s) when this policy is canceled (hereinafter, the "Certificate Holder(s)"), and has provided the Insurer, either directly or through its broker of record, either:

- (a) the name of the entity shown on the certificate, a contact name at such entity, and the U.S. Postal Service mailing address of each such entity; or
- (b) the email address of a contact at each such entity; and

3. prior to the effective date of cancellation, the First Named Insured confirms to the Insurer, either directly or through its broker of record, that the persons or organizations set forth in the Schedule above, as well as their respective addresses listed, should continue to be a part of the Schedule and, if not, the names of the persons or organizations that should be deleted;

The Insurer will provide advice of cancellation (the "Advice") to each such Certificate Holder(s) confirmed by the First Named Insured in writing to be correctly a part of the Schedule within 45 days after the First Named Insured confirms the accuracy of the Schedule above with the Insurer, provided, however, that if a specific number of days is not stated above, then the Advice will be provided to such Certificate Holder(s) as soon as reasonably practicable after the First Named Insured confirms the accuracy of the Schedule above with the Insurer.

Proof of the Insurer emailing the Advice, using the information provided and subsequently confirmed by the First Named Insured in writing, will serve as proof that the Insurer has fully satisfied its obligations under this endorsement.

This endorsement does not affect, in any way, coverage provided under this policy or the cancellation of this policy or the effective date thereof, nor shall this endorsement invest any rights in any entity not insured under this policy.

The following definitions apply to this endorsement:

- 1. First Named Insured means the Named Insured shown on the Declarations Page of this policy;
- 2. Insurer means the insurance company shown in the header on the Declarations Page of this policy.

All other terms, conditions and exclusions shall remain the same.

INCORPORATED
SEP 30 2011
Div. of Oil, Gas & Mining

EXHIBIT "B"

**Bonding Agreement
Surety Bond**

(Federal Coal)