

**S
O
L
D
I
E
R**

**C
A
N
Y
O
N**

**ANNUAL
REPORT**

1996

Canyon Fuel Company, LLC
Soldier Canyon Mine

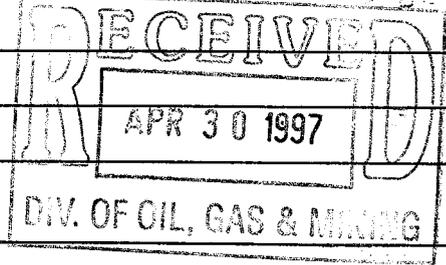
1996 ANNUAL REPORT



J.C. Gray

GENERAL INFORMATION

1. Permit Number	ACT/007/018
2. Mine Name	Soldier Canyon Mine
3. Permittee Name	Canyon Fuel Company
4. Operator Name (if other than Permittee)	
5. Permit Expiration Date	February 3, 2002
6. Company Representative, Title	Rick Olsen, General Manager
7. Phone Number	(801) 637-6360
8. Fax Number	(801) 637-0108
9. Mailing Address	Soldier Canyon Mine
	P.O. Box 1029
	Wellington, Utah 84542
10. Resident Agent, Title	C.T. Corporation Systems
Mailing Address	50 West Broadway
	Salt Lake City, Utah 84104



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)	42-00077		
2. MSHA Impoundment(s)			
3. NPDES/UPDES Permit(s) (water)	UT0023680	UPDES Permit	March 31, 2001

1996 ANNUAL REPORT					Page 2	
4. PSD (Air) Permit(s)	DAQE-334-94					
5.						
6.						
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	YES	NO	ON FILE	
1. Excess Spoil Piles		X				
2. Refuse Piles		X				
3. Impoundments	X		X			
4.						
5.						
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	YES	NO	ON FILE	
1. Climatological Data		X				
2. Subsidence Monitoring Data	X		X			
3. Vegetation Monitoring Data	X		X			
4. Soils Monitoring Data		X				
5. Water Monitoring Data	X				X	
First Quarter Report					X	
Second Quarter Report					X	
Third Quarter Report					X	
Fourth Quarter Report					X	
6. Geological/Geophysical Data		X				
7. Engineering Data		X				
8. Other Data						
Mine water discharge	X		X			

Air Quality Monitoring	x		x				

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

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

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

MINE MAPS

Copies of mine maps, current and up-to-date through at least December 31, 1996, 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?
XE069.DWG	Sunnyside Seam 1996 Production Map	
XRCMAP.DWG	Rock Canyon Seam 1996 Production Map	

OTHER INFORMATION

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

Additional attachments to this report? No Yes

APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

as required under R645-301-514

CONTENTS

Certified Inspection of Sewage Lagoon

Certified Inspection of Soldier Canyon Mine Sedimentation Pond



Coastal
The Energy People

I, David G. Spillman, do certify that on December 18, 1996, I personally inspected the sewage lagoon associated with the Soldier Canyon Mine. The observations made during this inspection are as follows:

1. The sewage lagoon has been basically constructed and maintained as designed. This is in accordance with the approved plan and R645-301-533.
2. This impoundment meets the SCS Class A criteria in TR60.
3. The sewage lagoon is designed for total containment and has never discharged.
4. The total capacity of the sewage lagoon is 2.1 acre-feet.
5. The water impounded at the time of the inspection was estimated to be approximately 4 feet deep in both cells.
6. No fires have occurred in the construction material.
7. The sewage lagoon appeared to be sound with no signs of instability or hazardous conditions.

David G. Spillman 12/19/96

David G. Spillman
Registered Professional Engineer
Utah Registration No. 151610



f:\user\spild\wp\pond.lag

Soldier Creek Coal Company

A SUBSIDIARY OF THE COASTAL CORPORATION
P O BOX 1029 • WELLINGTON UT 84542 • 801/637-6360 • FAX 801/637-0108



Coastal
The Energy People

I, David G. Spillman, do certify that on December 12, 1996, I personally inspected the sedimentation pond associated with the Soldier Canyon Mine. The observations made during this inspection are as follows:

1. The sedimentation pond has been basically constructed and maintained as designed. This is in accordance with the approved plan and R645-301-533.
2. This impoundment meets the SCS Class A criteria in TR60.
3. Any discharge from this impoundment is monitored in accordance with UPDES Permit No. UT-0023680.
4. The overflow elevation is 6,649.5 feet and the total capacity is 3.3 acre-feet.
5. The water impounded at the time of the inspection was estimated to be approximately 1.5 feet below the decant elevation.
6. No fires have occurred in the construction material.
7. The sedimentation pond appeared to be sound with no signs of instability or hazardous conditions.

David G. Spillman

12/19/96

David G. Spillman
Registered Professional Engineer
Utah Registration No. 151610



f:\user\spild\wp\pond.sc3

Soldier Creek Coal Company

A SUBSIDIARY OF THE COASTAL CORPORATION
P.O. BOX 1029 • WELLINGTON UT 84542 • 801/637-6360 • FAX 801/637-0108



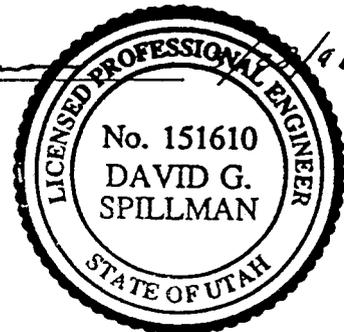
Coastal
The Energy People

I, David G. Spillman, do certify that on February 28, 1996, I personally inspected the sewage lagoon associated with the Soldier Canyon Mine. The observations made during this inspection are as follows:

1. The sewage lagoon has been basically constructed and maintained as designed. This is in accordance with the approved plan and R645-301-533.
2. This impoundment meets the SCS Class A criteria in TR60.
3. The sewage lagoon is designed for total containment and has never discharged.
4. The total capacity of the sewage lagoon is 2.1 acre-feet.
5. The water impounded at the time of the inspection was estimated to be approximately 4 feet deep in both cells.
6. No fires have occurred in the construction material.
7. The sewage lagoon appeared to be sound with no signs of instability or hazardous conditions.

David G. Spillman

David G. Spillman
Registered Professional Engineer
Utah Registration No. 151610



f:\user\spild\wp\pond.lag

Soldier Creek Coal Company

A SUBSIDIARY OF THE COASTAL CORPORATION
P O BOX 1029 • WELLINGTON UT 84542 • 801/637-6360 • FAX 801/637-0108



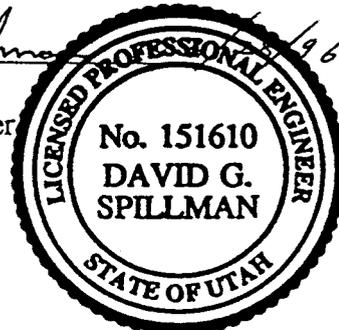
Coastal
The Energy People

I, David G. Spillman, do certify that on February 28, 1996, I personally inspected the sedimentation pond associated with the Soldier Canyon Mine. The observations made during this inspection are as follows:

1. The sedimentation pond has been basically constructed and maintained as designed. This is in accordance with the approved plan and R645-301-533.
2. This impoundment meets the SCS Class A criteria in TR60.
3. Any discharge from this impoundment is monitored in accordance with NPDES Permit No. UT-0023680.
4. The overflow elevation is 6,649.5 feet and the total capacity is 3.3 acre-feet.
5. The water impounded at the time of the inspection was estimated to be approximately 3 feet below the decant elevation.
6. No fires have occurred in the construction material.
7. The sedimentation pond appeared to be sound with no signs of instability or hazardous conditions. The small area of embankment out slope where some sloughage was observed last spring appears to have stabilized. While structural weakness is not a concern at this time, continued observation of the sloughage area is warranted.

David G. Spillman

David G. Spillman
Registered Professional Engineer
Utah Registration No. 151610



f:\user\spild\wp\pond.sc3

Soldier Creek Coal Company

A SUBSIDIARY OF THE COASTAL CORPORATION
P O BOX 1029 • WELLINGTON UT 84542 • 801/637-6360 • FAX 801/637-0108

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

Vegetation Report

Mine Discharge Report

Air Quality Survey

Subsidence Survey

Soldier Canyon Mine

Vegetation Report

1996

Five hundred (500) Clematis seedlings were planted on the No. 3 Fan road. Conditions were dry at the time of planting and limited moisture was received following planting. Field inspection during the early fall showed very little, if any, survival of the seedlings. This area should be field checked again this season to determine if additional revegetation work needs to be done.

1996 MONTHLY DISCHARGE QUANTITY

<u>MONTH</u>	<u>QUANTITY (gal)</u>
JANUARY	5,588,387
FEBRUARY	5,619,530
MARCH	6,541,088
APRIL	6,973,860
MAY	7,154,932
JUNE	6,267,196
JULY	8,711,239
AUGUST	9,020,684
SEPTEMBER	8,027,630
OCTOBER	7,351,944
NOVEMBER	9,351,137
DECEMBER	9,069,993
YEARLY TOTAL	89,677,620

Monthly discharge readings come from the mine monitoring system. This system is tied to a water meter on the discharge line. The entire month is trended and the peaks are added together to obtain a total monthly discharge.

Coastal States Energy Company
EPA Method 9
Air Opacity Source Evaluation Report

Facility: SOLDIER CANYON MINE

Date: 12-03-96

Observer: DON LOGSTON

Source: <u>#1 BELT TO STACKING TUBE</u>						
Distance to Source: <u>140'</u>						
Wind Direction: <u>N/A</u>			Wind Speed: <u>CALM</u>			
Ambient Temperature: <u>25°</u>			Relative Humidity: <u>50%</u>			
Diagram:						
No.	Hr./Min.	Seconds				Average
		0	15	30	45	
1	10:40	10	10	5	5	7.5
2	10:42	5	5	0	0	2.5
3	10:44	0	0	10	10	5
4	10:46	10	10	15	15	12.5
5	10:48	15	15	5	5	10
6	10:50	5	5	5	5	5

Coastal States Energy Company
EPA Method 9
Air Opacity Source Evaluation Report

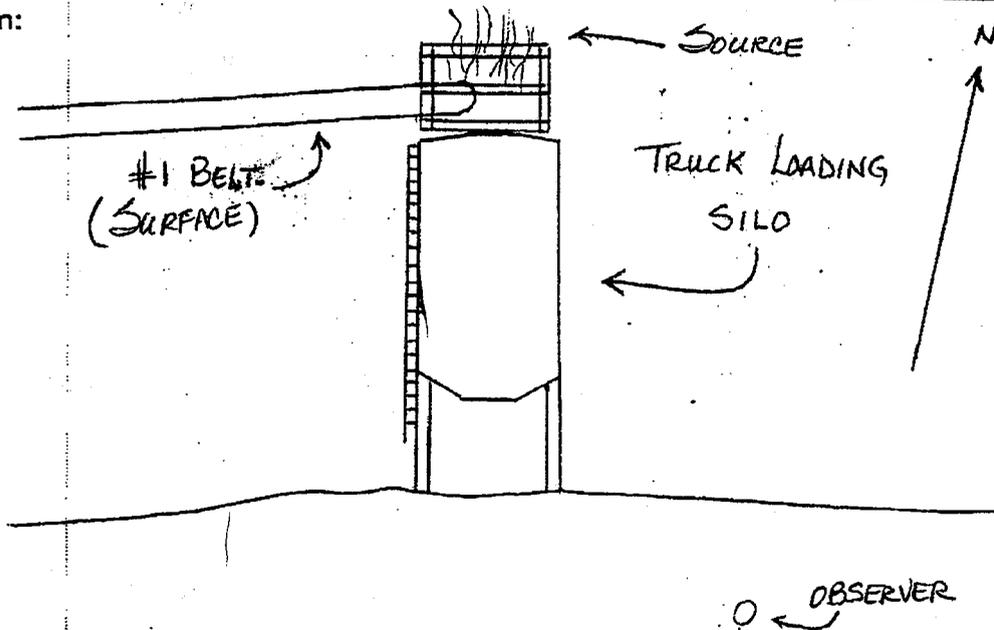
Facility: SOLDIER CANYON MINE

Date: 12-03-96

Observer: DON LOGSTON

Source: #1(s) BELT TO SILO	
Distance to Source: 130'	
Wind Direction: N/A	Wind Speed: CALM
Ambient Temperature: 25°	Relative Humidity: 50%

Diagram:



No.	Hr./Min.	Seconds				Average
		0	15	30	45	
1	11:00	0	0	0	0	0
2	11:02	0	0	5	10	3.75
3	11:04	10	10	10	10	10
4	11:06	10	10	5	0	6.25
5	11:08	0	0	10	10	5
6	11:10	10	10	15	15	12.5

CANYON FUEL COMPANY
Soldier Canyon Mine
1996 Subsidence Monitoring Survey

Point No.	Year Established	Original Elevation	1996 Northing	1996 Easting	1996 Elevation	Elevation Difference
112-SS	1980	7,691.43	100,663.94	44,629.62	7,691.64	+0.21
113-SS	1980	7,755.71	102,787.15	44,216.86	7,755.39	-0.32
92-1SS	1992	7,816.70	103,218.08	43,526.47	7,816.48	-0.22
93-1SS	1993	7,734.21	101,962.15	44,207.06	7,734.01	-0.20
93-2SS	1993	7,739.36	101,119.84	44,511.69	7,739.43	+0.07

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

APPENDIX D

Mine Maps

as required under R645-301-525.270.

CONTENTS

Sunnyside Seam 1996 Production Map

Rock Canyon Seam 1996 Production Map

APPENDIX E

Other Information

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

CONTENTS