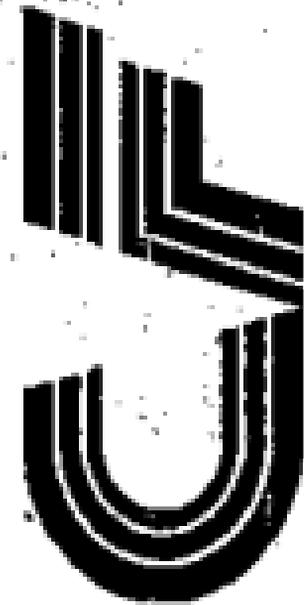


Soldier Canyon Mine & Banning Loadout
1998 Annual Report



Soldier Canyon Mine & Banning Loadout

1998 ANNUAL REPORT





Canyon Fuel Company, LLC
Soldier / Dugout Canyon Mines
P.O. Box 1029
Wellington, Utah 84542
435/637-6360 Fax: 435/637-0108

March 31, 1999

Utah Coal Regulatory Program
Attn: Mary Ann Wright
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Submittal of the 1998 Annual Reports
Soldier Canyon Mine, ACT/007/018 #6
Banning Loadout, ACT/007/034 #6

Dear Ms. Wright:

Enclosed please find two copies of the 1998 annual reports for the Soldier Canyon Mine and Banning Loadout. The annual report for the Dugout Canyon Mine will be forwarded from Canyon Fuel Company's Skyline operation.

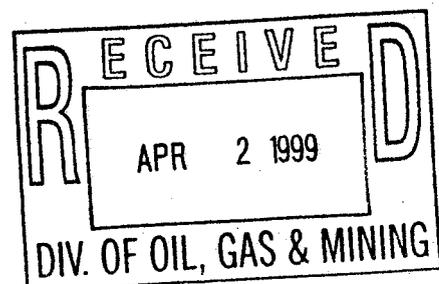
Should you have any questions concerning this submittal, please contact me directly at (435)636-2872.

Sincerely,
SOLDIER / DUGOUT CANYON MINES

David G. Spillman, P.E.
Technical Services Manager

enclosures

cc: Chris Hansen, Skyline
Central Files



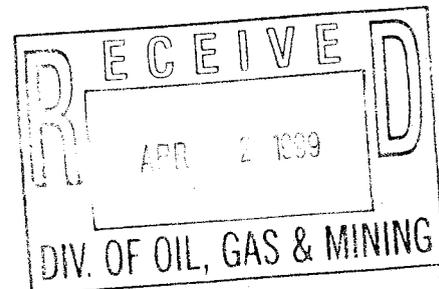
**SOLDIER CANYON
MINE**

BANNING LOADOUT

RECEIVED
APR. 2 1939
DIV. OF OIL, GAS & MINING

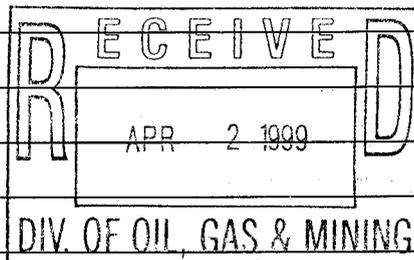
Soldier Canyon Mine 1998 ANNUAL REPORT

Canyon Fuel Company, LLC



GENERAL INFORMATION

1. Permit Number	ACT/007/018
2. Mine Name	Soldier Canyon Mine
3. Permittee Name	Canyon Fuel Company, LLC
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	(435) 637-6360
8. Fax Number	(435) 637-0108
9. Mailing Address	Soldier Canyon Mine P.O. Box 1029 Wellington, UT 84542
10. Resident Agent, Title	C.T. Corporation Systems
Mailing Address	50 West Broadway Salt Lake City, UT 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	Utah Pollutant Discharge Elimination System	March 31, 2001
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 Files		X		X		
2. Refuse Files		X		X		
3. Impoundments	X		X			Quarterly Pond - Inspections (see Appendix - A)
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		X		
2. Subsidence Monitoring Data	X		X			1998 Subsidence Monitoring Survey (see Appendix - B)
3. Vegetation Monitoring Data	X		X			Cheatgrass Control (App B)
4. Soils Monitoring Data		X		X		
5. Water Monitoring Data	X				X	
First Quarter Report	X				X	
Second Quarter Report	X				X	
Third Quarter Report	X				X	
Fourth Quarter Report	X				X	
6. Geological/Geophysical Data		X		X		
7. Engineering Data		X		X		
8. Other Data						
Mine Water Discharge	X		X			1998 Monthly Discharge Quantity (see Appendix - B)
1998 Raptor Survey	X		X			1998 Raptor Survey (see Appendix - B)

1998 ANNUAL REPORT					
Air Quality Monitoring	X		X		Visible Emission Observation Forms (see Appendix - B)

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	Chapter 1 of the MRP was resubmitted in 1998
2. Other						

MINE MAPS

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

Map Number(s)	Map Title / Description	Confidential?
YEAR98.DWG	Rock Canyon Seam 1998 Mine Progress Map	
	Letter Re: Equipment left underground	

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

Quarterly Pond Inspections (Mine Sedimentation Pond & Sewage Lagoon)



Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
801/637-6360 Fax: 801/637-0108

QUARTERLY POND INSPECTION

POND BEING INSPECTED: Mine Sedimentation Pond

DATE OF INSPECTION: March 23, 1998

PERSON(S) MAKING INSPECTION: Steven M. Nye

ANY STRUCTURAL WEAKNESS, EROSION AND OTHER HAZARDOUS CONDITIONS NOTED: None

ANY ROUTINE MAINTENANCE REQUIRED: None

COMMENTS: The water level at the time of inspection was approximately two feet below decant.

APPROVAL: MM Nye DATE: 3/23/98





Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
801/637-6360 Fax: 801/637-0108

QUARTERLY POND INSPECTION

POND BEING INSPECTED: Sewage Lagoon

DATE OF INSPECTION: March 23, 1998

PERSON(S) MAKING INSPECTION: Steven M. Nye

ANY STRUCTURAL WEAKNESS, EROSION AND OTHER HAZARDOUS CONDITIONS NOTED: None

ANY ROUTINE MAINTENANCE REQUIRED: Vegetation on embankment top, as well as, along some areas within embankment inslope has died.

COMMENTS: The estimated depth of water in each cell is approximately 3.5 feet. Ice on water's surface is melting.

APPROVAL: MM Nye DATE: 3/23/98



Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
801/637-6360 Fax: 801/637-0108

QUARTERLY POND INSPECTION

POND BEING INSPECTED: Mine Sedimentation Pond

DATE OF INSPECTION: June 29, 1998

PERSON(S) MAKING INSPECTION: Steven M. Nye

ANY STRUCTURAL WEAKNESS, EROSION AND OTHER HAZARDOUS CONDITIONS NOTED: None

ANY ROUTINE MAINTENANCE REQUIRED: None

COMMENTS: The water level at the time of inspection was approximately three feet below manual decant.

APPROVAL: StM. Nye DATE: 6/29/98



Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
801/637-6360 Fax: 801/637-0108

QUARTERLY POND INSPECTION

POND BEING INSPECTED: Sewage Lagoon

DATE OF INSPECTION: June 29, 1998

PERSON(S) MAKING INSPECTION: Steven M. Nye

ANY STRUCTURAL WEAKNESS, EROSION AND OTHER HAZARDOUS CONDITIONS NOTED: None

ANY ROUTINE MAINTENANCE REQUIRED: Vegetation has established on embankment top and along some areas within embankment inslope. This growth will need to be controlled by mid-summer.

COMMENTS: The estimated depth of water in each cell is approximately 3.5 feet.

APPROVAL: Stm. Nye DATE: 6/29/98



Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
(801)637-6360 Fax: (801) 637-0108

I, David G. Spillman, do certify that on September 30, 1998, 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. Any discharge from this impoundment is monitored in accordance with UPDES Permit No. UT-0023680.
3. The overflow elevation is 6,649.5 feet and the total capacity is 3.3 acre-feet.
4. The water impounded at the time of the inspection was estimated to be approximately 3.5 feet below the decant elevation.
5. No fires have occurred in the construction material.
6. The sedimentation pond appeared to be sound with no signs of instability or hazardous conditions.

David G. Spillman 9/30/98

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

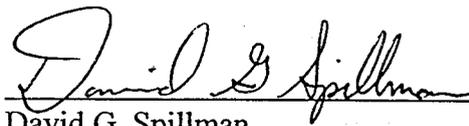




Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
(801)637-6360 Fax: (801) 637-0108

I, David G. Spillman, do certify that on September 30, 1998, 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. The sewage lagoon is designed for total containment and has never discharged.
3. The total capacity of the sewage lagoon is 2.1 acre-feet.
4. The water impounded at the time of the inspection was estimated to be approximately 4 feet deep in both cells.
5. No fires have occurred in the construction material.
6. The sewage lagoon appeared to be sound with no signs of instability or hazardous conditions.



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





Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
(801)637-6360 Fax: (801) 637-0108

QUARTERLY POND INSPECTION

POND BEING INSPECTED: Mine Sedimentation Pond

DATE OF INSPECTION: December 28, 1998

PERSON(S) MAKING INSPECTION: Steve Nye

ANY STRUCTURAL WEAKNESS, EROSION AND OTHER HAZARDOUS CONDITIONS NOTED: None

ANY ROUTINE MAINTENANCE REQUIRED: None

COMMENTS: The water level at the time of inspection was approximately two and one half feet below the manual decant.

APPROVAL: ATM Nye DATE: 12/28/98



Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
(801)637-6360 Fax: (801) 637-0108

QUARTERLY POND INSPECTION

POND BEING INSPECTED: Sewage Lagoon

DATE OF INSPECTION: December 28, 1998

PERSON(S) MAKING INSPECTION: Steve Nye

ANY STRUCTURAL WEAKNESS, EROSION AND OTHER HAZARDOUS CONDITIONS NOTED: None

ANY ROUTINE MAINTENANCE REQUIRED: Vegetation is dormant.

COMMENTS: Cells are covered with ice.

APPROVAL: Steve Nye DATE: 12/28/98

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

1998 Subsidence Monitoring Survey

Cheatgrass Control - Soldier Canyon Mine Topsoil Storage Area

1998 Monthly Discharge Quantity

1998 Raptor Survey

Visible Emission Observation Forms

CANYON FUEL COMPANY

Soldier Canyon Mine
1998 Subsidence Monitoring Survey

Point #	Description	Year est.	1997		1998		Original Elevation	1998 Elevation	Differences		delta Elev (1998-Original)
			Northing	Easting	Northing	Easting			delta North	delta East	
112	112-SS	1980	100,663.69	44,629.81	100,663.72	44,629.75	7,691.43	7,691.71	-0.03	0.06	0.28
113	113-SS	1980	102,786.96	44,217.18	102,787.48	44,217.03	7,755.71	7,755.06	-0.52	0.15	-0.65
921	92-1SS	1992	103,217.97	43,526.60	103,218.20	43,526.54	7,816.70	7,816.64	-0.23	0.06	-0.06
931	93-1SS	1993	101,961.85	44,207.56	101,962.11	44,207.43	7,734.21	7,732.41	-0.26	0.13	-1.80
932	93-2SS	1993	101,119.60	44,512.16	101,119.76	44,511.96	7,739.36	7,739.39	-0.16	0.20	0.03
974	97-4	1997	103,381.56	41,918.04	103,381.66	41,918.24	7,705.47	7,705.35	-0.10	-0.20	-0.12
975	97-5	1997	103,648.63	41,370.85	103,648.60	41,370.94	8,003.01	8,003.02	0.04	-0.09	0.01

NOTES

- Visual checks for subsidence were made during this survey and evidence of subsidence was not detected.
- All subsidence points were surveyed November 4, 1998
- This ground survey was done using standard trigonometric surveying techniques with:
 - Sokkisha Set 3-total station
 - Lietz SDR22-data collector
- No subsidence was detected to cause any mitigative action.
- No changes have been done to the monitoring plan due to economic conditions or technical advancements in subsidence monitoring.



Canyon Fuel Company, LLC

Internal Correspondence

Date: March 30, 1999
Subject: Cheatgrass Control - Soldier Canyon Mine Topsoil Storage Area
From/Location: D. G. Spillman
To/Location: File

During the spring and early summer months of 1997 it was brought to our attention by Pete Hess, that there appeared to be a revegetation problem at the Soldier Canyon Mine Topsoil Storage Area. While the surrounding vegetation appeared normal, the topsoil area looked burnt and dried up. Upon closer inspection, it was determined that the topsoil area had a high percentage cheatgrass scattered throughout.

The Soldier Canyon Mine had proposed a possible expansion of this site for the storage of Dugout Canyon Mine topsoil. In order to proceed with the expansion, Soldier Canyon Mine agreed to take the necessary steps to control the cheatgrass in the area.

On March 20, 1998, Paul Baker, Reclamation Biologist from the Salt Lake City DOGM office, visited the topsoil area and recommended that selective spraying of the cheatgrass and reseeding with the appropriate seed mixture would begin to eliminate the problem. This was based on the premise that the cheatgrass seeds had germinated and become established during the previous fall. Since the established cheatgrass would begin growing very early in the spring, properly timed spraying may be effective without impacting other annuals yet to germinate. Careful spraying would also avoid impacting the established perennial plants.

On March 24, 1998, selective spraying with Round-up began on the surrounding berm and the furthest west topsoil pile. Due to a period of rainy and windy weather additional spraying was delayed until April 17, 1998. On April 17, the remaining two topsoil piles we sprayed and again on April 20, 1998, the entire topsoil storage area was selectively sprayed.

On April 22, 1998, the entire topsoil area was reseeded at approximately 14 lbs. per acre with a rotary hand held seeder and then raked by hand. The seed mix used is shown in the Soldier Canyon Mine Permit, Volume 2, Appendix 3-E, and is titled Intermediate (Temporary) Seed Mixture. However, the Intermediate wheatgrass in this mixture was replaced with Pubescent wheatgrass upon

Paul Baker's recommendation because of its ability to overcome and impede the growth of the cheatgrass.

Subsequent observations on and around the topsoil stockpile proved that the spraying technique was extremely effective in killing the cheatgrass that had germinated during the previous fall. Unfortunately, it became readily apparent that not all cheatgrass seeds germinate during the fall. As spring progressed with normal precipitation, a substantial stand of cheatgrass reestablished itself in and around the topsoil area. By late spring, the reestablished cheatgrass was extensive enough to completely overcome the control methods that were implemented.

1998 MONTHLY DISCHARGE QUANTITY

<u>MONTH</u>	<u>QUANTITY</u>
JANUARY	10,332,000
FEBRUARY	10,800,000
MARCH	9,684,000
APRIL	7,272,000
MAY	6,084,000
JUNE	0
JULY	0
AUGUST	0
SEPTEMBER	0
OCTOBER	0
NOVEMBER	0
DECEMBER	0
YEARLY TOTAL	44,172,000

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 peak are added together to obtain a total monthly discharge. The final discharge for Soldier Canyon was May 26, 1998. There will be no further discharge from Soldier Canyon.

Source: White Canyon Coal

Date: 7-30-98

min \ sec	0	15	30	45
1	○	→		
2	○	→		
3	○	→		
4	○	→		
5	○	→		
6	○	→		0%
7				
8				
9				
10				
11				
12				

Reading Time

Start: _____ Stop: _____

Draw North Arrow

observer

140°

Temperature: 70 °F RH: 30 %

Emission Source: COAL LOADOUT

Control Equipment: WATER SPRAYS

Emission Point: TRANSFER POINT

Ht. Relative to Observer: 40 FEET

Distance from Observer: 100 FEET

Plume Color: NONE

Condensed Water Vapor Present? Yes No

Attached Detached NA

Length of Condensed Water Vapor Plume: NA

Background: CR

Sky Conditions: Clear Partly Cloudy Overcast

Wind Direction: SOUTH Wind Speed: 5 mph

Av. opacity for highest six-minute period: 0%

min \ sec	0	15	30	45
1	○	→		
2	○	→		
3	○	→		
4	○	→		
5	○	→		
6	○	→		0%
7				
8				
9				
10				
11				
12				

Reading Time

Start: _____ Stop: _____

Draw North Arrow

observer

140°

Temperature: 70 °F RH: 30 %

Emission Source: COAL LOADOUT

Control Equipment: WATER SPRAYS

Emission Point: CONVERTED TRANSFER

Ht. Relative to Observer: 50 FEET

Distance from Observer: 75 FEET

Plume Color: NONE

Condensed Water Vapor Present? Yes No

Attached Detached NA

Length of Condensed Water Vapor Plume: NA

Background: SKY

Sky Conditions: Clear Partly Cloudy Overcast

Wind Direction: SOUTH Wind Speed: 5 mph

Av. opacity for highest six-minute period: 0%

min \ sec	0	15	30	45
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Reading Time

Start: _____ Stop: _____

Draw North Arrow

observer

140°

Temperature: _____ °F RH: _____ %

Emission Source: _____

Control Equipment: _____

Emission Point: _____

Ht. Relative to Observer: _____

Distance from Observer: _____

Plume Color: _____

Condensed Water Vapor Present? Yes / No

Attached Detached

Length of Condensed Water Vapor Plume: _____

Background: _____

Sky Conditions: Clear Partly Cloudy Overcast

Wind Direction: _____ Wind Speed: _____ mph

Av. opacity for highest six-minute period: _____

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

Rock Canyon Seam 1998 Production Map

Letter requesting an extension for reporting equipment left underground in 1998.



Canyon Fuel Company, LLC
Skyline Mines
HC 35 Box 380
Helper, Utah 84526
(435) 448-6463 Fax: (435) 448-2632

March 15, 1999

Ms. Mary Ann Wright
Associate Director of Mining
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: 1998 Annual Report, Map Illustrating the Locations of Equipment/Machinery
and Hazardous Substances Left Underground at Canyon Fuel Company, LLC
Mines

Dear Mary Ann:

At this time, Canyon Fuel Company, LLC requests an extension to the reporting requirement the 1998 Annual Report include a map illustrating the location of equipment/machinery and hazardous substances left underground during 1998. This request applies to the SUFCo, Skyline, Soldier Canyon, and Dugout Canyon Mines. Currently, Canyon Fuel Company, LLC is anticipating Manti-LaSal National Forest Service's agreement with you concerning the items and materials that need to be reported and illustrated on the map.

We realize that only SUFCo and Skyline Mines are within Forest Service lands. However, for the purpose of maintaining consistent reporting methods for each of Canyon Fuel Company, LLC's permitted facilities, we would prefer to wait until this issue is decided. At that time the maps will be prepared, using a common format, and submitted.

We appreciate your help in this matter and look forward to hearing from you. If you have any questions, please call me at (435) 448-2669.

Sincerely:

Chris D. Hansen
Environmental Coordinator
Canyon Fuel Company, LLC

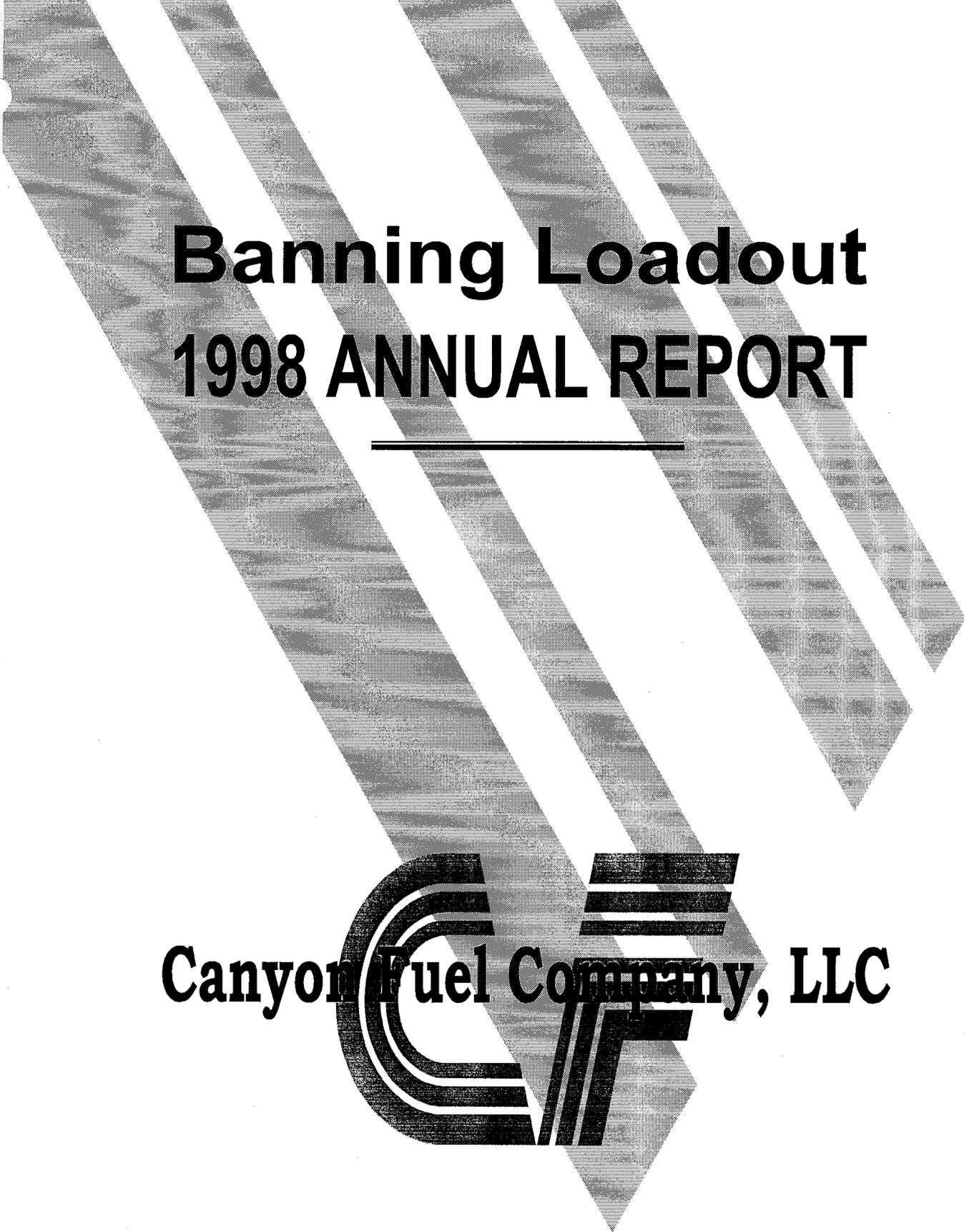
cc: Dave Spillman
Wess Sorensen
Doug Johnson

APPENDIX E

Other Information

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

CONTENTS



Banning Loadout 1998 ANNUAL REPORT

Canyon Fuel Company, LLC



GENERAL INFORMATION

1. Permit Number	ACT/007/034
2. Mine Name	Banning Loadout
3. Permittee Name	Canyon Fuel Company, LLC
4. Operator Name (if other than Permittee)	
5. Permit Expiration Date	October 24, 2003
6. Company Representative, Title	Rick Olsen, General Manager
7. Phone Number	(435) 637-6360
8. Fax Number	(435) 637-0108
9. Mailing Address	Soldier Canyon Mine P.O. Box 1029 Wellington, UT 84542
10. Resident Agent, Title	C.T. Corporation Systems
Mailing Address	50 West Broadway Salt Lake City, UT 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)	42-01756		
2. MSHA Impoundment(s)			
3. NPDES/UPDES Permit(s) (water)	UTG040011	Utah Pollutant Discharge Elimination System	April 30, 2003
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		X		
2. Refuse Piles		X		X		
3. Impoundments	X		X			Quarterly Pond - Inspections (see Appendix - A)
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		X		
2. Subsidence Monitoring Data		X		X		
3. Vegetation Monitoring Data	X		X			Banning Test Plot Study (see Appendix - B)
4. Soils Monitoring Data		X		X		
5. Water Monitoring Data	X		X			Analytical Results - Banning Sump (see Appendix - B)
First Quarter Report		X		X		
Second Quarter Report		X		X		
Third Quarter Report		X		X		
Fourth Quarter Report		X		X		
6. Geological/Geophysical Data		X		X		
7. Engineering Data		X		X		
8. Other Data						
Coal Sample	X		X			1998 Composite Coal Sample (see Appendix - B)

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	Chapter 1 of the MRP was resubmitted in 1998
2. Other						

MINE MAPS

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

Map Number (s)	Map Title / Description	Confidential?

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

Quarterly Pond Inspections (Banning Sedimentation Pond)



Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
(801)637-6360 Fax: (801) 637-0108

QUARTERLY POND INSPECTION

POND BEING INSPECTED: BANNING

DATE OF INSPECTION: MAR. 09, 1998

PERSON(S) MAKING INSPECTION: DON LOGSTON

ANY STRUCTURAL WEAKNESS, EROSION AND OTHER HAZARDOUS CONDITIONS NOTED: _____

NOTHING OF SIGNIFICANCE. SMALL EROSION CHANNELS DUE TO EFFECTS OF WINTER AND RECENT WET SNOWFALL.

ANY ROUTINE MAINTENANCE REQUIRED: NONE.

COMMENTS: EROSION CHANNELS WILL BE MONITORED ON A FREQUENT BASIS.

APPROVAL: _____ DATE: _____



Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
(801)637-6360 Fax: (801) 637-0108

QUARTERLY POND INSPECTION

POND BEING INSPECTED: BANNING SEDIMENT POND

DATE OF INSPECTION: JUNE 25, 1998

PERSON(S) MAKING INSPECTION: DON LOGSTON

ANY STRUCTURAL WEAKNESS, EROSION AND OTHER HAZARDOUS CONDITIONS NOTED: NONE

ANY ROUTINE MAINTENANCE REQUIRED: NONE

COMMENTS: POND LOOKS THE SAME AS IT ALWAYS DOES.
SMALL AMOUNT OF H₂O IN POND.

APPROVAL: D. S. Spillman DATE: 6/25/98



Canyon Fuel Company, LLC

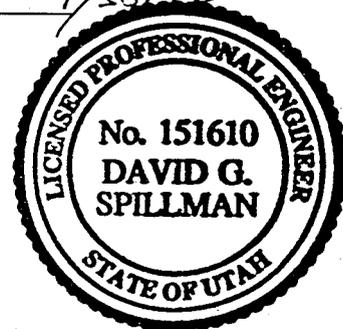
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
(801)637-6360 Fax: (801) 637-0108

I, David G. Spillman, do certify that on September 30, 1998, I personally inspected the sedimentation pond associated with the Banning Loadout facility. 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. Any discharge from this impoundment is monitored in accordance with UPDES Permit No. UTG040011.
3. The overflow elevation is 5,495.2 feet and the total capacity is 1.45 acre-feet.
4. The water impounded at the time of the inspection was less than 1 foot.
5. No fires have occurred in the construction material.
6. The sedimentation pond appeared to be sound with no signs of instability or hazardous conditions.

David G. Spillman 9/30/98

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





Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
(801)637-6360 Fax: (801) 637-0108

QUARTERLY POND INSPECTION

POND BEING INSPECTED: BANNING SEDIMENT POND

DATE OF INSPECTION: 12-16-98

PERSON(S) MAKING INSPECTION: DON LOGSTON

ANY STRUCTURAL WEAKNESS, EROSION AND OTHER HAZARDOUS CONDITIONS NOTED: _____

NONE NOTED

ANY ROUTINE MAINTENANCE REQUIRED: NONE

COMMENTS: APPEARS SATISFACTORY, NO PROBLEMS/CHANGES NOTED. SMALL AMOUNT OF H₂O IN POND.

APPROVAL: D. G. Spillman DATE: 12/21/98

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

Banning Test Plot Study - Prepared By: Patricia K. Johnston

Water Monitoring Analytical Results (Banning Sump)

1998 Composite Coal Samples

Banning Test Plot Study
1998 Vegetation Cover Samples - Ocular Estimate

Prepared for:
Skyline Mines
P.O. Box 719
Helper, Utah 84526

Prepared by:
Patricia K. Johnston
Environmental Consultant
399 "E" Street
Helper, Utah 84526

Banning Test Plot Study
1998 Vegetation Cover Samples - Ocular Estimate

1.0 Introduction

In consultation with Utah Division of Oil Gas & Mining (DOGGM), a series of fourteen test plots were established in November, 1991 and treated according to the revised study plan of 1991. As set forth in this plan, this site was sampled in 1998 to determine vegetative cover by species.

2.0 Methodology

Each plot was approximately 100 ft.². Each test plot was outlined with fluorescent flag tape to give the researcher a clear and distinct boundary to assist in the ocular estimate of cover by species. The researcher further calibrated her vision by measuring the area of various plants and comparing it to the total area.

3.0 Results

Plot 1

Treatment: Manure main
Percent cover by species:

<i>Agropyron cristatum</i>	2%
<i>Atriplex canescens</i>	4%
<i>Bromus tectorum</i>	1%
<i>Kochia spp.</i>	12%
<i>Sarcobatus vermiculatus</i>	2%
<i>Salsola kali</i>	6%
<u><i>Sitanion hystrix</i></u>	<u>1%</u>
Total vegetative cover	28%

Plot 2

Treatment: Fertilizer main
Percent cover by species:

<i>Agropyron cristatum</i>	1%
<i>Atriplex canescens</i>	32%
<i>Oryzopsis hymenoides</i>	1%
<i>Sarcobatus vermiculatus</i>	5%
<u><i>Sitanion hystrix</i></u>	<u>4%</u>
Total vegetative cover	43%

Plot 3

Treatment: Sawdust & fertilizer main
Percent cover by species:

<i>Atriplex canescens</i>	45%
<i>Bromus tectorum</i>	Trace (T)
<i>Kochia spp.</i>	T
<i>Oryzopsis hymenoides</i>	T
<i>Sarcobatus vermiculatus</i>	10%
<u><i>Sitanion hystrix</i></u>	<u>1%</u>
Total vegetative cover	56%

Plot 4

Treatment: Control main
Percent cover by species:

<i>Atriplex canescens</i>	65%
<i>Bromus tectorum</i>	1%
<i>Kochia spp.</i>	T
<u><i>Sarcobatus vermiculatus</i></u>	<u>2%</u>
Total vegetative cover	68%

Plot 5

Treatment: Blank
Percent cover by species:

<i>Bromus tectorum</i>	2%
<i>Halogeton glomeratus</i>	1%
<i>Kochia spp.</i>	6%
<i>Lepidium spp.</i>	T
<i>Oryzopsis hymenoides</i>	T
<u><i>Sarcobatus vermiculatus</i></u>	<u>4%</u>
Total vegetative cover	13%

Plot 6

Treatment: Control supplemental
Percent cover by species:

<i>Agropyron cristatum</i>	8%
<i>Halogeton glomeratus</i>	2%
<i>Kochia spp.</i>	1%
<u><i>Sitanion hystrix</i></u>	<u>2%</u>
Total vegetative cover	13%

Plot 7

Treatment: Manure supplemental
Percent cover by species:

<i>Agropyron cristatum</i>	1%
<i>Bromus tectorum</i>	T

<i>Halogeton glomeratus</i>	T
<u><i>Kochia spp.</i></u>	<u>14%</u>
Total vegetative cover	15%

Plot 8

Treatment: Sawdust, fertilizer main
Percent cover by species:

<i>Agropyron cristatum</i>	2%
<i>Aster spp.</i>	T
<i>Atriplex canescens</i>	30%
<i>Bromus tectorum</i>	T
<i>Oryzopsis hymenoides</i>	2%
<i>Sarcobatus vermiculatus</i>	2%
<u><i>Sitanion hystrix</i></u>	<u>8%</u>
Total vegetative cover	45%

Plot 9

Treatment: Control main
Percent cover by species:

<i>Agropyron cristatum</i>	1%
<i>Artemisia frigida</i>	1%
<i>Atriplex canescens</i>	65%
<i>Bromus tectorum</i>	T
<i>Sarcobatus vermiculatus</i>	2%
<u><i>Sitanion hystrix</i></u>	<u>6%</u>
Total vegetative cover	75%

Plot 10

Treatment: Fertilizer main
Percent cover by species:

<i>Agropyron cristatum</i>	2%
<i>Atriplex canescens</i>	22%
<i>Bromus tectorum</i>	1%
<i>Kochia spp.</i>	T
<i>Oryzopsis hymenoides</i>	T
<u><i>Sitanion hystrix</i></u>	<u>5%</u>
Total vegetative cover	31%

Plot 11

Treatment: Manure main
Percent cover by species:

<i>Agropyron cristatum</i>	T
<i>Bromus tectorum</i>	3%
<i>Kochia spp.</i>	18%

<i>Lepidium spp.</i>	<u>T</u>
<i>Salsola kali</i>	<u>T</u>
Total vegetative cover	22%

Plot 12

Treatment: Blank
Percent cover by species:

<i>Halogeton glomeratus</i>	<u>T</u>
<i>Kochia spp.</i>	1%
<i>Lepidium spp.</i>	<u>T</u>
<i>Sarcobatus vermiculatus</i>	22%
<i>Sitanion hystrix</i>	<u>2%</u>
Total vegetative cover	26%

Plot 13

Treatment: Sawdust, fertilizer supplemental
Percent cover by species:

<i>Agropyron cristatum</i>	12%
<i>Halogeton glomeratus</i>	1%
<i>Kochia spp.</i>	5%
<i>Sitanion hystrix</i>	<u>1%</u>
Total vegetative cover	19%

Plot 14

Treatment: Fertilizer supplemental
Percent cover by species:

<i>Agropyron cristatum</i>	15%
<i>Bromus tectorum</i>	1%
<i>Kochia spp.</i>	1%
<i>Sarcobatus vermiculatus</i>	3%
<i>Sitanion hystrix</i>	<u>1%</u>
Total vegetative cover	21%

ACZ Laboratories, Inc.
 30400 Downhill Drive
 Steamboat Springs, CO 80487
 (800) 334-5493

Lab Sample ID: L20882-01
 Client Sample ID: Banning Sump
 Client Project ID:
 ACZ Report ID: RG81046

Soldier Creek Coal Company
 P.O. Box 1029
 Wellington, UT 84542
 Dave Spillman

Date Sampled: 10/26/98 13:30
 Date Received: 10/29/98
 Date Reported: 11/11/98

Sample Matrix: Ground Water

Metals Analysis

Parameter	EPA Method	Result	Qual	Units	MDL	PQL	Date	Analyst
Calcium, dissolved	M6010B ICP	138		mg/L	0.4	2	11/7/98	gg
Iron, dissolved	M6010B ICP	0.03	B	mg/L	0.02	0.1	11/9/98	gg
Magnesium, dissolved	M6010B ICP	177		mg/L	0.4	2	11/9/98	gg
Manganese, dissolved	M6010B ICP	0.02	B	mg/L	0.01	0.05	11/9/98	gg
Potassium, dissolved	M6010B ICP	2.2		mg/L	0.6	2	11/9/98	gg
Sodium, dissolved	M6010B ICP	252		mg/L	0.6	2	11/9/98	gg

Wet Chemistry

Parameter	EPA Method	Result	Qual	Units	MDL	PQL	Date	Analyst
Alkalinity as CaCO3	M2320B							
Bicarbonate as CaCO3		391		mg/L	2	10	10/30/98	sts
Carbonate as CaCO3			U	mg/L	2	10	10/30/98	sts
Hydroxide as CaCO3			U	mg/L	2	10	10/30/98	sts
Total Alkalinity		391		mg/L	2	10	10/30/98	sts
Cation-Anion Balance	Calculation							
Cation-Anion Balance		0.9		%			11/11/98	calc
Sum of Anions		32.0		meq/L	0.1	0.5	11/11/98	calc
Sum of Cations		32.6		meq/L	0.1	0.5	11/11/98	calc
Chloride	M325.2 - Colorimetric (RFA)	53		mg/L	1	5	11/5/98	jl
Lab Filtration	***						10/29/98	ms
Lab Filtration & Acidification	***						10/29/98	ms
Nitrate as N, dissolved	Calculation: NO3NO2 minus NO2	0.23		mg/L	0.02	0.1	11/11/98	calc
Nitrate/Nitrite as N, dissolved	M353.2 - Automated Cadmium Reduction	0.23		mg/L	0.02	0.1	10/29/98	ss
Nitrite as N, dissolved	M353.2 - Automated Cadmium Reduction		U	mg/L	0.01	0.05	10/29/98	ss
Residue, Filterable (TDS) @180C	M160.1 - Gravimetric	2030		mg/L	10	20	10/30/98	mh
Sulfate	M375.3 - Gravimetric	1080		mg/L	10	20	10/30/98	sts
TDS (calculated)	Calculation	1940		mg/L	10	50	11/11/98	calc
TDS (ratio - measured/calculated)	Calculation	1.05					11/11/98	calc

NOV 16 1998

SOLDIER CREEK COAL CO

Inorganic Qualifiers (based on EPA CLP 3/90)
 U = Analyte was analyzed for but not detected at the indicated MDL
 B = Analyte concentration detected at a value between MDL and PQL
 PQL = Practical Quantitation Limit

R. Poulsen
 Vice President of Operations: Ralph Poulsen



COMMERCIAL TESTING & ENGINEERING CO.

GENERAL OFFICES: 1919 SOUTH HIGHLAND AVE., SUITE 210-B, LOMBARD, ILLINOIS 60148 • TEL: 630-953-9300 FAX: 630-953-9306

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ADDRESS ALL CORRESPONDENCE TO:

P.O. BOX 1020
HUNTINGTON, UT 84528
TEL: (435) 653-2311
FAX: (435) 653-2436

December 14, 1998

CANYON FUEL CO, SOLDIER CANYON
P.O. Box 1029
Wellington, UT 84542

DEC 16 1998

Sample identification by
SOLDIER CREEK COAL CO.

SOLDIER CREEK COAL CO.

Kind of sample Coal
reported to us

Sample taken at Banning Rail Site

AIR PRODUCTS
98-04,05,13,14
4 SAMPLE COMPOSITE
1000.0 GRAMS

Sample taken by Soldier Creek

Date sampled -----

Date received November 19, 1998

NOTE: WATER EXTRACTABLE TRACE ELEMENT
& OTHER ANALYSIS RAN AT CTE-DENVER.

Analysis report no. 59-215586

WATER EXTRACTABLE TRACE ELEMENTS

<u>Parameter</u>	<u>Results</u>	<u>Units</u>
Arsenic, As	<1	ppm
Barium, Ba	140	ppm
Boron, B	100	ppm
Cadmium, Cd	<0.3	ppm
Copper, Cu	3	ppm
Lead, Pb	6	ppm
Mercury, Hg	0.04	ppm
Molybdenum, Mo	<3	ppm
Selenium, Se	<1	ppm
Zinc	10	ppm

OTHER ANALYSIS

pH	7.45	s.u.
Conductivity	875	umhos/cm
Saturation	73.00	%
Nitrate Nitrogen	1.78	ppm
Non Sulfate Sulfur	0.02	%
Total Organic Sulfur	0.41	%
Calcium Carbonate equivalent, CaCO ₃	0.99	
ACID BASE POTENTIAL		T/1000 T
Neutralization Potential	9.9	T/1000 T
Maxium Acid Potential	13.5	T/1000 T
Net Acid Base Potential	-3.6	T/1000 T

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.

Lay Stort
Huntington Laboratory



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TERMS AND CONDITIONS ON REVERSE

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

APPENDIX E

Other Information

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

CONTENTS