

2000 ANNUAL REPORT

to

Utah Division of Oil, Gas and Mining For SOLDIER CANYON MINE, C/007/0018

Canyon Fuel Company, LLC
Soldier Mine
P.O. Box 1029
Wellington, Utah 84542

File in:

Confidential

Shelf

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Refer to Record No. 0001 Date 03/1/2001

In C 0070018, 2001, Subsequent
For additional information



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

COPY

March 14, 2000

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

~~FA [unclear]~~

Re: Submittal of the 2000 Annual Reports
Dugout Canyon Mine, ACT/007/039
Soldier Canyon Mine, ~~ACT/007/018~~
Banning Loadout, ACT/007/034

Dear Ms. Wright:

Enclosed please find two copies of the 2000 annual reports for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout.

Should you have any questions concerning this submittal, please contact Dave Spillman at (435) 636-2872 or Chris Hansen at (435) 448-2669.

Sincerely,

David S. Spillman
for

R. W. Olsen
General Manager

*Called Dave on 3/20/01.
He ^{said} should be at PFD.
Two copies.*

enclosures

cc: Chris Hansen, Skyline
Central Files

File in: 0070018001 Incoming
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Date: 03/14/01 For additional information

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MAR 15 2001

DIVISION OF
OIL, GAS AND MINING

To enter text, click in the box and type your response. If a box already contains an entry select the entry and type the replacement. You can use the **tab** key to move from one field to the next. To select a check box, click in the box or type an x.

GENERAL INFORMATION

Permitte Name	Canyon Fuel Company, LLC
Mine Name	Soldier Canyon Mine
Operator Name (If other then permittee)	
Permit Expiration Date	February 3, 2002
Permit Number	ACT/007/018
Authorized Representative Title	Rick Olsen, General Manager
Phone Number	435-637-6360
Fax Number	435-637-0108
E-mail Address	
Mailing Address	Soldier Canyon Mine P.O. Box 1029 Wellington, UT 84542
Resident Agent	C.T. Corporation Systems
Resident Agent Mailing Address	50 West Broadway Salt Lake City, UT 84104
Number of Binders Submitted	(2) two

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)	42-00077		
MSHA Impoundment(s)			
NPDES/UPDES Permit(s)	UT0023680	Utah Pollutant Discharge Elimination System	March 31, 2001
PSD Permit(s) (Air)	DAQE-334-94		
Other			

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APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

As required under R645-301-514

Quarterly Pond Inspections (Sedimentation Pond & Sewage Lagoon)

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 2	
Permit Number	ACT/007/018	Report Date	03/17/00
Mine Name	Soldier Canyon Mine		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Sewage Lagoon	
	Impoundment Number	None	
	UPDES Permit Number	None	
	MSHA ID Number	Impoundment -None (Mine - 42-00077)	
IMPOUNDMENT INSPECTION			
Inspection Date	02/11/00		
Inspected By	David G. Spillman		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection		
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p><i>There were no signs of instability, structural weakness or other hazardous conditions observed during this inspection.</i></p>			
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.	N/A	
	3. Principle and emergency spillway elevations.	N/A	
<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.</p> <p><i>At the time of the inspection, the water level was observed to be Approx. four feet deep in each cell.</i></p> <p><i>The sewage lagoon is designed for total containment and has never discharged.</i></p>			

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.

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

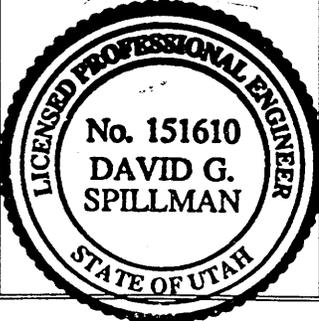
IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	X	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	X	
3. Has the impoundment met all applicable performance standards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

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.

[PE Cert. Stamp]



By: David G. Spillman, Technical Services Manager
(Full Name and Title)

Signature: David G. Spillman Date: 03/17/00

P.E. Number & State: No. 151610, State of Utah

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Permit Number	ACT/007/018	Report Date	03/17/00
Mine Name	Soldier Canyon Mine		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Surface Facility Sedimentation Pond	
	Impoundment Number	None	
	UPDES Permit Number	UT0023680	
	MSHA ID Number	Impoundment -None (Mine - 42-00077)	

IMPOUNDMENT INSPECTION

Inspection Date	02/11/00
Inspected By	David G. Spillman
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection

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

There were no signs of instability, structural weakness or other hazardous conditions observed during this inspection.

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><i>Sediment Storage Capacity (as designed) - 100% = 1.47 acre-feet @ an elevation of 6,649.5 feet</i> <i>- 60% = 0.88 acre-feet @ an elevation of 6,647.5 feet</i></p> <p><i>The existing sediment level was obscured by impounded water and could not be estimated at the time of the inspection, however, it remains well below the cleanout elevation.</i></p>
	<p>3. Principle and emergency spillway elevations.</p> <p><i>Principal Spillway Elevation - 6,654.5 feet</i> <i>Emergency Spillway Elevation - 6,654.5 feet</i></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.

At the time of the inspection, the pond water level was observed to be Approx. three feet below the bottom of the decant valve (installed at the principal spillway).

To date, there has been no discharge from the pond during the 1st quarter of 2000 and there was no discharge during the previous 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.

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

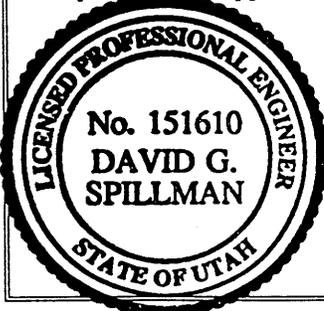
IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	X	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	X	
3. Has the impoundment met all applicable performance standards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

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.

[PE Cert. Stamp]



By: David G. Spillman, Technical Services Manager
(Full Name and Title)

Signature: David G. Spillman Date: 03/17/00

P.E. Number & State: No. 151610, State of Utah

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Permit Number	ACT/007/018	Report Date	05/22/00
Mine Name	Soldier Canyon Mine		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Sewage Lagoon	
	Impoundment Number	None	
	UPDES Permit Number	None	
	MSHA ID Number	Impoundment -None (Mine - 42-00077)	

IMPOUNDMENT INSPECTION

Inspection Date	05/16/00
Inspected By	David G. Spillman
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection

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

There were no signs of instability, structural weakness or other hazardous conditions observed during this inspection.

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.
	N/A
	3. Principle and emergency spillway elevations.
	N/A

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.

At the time of the inspection, the water level was observed to be Approx. three feet deep in each cell.

The sewage lagoon is designed for total containment and has never discharged.

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

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.

Vegetation that was established on the top and inslope of the lagoon embankments was removed on 03/25/00.

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

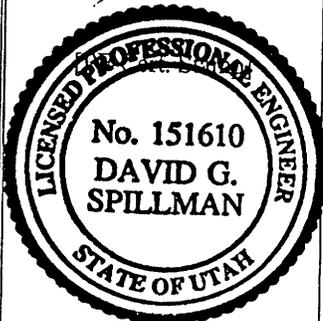
IMPOUNDMENT EVALUATION (If NO, explain under Comments)

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

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.



By: David G. Spillman, Technical Services Manager
(Full Name and Title)

Signature: David G. Spillman Date: 05/22/00

P.E. Number & State: No. 151610, State of Utah

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Permit Number	ACT/007/018	Report Date	05/22/00
Mine Name	Soldier Canyon Mine		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Surface Facility Sedimentation Pond	
	Impoundment Number	None	
	UPDES Permit Number	UT0023680	
	MSHA ID Number	Impoundment -None (Mine - 42-00077)	

IMPOUNDMENT INSPECTION

Inspection Date	05/16/00
Inspected By	David G. Spillman
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection

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

There were no signs of instability, structural weakness or other hazardous conditions observed during this inspection.

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 (as designed) - 100% = 1.47 acre-feet @ an elevation of 6,649.5 feet
- 60% = 0.88 acre-feet @ an elevation of 6,647.5 feet*

The existing sediment level was mostly obscured by impounded water and could not be estimated at the time of the inspection, however, it remains well below the cleanout elevation.

3. Principle and emergency spillway elevations.

Principal Spillway Elevation - 6,654.5 feet

Emergency Spillway Elevation - 6,654.5 feet

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.

At the time of the inspection, the pond water level was observed to be Approx. three to four feet below the bottom of the decant valve (installed at the principal spillway).

To date, there has been no discharge from the pond during the 2nd quarter of 2000 and there was no discharge during the previous 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.

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

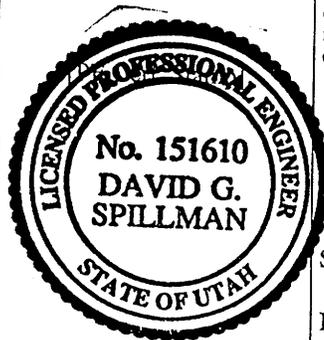
IMPOUNDMENT EVALUATION (If NO, explain under Comments)

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

COMMENTS AND OTHER INFORMATION

Certification Statement:

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By: David G. Spillman, Technical Services Manager
(Full Name and Title)

Signature: David G. Spillman Date: 05/22/00

P.E. Number & State: No. 151610, State of Utah

Permit Number	ACT/007/018	Report Date	10/02/00
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Mine Name	Soldier Canyon Mine		
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Company Name	Canyon Fuel Company, LLC		
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Impoundment Identification	Impoundment Name	Sewage Lagoon	
	Impoundment Number	None	
	UPDES Permit Number	None	
	MSHA ID Number	Impoundment -None (Mine - 42-00077)	

IMPOUNDMENT INSPECTION

Inspection Date	09/24/00		
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Inspected By	David G. Spillman		
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Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection		
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1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

There were no signs of instability, structural weakness or other hazardous conditions observed during this inspection.

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>N/A</p>
	<p>3. Principle and emergency spillway elevations.</p> <p>N/A</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.

At the time of the inspection, the water level was observed to be approximately three feet deep in the northern cell and approximately one to one & a half feet deep in the southern cell.

The sewage lagoon is designed for total containment and has never discharged.

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.

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: _____

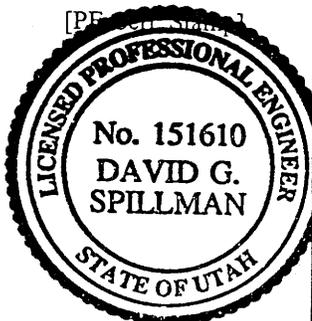
CERTIFIED REPORT

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

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.



By: David G. Spillman, Technical Services Manager
(Full Name and Title)

Signature: David G. Spillman Date: 10/02/00

P.E. Number & State: No. 151610, State of Utah

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Permit Number	ACT/007/018	Report Date	10/02/00
Mine Name	Soldier Canyon Mine		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Surface Facility Sedimentation Pond	
	Impoundment Number	None	
	UPDES Permit Number	UT0023680	
	MSHA ID Number	Impoundment -None (Mine - 42-00077)	

IMPOUNDMENT INSPECTION

Inspection Date	09/24/00		
Inspected By	David G. Spillman		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection		

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

There were no signs of instability, structural weakness or other hazardous conditions observed during this inspection.

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. <i>Sediment Storage Capacity (as designed) - 100% = 1.47 acre-feet @ an elevation of 6,649.5 feet - 60% = 0.88 acre-feet @ an elevation of 6,647.5 feet The existing sediment level was mostly obscured by impounded water and could not be estimated at the time of the inspection, however, it remains well below the cleanout elevation.</i>
	3. Principle and emergency spillway elevations. <i>Principal Spillway Elevation - 6,654.5 feet Emergency Spillway Elevation - 6,654.5 feet</i>

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 outlopes of embankments, etc.

At the time of the inspection, the pond water level was observed to be Approx. three to four feet below the bottom of the decant valve (installed at the principal spillway).

To date, there has been no discharge from the pond during the 3rd quarter of 2000 and there was no discharge during the previous 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.

Qualification Statement

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Signature: _____ Date: _____

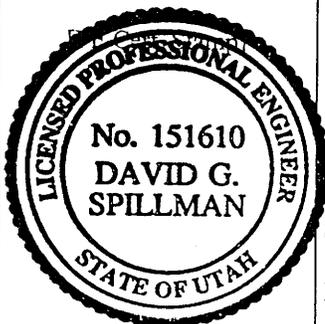
CERTIFIED REPORT

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

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.



By: David G. Spillman, Technical Services Manager
(Full Name and Title)

Signature: David G. Spillman Date: 10/02/00

P.E. Number & State: No. 151610, State of Utah

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 2	
Permit Number	ACT/007/018	Report Date	12/20/00
Mine Name	Soldier Canyon Mine		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Sewage Lagoon	
	Impoundment Number	None	
	UPDES Permit Number	None	
	MSHA ID Number	Impoundment -None (Mine - 42-00077)	
IMPOUNDMENT INSPECTION			
Inspection Date	12/20/00		
Inspected By	David G. Spillman & James Byars		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection & Annual Certification		
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p><i>There were no signs of instability, structural weakness or other hazardous conditions observed during this inspection.</i></p>			
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.	N/A	
	3. Principle and emergency spillway elevations.	N/A	
<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.</p> <p><i>At the time of the inspection, the water level was observed to be approximately four feet deep in the northern cell and approximately two feet deep in the southern cell.</i></p> <p><i>The sewage lagoon is designed for total containment and has never discharged.</i></p>			

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.

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?	X	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	X	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	X	

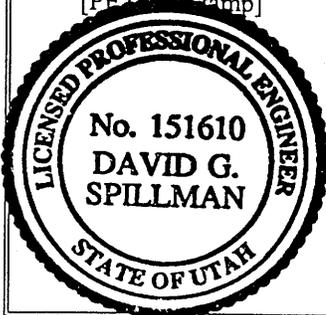
COMMENTS AND OTHER INFORMATION

James Byars, a recently hired member of the Dugout engineering staff participated in this inspection. He was properly trained to inspect this impoundment for signs of instability, structural weakness or other hazardous conditions. Therefore, James Byars is hereby authorized to conduct future quarterly inspections of the Soldier Canyon Mine Sewage Lagoon.

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.

[PE Seal Stamp]



By: David G. Spillman, Technical Services Manager
(Full Name and Title)

Signature: David G. Spillman Date: 12/20/00

P.E. Number & State: No. 151610, State of Utah

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Permit Number	ACT/007/018	Report Date	12/20/00
Mine Name	Soldier Canyon Mine		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Surface Facility Sedimentation Pond	
	Impoundment Number	None	
	UPDES Permit Number	UT0023680	
	MSHA ID Number	Impoundment -None (Mine - 42-00077)	

IMPOUNDMENT INSPECTION

Inspection Date	12/20/00
Inspected By	David G. Spillman & James Byars
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection & Annual Certification

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

There were no signs of instability, structural weakness or other hazardous conditions observed during this inspection.

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 (as designed) - 100% = 1.47 acre-feet @ an elevation of 6,649.5 feet
- 60% = 0.88 acre-feet @ an elevation of 6,647.5 feet*

The existing sediment level was mostly obscured by impounded water and could not be estimated at the time of the inspection, however, it remains well below the cleanout elevation.

3. Principle and emergency spillway elevations.

*Principal Spillway Elevation - 6,654.5 feet
Emergency Spillway Elevation - 6,654.5 feet*

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.

At the time of the inspection, the pond water level was observed to be Approx. four feet below the bottom of the decant valve (installed at the principal spillway).

To date, there has been no discharge from the pond during the 4th quarter of 2000 and there was no discharge during the previous quarter.

Permit Number	ACT/007/018	Report Date	12/20/00
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Mine Name	Soldier Canyon Mine		
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Company Name	Canyon Fuel Company, LLC		
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Impoundment Identification	Impoundment Name	Surface Facility Sedimentation Pond	
	Impoundment Number	None	
	UPDES Permit Number	UT0023680	
	MSHA ID Number	Impoundment -None (Mine - 42-00077)	

IMPOUNDMENT INSPECTION

Inspection Date	12/20/00		
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Inspected By	David G. Spillman & James Byars		
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Reason for Inspection <small>(Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)</small>	Routine Quarterly Inspection & Annual Certification		
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1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

There were no signs of instability, structural weakness or other hazardous conditions observed during this inspection.

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><i>Sediment Storage Capacity (as designed) - 100% = 1.47 acre-feet @ an elevation of 6,649.5 feet</i> <i>- 60% = 0.88 acre-feet @ an elevation of 6,647.5 feet</i></p> <p><i>The existing sediment level was mostly obscured by impounded water and could not be estimated at the time of the inspection, however, it remains well below the cleanout elevation.</i></p> <p>3. Principle and emergency spillway elevations.</p> <p><i>Principal Spillway Elevation - 6,654.5 feet</i> <i>Emergency Spillway Elevation - 6,654.5 feet</i></p>		
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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.

At the time of the inspection, the pond water level was observed to be Approx. four feet below the bottom of the decant valve (installed at the principal spillway).

To date, there has been no discharge from the pond during the 4th quarter of 2000 and there was no discharge during the previous quarter.

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

CANYON FUEL COMPANY

Soldier Canyon Mine

2000 Subsidence Monitoring Survey

Point #	Description	Year est.	1999		2000		Original Elevation	2000 Elevation	Differences		delta Elev (2000-Original)
			Northing	Easting	Northing	Easting			delta North	delta East	
112	112-SS	1980						0.00	0.00	0.00	0.00
113	113-SS	1980	102,786.99	44,217.07	102,786.98	44,216.93	7,755.71	7,755.08	0.01	0.14	-0.63
921	92-1SS	1992	103,218.02	43,526.49	103,218.00	43,526.37	7,816.70	7,816.46	0.01	0.11	-0.24
931	93-1SS	1993	101,961.91	44,207.35	101,961.91	44,207.25	7,734.21	7,732.47	0.00	0.10	-1.74
932	93-2SS	1993							0.00	0.00	0.00
974	97-4	1997							0.00	0.00	0.00
975	97-5	1997							0.00	0.00	0.00

NOTES

- Visual checks for subsidence were made during this survey and evidence of subsidence was not detected.
- All subsidence points were surveyed October 17, 2000
- This ground survey was done using standard trigonometric surveying techniques with:
 - Sokkisha Set 5-total station
 - Lietz SDR22-data collector
- Note: Differences in elevation can be attributed to the accuracy of the vertical angle - 5" and the distance between the survey instrument and point surveyed, approx. 2,400 to 3,000 ft.
- 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.
- Points with no data were not surveyed. Previous data indicated no change in elevation.

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

APPENDIX D

Mine Maps

As required under R645-302-525-270

APPENDIX E

Other Information

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