

0003



Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
(435) 637-6360 Fax: (435) 637-0108

COPY

February 3, 2004

Ms. Pamela Grubaugh-Littig
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple
Suite 1210
Salt Lake City, UT 84114-5801

*Incoming
C/007/018
Task ID # 1930*

RE: Revisions to Chapter 1, Canyon Fuel Company, LLC, Soldier Canyon Mine,
C/007/018

Dear Ms. Grubaugh-Littig:

Enclosed please find four copies of the submittal to address revisions to Chapter 1 of the Soldier Canyon Mine permit. The revisions include the update of AVS and violation information. Tables and a figure previously in the chapter have been moved to Appendix 1. The information in Appendix 1 is outdated and the more recent information in the tables and figure is replacing the old information in the appendix. A current insurance liability certificate is being provided for inclusion in Appendix 8-1 to replace an outdated certificate previously included as Appendix 117A.

This submittal is to address your request and to prepare for the eventual submittal of a General Chapter 1 for Canyon Fuel Company, LLC operations.

An additional copy of the submittal has been delivered to the Price Field Office.

Please contact Vicky Miller at (435) 636-2869, if there are any questions concerning this submittal.

Sincerely yours,

Vicky S. Miller

Cc: Chris Hansen (no enclosures)
Dave Spillman (enclosures)
Price Field Office (enclosures)

file in:

- Confidential
- Shelf
- Expandable

Refer to Record No 0003 Date 02032004
In C/007/018, 2004 Incoming
For additional information

RECEIVED

FEB 04 2004

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESS

COPY

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: Soldier Canyon Mine

Permit Number: C/007/018

Title: Revisions to Chapter 1

Description: Include reason for application and timing required to implement:

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

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

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

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

David Spillman
Print Name

David Spillman, Engineering Manager
Sign Name, Position, Date 1/27/04

Subscribed and sworn to before me this 27 day of Jan, 2004

Dennis M. Church
Notary Public

My commission Expires: _____

Attest: State of Utah 12-15, 2006) ss:
County of Carbon

<p>For Office Use Only:</p>	<p>Assigned Tracking Number:</p>	<p>Received by Oil, Gas & Mining</p> <p align="center">RECEIVED</p> <p align="center">FEB 04 2004</p> <p align="center">DIV. OF OIL, GAS & MINING</p>
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CANYON FUEL COMPANY, LLC

SOLDIER CANYON MINE

CHAPTER 1

C/007/018

January 2004

CANYON FUEL COMPANY, LLC

NOTICE OF CHANGE IN

~~OWNERSHIP AND CONTROL INFORMATION~~

SOLDIER CANYON MINE

ACT/007/018

~~June 1, 1998~~ **February 2004**

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CHAPTER 1 GENERAL CONTENTS

110 Minimum Requirements for Legal, Financial, Compliance and Related Information

111 Introduction

Canyon Fuel Company, LLC submits this Notice of Change in Ownership and Control Information for Permit No. ACT/0007/018 (the "Permit") pursuant to Utah Admin. Directive #ADM-004. The Notice sets forth information regarding the (1) nature of the transaction giving rise to this ownership change; (2) the identity of the principal interests involved in the ownership change; (3) the legal, financial, and compliance status and history of Canyon Fuel Company; and (4) the status of the mine area.

The permit is presently held by Canyon Fuel Company, LLC, a Delaware limited liability company ("CFC"). Under the Purchase and Sale Agreement dated as of March 22, 1998, closed effective June 1, 1998, Arch Western Resources, LLC, a Delaware limited liability company, purchased the 65% membership interest of Arco Uinta Coal Company, a fully owned subsidiary of Atlantic Richfield Company, in CFC. Itochu Coal International, Inc., a fully owned subsidiary of Itochu Corporation, retained its ownership of the remaining 35% membership interest. The common membership interests in Arch Western Resources, LLC, are in turn owned 99% by Arch Western Acquisition corporation, a Delaware corporation fully owned by Arch Coal, Inc., also a Delaware corporation, and 1% by Delta Housing, Inc., a Delaware corporation fully owned by Atlantic Richfield Company, a Delaware corporation. [Soldier Creek Coal Company became Soldier Canyon Mine through the merge and subsequent sale of Coastal Coal, Inc. on or about December 20, 1996](#)

See Figure 1-1 for an organization diagram depicting the [corporate structure associated with entities owning or controlling an interest in CFC](#). See Figure 1.2 for an organization diagram

~~depicting the entities owned or controlled by Arch Coal, Inc., that in turn owned or controlled any coal mining and reclamation operation in the United States within the five years preceding June 4, 1998.~~

As a result of this transaction, this Notice of Change in Ownership and Control Information documents changes in Chapter 1 of the Mining and Reclamation Plan for the Soldier Canyon Mine--"Legal, Compliance, and Related Information." Other portions of the Mining and Reclamation Plan remain unmodified. Any charts, maps, drawings, diagrams, exhibits, tables, and so forth in the unmodified portions of the Mining and Reclamation Plan bearing the name(s) of Coastal States Energy Company, Skyline Coal Company, Sage Point Coal Company, Southern Utah Fuel Company, Soldier Canyon Coal Company, and/or Utah Fuel Company should be read with the name Canyon Fuel Company, LLC substituted for any and all of these entities, all of which have been merged into Canyon Fuel Company LLC.

The mine is located at the mouth of Nine Mile Canyon, Sections 7 and 18, Township 13 S., Range 12 E., Salt Lake Base and Meridian (SLB&M), on the southern edge of the Book Cliffs in the heart of the book cliff Coal Field (Exhibit 1.12-2). It is approximately 12 miles northeast of Price, Utah (Figure 1).

Paved Road 53 (Soldier Creek Road) provides easy access to the mine facilities which are adjacent to the highway. Although the road is unpaved beyond the mine, it is maintained by Carbon County and serves as an access road to recreational and agricultural areas. The road serves as an alternative access between the Price River Basin and the Uinta Basin.

The mine has been producing coal from both federally and state owned lands leased to Canyon Fuel Company, LLC and its predecessors. Most of the present and future mining will be on leases owned by the United States and administered by the Bureau of Land Management.

112 Identification of Interests

The applicant, Canyon Fuel Company, LLC is a Limited Liability Company organized under the laws of Delaware in December 1996 and now owned 65% by Arch Western Resources, LLC, a Delaware limited liability company, and 35% by Itochu Coal International Inc., a Delaware Corporation. Itochu Coal International Inc. is a wholly owned subsidiary of Itochu Corporation, a Japanese Corporation. Arch Western Resources, LLC, is owned 99% by Arch Western Acquisition corporation, a Delaware corporation wholly owned by Arch Coal, Inc., a Delaware corporation, and 1% by Delta Housing, Inc., a Delaware corporation wholly owned by Atlantic Richfield Company, a Delaware corporation

112.100 Business Entity

The applicant, Canyon Fuel Company, LLC is a Limited Liability Company organized under the laws of Delaware in December 1996 and now owned 65% by Arch Western Resources, LLC, a Delaware limited liability company, and 35% by Itochu Coal International Inc., a Delaware Corporation. Itochu Coal International Inc. is a wholly owned subsidiary of Itochu Corporation, a Japanese Corporation. Arch Western Resources, LLC, is owned 99% by Arch Western Acquisition corporation, a Delaware corporation wholly owned by Arch Coal, Inc., a Delaware corporation, and 1% by Delta Housing, Inc., a Delaware corporation wholly owned by Atlantic Richfield Company, a Delaware corporation.

112.200 Applicant and Operator

APPLICANT:

Canyon Fuel Company, LLC
6995 South Union Park Center, Suite 5540
Midvale, UT 84047
Telephone: (801) 636-2872/569-4700
Employer Identification: 87-0567183

OPERATOR:

Canyon Fuel Company, LLC

Canyon Fuel Company, LLC
Soldier Canyon Mine

Mining and Reclamation Plan

6995 South Union Park Center, Suite 5540
Midvale, UT 84047
Telephone: (801) ~~636-2872~~569-4700
Employer Identification: 87-0567183

RESIDENT AGENT:

CT Corporation Systems
50 West Broadway
Salt Lake City, Utah 84104
Telephone: (801) 531-7090
Employer Identification: 51-0006522

CONTACT PERSON:

Richard D. Pick
Canyon Fuel Company, LLC
6995 South Union Park Center, Suite 5540
Midvale, UT 84047
Telephone: (801) ~~636-2872~~569-4700

PERSON WHO WILL PAY ABANDONED MINE RECLAMATION FEES:

Richard D. Pick
Canyon Fuel Company, LLC
6995 South Union Park Center, Suite 5540
Midvale Utah 84047
Telephone: (801) ~~636-2872~~569-4700

112.300 Control Persons Officers of the Applicant

This section identifies those persons who own or control Canyon Fuel Company, LLC. Canyon Fuel Company, LLC, is a Delaware limited liability company with two members: Arch Western Resources, LLC., which holds a 65% interest; and Itochu Coal International, Inc., which holds a 35% interest.

Canyon Fuel Company, LLC
Soldier Canyon Mine

Mining and Reclamation Plan

Arch Western Resources, LLC, is owned 99% by Arch Western Acquisition Corporation, a wholly owned subsidiary of Arch Coal, Inc., and 1% by Delta Housing, Inc., a wholly owned subsidiary of Atlantic Richfield Company.

ADDRESS:

Arch Western Resources, LLC
City Place One, Suite 300
St. Louis, MO 63141-7056

EMPLOYER IDENTIFICATION: 43-1811130

ADDRESS:

Arch Western Acquisition Corporation
City Place One, Suite 300
St. Louis, MO 63141-7056

EMPLOYER IDENTIFICATION: 43-1811084

ADDRESS:

Arch Coal, Inc.
CityPlace One, Suite 300
St. Louis, MO 63141-7056

EMPLOYER IDENTIFICATION: 43-0921172

ADDRESS:

Delta Housing, Inc.
515 South Flower Street
Los Angeles, CA 90071

EMPLOYER IDENTIFICATION: 94-2314688

ADDRESS:

Atlantic Richfield Company
515 South Flower Street
Los Angeles, CA 90071

EMPLOYER IDENTIFICATION: 23-0371610

Canyon Fuel Company, LLC
Soldier Canyon Mine

Mining and Reclamation Plan

Itochu Coal International, Inc. is a wholly owned subsidiary of Itochu Corporation, a Japanese corporation.

ADDRESS:

Itochu Coal International, Inc.
555 17th Street, Suite 845
Denver, Colorado 80202

EMPLOYER IDENTIFICATION: 52-2003963

ADDRESS:

Itochu Corporation, 5-1
Kita-Aoyama 2-Chome
Minato-ku, Tokyo 107-77, Japan

EMPLOYER IDENTIFICATION: 98-0053818

The following lists the officers and directors of Canyon Fuel Company, LLC, Arch Western Resources, LLC, Arch Acquisition Corporation, Arch Coal, Inc., Itochu Corporation, and Itochu Coal International, Inc. The addresses for the officers, directors and representatives to the management board listed are the same as those of the respective business entities as listed above, for which the individuals are officers, directors or representatives. [Social Security numbers for the officers and directors are no longer required to be disclosed.](#)

CANYON FUEL COMPANY, LLC:

(9/12/03)

Directors:

Robert W. Shanks Chairman
Effective: 06/01/1998

Masayoshi Araya
Effective: 06/01/2001

Yuzo Hirono
Effective: 12/14/1999

Canyon Fuel Company, LLC
Soldier Canyon Mine

Mining and Reclamation Plan

Steven F. Leer
Effective: 06/01/1998

Kenneth G. Woodring
Effective: 12/01/2000

John W. Eaves
Effective: 12/01/2000

Alternative Representative

Joe Y. Nakazawa
Effective: 06/01/2001

Alternative Representative

Tsutomu Niwa
Effective: 10/09/2001

Alternative Representative

Officers

Richard D. Pick
Effective: 06/01/1998

President, Chief Executive Officer and General Manager

Robert G. Messey
Effective: 10/09/2001

Chief Financial Officer

James E. Florczak
Effective: 05/25/1999

Vice President, Finance

John W. Eaves
Effective: 06/23/1998

Vice President, Marketing

Robert G. Jones
Effective: 03/08/2000

Vice President, General Counsel and Assistant Secretary

Janet L. Horgan
Effective: 10/11/2000

Secretary

William H. Rose
Effective: 06/01/1998

Assistant Secretary

ARCH COAL, INC.:

(9/12/03)

Directors:

James R. Boyd

Chairman

David B. Peugh
Effective: 07/01/1997

Vice President - Business Development

Robert W. Shanks
Effective: 07/01/1997

Vice President - Operations

Robert J. Messey
Effective: 12/1/2000

Senior Vice President, Chief Financial Officer

Robert G. Jones
Effective: 10/16/2000 and 3/01/2000

Vice President, General Counsel and Secretary

James E. Florczak
Effective: 08/17/1998

Treasurer

Deck S. Slone
Effective: 04/26/2001

Vice President, Investor and Public Relations

Bradley M. Allbritten
Effective: 03/1/2000

Vice President, Marketing

Shiela B. Feldman
Effective: 02/03/2003

Vice President, Human Resources

Janet L. Horgan
Effective: 10/16/2000

Assistant Secretary and Counsel

John W. Lorson
Effective: 04/9/1999

Comptroller

Charles David Steele
Effective: 04/24/2003

Vice President, Tax Planning

Bennett K. Hatfield
Effective: 04/24/2003

Vice President

Arch Western Resources, LLC, Representatives to the Management Board:

Name: Steven F. Leer
Effective: 06/01/98

Name: Robert W. Shanks
Effective: 06/01/98

Canyon Fuel Company, LLC
Soldier Canyon Mine

Mining and Reclamation Plan

Alternate:

Name: Kenneth G. Woodring
Effective: 06/01/98

Itochu Coal International, Inc. Representatives to the Management Board:

Board:

Akio Shigetomi
Effective: 11/30/1996

Masayoshi Araya
Effective: 11/30/1996

Yuzo Hirono
Effective: 12/31/1999

Alternates:

Yutaka Nakazawa
Effective: 12/20/1996

Tsutomu Niwa
Effective: 6/01/2001

ARCH WESTERN RESOURCES, LLC

(9/12/03)

Directors:

Patrick A. Kriegshauser
Effective: 05/07/98

David B. Peugh
Effective: 05/07/98

Jeffry N. Quinn
Effective: 05/07/98

Thomas A. Lockhart
Effective: 02/24/2003

Officers:

Robert W. Shanks Effective: 06/28/98	President - Operations
David B. Peugh Effective: 05/17/98	Vice President
William H. Rose Effective: 05/07/98	Assistant Secretary
Robert G. Jones Effective: 03/01/00 and 6/2/98	Vice President and Assistant Secretary
Janet L. Horgan Effective: 3/17/98	Secretary
James E. Florczak Effective: 05/15/98 and 9/15/98	Vice President, Finance, Treasurer

ITOCHU CORPORATION

<u>Name</u>	<u>Title</u>	<u>Date of Appointment</u>
Minoru Murofushi	Chairman	April 1998
Masahisa Naitoh	Vice Chairman	April 2000
Uichiro Niwa	President, CEO	April 1998
Hiroshi Sumie	Executive Vice President	April 2000
Makoto Kato	Executive Vice President	April 2001
Yushin Okazaki	Executive Vice President	April 2001
Sumitaka Fujita	Executive Vice President	April 2001
Mitsuaki Fukuda	Sr. Managing Director	April 2000
Akira Yokota	Sr. Managing Director	April 2001
Kiyomi Yamada	Managing Director	April 2001

Motonori Toyota	Managing Director	June 2001
Kouhei Wantanabe	Managing Director	April 2002
Hiroshi Ueda	Managing Director	April 2002

ITOCHU COAL INTERNATIONAL INC.

Masayoshi Araya	Chairman of the Board	Dec. 1999
Yuzo Hirono	President and Chief Executive Officer	Dec. 1999
Tsutomu Niwa	Chief Financial Officer	June 1996
Dietz Fry	Vice President, Finance and Administration	March 1997
Yutaka Nakazawa	Vice President Commercial and Secretary	Dec. 1996
Hiroshi Akiba	Assistant Secretary	Feb. 2000

~~Richard D. Pick~~ ~~President, Chief Executive Officer and General Manager~~
~~SSN: 388-48-6242~~
~~Effective: 06/01/1998~~

~~Patrick A. Kriegshauser~~ ~~Chief Financial Officer~~
~~SSN: 493-70-1485~~
~~Effective: 06/01/1998~~

~~Mark A. Luzecky~~ ~~Vice President, Finance~~
~~SSN: 494-70-3752~~
~~Effective: 06/01/1998~~

~~Jeffrey N. Quinn~~ ~~Vice President and Secretary~~
~~SSN: 425-96-9700~~
~~Effective: 06/01/1998~~

~~William H. Rose~~ ~~Assistant Secretary~~
~~SSN: 330-32-8813~~
~~Effective: 06/01/1998~~

~~Miriam Rogers Singer~~ ~~Assistant Secretary~~
~~SSN: 483-58-3529~~

Canyon Fuel Company, LLC
Soldier Canyon Mine

Mining and Reclamation Plan

Effective : 06/01/1998

ARCH GOAL, INC.:

Directors:

James R. Boyd Director
SSN : 406-62-6090
Effective : 01/01/1990

Paul W. Chellgren Director
SSN : 406-56-9523
Effective : 06/30/1997

Thomas L. Feazell Director
SSN : 234-58-9545
Effective : 06/30/1997

Juan Antonio Ferrando Director
SSN : Not Applicable*
Effective : 06/30/1997

John R. Hall Director
SSN : 411-42-3969
Effective : 09/17/1979

Robert L. Hintz Director
SSN : 345-22-6559
Effective : 06/30/1997

Douglas H. Hunt Director
SSN : 459-76-6490
Effective : 04/04/1995

Steven F. Leer Director
SSN : 553-82-9274
Effective : 02/11/1992

James L. Parker Director
SSN : 458-60-9109
Effective : 04/04/1995

J. Marvin Quinn Director
SSN : 425-96-9700
Effective : 06/30/1997

Officers:

~~Steven F. Leer~~ ~~President and Chief Executive Officer~~
~~SSN~~ ~~: 553-82-9274~~
~~Effective~~ ~~: 02/11/1992~~

~~Patrick A. Kriegshauser~~ ~~Senior Vice President, Treasurer & Chief Financial Officer~~
~~SSN~~ ~~: 493-70-1485~~
~~Effective~~ ~~: 06/30/1996~~

~~_____~~
~~*Mr. Ferrando is not a U.S. citizen and does not have a Social Security Number.~~

~~Kenneth G. Woodring~~ ~~Executive Vice President-Mining Operations~~
~~SSN~~ ~~: 184-42-5639~~
~~Effective~~ ~~: 07/01/1997~~

~~Jeffry N. Quinn~~ ~~Senior Vice President - Law and Human Resources;~~
~~SSN~~ ~~: 406-86-6729~~ ~~Secretary and General Counsel~~
~~Effective~~ ~~: 09/18/1995~~

~~G. Henry Besten, Jr.~~ ~~Vice President - Strategic Marketing~~
~~SSN~~ ~~: 405-64-3908~~
~~Effective~~ ~~: 07/01/1997~~

~~Larry R. Brown~~ ~~Vice President & Chief Information Officer~~
~~SSN~~ ~~: 400-68-3637~~
~~Effective~~ ~~: 07/01/1997~~

~~John W. Eaves~~ ~~Vice President - Marketing~~
~~SSN~~ ~~: 405-86-3979~~
~~Effective~~ ~~: 07/01/1997~~

~~Jeffery A. Hoops~~ ~~Vice President - Operations~~
~~SSN~~ ~~: 232-94-1922~~
~~Effective~~ ~~: 07/01/1997~~

~~David B. Peugh~~ ~~Vice President - Business Development~~
~~SSN~~ ~~: 476-66-6495~~
~~Effective~~ ~~: 07/01/1997~~

~~Robert W. Shanks~~ ~~Vice President - Operations~~
~~SSN~~ ~~: 513-58-7457~~
~~Effective~~ ~~: 07/01/1997~~

~~John K. Kinzer, Jr. Vice President - Tax~~
~~SSN : 234-58-9032~~
~~Effective : 07/01/1997~~

~~Michael F. Moran Vice President - Planning & Analysis~~
~~SSN : 400-64-3185~~
~~Effective : 07/01/1997~~

~~William H. Rose Vice President - Tax Planning~~
~~SSN : 330-32-8813~~
~~Effective : 04/22/1998~~

~~David G. Todd Vice President - External Affairs~~
~~SSN : 272-38-8091~~
~~Effective : 07/01/1997~~

~~Mark A. Luzecky Assistant Treasurer~~
~~SSN : 494-70-3752~~
~~Effective : 07/01/1997~~

~~Miriam Rogers Singer Assistant Secretary~~
~~SSN : 483-58-3529~~
~~Effective : 09/18/1995~~

~~Thomas E. Miller Internal Auditor~~
~~SSN : 233-72-6282~~
~~Effective : 07/01/1997~~

~~Arch Western Resources, LLC, Representatives to the Management Board:~~

Board:

~~Name : Steven F. Leer~~
~~SSN : 553-82-9274~~
~~Effective : 06/01/98~~

~~Name : Robert W. Shanks~~
~~SSN : 513-58-7457~~
~~Effective : 06/01/98~~

Alternate:

~~Name : Kenneth G. Woodring~~
~~SSN : 184-42-5639~~
~~Effective : 06/01/98~~

~~_____~~
~~_____ Itochu Coal International, Inc. Representatives to the Management Board:~~

Board:

Akio Shigetomi

SSN _____ : Not Applicable

Effective _____ : 11/30/1996

Masayoshi Araya

SSN _____ : 651-03-7857

Effective: _____ : 11/30/1996

Alternates:

Kutsumi Takahisa

SSN _____ : Not Applicable

Effective _____ : 11/30/1996

Yutaka Nakazawa

SSN _____ : Not Applicable

Effective _____ : 12/20/1996

ARCH WESTERN COAL RESOURCES, LLC

Directors:

Patrick A. Kriegshauser _____ Director

SSN _____ : 493-70-1485

Effective _____ : 05/07/98

David B. Peugh _____ Director

SSN _____ : 476-66-6495

Effective _____ : 05/07/98

Jeffry N. Quinn _____ Director

SSN _____ : 406-86-6729

Effective _____ : 05/07/98

Officers:

Jeffry N. Quinn _____ President

SSN _____:406-86-6729

Effective _____:05/07/98

Patrick A. Kriegshauser _____ Vice President & Treasurer

SSN _____:493-70-1485

Effective _____:05/07/98

David B. Peugh _____ Vice President

SSN _____:476-66-6495

Effective _____:05/07/98

Miriam Rogers Singer _____ Secretary

SSN _____:483-58-3529

Effective _____:05/07/98

William H. Rose _____ Assistant Secretary

SSN _____:330-32-8813

Effective _____:05/07/98

ITOGHU CORPORATION

<u>Name</u>	<u>Title</u>	<u>Date of Appointment</u>
Minoru Murofushi	Chairman	June 1996
Uichiro Niwa	President, CEO	June 1996
Jay W. Chai	Executive Vice President	June 1993
Hiroshi Sumie	Executive Vice President	June 1996
Masahisa Naito	Executive Vice President	June 1996
Masayoshi Fujiwara	Sr. Managing Director	April 1996
Tetsusaburo Shirai	Sr. Managing Director	June 1996
Seizo Kano	Sr. Managing Director	June 1996
Nobuhiro Takahashi	Sr. Managing Director	June 1996
Takeo Onda	Sr. Managing Director	June 1996
Shogo Honma	Sr. Managing Director	June 1996
Keichi Wakabayashi	Sr. Managing Director	June 1996

Makoto Kato	Sr. Managing Director	June 1996
Katsuyuki Kanezaki	Managing Director	April 1995
Motohiro Matsukura	Managing Director	April 1996
Takeshi Seino	Managing Director	April 1996
Masahiro Fukumoto	Managing Director	June 1995
Shiro Morita	Managing Director	June 1996
Yushin Okazaki	Managing Director	June 1995
Kakuichi Saegusa	Managing Director	June 1995
Sumitaka Fujita	Managing Director	June 1995
Junichi Tanyama	Managing Director	June 1996
Hiromi Izuka	Managing Director	June 1996
Tokuji Kayama	Managing Director	June 1996
Hiroataka Takechi	Managing Director	June 1996
Masaya Takei	Managing Director	June 1996
Takeshi Kondo	Managing Director	June 1996
Mitsuaki Fukuda	Managing Director	June 1996
Yasuo Itsushima	Managing Director	June 1996
Kunio Tajiri	Managing Director	June 1996
Michio Tanabe	Managing Director	June 1996

ITOCHU GOAL INTERNATIONAL, INC.

Akio Shigetomi	Chairman of the Board	Nov. 1996
Masayoshi Araya	President and Chief Executive Officer	June 1998
Katsumi Takahisa	Chief Financial Officer	Nov. 1996
Dietz Fry	Vice President, Finance and Administration	March 1997
Yutaka Nakazawa	Secretary	Dec. 1996

**112.400 Coal Mining and Reclamation Operation Permit Applications
 Previous, Current or Pending**

The following list describes all permits held by Canyon Fuel Company, LLC, all pending applications for permits, and any permit recognized as necessary in the future for which no application has been filed. Identification numbers of applications or permits are contained in the following list. Many of the agencies listed, however, have review responsibility only and may not have submitted a numbered permit.

<u>Permit</u>	<u>Issuing Authority</u>	<u>Approval Status/ Identification No.</u>
Mining and Reclamation Permit ACT/007/018	State of Utah Department of Natural Resources Division of Oil, Gas and Mining Department of Interior U.S. Geological Survey and Office of Surface Mining	Approved
U.P.D.E.S. Permit UT-G0023680	Environmental Protection Agency and Utah D.E.Q.	Approved
Business License	Carbon County	Approved
Mine Health and Safety Permits 42-0007	Mine Safety and Health Administration - Utah	Approved
Radio Permits	Federal Communications Commission	Approved
Certificate of Insurance and Authorization to do Business in State	State Industrial Development Commission	Approved
Unit Plan of Development	State of Utah School and Institutional Trust Lands Administration	Approved
Road Agreement	Carbon County	Approved

Canyon Fuel Company, LLC
Soldier Canyon Mine

Mining and Reclamation Plan

Air Quality Approval Order	State of Utah Utah Air Conservation Committee Department of Health Division of Environmental Health	Approved
Dam Permits	State Engineer	Approved

The Canyon Fuel Company, LLC mining permits and operations are:

SUFCO Mine	C/041/002
Skyline Mine	C/007/005
Soldier Canyon Mine	C/007/018
Banning Loadout	C/007/034
Dugout Canyon	C/007/039

The issuing authority for the Canyon Fuel Company, LLC permits is the UDOGM.

Permits and operations held by subsidiary companies of Arch Coal, Inc. are set forth in Table 1-1, [Appendix 1](#).

Neither Arch Coal, Inc., nor any of its subsidiaries, owns or controls any other coal mining or reclamation operation. Itochu Corporation does not own or control any interest, direct or indirect, in any other entity having coal mining operations in the United States. None of the executive officers of Itochu Corporation are directors or officers of any other entity that owns or controls an interest, direct or indirect, in any entity having coal mining operations in the United States.

**112.500 Legal or Equitable Owner of the Surface and Mineral Properties
to be Mined**

The legal or equitable owners of the areas to be affected by the surface operations and facilities during the five year permit period are:

Canyon Fuel Company, LLC
Soldier Canyon Mine

Mining and Reclamation Plan

United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
125 South 600 West
Price, Utah 84501

Canyon Fuel Company, LLC
6955 Union Park Center #540
Midvale, UT 84047

Louise L. Iriart
Route 1 Box 172
Price, Utah 84501

No area within the lands to be affected by surface operations and facilities or within the area of coal to be mined is under a real estate contract.

The legal or equitable owners of the coal to be mined during the five year permit period are:

United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
125 South 600 West
Price, Utah 84501

State of Utah
School and Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

Canyon Fuel Company, LLC
6955 Union Park Center #540
Midvale, UT 84047

112.600 Owners of Record of Property Contiguous to Proposed Permit Area

Owners of record of surface and subsurface areas contiguous to the permit area, including the sewage lagoons and ~~refuse disposal site~~, are shown on Exhibits 1.12-1 and 1.12-2. Names and addresses of the owners are:

Surface

Canyon Fuel Company, LLC
6955 Union Park Center #540
Midvale, UT 84047

Carbon County
Courthouse Building
Price, Utah 84501

David R. and Mildred Cane, et al.
Sunnyside Star Route
Price, Utah 84501

Funnon T. Shimmin
P. O. Box 785
Price, Utah 84501

John Frederick Artman
P.O. Box 22
Mountain City, Georgia 30562

Newell H. and Madge Nelson
Cleveland, Utah 84518

Louise L. Iriart
Route 1, Box 172
Price, Utah 84501

United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
125 South 600 West
Price, Utah 84501

Subsurface

State of Utah

School and Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

Canyon Fuel Company, LLC
555 Seventeenth Street
Denver, Colorado 80202

United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
125 South 600 West
Price, Utah 84501

112.700 MSHA Numbers

The mine name and identification number are as follows:

Soldier Canyon Mine
Mine ID No. 42-0007
Dugout Canyon Mine
Mine ID No. 42-01890, 42-01888

112.800 Interest in Contiguous Lands {unchanged}

Canyon Fuel Company, LLC has interests in lands contiguous to the area covered by the mine permit (Exhibits 1.12-1 and 1.12-2).

112.900 Certification of Submitted Information

The undersigned hereby attests that the information contained in this Notice of Change in Ownership and Contract Information is true and correct to the best of the undersigned's information and belief.

On behalf of CANYON FUEL COMPANY, LLC

Richard D. Pick
Its: President, Chief Executive Officer
and General Manager

STATE OF UTAH)
 : ss
COUNTY OF SALT LAKE)

Subscribed and sworn before me this ____ day of _____, 1998.

Notary Public
Residing at _____

(SEAL)
My Commission Expires:

113 Violation Information

Neither Canyon Fuel Company, LLC nor any major stockholder of the company having any interest, either legal or equitable, in Canyon Fuel Company, LLC has had a State or Federal mining permit suspended or revoked or a security deposited in lieu of a bond revoked. Neither Canyon Fuel Company, LLC, any of its mining operations, nor any person who owns or controls Canyon Fuel Company has any unabated cessation orders or unabated air or water quality violation notices.

The violations for the Canyon Fuel Company, LLC operations, including the Soldier Canyon Mine, C/007/018, Banning Loadout, C/007/034; SUFCo Mine, C/041/002; Skyline Mine, C/007/005;

Dugout Canyon Mine, C/007/039 are set forth in Table 1-1, 1-2, and 1-3 respectively. No violations have occurred at the Dugout Canyon Mine, ACT 007/039. ~~as are~~ violations for affiliated companies (Appendix 1). ~~are set forth in Table 1-4.~~

114 Right-of-Entry Information

Canyon Fuel Company, LLC bases its right to enter and continue underground mining activities on a number of documents pertaining to coal leases and surface ownership in the permit area (Exhibits 1.12-1 and 1.12-2). As a result of the merger described in Section 111 hereinabove, Canyon Fuel Company, LLC owns, or has a working agreement with the lessee of all the coal to be mined in the five year permit term. All surface facilities are constructed on Bureau of Land Management Rights-of-Way and Coal Lease Lands.

The coal leases, supporting documents, and a surface consent agreement to conduct underground mining are summarized below.

TABLE 1-1
 LIST OF VIOLATIONS

~~Soldier Canyon Mine and Banning Loadout - Utah Division of Oil, Gas and Mining NOV History~~

NOV	Date	Description	Actions Taken
N87-9-6-1 Banning Loadout	07/17/87	Failure to prevent, to the extent possible, additional contributions of sediment to stream flow outside the permit area.	Repaired two small piping along berm
N88-13-1-1 Banning Loadout	04/18/88	Failure to pass disturbed runoff through an operating sediment control structure.	Repaired and reinstalled two fences and installed two st dikes

NOV	Date	Description	Actions Taken
N89-28-1-1 —SGGG minesite	02/01/89	Failure to pass surface drainage from a disturbed area through a sediment pond or treatment facility before leaving a permit area.	Snow pushed beyond drain control facilities was recovered extent possible. Straw bale installed around remainder.
N89-17-3-1 —SGGG minesite	10/11/89	Failure to maintain adequate sediment control to prevent, to the extent possible, additional contributions of sediment to Soldier Creek.	Diverted all stream flow in mine water discharge around construction site during construction activities.
N89-22-89 —SGGG minesite	11/22/89	Failure to confine disturbance to limits of previously approved boundaries during surface facilities expansion construction.	An adequate plan for the reclamation of areas disturbed submitted.
N90-27-6-1 —SGGG minesite	05/22/90	Failure of sub-contractor (Gowing & Company, Inc.) for new mine portal development to have surface blaster certification.	Sub-contractor had completed and moved off the job site. Remedial action required.
N90-28-5-1 —Banning Loadout	08/01/90	Failure to have a valid certificate of blaster certification during surface blasting activities.	
N90-15-1-1 —Banning Loadout	10/04/90	Violation 2 of 2 issued for failure to conduct water monitoring in accordance with approved plan.	
N91-37-1-3 —SGGG Minesite	01/30/91	Violation 1 of 3 issued for failure to operate within disturbed area boundary.	
N91-37-1-3 —SGGG Minesite	01/30/91	Violation 2 of 3 issued for failure to place excess spoil in a designated area within the permit boundary.	
N91-37-1-3 —SGGG Minesite	01/30/91	Violation 3 of 3 issued for failure to identify and protect the topsoil resource.	
N92-15-1-1 —Banning Loadout	08/26/92	Failure to submit a complete response to Division Order 92B regarding M&RP submittal.	Submitted response
N93-38-1-3 —DOG M	09/22/93	Violation 1 of 3 issued for failure to provide certification for the design of existing primary road.	Submitted response

NOV	Date	Description	Actions Taken
N93-38-1-3 —DOGM—	09/22/93	Violation 2 of 3 issued for failure to provide design information for a ditch/berm system associated with an existing road.	Submitted response
N93-38-1-3 —DOGM—	09/22/93	Violation 3 of 3 issued for failure to include power lines on maps approved within the MRP.	Submitted response
N94-38-1-1 —DOGM	01/26/94	Failure to comply with TDS limitation for discharge at facility sedimentation pond.	None required
N94-39-5-1 —DOGM	11/09/94	Failure to have an identification sign at the main gate.	Replaced sign
N96-39-5-1 —DOGM	11/18/96	Failure to have maps showing all water diversions and treatments at Banning Loadout	Submitted New Maps
N97-46-2-1	05/21/97	Failure to comply with holding time requirements for water monitoring analysis.	None required

TABLE 1-2

LIST OF VIOLATIONS

~~SUFCO Mine - Utah Division of Oil, Gas and Mining NOV History~~

NOV	Date	Description	Actions Taken
N85-6-4-1	01/15/85	No fan small area exemption runoff sampling.	Immediately started sampl
N85-6-4-1	03/12/85	Parking pad drainage modification to sediment pond without approval	12/21/84 - sent in revised p eliminate small area exemp go back to previously appr of parking pad drainage to pond. 3/14/85 - Sent in plans aga Division that were approve any revisions on 4/18/85.
N85-6-6-1	04/30/85	Failure to analyze for oil and grease in sediment pond decant sample	None - requested assessm conference
N85-6-7-1	06/21/85	Quality of fan area discharge	6/11/85 - Sent in request fo approval to eliminate main small area exemption. 6/28/85 - Letter submitted abatement. 7/18/85 DOGM of plan. 8/16/86 modificati implemented.
N86-9-6-1	05/01/86	Bypass culvert contaminated with oil - white film on surface of water	Inspected and cleaned culv Repaired hole in side of cu where contaminate was se
N86-9-7-1	06/17/86	Failure to meet TDS limitation for sediment pond discharge	Letter sent to DOGM with explanation and steps to be prevent further violation.

NOV	Date	Description	Actions Taken
N87-9-9-1	09/22/87	Failure to comply with conditions and terms of approved permit.	Meetings held with DQGM. comments submitted
N89-13-1-1	09/28/89	Failure to confine mining activities to within the approved disturbed area. Failure to minimize disturbance to surface water systems. Disturbing stockpiled topsoil. Placing soil materials in an undisturbed ephemeral drainage	9/29/90 Cleared channel a stabilized bank. 11/6/90 Revegetated chan top soil stockpile.
N89-28-10-1	11/17/89	Failure to maintain required records at the mine site and submit required reports to the Division	Obtained copies of NPDES discharge monitoring repor submitted to the Division
N90-28-1-1	03/19/90	Failure to maintain sediment control structures in a manner which prevents additional contributions of sediment to stream flow outside the permit area.	Repaired silt fences.
N90-39-1-1	11/26/90	Failure to conduct mining in accordance with the terms and conditions of the permit. TDS at 003 above NPDES limit.	Necessary documentation
N92-39-1-1	01/24/92	Failure to notify the Division of the date of seeding one week prior to seeding at substation pad required by const. amendment.	Necessary documentation
N93-42-1-1	08/26/93	Failed to report both field and lab measurements for pH and spec. cond. Nitrate was not reported as (NO ₃ , NO ₂)	Submitted required data to
N94-46-2-1	10/31/94	Failed to mark perimeter to surface facilities prior to beginning surface activities. Failure to maintain perimeter markers as required (4 East fan).	Perimeter markers installed
N95-46-4-1	10/25/95	Failure to properly handle non-coal waste in a controlled manner.	Gleaned up non-coal waste trained surface supervisors handling procedures.

NOV	Date	Description	Actions Taken
N97-46-4-3	10/17/97	1) Failure to maintain diversions. 2) Failure to minimize erosion 3) Failure to provide accurate surface drainage maps	10/21/97 - Cleaned out div ditches 10/23/97 - Filled in erosion slope 05/26 to 06/10/98 - Shotcre steep slopes 10/30/97 - Necessary docu submitted
N98-46-1-1	06/16/98	Failure to prevent to the extent possible additional contributions of sediment to stream flow or to runoff outside the permit area.	06/08/98 - Plugged 10" cul concrete and installed silt f 06/18/98 - Submitted reme plan to DOGM-Price for cle 07/07/98 - Finished cleanu drainage

TABLE 1-3
 LIST OF VIOLATIONS
~~Skyline Mines - Utah Division of Oil, Gas and Mining NOV History~~

NOV	Date	Description	Actions Taken
N92-37-1-1	03/04/92	Failure to provide monitoring results of revegetation practices, treatments, and trails as described in pages 4-35 and 4-36, and Volume 1-2 of the MRP. This information is also requested annually by the Division in the Annual Report.	Necessary documentation
N92-37-1-1	03/25/92	Failure to comply with the terms and conditions of the approved permit, specifically exceedance of NPDES Discharge Permit UT-002340 to TDS and sulfates. Sampling confirms chronic exceedance of TDS limits that have been self-reported to the Bureau of Water Pollution Control.	Written acceptance of the a items in Docket No. 192-03
N92-37-4-1	05/22/92	Failure to maintain sediment control in Area 17 of the Railroad Loadout. Failure to prevent to the extent possible, additional contributions of sediment to stream flow or run-off outside the permit area.	Required remedial action c
N92-37-5-1	08/26/92	Failure to maintain diversion as described in the M&RP Volume 5, Section 10, page 4/4.	Necessary documentation and required actions taken
N92-37-6-1	08/26/92	Failure to implement sediment control measures as described in the construction plan and consequently conducting coal mining operations outside of the permit area (D & B).	Necessary documentation and required actions taken
N92-37-7-1	08/26/92	Failure to provide maps and plans showing relevant surface configuration and slope, size and location of spoil and development waste areas.	Necessary documentation and required actions taken
N93-39-2-4	03/03/93	Conducting mining activities outside the permit area. Coal was pushed over retaining wall.	Removed coal without dam vegetation or topsoil

NOV	Date	Description	Actions Taken
N93-39-5-3	09/16/93	Violation 1 of 3. Failure to have appropriate sediment control measures that are designed and constructed.	Submitted design for sediment control measures and then after approval.
N93-39-5-3	09/16/93	Violation 2 of 3. Failure to design emergency spillway.	Submitted plan for approval pond in total containment and therefore no spillway is needed.
G95-39-1-1	09/07/95	Failed to protect, minimize disturbance and adverse impacts on fish and related environmental matters.	Submitted mitigation plan and implemented plan.
N-95-39-3-1	10/15/95	Conducting mining activities without Division approval.	Submitted amendment to the activity.
Stipulation & consent order #195-0260UDWQ	10/23/95	Discharge of longwall mining fluid which caused a fish kill in Eccles and Mud Creeks	Install and implement measures to prevent any future release of longwall fluids.
G-95-39-1-1	08/07/95	Failed to protect minimize disturbance and adverse impacts on fish and related environmental values.	Submitted and implemented abatement plan.
N97-39-5-1	07/29/97	Discharged water from sediment pond to abandoned underground workings	Modified existing M&RP to discharge of water from sediment pond to abandoned underground workings
N98-39-1-1	03/05/98	Failure to comply with Permit ACT/007/005, Stipulation No. 1, Attachment A, Section 18, special conditions	Modified existing M&RP to comply with special conditions

Federal Coal Leases

Lease No. SL 051279-063188

Date of Lease: January 4, 1935

Lands Covered:

T.13S., R11E., SLB&M

Sec. 12: E/2E/2

Sec. 13: NE/4 NE/4

T13S. R12E. SLB&M

Sec. 7: All

Sec. 8: W/2

Sec. 17: NW/4

Sec. 18: N/2 NE/4, SE/4 NE/4, NE/4 NW/4, Lot 1
(NW/4 NW/4)

Containing: 1548.31 acres

Supporting Documents:

1. Assignment of federal coal lease from Premium Coal Company to California Portland Cement Company on July 31, 1974, approved effective September 1, 1974, by BLM.
2. Assignment of Federal coal lease from California Portland Cement Company to Sunedco Coal Company on August 23, 1985, approved by BLM on September 5, 1985.
3. Working agreement established between Applicant and Sunedco Coal Company.
4. Working agreement established between Sunedco and Sage Point Coal Company.
5. Sale agreement established between Sage Point Coal Company and the Applicant.

Federal Permission to Mine

Date of Lease: Permission was attached to Federal Lease No. SL 051279-063188 by the U.S. Geological Survey Mining Supervisor on December 11, 1974.

Lands Covered:

T.13S., R11E., SLB&M

Sec. 13: SE/4 NE/4, NE/4 SE/4

T.13S., R12E., SLB&M

Sec. 18: Lot 2 (SW/4 NW/4), SE/4 NW/4

Containing: 163.32 acres

Supporting Documents:

1. Assignment of Federal Coal Lease SL 051279-063188 from California Portland Cement Company to Sunedco Coal Company on August 23, 1985, approved by BLM on September 5, 1985.
2. Working agreement established between Soldier Creek Coal Company and Sunedco Coal Company.
3. Working agreement established between Sunedco and Sage Point Coal Company.
4. Sale agreement established between Sage Point Coal Company and the Applicant.

Federal Coal Lease U-50722

Sale agreement established between Sage Point Coal Company and the Applicant.

Date of Lease: September 1, 1982

Lands Covered:

T.13S., R11E. SLB&M

Sec. 12: E/2 W/2, W/2 E/2

Sec. 13: NW/4 NE/4, NE/4 NW/4

Containing: 400 acres

Supporting Documents:

1. Assignment of Federal coal lease from California Portland Cement Company to Sunedco Coal Company on August 23, 1985, approved by BLM on September 5, 1985.
2. Working agreement established between Applicant and Sunedco Coal Company.
3. Working agreement established between Sunedco and Sage Point Coal Company.
4. Sale agreement established between Sage Point Coal Company and the Applicant.

Federal Coal Lease Modified U-50722

Date of Lease: August 24, 1991
Lands Covered:

T.13S., R11E. SLB&M
Sec. 1: Lot 8
Containing 40.00 acres

Supporting Documents:

1. Modified coal lease from the BLM to Sage Point Coal Company dated August 24, 1990.
2. Sale agreement established between Sage Point Coal Company and the Applicant.

Federal Coal Lease UTU-69635

Date of Lease: October 1, 1995
Lands Covered:

T.13S., R11E., SLB&M
Sec.: Lots 1-7, Lot 8 for all coal except the Rock Canyon seam
Sec. 10: E 1/2 E 1/2
Sec. 11: All
Sec. 12: W 1/2 W 1/2
Sec. 13: W 1/2 NW 1/4, SE 1/4 NW 1/4, SW 1/4
Sec. 14: N 1/2, N 1/2 S 1/2, SE 1/4, SE 1/4
Sec. 15: NE 1/4 NE 1/4
Sec. 23: N 1/2 NE 1/4 NE 1/4
Sec. 24: N 1/2 N 1/2; NW 1/4

Containing 2,177.52 acres

Supporting Documents:

1. Coal Lease UTU-69635 Form 3400-12, Appendix 1B.
2. BLM Environmental Assessment, March 1995, Appendix 1A.
3. Sale agreement between Sage Point Coal Company and the Applicant.

Unleased Federal Coal Leases

Lands Covered:

These lands are outside the approved five-year term of the permit and may be acquired from the United States of America (BLM). These lands are included to show the progression of mine development over the mine's life.

T.12S., R.12E., SLB&M

Sec. 31: All
Containing: 600 acres

T.12S., R.12E., SLB&M

Sec 33: SW1/4, SE 1/4
Containing: 320 acres

T.12S., R.12E., SLB&M

Sec 34: SW1/4
Containing: 160 acres

Supporting Documents:

1. The Applicant will not enter the property until all legal rights (leases) have been obtained.
2. The Applicant will not enter the property until all DOGM permitting requirements are satisfied and approved.

Federal Coal Leases Contiguous to Permit Area

(Proposed lease additions not within this Permit Term)

Federal Coal Lease U-07064-027821

Lands Covered:

T.13S., R12E., SLB&M

Sec. 13: S/2
Sec. 23: E/2 E/2, W/2 SE/4, NE/4 SW/4
Sec. 24: All
Sec. 25: N/2 N/2
Sec. 26: N/2 NE/4

T.13S., R13E., SLB&M

Sec. 18: S/2
Sec. 19: Lots 1,2,3,4, E/2 W/2, NE/4, NW/4 SE/4
Sec. 30: Lot 1

Containing: 2416.14 acres

Supporting Documents:

1. Assignment of lease U-07064-027821 from Kennecott Coal Co. to Eureka, January 2, 1979, approved effective June 1, 1979, by BLM.
2. Assignment of lease U-07064-027821 on March 4, 1982, from Eureka Energy Company unto Sunoco Energy Development Co. and approve effective June 1, 1982, by BLM.
3. Effective November 30, 1985, all coal reserves in the state of Utah formerly owned or leased by Sunedco Coal Co. became owned or leased by Sage Point Coal Company.
4. A decision dated July 31, 1990, by the BLM recognized the corporate merger of Sunedco Coal Co. into Sage Point Coal Company.
5. Sale agreement between Sage Point Coal Company and the Applicant.
6. The applicant will not enter the property until all DOGM permitting requirements are satisfied and approved.

State Coal Leases

State Coal Lease ML-42648

Date of Lease: October 11, 1985

Land Covered:

T. 12S., R12E., SLB&M

Sec. 8: E/2

Sec. 17: NE/4

Containing: 480 acres

Supporting Documents

1. Federal Coal Lease U-089096 issued July 1, 1962, was converted to State ownership (ML-42648) in the In-Lieu Land Transfer on October 11, 1985, approved by Utah Division of State Lands on October 11, 1985.
2. Working agreement established between the Applicant and Sunedco Coal Company.
3. Working agreement established between the Sunedco and Sage Point Coal Company.

State Coal Lease ML-42649

Date of Lease: October 11, 1985

Lands Covered:

Lands described below are only a portion of the entire lands held by this lease:

T.13S., R12E., SLB&M

Sec 3: W/2

Sec. 4: S/2, Lots 1, 2, 3, 4

Sec. 5: SE/4, Lots 1, 2

Sec. 9: W/2, NE/4, N/2 SE/4

Containing: 1304.24 acres

Supporting Documents:

1. Federal Coal Lease U-0144820 issued September 1, 1966, was converted to State ownership (ML-42649) in the In-Lieu Land Transfer on October 11, 1985, approved by Utah Division of State Lands on October 11, 1985.
2. Working agreement established between the Applicant and Sunedco Coal Company.
3. Working agreement established between Sunedco and Sage Point Coal Company.
4. Sale agreement established between Sage Point Coal Company and the Applicant.

State Coal Lease ML-44365

Date of Lease: April 3, 1989

Lands Covered:

T.13S., R12E., SLB&M

Sec. 5: SW 1/4, Lots 3, 4

Sec. 6: All

Containing: 557.20 acres

Supporting Documents:

1. State Coal Lease ML-44365 was acquired by the Sage Point Coal Company on April 3, 1989, and subsequently sold to the Applicant.

State Coal Leases Contiguous to Permit Area

(Proposed lease additions not within this Permit Term)

State Coal Lease ML-42648

Date of Lease: October 11, 1985

Lands Covered:

T.13S., R12E., SLB&M

Sec. 10: S/2

Sec. 11: S/2

Sec. 14: All

Sec. 15: All

Sec. 17: E/2 SW/4, SE/4

Sec. 20: E/2 NW/4, SW/4 NW/4, N/2 NE/4

Sec. 21: N/2 NW/4, NE/4

Sec. 22: N/2, N/2 S/2

Sec. 23: W/2 NW/4

Containing: 3160 acres

Supporting Documents:

1. Federal Coal Lease U-089096 issued July 1, 1962, was converted to State ownership (ML-42648) in the In-Lieu Land Transfer on October 11, 1985, approved by Utah Division of State Lands on October 11, 1985.
2. Sale agreement between Sage Point Coal Company and the Applicant.
3. The Applicant will not enter the property until all DOGM permitting requirements are satisfied and approved.

State Coal Lease ML-42649

Date of Lease: October 11, 1985

Lands Covered:

T.13S., R12E., SLB&M

Sec. 3: E/2

Sec. 9: S/2 SE/4

Sec. 10: N/2

Sec. 11: N/2

Containing: 906.86 acres

Supporting Documents:

1. Federal Coal Lease U-0144820 issued September 1, 1966, was converted to State ownership (ML-42649) in the In-Lieu Land Transfer on October 1, 1985, approved by Utah Division of State Lands on October 11, 1985.
2. Sale agreement between Sage Point Coal Company and the Applicant.
3. The Applicant will not enter the property until all DOGM permitting requirements are satisfied and approved.

State Coal Lease ML-22590

Date of Lease: January 25, 1965
Lands Covered:

T.13S., R12E., SLB&M
Sec. 2: All
Containing 375.52 acres

Supporting Documents:

1. Assignment of lease ML-22590 from Heiner Coal Co. to PG and E on August 2, 1976, approved August 9, 1976, by Utah Division of State Lands.
2. Assignment of lease ML-22590 from PG and E to Eureka on December 8, 1978, approved January 8, 1979, by Utah Division of State Lands.
3. On March 4, 1982, Eureka Energy Company assigned to Sunoco Energy Development Co. all rights and privileges as lessee in such lands.
4. Effective November 30, 1985, all coal reserves in the state of Utah formerly owned by Sunedco became owned or leased by Sage Point Coal Company
5. Sale agreement between Sage Point Coal Company and the Applicant.
6. The Applicant will not enter the property until all DOGM permitting requirements are satisfied and approved.

State coal leases ML 21994 and ML 22675 have been relinquished to the state with no obligations as evidenced by letters from the State of Utah contained in Appendix 1-C.

Unleased Private Coal Leases

These lands are outside the approved five-year term of permit and may be acquired from individual owners. The lands are included to show the progression of mine development over the mine's life.

T.12S., R12E., SLB&M

Sec 31: NE 1/4, NE 1/4

Containing: 40 acres

Sec 32: NW 1/4, NE 1/4

Containing: 40 acres

Sec 33: NE 1/4 NE 1/4

Containing: 40 acres

Sec 34: NW 1/4

Containing: 160 acres

Supporting Documents:

1. The Applicant will not enter the property until all legal rights (leases) have been obtained.
2. The Applicant will not enter the property until all DOGM permitting requirements are satisfied and approved.

Fee Coal Contiguous to Permit Area

(Proposed lease additions not within this Permit Term)

Parcel 1 - "Fish Creek Canyon" Fee Coal

Owner in Fee: Canyon Fuel Company, LLC
Lands Covered:

T.13S., R12E., SLB&M

Sec. 16: All

Containing: 640.0 acres

Supporting Documents:

1. On March 4, 1982, Eureka Energy Company conveyed and warranted to Sunoco Energy Development Co. Fee Coal interest 801671 and 801672.
2. Effective November 30, 1985, all coal reserves in the state of Utah formerly owned or leased by Sunedco became owned or leased by Sage Point Coal Company.
3. Sale agreement between Sage Point Coal Company and the Applicant.
4. Canyon Fuel Company, LLC will not enter the property until all DOGM permitting requirements are satisfied and approved.

Parcel 2 - "Dugout Canyon" Fee Coal

Owner in Fee: Canyon Fuel Company, LLC
Lands Covered:

T.13S., R12E., SLB&M
Sec. 23: W/2 NE/4, E/2 NW/4
Containing: 160.0 acres

Supporting Documents:

1. On March 4, 1982, Eureka Energy Company conveyed and warranted to Sunoco Energy Development Co. Fee Coal interest 801681.
2. Effective November 30, 1985, all coal reserves in the state of Utah formerly owned or leased by Sunedco became owned or leased by Sage Point Coal Company.
3. Sale agreement between Sage Point Coal Company and the Applicant.
4. The Applicant will not enter the property until all DOGM permitting requirements are satisfied and approved.

Alkali Tract - Fee Coal

Owner in Fee: Canyon Fuel Company, LLC
Lands Covered:

T.13S., R11E., SLB&M
Sec. 2: All
Sec. 3: Lots 5, 6 and 7
Sec. 10: NW/4, W/2 NE/4, NW/4 SW/4, NW/4 SE/4

Containing: 757.49 acres

Supporting Documents:

1. On March 4, 1982, Eureka Energy Company conveyed and warranted to Sunoco Energy Development Co. Fee Coal interest 801681.
2. Effective November 30, 1985, all coal reserves in the state of Utah formerly owned or leased by Sunedco became owned or leased by Sage Point Coal Company.
3. Sale agreement between Sage Point Coal Company and the Applicant.
4. The Applicant will not enter the property until all DOGM permitting requirements are satisfied and approved.

Surface Ownership

Surface ownership for the life of mine area is illustrated on Exhibit 1.12-1.

Federal Right-of-Ways U-50167

(Sewage Lagoons, Pipeline, Access Road)

Dated: July 2, 1982

Lands Covered:

T.13S., R12E., SLB&M

Sec. 18: Lot 4, NE/4 SW/4,
SW/4 NE/4, SE/4 SW/4, NW/4 SE/4

Sec. 19: Lots 1, 2, 3, 4

T.13S., R11E., 0 SLB&M

Sec. 24: SE/4 SE/4 SE/4

Containing: 4.81 acres

Supporting Documents:

1. Assignment of Right-of-Ways from California Portland Cement Company to Sunedco Coal Company on September 5, 1985, approved by the BLM on September 19, 1985.
2. Working agreement established between Soldier Creek Coal Company and Sunedco Coal Company.

3. Working agreement established between Sunedco Coal Company and Sage Point Coal Company.
4. Sale agreement established between Sage Point Coal Company and the Applicant.

Federal Right-of-Ways U-52071

(Sediment Pond, Access Road, Storage Area)

Dated: June 7, 1983
Lands Covered:

T.13S., R12E., SLB&M

Sec. 18: NE/4 SW/4 NE/4, NW/4 SW/4 NE/4
Containing: 3.75 acres

Supporting Documents:

1. Assignment of Right-of-Ways from California Portland Cement to Sunedco Coal Company on September 5, 1985, approved by the BLM on September 19, 1985.
2. Working agreement established between Applicant and Sunedco Coal Company.
3. Working agreement established between Sunedco Coal Company and Sage Point Coal Company.
4. Sale agreement established between Sage Point Coal Company and the Applicant.

Land Use Permit UTU-66132

(Topsoil Storage Site and Access Road)

Date of Agreement: August 14, 1990
Lands Covered:

T.13S., R11E., SLB&M

Sec. 25: S/2 SW/4 NE/4, N/2 NW/4 SE/4
Containing: 4.5 acres

Supporting Documents:

1. Land Use Permit issued for the BLM to Soldier Creek Coal Company on August 14, 1990, authorizing use of the described land.

2. Approved amendment to Land Use Permit UTU-66132 for construction; operation and maintenance of an access road to the permit area.
3. Sale agreement established between Sage Point Coal Company and the Applicant.

Amendment of Right-of-Way UTU-62044

(Road Relocation)

Date of Agreement: April 26, 1991
Consentor: Bureau of Land Management
Consentee: Carbon County Lands Covered:

T.13S., R12E., SLB&M
Sec. 7: SE/4 SE/4
Sec. 18: NE/4 NE/4

Supporting Documents:

1. Approved Right-of-Way amendment to relocate the county road for 1235 feet between the BLM and Carbon County on April 26, 1991.
2. Working agreement between Carbon County and Soldier Creek Coal Company.

Federal Realty Action UTU-65023

Exchange of Public Lands in Carbon County, Utah

(Lands for Waste Rock Disposal Site, Access Road, Topsoil Storage Site and Future Uses)

Dated: June 17, 1991
Lands Covered:

T.13S., R11E., SLB&M
Sec.25: S/2 SW/4 NE/4, E/2 NE/4 SW/4, SE/4 SW/4, W/2 SE/4
Containing: 160.00 acres

Supporting Documents:

1. Notice of Realty Action UTU-65023 from the BLM, dated June 17, 1991, to the Applicant.

Surface Consent Agreements

The Applicant has received consent agreements to conduct coal operations as described below:

Easement

(Power line)

Date of Agreement:

Consentor: Mountain Fuels Supply Company

Consentee: Sage Point Coal Company

Lands Covered:

T.13S., R12E., SLB&M

Sec. 7:

Supporting Documents:

1. Easement license to construct and maintain a power line between Mountain Fuel Company and California Portland Cement Company on July 26, 1982.
2. Assignment of the easement license from California Portland Cement Company to Sunedco Coal Company on September 5, 1985.
3. Sale agreement between the Applicant and Sage Point Coal Company.
4. Working agreement between Sunedco Coal Company and Sage Point Coal Company.

Conditional Licensee Agreement

(Surface Facilities)

Date of Agreement: December 11, 1989

Consentor: Questar Pipeline Company

Consentee: Soldier Creek Coal Company

Lands Covered:

T.13S., R12E., SLB&M

Sec. 18: NE/4 NE 4

Supporting Document:

Conditional license agreement to construct facilities necessary for the development of the Soldier Canyon Mine between Questar Pipeline Company and Soldier Creek Coal Company on December 11, 1989, and subsequent sale of Sage Point Coal Company to the Applicant.

Realignment of Portion of Soldier Creek Road

Date of Agreement: July 11, 1990
Lands Covered:

T.13S., R12E., SLB&M
Sec. 7: SE/4 SE/4
Sec. 18: NE/4 NE/4

Supporting Document:

Letter from Nick Sampinos (Attorney for Carbon County) to Mark Mackiewicz (BLM) stating the County's supportive position in the realignment project.

Stream Channel Alteration Permit 90-91-23SA

Stream Culvert Extension

Date of Agreement: September 26, 1990
Consentor: State of Utah, Department of Natural Resources, Division of Water Rights
Consentee: Carbon County
Lands Covered:

T.13S., R12E., SLB&M
Sec. 18: NE/4 NE/4

Supporting Documents:

1. Stream Channel Alteration Permit 90-91-23SA to install 885 feet of stream culvert between the Division of Water Rights and Carbon County.
2. Working agreement between Carbon County and the Applicant.

County Road Relocation Project

Date of Agreement: March 25, 1991

Consentor: Carbon County Consentee: Soldier Creek Coal Company
Lands Covered:

T.13S., R12E., SLB&M
Sec. 7: SE/4 SE/4
Sec. 18: NE/4 NE/4

Supporting Document:

Letter from William D. Kropfel (Carbon County Commissioner) to Soldier Creek Coal Company (SC3), giving SC3 its approval to proceed with the road relocation.

County Road Right-of-Way Encroachment Authorization

(Topsoil Storage Access Road)

Date of Agreement: April 4, 1991
Consentor: Carbon County
Consentee: Soldier Creek Coal Company
Lands Covered:

Area of access road that will encroach upon Carbon County's right-of-way.

Supporting Documents:

Letter from Evan Hansen (County Engineer) granting Soldier Creek Coal Company permission to encroach upon Carbon County's road right-of-way, and subsequent sale of Soldier Creek Coal Company to the Applicant.

115 Status of Unsuitability Claims {unchanged}

After reviewing the description of the proposed permit area, the Regulatory Authority should determine that this area is:

- a. Not included within an area designated unsuitable for surface coal mining operation. {R645-301-115.100}
- b. Not within an area under study for designating lands unsuitable for surface coal mining operations. {R645-301-115-100}

- c. Not on any lands subject to the prohibitions or limitations for R645-102-322.
- d. Within 100 feet of the outside right-of-way of a public road {R645-103-234}. The Applicant has received formal permission from the Carbon County Commissioners to mine within 100 feet of the right-of-way of a public road.
- e. Not within 300 feet of any occupied dwelling. {R645-103-235}.
- f. Not unsuitable in accordance with 522 of SMCRA

There are no public roads and no occupied dwellings within the area proposed to be added to the permit by the Alkali Tract Significant.

116 Permit Term

Soldier Canyon Mine's origin dates back to 1906 when limited prospecting was done on the property. A Federal coal lease was granted in 1935 and mining commenced on the property.

Mine rehabilitation was initiated in 1975 and consisted of a general clean-up to meet federal safety standards, driving two rock tunnels and installing a conveyor belt system. The underground work was completed in June, 1976. Surface rehabilitation work began in August, 1975 and continued until completion in May, 1978. The outside rehabilitation work included the construction of a substation, power centers, office, warehouse, shop and bathhouse. Construction of a sedimentation pond was completed in November, 1979 and sewage lagoons were completed in October, 1982.

A permanent program mining permit (ACT/007/018) was issued by the State and OSM (UT 0023) on May 19, 1985. Subsequently, the mine was acquired by Sunedco Coal Company on September 5, 1985, and Sunedco reincorporated the Applicant in Delaware and transferred the mine assets back to the Applicant. Federal and State leases were held by two affiliate companies, Sunedco Coal Company and Sunoco Energy Development Company. A working agreement was established between Sunedco Coal Company and the Sage Point Coal Company to continue operating the mine.

Thereafter, a corporate reorganization on December 31, 1987, by Sun Coal Company, Inc. initiated a corporate merger of Sunedco Coal Company and Sunoco Energy Development Company into Sage Point Coal Company. As a result of the corporate merger, Sage Point Coal Company became the sole shareholder of Soldier Creek Coal Company. A purchase agreement was thereafter established between Sage Point Coal Company and the Applicant.

The horizontal and vertical extent of the proposed underground mine workings for each phase of mining is shown on Exhibits 5.21-4, 5.21-5 and 5.21-6. Mining will be restricted to the reduced five-year term until the necessary leases and permits are obtained to extend mining activities.

The Applicant proposes to operate Soldier Canyon Mine for 30 years and requests that this permit be renewed for five years. This application presents information on the construction of surface facilities, mine operation and reclamation over the anticipated 30 year life of the mine.

The Applicant is conducting mining activities within 100 feet of a public road. Soldier Creek Road is the public road and the affected portion is a stretch within the permit area, T.13S., R12E., Sections 18 and 7, Carbon County, Utah. ~~The legal description of the permit boundary is provided in Section 1.17.200.~~ Areas of disturbance are illustrated on Exhibits 5.21-2, 5.21-3, and 5.26-1. ~~and Plate 5-1.~~

117 Insurance and Proof of Publication

A copy of an updated Certificate of Liability Insurance is attached as Appendix 8-1 ~~417-A~~. Pursuant to Utah Admin. Directive # ADM-004, a change in ownership and control that does not result in a change in the permittee's name is not treated as a permit transfer. Accordingly, no proof of publication is required. The proof of publication and newspaper advertisements required in connection with the permit application are on file with the Utah Division of Oil Gas and Mining.

Certificates of insurance issued to Canyon Fuel Company, LLC are located in Appendix 8-1. Newspaper advertisements and verification of advertising are located in Appendix 1-3.

118 Filing Fee

Pursuant to Utah Admin. Directive # ADM-004, a change in ownership and control that does not result in a change in the permittee's name is not treated as a permit transfer. Accordingly, no filing fee is required for this Notice of Change of Ownership. Evidence of payment of the filing fee required in connection with the permit application is on file with the Utah Division of Oil Gas and Mining.

120 Permit Application Format and Contents {unchanged}

This permit application will comply with R645-301-120.

130 Reporting of Technical Data {unchanged}

All technical data submitted in the permit application will be accompanied by the name or organization responsible for the collection and analysis of data, dates of collection and descriptions of methodology used. Technical analyses will be planned by or under the direction of a qualified professional in the subject to be analyzed.

140 Maps and Plans {unchanged}

The maps and plans in the Mining and Reclamation Plan will correspond with the requirements in R645-301-140.

150 Completeness {unchanged}

CFC believes the information in the permit application ~~and this Notice of Change of Ownership and Control Information~~ to be complete and correct.

CANYON FUEL COMPANY, LLC

SOLDIER CANYON MINE

C/007/018

February 2004

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CHAPTER 1
GENERAL CONTENTS

110 Minimum Requirements for Legal, Financial, Compliance and Related Information

111 Introduction

Canyon Fuel Company, LLC submits this Notice of Change in Ownership and Control Information for Permit No. ACT/0007/018 (the "Permit") pursuant to Utah Admin. Directive #ADM-004. The Notice sets forth information regarding the (1) nature of the transaction giving rise to this ownership change; (2) the identity of the principal interests involved in the ownership change; (3) the legal, financial, and compliance status and history of Canyon Fuel Company; and (4) the status of the mine area.

The permit is presently held by Canyon Fuel Company, LLC, a Delaware limited liability company ("CFC"). Under the Purchase and Sale Agreement dated as of March 22, 1998, closed effective June 1, 1998, Arch Western Resources, LLC, a Delaware limited liability company, purchased the 65% membership interest of Arco Uinta Coal Company, a fully owned subsidiary of Atlantic Richfield Company, in CFC. Itochu Coal International, Inc., a fully owned subsidiary of Itochu Corporation, retained its ownership of the remaining 35% membership interest. The common membership interests in Arch Western Resources, LLC, is in turn owned 99% by Arch Western Acquisition corporation, a Delaware corporation fully owned by Arch Coal, Inc., also a Delaware corporation, and 1% by Delta Housing, Inc., a Delaware corporation fully owned by Atlantic Richfield Company, a Delaware corporation. Soldier Creek Coal Company became Soldier Canyon Mine through the merge and subsequent sale of Coastal Coal, Inc. on or about December 20, 1996

See Figure 1-1 for an organization diagram depicting the corporate structure associated with CFC.

As a result of this transaction, this Notice of Change in Ownership and Control Information documents changes in Chapter 1 of the Mining and Reclamation Plan for the Soldier Canyon Mine--"Legal, Compliance, and Related Information." Other portions of the Mining and Reclamation Plan remain unmodified. Any charts, maps, drawings, diagrams, exhibits, tables, and so forth in the unmodified portions of the Mining and Reclamation Plan bearing the name(s) of Coastal States Energy Company, Skyline Coal Company, Sage Point Coal Company, Southern Utah Fuel Company, Soldier Canyon Coal Company, and/or Utah Fuel Company should be read with the name Canyon Fuel Company, LLC substituted for any and all of these entities, all of which have been merged into Canyon Fuel Company LLC.

The mine is located at the mouth of Nine Mile Canyon, Sections 7 and 18, Township 13 S., Range 12 E., Salt Lake Base and Meridian (SLB&M), on the southern edge of the Book Cliffs in the heart of the book cliff Coal Field (Exhibit 1.12-2). It is approximately 12 miles northeast of Price, Utah (Figure 1).

Paved Road 53 (Soldier Creek Road) provides easy access to the mine facilities which are adjacent to the highway. Although the road is unpaved beyond the mine, it is maintained by Carbon County and serves as an access road to recreational and agricultural areas. The road serves as an alternative access between the Price River Basin and the Uinta Basin.

The mine has been producing coal from both federally and state owned lands leased to Canyon Fuel Company, LLC and its predecessors. Most of the present and future mining will be on leases owned by the United States and administered by the Bureau of Land Management.

112 Identification of Interests

The applicant, Canyon Fuel Company, LLC is a Limited Liability Company organized under the laws of Delaware in December 1996 and now owned 65% by Arch Western Resources, LLC, a Delaware limited liability company, and 35% by Itochu Coal International Inc., a Delaware

Corporation. Itochu Coal International Inc. is a wholly owned subsidiary of Itochu Corporation, a Japanese Corporation. Arch Western Resources, LLC, is owned 99% by Arch Western Acquisition corporation, a Delaware corporation wholly owned by Arch Coal, Inc., a Delaware corporation, and 1% by Delta Housing, Inc., a Delaware corporation wholly owned by Atlantic Richfield Company, a Delaware corporation

112.100 Business Entity

The applicant, Canyon Fuel Company, LLC is a Limited Liability Company organized under the laws of Delaware in December 1996 and now owned 65% by Arch Western Resources, LLC, a Delaware limited liability company, and 35% by Itochu Coal International Inc., a Delaware Corporation. Itochu Coal International Inc. is a wholly owned subsidiary of Itochu Corporation, a Japanese Corporation. Arch Western Resources, LLC, is owned 99% by Arch Western Acquisition corporation, a Delaware corporation wholly owned by Arch Coal, Inc., a Delaware corporation, and 1% by Delta Housing, Inc., a Delaware corporation wholly owned by Atlantic Richfield Company, a Delaware corporation.

112.200 Applicant and Operator

APPLICANT:

Canyon Fuel Company, LLC
6995 South Union Park Center, Suite 540
Midvale, UT 84047
Telephone: (801) 569-4700
Employer Identification: 87-0567183

OPERATOR:

Canyon Fuel Company, LLC
6995 South Union Park Center, Suite 540
Midvale, UT 84047
Telephone: (801) 569-4700

Canyon Fuel Company, LLC
Soldier Canyon Mine

Mining and Reclamation Plan

RESIDENT AGENT:

CT Corporation Systems
50 West Broadway
Salt Lake City, Utah 84104
Telephone: (801) 531-7090

CONTACT PERSON:

Richard D. Pick
Canyon Fuel Company, LLC
6995 South Union Park Center, Suite 540
Midvale, UT 84047
Telephone: (801)569-4700

PERSON WHO WILL PAY ABANDONED MINE RECLAMATION FEES:

Richard D. Pick
Canyon Fuel Company, LLC
6995 South Union Park Center, Suite 540
Midvale Utah 84047
Telephone: (801)569-4700

112.300 Officers of the Applicant

This section identifies those persons who own or control Canyon Fuel Company, LLC. Canyon Fuel Company, LLC, is a Delaware limited liability company with two members: Arch Western Resources, LLC., which holds a 65% interest; and Itochu Coal International, Inc., which holds a 35% interest.

Arch Western Resources, LLC, is owned 99% by Arch Western Acquisition Corporation, a wholly owned subsidiary of Arch Coal, Inc., and 1% by Delta Housing, Inc., a wholly owned subsidiary of Atlantic Richfield Company.

ADDRESS:

Arch Western Resources, LLC
City Place One, Suite 300
St. Louis, MO 63141-7056

Canyon Fuel Company, LLC
Soldier Canyon Mine

Mining and Reclamation Plan

EMPLOYER IDENTIFICATION: 43-1811130

ADDRESS:

Arch Western Acquisition Corporation
City Place One, Suite 300
St. Louis, MO 63141-7056

EMPLOYER IDENTIFICATION: 43-1811084

ADDRESS:

Arch Coal, Inc.
CityPlace One, Suite 300
St. Louis, MO 63141-7056

EMPLOYER IDENTIFICATION: 43-0921172

ADDRESS:

Delta Housing, Inc.
515 South Flower Street
Los Angeles, CA 90071

EMPLOYER IDENTIFICATION: 94-2314688

ADDRESS:

Atlantic Richfield Company
515 South Flower Street
Los Angeles, CA 90071

EMPLOYER IDENTIFICATION: 23-0371610

Itochu Coal International, Inc. is a wholly owned subsidiary of Itochu Corporation, a Japanese corporation.

ADDRESS:

Itochu Coal International, Inc.
555 17th Street, Suite 845
Denver, Colorado 80202

EMPLOYER IDENTIFICATION: 52-2003963

Revised: February 2004

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Canyon Fuel Company, LLC
Soldier Canyon Mine

Mining and Reclamation Plan

ADDRESS:

Itochu Corporation, 5-1
Kita-Aoyama 2-Chome
Minato-ku, Tokyo 107-77, Japan

EMPLOYER IDENTIFICATION: 98-0053818

The following lists the officers and directors of Canyon Fuel Company, LLC, Arch Western Resources, LLC, Arch Acquisition Corporation, Arch Coal, Inc., Itochu Corporation, and Itochu Coal International, Inc. The addresses for the officers, directors and representatives to the management board listed are the same as those of the respective business entities as listed above, for which the individuals are officers, directors or representatives. Social Security numbers for the officers and directors are no longer required to be disclosed.

CANYON FUEL COMPANY, LLC:

(9/12/03)

Directors:

Robert W. Shanks Chairman
Effective: 06/01/1998

Masayoshi Araya
Effective: 06/01/2001

Yuzo Hirono
Effective: 12/14/1999

Steven F. Leer
Effective: 06/01/1998

Kenneth G. Woodring
Effective: 12/01/2000

John W. Eaves Alternative Representative
Effective: 12/01/2000

Canyon Fuel Company, LLC
Soldier Canyon Mine

Mining and Reclamation Plan

Joe Y. Nakazawa
Effective: 06/01/2001

Alternative Representative

Tsutomu Niwa
Effective: 10/09/2001

Alternative Representative

Officers

Richard D. Pick
Effective: 06/01/1998

President, Chief Executive Officer and General Manager

Robert G. Messey
Effective: 10/09/2001

Chief Financial Officer

James E. Florczak
Effective: 05/25/1999

Vice President, Finance

John W. Eaves
Effective: 06/23/1998

Vice President, Marketing

Robert G. Jones
Effective: 03/08/2000

Vice President, General Counsel and Assistant Secretary

Janet L. Horgan
Effective: 10/11/2000

Secretary

William H. Rose
Effective: 06/01/1998

Assistant Secretary

ARCH COAL, INC.:

(9/12/03)

Directors:

James R. Boyd
Effective: 07/01/1997

Chairman

Frank M. Burke
Effective: 09/07/2000

Robert G. Potter
Effective: 04/26/2001

Robert G. Jones Vice President, General Counsel and Secretary
Effective: 10/16/2000 and 3/01/2000

James E. Florczak Treasurer
Effective: 08/17/1998

Deck S. Slone Vice President, Investor and Public Relations
Effective: 04/26/2001

Bradley M. Allbritten Vice President, Marketing
Effective: 03/1/2000

Shiela B. Feldman Vice President, Human Resources
Effective: 02/03/2003

Janet L. Horgan Assistant Secretary and Counsel
Effective: 10/16/2000

John W. Lorson Comptroller
Effective: 04/9/1999

Charles David Steele Vice President, Tax Planning
Effective: 04/24/2003

Bennett K. Hatfield Vice President
Effective: 04/24/2003

Arch Western Resources, LLC, Representatives to the Management Board:

Name: Steven F. Leer
Effective: 06/01/98

Name: Robert W. Shanks
Effective: 06/01/98

Alternate:

Name: Kenneth G. Woodring
Effective: 06/01/98

Itochu Coal International, Inc. Representatives to the Management Board:

Board:

Akio Shigetomi
Effective: 11/30/1996

Masayoshi Araya
Effective: 11/30/1996

Yuzo Hirono
Effective: 12/31/1999

Alternates:

Yutaka Nakazawa
Effective: 12/20/1996

Tsutomu Niwa
Effective: 6/01/2001

ARCH WESTERN RESOURCES, LLC

(9/12/03)

Directors:

Patrick A. Kriegshauser
Effective: 05/07/98

David B. Peugh
Effective: 05/07/98

Jeffry N. Quinn
Effective: 05/07/98

Thomas A. Lockhart
Effective: 02/24/2003

Officers:

Robert W. Shanks President - Operations
Effective: 06/28/98

David B. Peugh Vice President
Effective: 05/17/98

William H. Rose Assistant Secretary
Effective: 05/07/98

Robert G. Jones Vice President and Assistant Secretary
Effective: 03/01/00 and 6/2/98

Janet L. Horgan Secretary
Effective: 3/17/98

James E. Florczak Vice President, Finance, Treasurer
Effective: 05/15/98 and 9/15/98

ITOCHU CORPORATION

<u>Name</u>	<u>Title</u>	<u>Date of Appointment</u>
Minoru Murofushi	Chairman	April 1998
Masahisa Naitoh	Vice Chairman	April 2000
Uichiro Niwa	President, CEO	April 1998
Hiroshi Sumie	Executive Vice President	April 2000
Makoto Kato	Executive Vice President	April 2001
Yushin Okazaki	Executive Vice President	April 2001
Sumitaka Fujita	Executive Vice President	April 2001
Mitsuaki Fukuda	Sr. Managing Director	April 2000
Akira Yokota	Sr. Managing Director	April 2001
Kiyomi Yamada	Managing Director	April 2001
Motonori Toyota	Managing Director	June 2001
Kouhei Wantanabe	Managing Director	April 2002

Hiroshi Ueda Managing Director April 2002

ITOCHU COAL INTERNATIONAL INC.

Masayoshi Araya Chairman of the Board Dec. 1999

Yuzo Hirono President and Chief Executive Officer Dec. 1999

Tsutomu Niwa Chief Financial Officer June 1996

Dietz Fry Vice President, Finance and Administration March 1997

Yutaka Nakazawa Vice President Commercial and Secretary Dec. 1996

Hiroshi Akiba Assistant Secretary Feb. 2000

**112.400 Coal Mining and Reclamation Operation Permit Applications
 Previous, Current or Pending**

The following list describes permits held by Canyon Fuel Company, LLC, pending applications for permits, and any permit recognized as necessary in the future for which no application has been filed. Identification numbers of applications or permits are contained in the following list. Many of the agencies listed, however, have review responsibility only and may not have submitted a numbered permit.

<u>Permit</u>	<u>Issuing Authority</u>	<u>Approval Status/ Identification No.</u>
Mining and Reclamation Permit C/007/018	State of Utah Department of Natural Resources Division of Oil, Gas and Mining	Approved
	Department of Interior U.S. Geological Survey and Office of Surface Mining	
U.P.D.E.S. Permit UT0023680	Environmental Protection Agency and Utah D.E.Q.	Approved

Canyon Fuel Company, LLC
Soldier Canyon Mine

Mining and Reclamation Plan

Business License	Carbon County	Approved
Mine Health and Safety Permits 42-0007	Mine Safety and Health Administration - Utah	Approved
Radio Permits	Federal Communications Commission	Approved
Certificate of Insurance and Authorization to do Business in State	State Industrial Development Commission	Approved
Unit Plan of Development	State of Utah School and Institutional Trust Lands Administration	Approved
Road Agreement	Carbon County	Approved
Air Quality Approval Order	State of Utah Utah Air Conservation Committee Department of Health Division of Environmental Health	Approved
Dam Permits	State Engineer	Approved

The Canyon Fuel Company, LLC mining permits and operations are:

SUFCO Mine	C/041/002
Skyline Mine	C/007/005
Soldier Canyon Mine	C/007/018
Banning Loadout	C/007/034
Dugout Canyon	C/007/039

The issuing authority for the Canyon Fuel Company, LLC permits is the UDOGM.

Permits and operations held by subsidiary companies of Arch Coal, Inc. are set forth in Table 1-1, Appendix 1.

Neither Arch Coal, Inc., nor any of its subsidiaries, owns or controls any other coal mining or reclamation operation. Itochu Corporation does not own or control any interest, direct or indirect, in any other entity having coal mining operations in the United States. None of the executive officers of Itochu Corporation are directors or officers of any other entity that owns or controls an interest, direct or indirect, in any entity having coal mining operations in the United States.

**112.500 Legal or Equitable Owner of the Surface and Mineral Properties
to be Mined**

The legal or equitable owners of the areas to be affected by the surface operations and facilities during the five-year permit period are:

United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
125 South 600 West
Price, Utah 84501

Canyon Fuel Company, LLC
6955 Union Park Center #540
Midvale, UT 84047

Louise L. Iriart
Route 1 Box 172
Price, Utah 84501

No area within the lands to be affected by surface operations and facilities or within the area of coal to be mined is under a real estate contract.

The legal or equitable owners of the coal to be mined during the five-year permit period are:

United States of America
Department of Interior
Bureau of Land Management
Price Coal Office

125 South 600 West
Price, Utah 84501

State of Utah
School and Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

Canyon Fuel Company, LLC
6955 Union Park Center #540
Midvale, UT 84047

112.600 Owners of Record of Property Contiguous to Proposed Permit Area

Owners of record of surface and subsurface areas contiguous to the permit area, including the sewage lagoons, are shown on Exhibits 1.12-1 and 1.12-2. Names and addresses of the owners are:

Surface

Canyon Fuel Company, LLC
6955 Union Park Center #540
Midvale, UT 84047

Carbon County
Courthouse Building
Price, Utah 84501

David R. and Mildred Cane, et al.
Sunnyside Star Route
Price, Utah 84501

Funnon T. Shimmin
P. O. Box 785
Price, Utah 84501

John Frederick Artman
P.O. Box 22
Mountain City, Georgia 30562

Canyon Fuel Company, LLC
Soldier Canyon Mine

Mining and Reclamation Plan

Newell H. and Madge Nelson
Cleveland, Utah 84518

Louise L. Iriart
Route 1, Box 172
Price, Utah 84501

United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
125 South 600 West
Price, Utah 84501

Subsurface

State of Utah
School and Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

Canyon Fuel Company, LLC
555 Seventeenth Street
Denver, Colorado 80202

United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
125 South 600 West
Price, Utah 84501

112.700 MSHA Numbers

The mine name and identification number are as follows:

Soldier Canyon Mine
Mine ID No. 42-0007

Dugout Canyon Mine
Mine ID No. 42-01890, 42-01888

112.800 Interest in Contiguous Lands

Canyon Fuel Company, LLC has interests in lands contiguous to the area covered by the mine permit (Exhibits 1.12-1 and 1.12-2).

112.900 Certification of Submitted Information

The undersigned hereby attests that the information contained in this Notice of Change in Ownership and Contract Information is true and correct to the best of the undersigned's information and belief.

On behalf of CANYON FUEL COMPANY, LLC

Richard D. Pick
Its: President, Chief Executive Officer
and General Manager

STATE OF UTAH)
 : ss
COUNTY OF SALT LAKE)

Subscribed and sworn before me this ____ day of _____, 1998.

Notary Public
Residing at _____

(SEAL)
My Commission Expires:

113 Violation Information

Neither Canyon Fuel Company, LLC nor any major stockholder of the company having any interest, either legal or equitable, in Canyon Fuel Company, LLC has had a State or Federal mining permit suspended or revoked or a security deposited in lieu of a bond revoked. Neither Canyon Fuel Company, LLC, any of its mining operations, nor any person who owns or controls Canyon Fuel Company has any unabated cessation orders or unabated air or water quality violation notices.

The violations for the Canyon Fuel Company, LLC operations, including the Soldier Canyon Mine, C/007/018, Banning Loadout, C/007/034; SUFCo Mine, C/041/002; Skyline Mine, C/007/005; Dugout Canyon Mine, C/007/039 are set forth in Table 1-2, as are violations for affiliated companies (Appendix 1).

114 Right-of-Entry Information

Canyon Fuel Company, LLC bases its right to enter and continue underground mining activities on a number of documents pertaining to coal leases and surface ownership in the permit area (Exhibits 1.12-1 and 1.12-2). As a result of the merger described in Section 111, Canyon Fuel Company, LLC owns, or has a working agreement with the lessee of all the coal to be mined in the five-year permit term. All surface facilities are constructed on Bureau of Land Management Rights-of-Way and Coal Lease Lands.

The coal leases, supporting documents, and a surface consent agreement to conduct underground mining are summarized below.

Federal Coal Leases

Lease No. SL 051279-063188

Date of Lease: January 4, 1935

Lands Covered:

T.13S., R11E., SLB&M

Sec. 12: E/2E/2

Sec. 13: NE/4 NE/4

T13S. R12E. SLB&M

Sec. 7: All

Sec. 8: W/2

Sec. 17: NW/4

Sec. 18: N/2 NE/4, SE/4 NE/4, NE/4 NW/4, Lot 1
(NW/4 NW/4)

Containing: 1548.31 acres

Supporting Documents:

1. Assignment of federal coal lease from Premium Coal Company to California Portland Cement Company on July 31, 1974, approved effective September 1, 1974, by BLM.
2. Assignment of Federal coal lease from California Portland Cement Company to Sunedco Coal Company on August 23, 1985, approved by BLM on September 5, 1985.
3. Working agreement established between Applicant and Sunedco Coal Company.
4. Working agreement established between Sunedco and Sage Point Coal Company.
5. Sale agreement established between Sage Point Coal Company and the Applicant.

Federal Permission to Mine

Date of Lease: Permission was attached to Federal Lease No. SL 051279-063188 by the U.S. Geological Survey Mining Supervisor on December 11, 1974.

Lands Covered:

T.13S., R1E., SLB&M

Sec. 13: SE/4 NE/4, NE/4 SE/4

T.13S., R12E., SLB&M

Sec. 18: Lot 2 (SW/4 NW/4), SE/4 NW/4

Containing: 163.32 acres

Supporting Documents:

1. Assignment of Federal Coal Lease SL 051279-063188 from California Portland Cement Company to Sunedco Coal Company on August 23, 1985, approved by BLM on September 5, 1985.
2. Working agreement established between Soldier Creek Coal Company and Sunedco Coal Company.
3. Working agreement established between Sunedco and Sage Point Coal Company.
4. Sale agreement established between Sage Point Coal Company and the Applicant.

Federal Coal Lease U-50722

Sale agreement established between Sage Point Coal Company and the Applicant.

Date of Lease: September 1, 1982

Lands Covered:

T.13S., R1E., SLB&M

Sec. 12: E/2 W/2, W/2 E/2

Sec. 13: NW/4 NE/4, NE/4 NW/4

Containing: 400 acres

Supporting Documents:

1. Assignment of Federal coal lease from California Portland Cement Company to Sunedco Coal Company on August 23, 1985, approved by BLM on September 5, 1985.

2. Working agreement established between Applicant and Sunedco Coal Company.
3. Working agreement established between Sunedco and Sage Point Coal Company.
4. Sale agreement established between Sage Point Coal Company and the Applicant.

Federal Coal Lease Modified U-50722

Date of Lease: August 24, 1991

Lands Covered:

T.13S., R11E. SLB&M

Sec. 1: Lot 8

Containing 40.00 acres

Supporting Documents:

1. Modified coal lease from the BLM to Sage Point Coal Company dated August 24, 1990.
2. Sale agreement established between Sage Point Coal Company and the Applicant.

Federal Coal Lease UTU-69635

Date of Lease: October 1, 1995

Lands Covered:

T.13S., R11E., SLB&M

Sec.: Lots 1-7, Lot 8 for all coal except the Rock Canyon seam

Sec. 10: E ½ E ½

Sec. 11: All

Sec. 12: W ½ W ½

Sec. 13: W ½ NW ¼, SE ¼ NW ¼, SW ¼

Sec. 14: N ½, N ½ S ½, SE ¼, SE ¼

Sec. 15: NE ¼ NE ¼

Sec. 23: N ½ NE 1/4 NE 1/4

Sec. 24: N ½ N ½; NW 1/4

Containing 2,177.52 acres

Supporting Documents:

1. Coal Lease UTU-69635 Form 3400-12, Appendix 1B.
2. BLM Environmental Assessment, March 1995, Appendix 1A.
3. Sale agreement between Sage Point Coal Company and the Applicant.

Unleased Federal Coal Leases

Lands Covered:

These lands are outside the approved five-year term of the permit and may be acquired from the United States of America (BLM). These lands are included to show the progression of mine development over the mine's life.

T.12S., R.12E., SLB&M

Sec. 31: All

Containing: 600 acres

T.12S., R.12E., SLB&M

Sec 33: SW1/4, SE 1/4

Containing: 320 acres

T.12S., R.12E., SLB&M

Sec 34: SW1/4

Containing: 160 acres

Supporting Documents:

1. The Applicant will not enter the property until all legal rights (leases) have been obtained.
2. The Applicant will not enter the property until all DOGM permitting requirements are satisfied and approved.

Federal Coal Leases Contiguous to Permit Area

(Proposed lease additions not within this Permit Term)

Federal Coal Lease U-07064-027821

Lands Covered:

T.13S., R12E., SLB&M

Sec. 13: S/2

Sec. 23: E/2 E/2, W/2 SE/4, NE/4 SW/4

Sec. 24: All

Sec. 25: N/2 N/2

Sec. 26: N/2 NE/4

T.13S., R13E., SLB&M

Sec. 18: S/2

Sec. 19: Lots 1,2,3,4, E/2 W/2, NE/4, NW/4 SE/4

Sec. 30: Lot 1

Containing: 2416.14 acres

Supporting Documents:

1. Assignment of lease U-07064-027821 from Kennecott Coal Co. to Eureka, January 2, 1979, approved effective June 1, 1979, by BLM.
2. Assignment of lease U-07064-027821 on March 4, 1982, from Eureka Energy Company unto Sunoco Energy Development Co. and approve effective June 1, 1982, by BLM.

3. Effective November 30, 1985, all coal reserves in the state of Utah formerly owned or leased by Sunedco Coal Co. became owned or leased by Sage Point Coal Company.
4. A decision dated July 31, 1990, by the BLM recognized the corporate merger of Sunedco Coal Co. into Sage Point Coal Company.
5. Sale agreement between Sage Point Coal Company and the Applicant.
6. The applicant will not enter the property until all DOGM permitting requirements are satisfied and approved.

State Coal Leases

State Coal Lease ML-42648

Date of Lease: October 11, 1985

Land Covered:

T.12S., R12E., SLB&M

Sec. 8: E/2

Sec. 17: NE/4

Containing: 480 acres

Supporting Documents

1. Federal Coal Lease U-089096 issued July 1, 1962, was converted to State ownership (ML-42648) in the In-Lieu Land Transfer on October 11, 1985, approved by Utah Division of State Lands on October 11, 1985.
2. Working agreement established between the Applicant and Sunedco Coal Company.
3. Working agreement established between the Sunedco and Sage Point Coal Company.

State Coal Lease ML-42649

Date of Lease: October 11, 1985

Lands Covered:

Lands described below are only a portion of the entire lands held by this lease:

T.13S., R12E., SLB&M

Sec 3: W/2

Sec. 4: S/2, Lots 1, 2, 3, 4

Sec. 5: SE/4, Lots 1, 2

Sec. 9: W/2, NE/4, N/2 SE/4

Containing: 1304.24 acres

Supporting Documents:

1. Federal Coal Lease U-0144820 issued September 1, 1966, was converted to State ownership (ML-42649) in the In-Lieu Land Transfer on October 11, 1985, approved by Utah Division of State Lands on October 11, 1985.
2. Working agreement established between the Applicant and Sunedco Coal Company.
3. Working agreement established between Sunedco and Sage Point Coal Company.
4. Sale agreement established between Sage Point Coal Company and the Applicant.

State Coal Lease ML-44365

Date of Lease: April 3, 1989

Lands Covered:

T.13S., R12E., SLB&M

Sec. 5: SW 1/4, Lots 3, 4

Sec. 6: All

Containing: 557.20 acres

Supporting Documents:

1. State Coal Lease ML-44365 was acquired by the Sage Point Coal Company on April 3, 1989, and subsequently sold to the Applicant.

State Coal Leases Contiguous to Permit Area

(Proposed lease additions not within this Permit Term)

State Coal Lease ML-42648

Date of Lease: October 11, 1985

Lands Covered:

T.13S., R12E., SLB&M

Sec. 10: S/2

Sec. 11: S/2

Sec. 14: All

Sec. 15: All

Sec. 17: E/2 SW/4, SE/4

Sec. 20: E/2 NW/4, SW/4 NW/4, N/2 NE/4

Sec. 21: N/2 NW/4, NE/4

Sec. 22: N/2, N/2 S/2

Sec. 23: W/2 NW/4

Containing: 3160 acres

Supporting Documents:

1. Federal Coal Lease U-089096 issued July 1, 1962, was converted to State ownership (ML-42648) in the In-Lieu Land Transfer on October 11, 1985, approved by Utah Division of State Lands on October 11, 1985.
2. Sale agreement between Sage Point Coal Company and the Applicant.

3. The Applicant will not enter the property until all DOGM permitting requirements are satisfied and approved.

State Coal Lease ML-42649

Date of Lease: October 11, 1985

Lands Covered:

T.13S., R12E., SLB&M

Sec. 3: E/2

Sec. 9: S/2 SE/4

Sec. 10: N/2

Sec. 11: N/2

Containing: 906.86 acres

Supporting Documents:

1. Federal Coal Lease U-0144820 issued September 1, 1966, was converted to State ownership (ML-42649) in the In-Lieu Land Transfer on October 1, 1985, approved by Utah Division of State Lands on October 11, 1985.
2. Sale agreement between Sage Point Coal Company and the Applicant.
3. The Applicant will not enter the property until all DOGM permitting requirements are satisfied and approved.

State Coal Lease ML-22590

Date of Lease: January 25, 1965

Lands Covered:

T.13S., R12E., SLB&M

Sec. 2: All

Containing 375.52 acres

Supporting Documents:

1. Assignment of lease ML-22590 from Heiner Coal Co. to PG and E on August 2, 1976, approved August 9, 1976, by Utah Division of State Lands.
2. Assignment of lease ML-22590 from PG and E to Eureka on December 8, 1978, approved January 8, 1979, by Utah Division of State Lands.
3. On March 4, 1982, Eureka Energy Company assigned to Sunoco Energy Development Co. all rights and privileges as lessee in such lands.
4. Effective November 30, 1985, all coal reserves in the state of Utah formerly owned by Sunedco became owned or leased by Sage Point Coal Company
5. Sale agreement between Sage Point Coal Company and the Applicant.
6. The Applicant will not enter the property until all DOGM permitting requirements are satisfied and approved.

State coal leases ML 21994 and ML 22675 have been relinquished to the state with no obligations as evidenced by letters from the State of Utah contained in Appendix 1-C.

Unleased Private Coal Leases

These lands are outside the approved five-year term of permit and may be acquired from individual owners. The lands are included to show the progression of mine development over the mine's life.

T.12S., R12E., SLB&M

Sec 31: NE 1/4, NE 1/4

Containing: 40 acres

Sec 32: NW 1/4, NE 1/4

Containing: 40 acres

Sec 33: NE 1/4 NE 1/4

Containing: 40 acres

Sec 34: NW 1/4

Containing: 160 acres

Supporting Documents:

1. The Applicant will not enter the property until all legal rights (leases) have been obtained.
2. The Applicant will not enter the property until all DOGM permitting requirements are satisfied and approved.

Fee Coal Contiguous to Permit Area

(Proposed lease additions not within this Permit Term)

Parcel 1 - "Fish Creek Canyon" Fee Coal

Owner in Fee: Canyon Fuel Company, LLC

Lands Covered:

T.13S., R12E., SLB&M

Sec. 16: All

Containing: 640.0 acres

Supporting Documents:

1. On March 4, 1982, Eureka Energy Company conveyed and warranted to Sunoco Energy Development Co. Fee Coal interest 801671 and 801672.
2. Effective November 30, 1985, all coal reserves in the state of Utah formerly owned or leased by Sunedco became owned or leased by Sage Point Coal Company.
3. Sale agreement between Sage Point Coal Company and the Applicant.

3. Canyon Fuel Company, LLC will not enter the property until all DOGM permitting requirements are satisfied and approved.

Parcel 2 - "Dugout Canyon" Fee Coal

Owner in Fee: Canyon Fuel Company, LLC

Lands Covered:

T.13S., R12E., SLB&M

Sec. 23: W/2 NE/4, E/2 NW/4

Containing: 160.0 acres

Supporting Documents:

1. On March 4, 1982, Eureka Energy Company conveyed and warranted to Sunoco Energy Development Co. Fee Coal interest 801681.
2. Effective November 30, 1985, all coal reserves in the state of Utah formerly owned or leased by Sunedco became owned or leased by Sage Point Coal Company.
3. Sale agreement between Sage Point Coal Company and the Applicant.
4. The Applicant will not enter the property until all DOGM permitting requirements are satisfied and approved.

Alkali Tract - Fee Coal

Owner in Fee: Canyon Fuel Company, LLC

Lands Covered:

T.13S., R11E., SLB&M

Sec. 2: All

Sec. 3: Lots 5, 6 and 7

Sec. 10: NW/4, W/2 NE/4, NW/4 SW/4, NW/4 SE/4

Containing: 757.49 acres

Supporting Documents:

1. On March 4, 1982, Eureka Energy Company conveyed and warranted to Sunoco Energy Development Co. Fee Coal interest 801681.
2. Effective November 30, 1985, all coal reserves in the state of Utah formerly owned or leased by Sunedco became owned or leased by Sage Point Coal Company.
3. Sale agreement between Sage Point Coal Company and the Applicant.
4. The Applicant will not enter the property until all DOGM permitting requirements are satisfied and approved.

Surface Ownership

Surface ownership for the life of mine area is illustrated on Exhibit 1.12-1.

Federal Right-of-Ways U-50167

(Sewage Lagoons, Pipeline, Access Road)

Dated: July 2, 1982

Lands Covered:

T.13S., R12E., SLB&M

Sec. 18: Lot 4, NE/4 SW/4, SW/4 NE/4, SE/4 SW/4, NW/4 SE/4

Sec. 19: Lots 1, 2, 3, 4

T.13S., R11E., 0 SLB&M

Sec. 24: SE/4 SE/4 SE/4

Containing: 4.81 acres

Supporting Documents:

1. Assignment of Right-of-Ways from California Portland Cement Company to Sunedco Coal Company on September 5, 1985, approved by the BLM on September 19, 1985.

2. Working agreement established between Soldier Creek Coal Company and Sunedco Coal Company.
3. Working agreement established between Sunedco Coal Company and Sage Point Coal Company.
4. Sale agreement established between Sage Point Coal Company and the Applicant.

Federal Right-of-Ways U-52071

(Sediment Pond, Access Road, Storage Area)

Dated: June 7, 1983

Lands Covered:

T.13S., R12E., SLB&M

Sec. 18: NE/4 SW/4 NE/4, NW/4 SW/4 NE/4

Containing: 3.75 acres

Supporting Documents:

1. Assignment of Right-of-Ways from California Portland Cement to Sunedco Coal Company on September 5, 1985, approved by the BLM on September 19, 1985.
2. Working agreement established between Applicant and Sunedco Coal Company.
3. Working agreement established between Sunedco Coal Company and Sage Point Coal Company.
4. Sale agreement established between Sage Point Coal Company and the Applicant.

Land Use Permit UTU-66132

(Topsoil Storage Site and Access Road)

Date of Agreement: August 14, 1990

Lands Covered:

T.13S., R11E., SLB&M

Sec. 25: S/2 SW/4 NE/4, N/2 NW/4 SE/4

Containing: 4.5 acres

Supporting Documents:

1. Land Use Permit issued for the BLM to Soldier Creek Coal Company on August 14, 1990, authorizing use of the described land.
2. Approved amendment to Land Use Permit UTU-66132 for construction; operation and maintenance of an access road to the permit area.
3. Sale agreement established between Sage Point Coal Company and the Applicant.

Amendment of Right-of-Way UTU-62044

(Road Relocation)

Date of Agreement: April 26, 1991

Consentor: Bureau of Land Management

Consentee: Carbon County Lands Covered:

T.13S., R12E., SLB&M

Sec. 7: SE/4 SE/4

Sec. 18: NE/4 NE/4

Supporting Documents:

1. Approved Right-of-Way amendment to relocate the county road for 1235 feet between the BLM and Carbon County on April 26, 1991.
2. Working agreement between Carbon County and Soldier Creek Coal Company.

Federal Realty Action UTU-65023

Exchange of Public Lands in Carbon County, Utah

(Lands for Waste Rock Disposal Site, Access Road, Topsoil Storage Site and Future Uses)

Dated: June 17, 1991

Lands Covered:

T.13S., R11E., SLB&M

Sec.25: S/2 SW/4 NE/4, E/2 NE/4 SW/4, SE/4 SW/4, W/2 SE/4

Containing: 160.00 acres

Supporting Documents:

1. Notice of Realty Action UTU-65023 from the BLM, dated June 17, 1991, to the Applicant.

Surface Consent Agreements

The Applicant has received consent agreements to conduct coal operations as described below:

Easement

(Power line)

Date of Agreement:

Consentor: Mountain Fuels Supply Company

Consentee: Sage Point Coal Company

Lands Covered:

T.13S., R12E., SLB&M

Sec. 7:

Supporting Documents:

1. Easement license to construct and maintain a power line between Mountain Fuel Company and California Portland Cement Company on July 26, 1982.
2. Assignment of the easement license from California Portland Cement Company to Sunedco Coal Company on September 5, 1985.
3. Sale agreement between the Applicant and Sage Point Coal Company.
4. Working agreement between Sunedco Coal Company and Sage Point Coal Company.

Conditional Licensee Agreement

(Surface Facilities)

Date of Agreement: December 11, 1989

Consentor: Questar Pipeline Company

Consentee: Soldier Creek Coal Company

Lands Covered:

T.13S., R12E., SLB&M

Sec. 18: NE/4 NE 4

Supporting Document:

Conditional license agreement to construct facilities necessary for the development of the Soldier Canyon Mine between Questar Pipeline Company and Soldier Creek Coal Company on December 11, 1989, and subsequent sale of Sage Point Coal Company to the Applicant.

Realignment of Portion of Soldier Creek Road

Date of Agreement: July 11, 1990

Lands Covered:

T.13S., R12E., SLB&M

Sec. 7: SE/4 SE/4

Sec. 18: NE/4 NE/4

Supporting Document:

Letter from Nick Sampinos (Attorney for Carbon County) to Mark Mackiewicz (BLM) stating the County's supportive position in the realignment project.

Stream Channel Alteration Permit 90-91-23SA

Stream Culvert Extension

Date of Agreement: September 26, 1990

Consentor: State of Utah, Department of Natural Resources, Division of Water Rights

Consentee: Carbon County

Lands Covered:

T.13S., R12E., SLB&M

Sec. 18: NE/4 NE/4

Supporting Documents:

1. Stream Channel Alteration Permit 90-91-23SA to install 885 feet of stream culvert between the Division of Water Rights and Carbon County.
2. Working agreement between Carbon County and the Applicant.

County Road Relocation Project

Date of Agreement: March 25, 1991

Consentor: Carbon County Consentee: Soldier Creek Coal Company

Lands Covered:

T.13S., R12E., SLB&M

Sec. 7: SE/4 SE/4

Sec. 18: NE/4 NE/4

Supporting Document:

Letter from William D. Krompel (Carbon County Commissioner) to Soldier Creek Coal Company (SC3), giving SC3 its approval to proceed with the road relocation.

County Road Right-of-Way Encroachment Authorization

(Topsoil Storage Access Road)

Date of Agreement: April 4, 1991

Consentor: Carbon County

Consentee: Soldier Creek Coal Company

Lands Covered:

Area of access road that will encroach upon Carbon County's right-of-way.

Supporting Documents:

Letter from Evan Hansen (County Engineer) granting Soldier Creek Coal Company permission to encroach upon Carbon County's road right-of-way, and subsequent sale of Soldier Creek Coal Company to the Applicant.

115 Status of Unsuitability Claims

After reviewing the description of the proposed permit area, the Regulatory Authority should determine that this area is:

- a. Not included within an area designated unsuitable for surface coal mining operation. {R645-301-115.100}

- b. Not within an area under study for designating lands unsuitable for surface coal mining operations. {R645-301-115-100}
- c. Not on any lands subject to the prohibitions or limitations for R645-102-322.
- d. Within 100 feet of the outside right-of-way of a public road {R645-103-234}. The Applicant has received formal permission from the Carbon County Commissioners to mine within 100 feet of the right-of-way of a public road.
- e. Not within 300 feet of any occupied dwelling. {R645-103-235}.
- f. Not unsuitable in accordance with 522 of SMCRA.

There are no public roads and no occupied dwellings within the area proposed to be added to the permit by the Alkali Tract Significant.

116 Permit Term

Soldier Canyon Mine's origin dates back to 1906 when limited prospecting was done on the property. A Federal coal lease was granted in 1935 and mining commenced on the property.

Mine rehabilitation was initiated in 1975 and consisted of a general clean up to meet federal safety standards, driving two rock tunnels and installing a conveyor belt system. The underground work was completed in June, 1976. Surface rehabilitation work began in August, 1975 and continued until completion in May, 1978. The outside rehabilitation work included the construction of a substation, power centers, office, warehouse, shop and bathhouse. Construction of a sedimentation pond was completed in November, 1979 and sewage lagoons were completed in October, 1982.

A permanent program mining permit (ACT/007/018) was issued by the State and OSM (UT 0023) on May 19, 1985. Subsequently, the mine was acquired by Sunedco Coal Company on September 5, 1985, and Sunedco reincorporated the Applicant in Delaware and transferred the mine assets back to the Applicant. Federal and State leases were held by two affiliate companies,

Sunedco Coal Company and Sunoco Energy Development Company. A working agreement was established between Sunedco Coal Company and the Sage Point Coal Company to continue operating the mine.

Thereafter, a corporate reorganization on December 31, 1987, by Sun Coal Company, Inc. initiated a corporate merger of Sunedco Coal Company and Sunoco Energy Development Company into Sage Point Coal Company. As a result of the corporate merger, Sage Point Coal Company became the sole shareholder of Soldier Creek Coal Company. A purchase agreement was thereafter established between Sage Point Coal Company and the Applicant.

The horizontal and vertical extent of the proposed underground mine workings for each phase of mining is shown on Exhibits 5.21-4, 5.21-5 and 5.21-6. Mining will be restricted to the reduced five-year term until the necessary leases and permits are obtained to extend mining activities.

The Applicant proposes to operate Soldier Canyon Mine for 30 years and requests that this permit be renewed for five years. This application presents information on the construction of surface facilities, mine operation and reclamation over the anticipated 30-year life of the mine.

The Applicant is conducting mining activities within 100 feet of a public road. Soldier Creek Road is the public road and the affected portion is a stretch within the permit area, T.13S., R12E., Sections 18 and 7, Carbon County, Utah. Areas of disturbance are illustrated on Exhibits 5.21-2, 5.21-3, and 5.26-1.

117 Insurance and Proof of Publication

A copy of an updated Certificate of Liability Insurance is attached as Appendix 8-1. Pursuant to Utah Admin. Directive # ADM-004, a change in ownership and control that does not result in a change in the permittee's name is not treated as a permit transfer. Accordingly, no proof of

publication is required. The proof of publication and newspaper advertisements required in connection with the permit application are on file with the Utah Division of Oil Gas and Mining.

Certificates of insurance issued to Canyon Fuel Company, LLC are located in Appendix 8-1. Newspaper advertisements and verification of advertising are located in Appendix 1-3.

118 Filing Fee

Pursuant to Utah Admin. Directive # ADM-004, a change in ownership and control that does not result in a change in the permittee's name is not treated as a permit transfer. Accordingly, no filing fee is required for this Notice of Change of Ownership. Evidence of payment of the filing fee required in connection with the permit application is on file with the Utah Division of Oil Gas and Mining.

120 Permit Application Format and Contents

This permit application will comply with R645-301-120.

130 Reporting of Technical Data

All technical data submitted in the permit application will be accompanied by the name or organization responsible for the collection and analysis of data, dates of collection and descriptions of methodology used. Technical analyses will be planned by or under the direction of a qualified professional in the subject to be analyzed.

140 Maps and Plans

The maps and plans in the Mining and Reclamation Plan correspond with the requirements in R645-301-140.

150 Completeness

CFC believes the information in the permit application to be complete and correct.

Canyon Fuel Company, LLC
Soldier Canyon Mine

Mining and Reclamation Plan

APPENDIX 1

Revised: February 2004

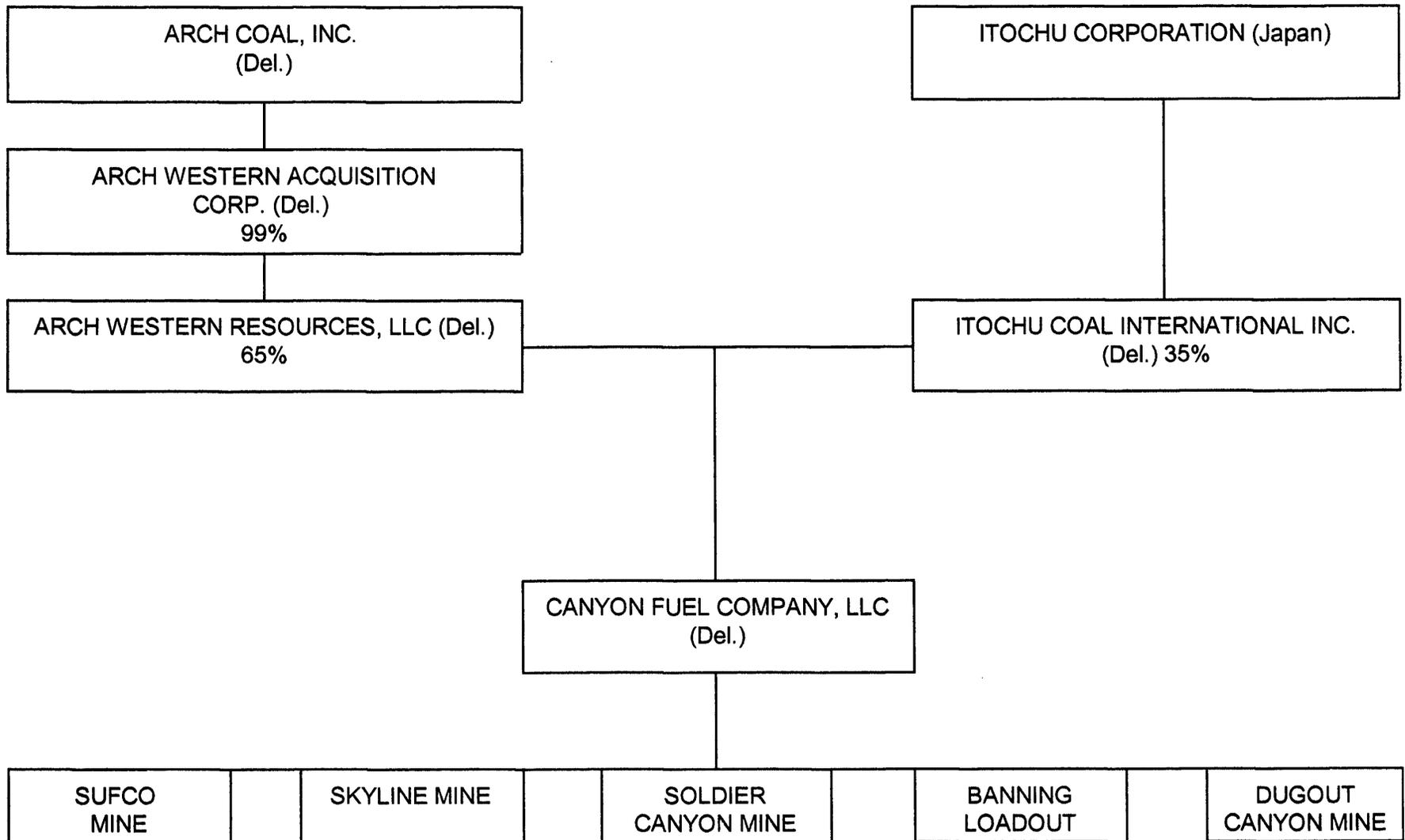


FIGURE 1-1. CORPORATE STRUCTURE.

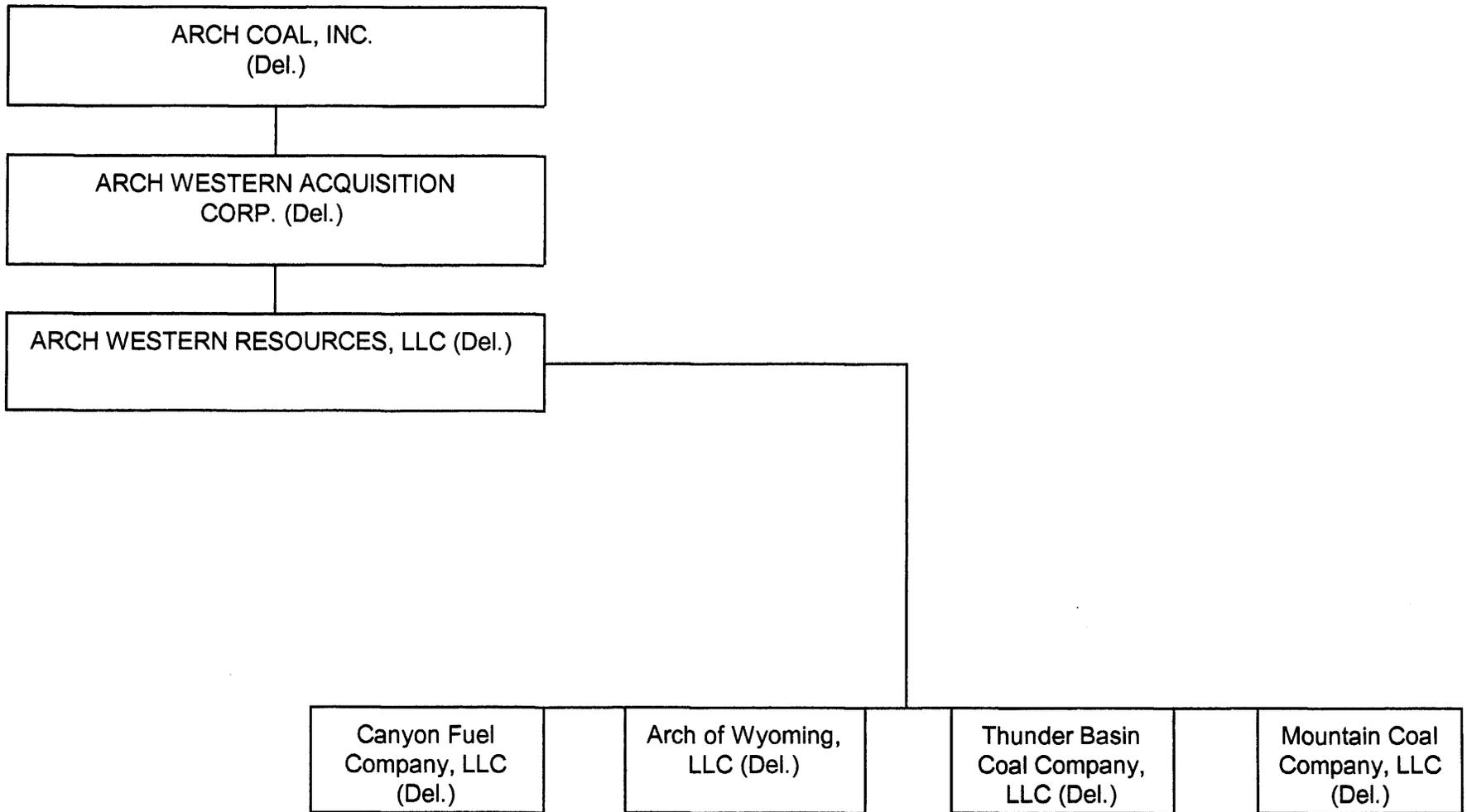


FIGURE 1-1. CORPORATE STRUCTURE (Continued).

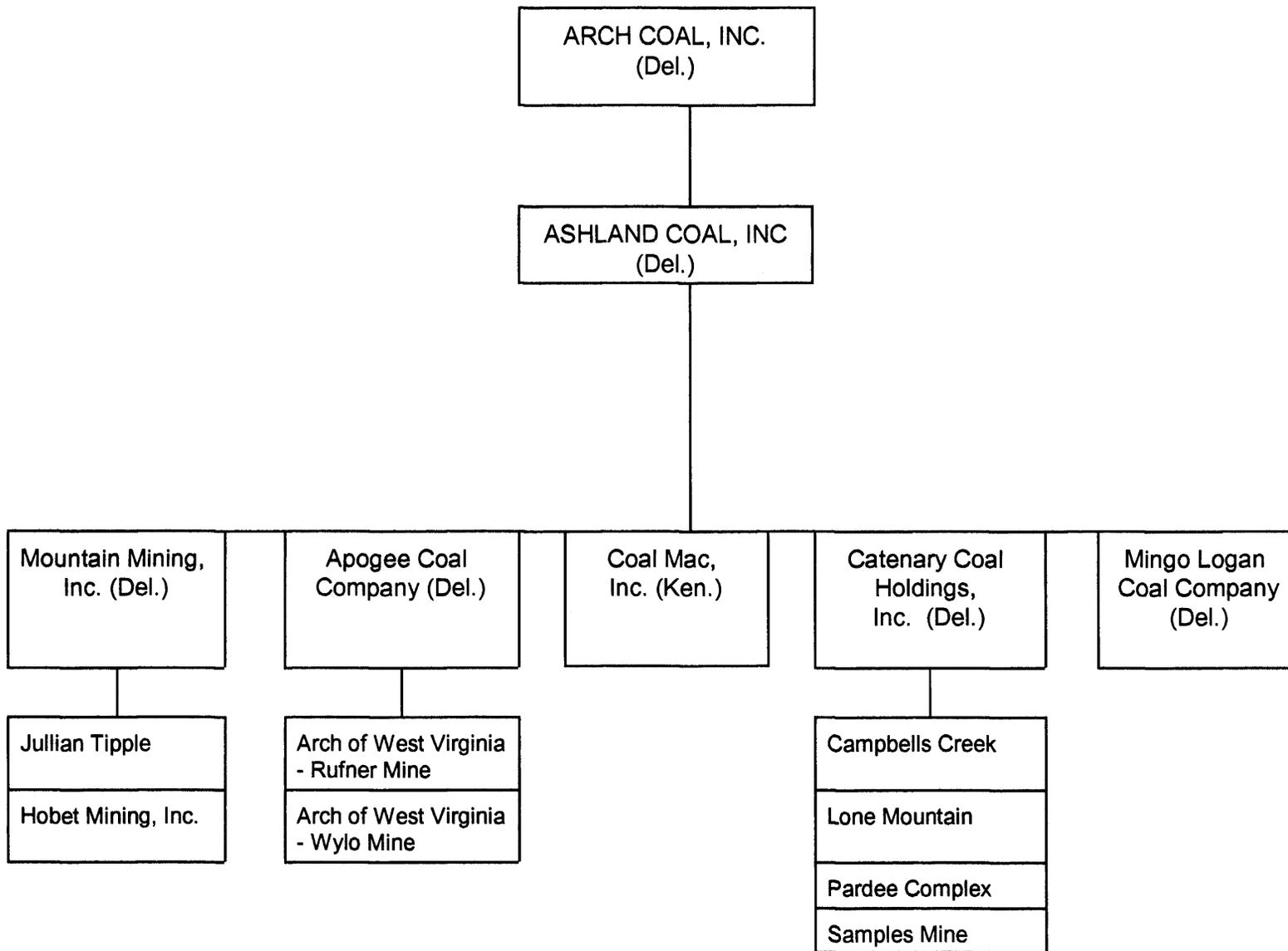


FIGURE 1-1. CORPORATE STRUCTURE (Continued).

TABLE 1-1

COAL MINING AND RECLAMATION OPERATIONS

Facility	State	Parent Mailing Address	Permit Number	Issuing Authority
SUFCO Mine	Utah	Canyon Fuel Company LLC 6995 South Union Park Center Suite 550 Midvale, UT 84047	C/041/002	Utah Division of Oil, Gas and Mining
Skyline Mines	Utah	Canyon Fuel Company LLC 6995 South Union Park Center Suite 550 Midvale, UT 84047	C/007/005	Utah Division of Oil, Gas and Mining
Soldier Canyon Mine	Utah	Canyon Fuel Company LLC 6995 South Union Park Center Suite 550 Midvale, UT 84047	C/007/018	Utah Division of Oil, Gas and Mining
Banning Loadout	Utah	Canyon Fuel Company LLC 6995 South Union Park Center Suite 550 Midvale, UT 84047	C/007/034	Utah Division of Oil, Gas and Mining
Dugout Canyon Mine	Utah	Canyon Fuel Company LLC 6995 South Union Park Center Suite 550 Midvale, UT 84047	C/007/039	Utah Division of Oil, Gas and Mining

**TABLE 1-2
THREE YEAR VIOLATION HISTORY June 2000 - 2003
MINING AND RECLAMATION OPERATIONS**

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Dugout Canyon Mine	Canyon Fuel Company, LLC 6955 South Union Park Center, Suite 540 Midvale, UT 84047	ACT/007/039	7/1/03	N03-46-3-1 Failure to minimize contributions of sediment to runoff outside the permit area.	Terminated 7/30/03, Assessment Paid
Skyline Mine		ACT/007/005	9/06/01	N01-39-1-1 Release of coal fines to Eccles Creek.	Terminated 12/10/01, Assessment Paid
Soldier Canyon Mine		ACT/007/018	None		
Banning Loadout		ACT/007/034	None		
SUFCO Mine		ACT/041/002	None		
Black Thunder Mine	Thunder Basin Coal Company, LLC P.O. Box 406 Wright, Wyoming 82732	233-T5 00977	7/11/01	100163 Flyrock on topsoil.	Abated 8/16/01
			4/25/02	100164 Ground vibration at a pipeline.	Abated 5/20/02
			5/7/03	100172 Location of TC diversion 3 and sediment control for diversion.	Abated 7/16/03
			6/20/03	100147 Removal of dragline crossing culverts and low pH soils in diversion.	Abated 7/22/03
Coal Creek Mine		483-T3	None		

TABLE 1-2 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
West Elk Mine	Mountain Coal Company West Elk Mine P.O. Box 591 Somerset, CO 81434	C-80-007	None		
Gordon Creek No. 2, 7, 8		ACT/007/016	None		
Gordon Creek No. 3, 6		ACT/007/017	BOND RELEASED		
Huntington Canyon No. 4 Mine		ACT/015/004	BOND RELEASED		
Medicine Bow Mine	Arch of Wyoming P.O. Box 460 Hanna, WY 82327	377-T5	5/03/02	MV 400028 Failure to mark a topsoil stockpile with a sign.	Terminated 6/5/02
		378-T3	8/8/00	100541 Erosion of designated drainage.	Terminated 9/8/00

TABLE 1-2 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
Apogee Coal Company	Arch of West Virginia HC 61, Box 156 Yolyn, WV 25654	S-75-85	7/23/02	29 - Failed to minimize air pollution.	Terminated 8/8/02
		S-5006-91	7/11/00	24 - Failure to clean out sediment structure.	Terminated 9/8/00
		S-5005-93	10/5/00	22 - Exceeded airblast level.	Terminated 10/5/00
			3/7/01	23 - Failure to protect off site areas.	Terminated 6/1/01
			5/23/01	24 - Material placed downslope.	Terminated 6/22/01
			8/9/01	25 - Failure to protect off site areas.	Terminated 10/18/01
			11/29/01	26 - Failure to record information in blast record.	Terminated 11/29/01
			1/17/02	27 - Failure to protect off site areas.	Terminated 3/14/02
			1/23/02	28 - Failure to protect off site areas.	Terminated 5/30/02
			3/12/02	29 - Exceeded airblast level.	Terminated 3/21/02
			8/1/02	30 - Failed to maintain drainage system.	Terminated 10/3/02
3/13/03	31 - Failure to protect off site areas.	Terminated 5/7/03			

TABLE 1-2 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
Apogee Coal Company	Arch of West Virginia HC 61, Box 156 Yolyn, WV 25654	S-5079-86	12/14/00	39 - Placed debris on downslope.	Terminated 1/10/01
			8/02/01	40 - Failure to protect off site areas.	Terminated 8/9/01
			4/11/02	41 - Failure to protect off site areas.	Terminated 5/2/02
			11/2/02	42 - Failure to protect off site areas.	Terminated 11/20/02
			1/29/03	43 - Failure to protect off site areas.	Terminated 2/27/03
			3/6/03	44 - Failure to protect off site areas.	Terminated 3/13/03
			3/25/03	45 - Exceeded airblast level.	Terminated 4/17/03
			6/17/03	46 - Failed to maintain haul road.	Terminated 7/10/03
		O-163-83	8/2/02	15 - Disturbance to hydrologic balance.	Terminated 11/20/02
		S-5007-001	4/10/03	1 - Failed to follow ground water plan.	Terminated 4/24/03
			4/10/03	2 - Failed to follow permit conditions.	Terminated 4/24/03
			4/22/03	3 - Failed to follow permit conditions.	Terminated 5/6/03

TABLE 1-2 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
Coal Mac Inc	P.O. Box 436 Williamson, WV 25661	S-5019-94	2/23/01	9 - Failure to maintain sediment control.	Terminated 3/27/01
			2/27/01	10 - Failed to monitor NPDES outfalls.	Terminated 4/16/01
			6/6/02	11 - Access road damaged.	Terminated 8/23/02
			6/6/02	12 - Spillway washed out.	Terminated 11/7/02
			6/6/02	13 - Failed to clean pond.	Terminated 11/7/02
			12/17/02	14 - Off site slide damage.	Terminated 3/27/01
		S-5016-93	2/27/01	9 - Failed to monitor NPDES outfall.	Terminated 4/16/01
			3/1/01	10 - Fly rock damage.	Terminated 4/23/01
			5/23/01	11 - Failure to maintain diversions.	Terminated 5/23/01
			5/23/01	12 - Failure to maintain diversions.	Terminated 6/4/01
			9/28/01	13 - Filled ditch with debris.	Terminated 10/29/01

TABLE 1-2 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
Coal Mac Inc	P.O. Box 436 Williamson, WV 25661	S-5016-93	9/28/01	14 - Failed to guard shot.	Terminated 9/28/01
			11/16/01	15 - Fly rock damage.	Terminated 1/31/02
			1/30/02	16 - Sediment control failure.	Terminated 1/31/02
			3/18/02	17 - Sediment pond repair.	Terminated 4/2/02
			5/29/02	18 - Off site erosion.	Terminated 8/21/02
			10/01/02	19 - Off site erosion.	Terminated 10/16/02
			11/19/02	20 - Failure to record static groundwater levels.	Terminated 11/21/02
			11/19/02	21 - Incorrect blasting logs.	Terminated 2/26/03
11/20/02	22 - Erosion.	Vacated			

TABLE 1-2 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
Coal Mac Inc	P.O. Box 436 Williamson, WV 25661	S-5066-92	2/27/01	7 - Failed to monitor NPDES outfall.	Terminated 4/16/01
			2/27/01	8 - Failed to maintain pond.	Terminated 5/22/01
			11/27/01	9 - Debris downslope.	Terminated 11/27/01
			3/26/02	10 - Groundwater static levels not recorded.	Terminated 5/22/02
			3/26/02	11 - Iron staining below pond.	Terminated 7/24/02
			6/03/02	12 - Sediment Pond damage.	Terminated 8/23/02
			7/8/02	13 - Pond spillway damaged.	Terminated 8/23/02
		S-5019-98	12/11/01	1 - Cast fly rock off permit area.	Terminated 1/23/02
			12/17/02	2 - Failed to do pre-blast survey.	Terminated 1/14/03
			4/28/03	3 -Debris downslope.	Terminated 6/9/03
		P-609	11/04/02	54 - Groundwater static levels not recorded.	Terminated 12/4/02
			6/16/03	55 - Failed to submit permit renewal.	Terminated 6/16/03

TABLE 1-2 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
Coal Mac Inc.	P.O. Box 436 Williamson, WV 25661	S-5074-92	2/21/03	8 - Erosion on hollow fills.	Terminated 3/11/03
		S-5015-98	7/21/03	1 - Failed to protect off site areas.	Pending
			7/21/03	2 - Disturbed hydrologic balance.	Pending
			4/13/02	3 - Failed to protect hydrologic balance.	Terminated 8/1/02
			6/12/03	4 - Failed to protect hydrologic balance.	Terminated 6/12/03
			7/28/03	3 - Discharge to stream	Pending
Mingo Logan Coal Company	1000 Mingo Logan Avenue Wharncliffe, WV 25651	O-5013-91	9/6/01	40 - Disturbed to off site hydrologic balance.	Terminated 9/28/01
			9/6/01	41 - Failure to notify landowners.	Terminated 9/6/01
			10/9/02	42 - Disturbed to off site hydrologic balance.	Terminated 1/15/03
		U - 5073-88	8/7/02	6 - Failure to protect off site areas.	Pending
			8/13/02	7 - Failed to protect hydrologic balance.	Terminated 12/31/02

TABLE 1-2 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
Mingo Logan Coal Company	1000 Mingo Logan Avenue Wharmcliffe, WV 25651	U-5038-97	12/1/00	1 - Drill cuttings flowed into channel.	Terminated 12/5/00
			6/12/03	4 - Failed to protect hydrologic balance.	Terminated 6/12/03
		U-5044-91	5/7/03	2 - Material discarded outside designated area.	Terminated 6/11/03
		U-5038-97	7/28/03	3 - Untreated water discharged to stream.	Pending
		S-4013-95	8/22/00	6 - Failure to clean sediment pond.	Terminated 8/29/00
		S-5019-94	2/27/01	10 - Failed to monitor and report NPDES outfalls.	Terminated 9/28/01
		S-5066-92	2/27/01	8 - Outfall bypassed spillway.	Terminated 5/22/01
		S-5016-93	9/8/00	7 - Failure to clean sediment pond.	Terminated 10/10/00
Lone Mountain Processing	Catenary Coal Holding, Inc P.O. Box 109 Appalachia, VA 24216	1201390	3/21/02	CDB0002723 Failed to do water monitoring.	Terminated 3/21/02
Catenary Coal Company		S-3035-93	06/26/00	18 - Failure to clean sediment structure.	Terminated
			06/26/00	19 - Failure to provide pre-blast survey.	Withdrawn

TABLE 1-2 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
Catenary Coal Company	Catenary Coal Holding, Inc P.O. Box 109 Appalachia, VA 24216	S-3035-93	7/9/01	20 - Failure to protect off site areas.	Abated 7/10/01
			7/9/01	21 - Failure to protect off site areas.	Abated 7/10/01
		S-5007-90	9/27/00	9 - Failed to submit NPDES renewal.	Abated
			9/27/00	10 - Failed to submit drainage certificates.	Abated
		S-3004-95	10/13/00	8 - Failed to provide pre-blast survey.	Abated
		U-3001-98	10/27/00	1 - Placed spoil on downslope.	Abated
		S-6012-87	3/30/01	17-Failure to maintain drainage.	Abated
			3/30/01	18 - Failure to place refuse in a controlled manner.	Abated
		S-3023-90	4/11/01	1 - Failure to provide sediment control.	Abated
		U -3001-98	3/30/01	2 - Failure to construct and maintain drainage.	Abated

TABLE 1-2 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Catenary Coal Company	Catenary Coal Holding, Inc P.O. Box 109 Appalachia, VA 24216	O-3012-98	5/7/01	1 - Air pollution control failure.	Abated
		S- 3023-90	5/17/01	2 - Failure to maintain sediment controls.	Abated
		O-3017-93	5/17/01	6 - Failure to meet effluent limits.	Abated
		S-3004-95	6/11/01	9 - Failure to comply with approved plan.	Abated
			7/10/01	10 - Placed spoil on downslopes.	Abated
			9/19/01	11 - Failure to protect off site areas.	Abated
			5/9/03	12 - Failed to maintain drainage system.	Pending
			5/29/03	13 - Placed spoil on downslopes.	Pending
		P-574	7/26/01	16 - Discharged water disturbed hydrologic balance.	Abated
		O-6009-86	12/7/01	10 - Failure to protect off site areas.	Abated

TABLE 1-2 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status		
Catenary Coal Company	Catenary Coal Holding, Inc P.O. Box 109 Appalachia, VA 24216	S-3020-90	8/10/01	3 - Failure to properly construct valley fill.	Withdrawn		
			3/5/02	3 - Failure to protect off site areas.	Withdrawn		
			2/21/03	5 - Placed spoil on downslopes.	Pending		
				S -6012-87	1/28/02	19 - Failed to follow approved permit.	Abated
				O-3012-98	2/21/02	2 - Failed to maintain effluent limits.	Abated
			1/13/03		3 - Failed to maintain effluent limits.	Abated	
				S-3010-00	3/25/02	1 - Failed to follow approved permit.	Abated
			8/14/02		2 - Failure to construct to approved plan.	Abated	
			2/21/03		3 - Placed spoil on downslopes.	Pending	
			5/29/03		4 - Placed spoil on downslopes.	Pending	
			5/29/03		5 - Water Quality cessation order.	Pending	

TABLE 1-2 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Catenary Coal Company	Catenary Coal Holding, Inc P.O. Box 109 Appalachia, VA 24216	S-3024-90	4/1/02	32 - Failure to protect off site areas.	Abated
			3/19/03	33 - Placed spoil on downslope.	Pending
Cumberland River Coal Company		1601486	11/27/00	RDS1953 - Placed spoil on downslope	Abated 3/16/01
			2/21/01	RDS2114 - Disturbance outside permitted area.	Abated 3/9/01
			4/25/01	RDS2242 - Placed spoil on downslope.	Abated 5/30/01
			8/21/01	RDS2468 - Placed spoil on downslope.	Abated 1/29/02
		1301533	3/21/02	RDS2800 - Exceeded water quality limits.	Abated 3/21/02
		1301561	12/06/00	RDS2002 - Exceeded slurry solids level.	Abated 3/23/01
			2/25/01	RDS2112 - Sediment pond not certified.	Abated 5/25/01
		1301623	7/24/01	RDS2436 - Under drain not functioning properly.	Abated 9/25/01
		867-0382	7/21/03	001 - Pond reached capacity.	Pending

TABLE 1-2 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Jullian Tipple (IDLE)	Mountain Mining, Inc P.O. Box 305 Madison, WV 25130	None			
Hobet Mining, Inc		S-5003-96	10/17/00	12 - Violated air blast regulation.	Abated
			10/17/00	13 - Violated air blast regulation.	Abated
			6/29/01	14 - Failure to comply with reclamation plan.	Abated
			6/29/01	15 - Failure to construct according to plan.	Abated
			9/14/01	16 - Failure to maintain sediment control.	Abated
			1/31/02	17 - Violated air blast regulation.	Abated

TABLE 1-2 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Hobet Mining, Inc	Mountain Mining, Inc P.O. Box 305 Madison, WV 25130	S-5003-96	3/27/02	18 - Failure to meet effluent standards.	Abated
			7/12/02	19 - Blasting poundage in excess.	Abated
			8/21/02	20 - Failed to protect off site areas.	Abated
			1/3/03	21 - Spoil material outside permit area.	Abated
			2/18/03	22 - Spoil material slide.	Abated
			2/24/03	23 -Placed spoil downslope.	Abated
			3/26/03	24 -Placed spoil downslope.	Abated
			3/26/03	25 - Overshot permit area.	Abated
			3/26/03	26 - Erosion.	Abated
			3/26/03	27 - Failure to report groundwater standards.	Abated
			5/22/03	28 - Failure to meet effluent standards.	Abated

TABLE 1-2 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Hobet Mining, Inc	Mountain Mining, Inc P.O. Box 305 Madison, WV 25130	S-5003-96	6/26/03	29 -Failure to inform occupants of blasting.	Abated
			7/9/03	30 - Untreated discharge to stream.	Pending
			7/9/03	31 -Untreated discharge to stream.	Pending
			7/31/03	32 - Air blast accedence.	Pending
		S-5020-95	11/9/00	13 - Failure to establish a permanent vegetation.	Abated
			11/9/00	14 - Failure to clean pond.	Withdrawn
			6/29/01	15 - Placed spoil on downslope.	Abated
			9/18/01	16 - Failed to protect off site areas.	Abated
			6/13/02	17 - Failed to protect off site areas.	Abated
			6/16/02	18 - Failure to maintain drainage system.	Abated
			7/10/02	19 - Placed spoil on downslope.	Vacated
			10/21/02	20 - Failure to certify sediment structures.	Abated

TABLE 1-2 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Hobet Mining, Inc	Mountain Mining, Inc P.O. Box 305 Madison, WV 25130	S-5020-95	10/21/02	21 - Failed to construct or maintain drainage.	Abated
			11/6/02	22 - Failure to follow permit conditions.	Abated
			3/13/03	23 - Sediment Pond structure not certified.	Abated
		S-5062-86	10/25/00	26 - Failed to minimize disturbance to hydrologic balance.	Abated
		O-5056-92	6/23/00	12 - Failed to protect off site areas.	Abated
			3/12/03	13 - Failed to protect off site areas.	Abated
		S-5024-86	10/31/00	58 - Failed to construct or maintain pond.	Withdrawn
			10/31/00	59 - Ceased reclamation activities for more than 30 days.	Abated
		O-13-81	6/21/01	30 - Failed to follow permit conditions.	Abated
		S-5063-91	7/31/01	46 - Failed to minimize impact to hydrologic balance.	Abated
			5/13/03	47 - Failed to compact and stabilize fill.	Abated

TABLE 1-2 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Hobet Mining, Inc	Mountain Mining, Inc P.O. Box 305 Madison, WV 25130	S-5070-91	5/21/01	8 - Failure to treat discharge water.	Abated
		128-78	11/26/01	26 - Failed to perform water monitoring.	Abated
		U-5007-98	11/14/01	1 - Caused off site damage.	Abated
		S-5052-86	11/2/01	9 - Failure to eliminate highwall.	Abated
		O-5010-97	11/28/01	1 - Stockpiled coal outside permit area.	Abated
			8/8/02	2 - Dust suppression.	Abated
			8/19/02	3 - Failed diversion ditch.	Withdrawn
			8/19/02	4 - Contributed suspended solids to stream.	Abated
		P-495	6/15/02	10 - Slurry line break.	Terminated
			6/11/02	11 - Failure to clean sediment structure.	Abated
			6/11/02	12 - Failed to maintain sediment system.	Abated

TABLE 1-2 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Hobet Mining, Inc	Mountain Mining, Inc P.O. Box 305 Madison, WV 25130	S-5016-92	10/21/02	11 - Failed to control or prevent erosion.	Withdrawn
		U-5088-86	9/10/02	11 - Failed to manage opening.	Abated
		O-6-81	12/19/02	15 - Failed to protect slopes.	Abated
		R-405	3/13/03	1 - Failure to compact refuse material.	Withdrawn
		S-5052-86	5/9/03	10 - Failure to give notice.	Abated
		O-5105-86	7/30/01	4 - Failed to reclaim road.	Abated
		S-5011-01	7/3/03	1 - Failed to construct approved drainage system.	Pending
		H-695	6/26/03	13 - Failed to protect off site areas.	Pending

Canyon Fuel Company, LLC
Soldier Canyon Mine

Mining and Reclamation Plan

APPENDIX 8-1
INSURANCE

Revised: February 2004

MARSH

CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER
CHI-000333520-04

PRODUCER

Marsh USA Inc.
800 Market Street, Suite 2600
St. Louis, MO 63101-2500

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

- COMPANY
A FEDERAL INSURANCE CO
- COMPANY
B
- COMPANY
C
- COMPANY
D

001950-state-GL8-03-04

Y

INSURED

Canyon Fuel Company, LLC
6955 Union Park Center
Suite 540
Midvale, UT 84047

COVERAGES

This certificate supersedes and replaces any previously issued certificate for the policy period noted below. 6

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

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	3711-00-10 ***\$500,000 general aggregate "per location"	07/31/03	07/31/04	GENERAL AGGREGATE \$ * 500,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG \$ 500,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$ 300,000
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 300,000
	<input checked="" type="checkbox"/> Includes XCU				FIRE DAMAGE (Any one fire) \$ 50,000
					MED EXP (Any one person) \$ 5,000
					COMBINED SINGLE LIMIT \$
	AUTOMOBILE LIABILITY				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> ALL OWNED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> SCHEDULED AUTOS				
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY:
					EACH ACCIDENT \$
					AGGREGATE \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS OTH-ER
	THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				EL EACH ACCIDENT \$
					EL DISEASE-POLICY LIMIT \$
					EL DISEASE-EACH EMPLOYEE \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Permit Soldier Canyon Mine ACT/007/018

CERTIFICATE HOLDER

Utah Dept. Of Natural Resources
Division of Oil, Gas and Mining
1594 W. North Temple
Suite 1210
Salt Lake City, UT 84114-5801

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL SEND BY MAIL 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN.

MARSH USA INC.

BY: Alfred A. Peterfeso

Alfred A. Peterfeso

MM1(3/02)

VALID AS OF: 07/25/03