

0024



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

COPY

November 16, 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/007/0018
OK*

RE: Revisions to Chapter 1 associated with the Creation of a General Chapter 1 Binder and Mid-Term Review, Canyon Fuel Company, LLC, Soldier Canyon Mine, C/007/018

Dear Ms. Grubaugh-Littig:

Enclosed please find four copies of information to address a revision to Chapter 1 of the Soldier Canyon Mine M&RP. A general Chapter 1 has been created for the Dugout Canyon Mine, Banning Loadout and Soldier Canyon Mine. The information in the stand alone binder is common to the operations and is referenced in each of the M&RP's. All old and outdated information should be discarded as outlined on the C2 forms attached.

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

Vicky S. Miller

Cc: Dave Spillman (enclosures)
Price Field Office (enclosures)

File in:

Confidential

Shelf

Expandable

Refer to Record No 0024 Date 11/16/2004

In C 0070018 2004 Incoming

For additional information

RECEIVED
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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.

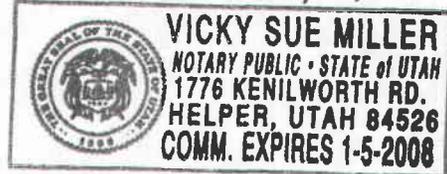
David Spillman
Print Name

David Spillman Engineering Manager
Sign Name, Position, Date
11/16/04

Subscribed and sworn to before me this 16 day of NOVEMBER, 2004

Vicky Sue Miller
Notary Public

My commission Expires: 1-5, 2008
Attest: State of UTAH } 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">NOV 17 2004</p> <p align="center">DIV. OF OIL, GAS & MINING</p>
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CANYON FUEL COMPANY, LLC

**NOTICE OF CHANGE IN
OWNERSHIP AND CONTROL INFORMATION**

SOLDIER CANYON MINE

C/007/018

**June 1, 1998
November 2004**

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[†] The Permit Application on file with the Utah Division of Oil Gas and Mining contains various appendices, maps, drawings and other materials previously submitted. These materials are unchanged by this Notice of Change in Ownership and Control Information. The updated certificate of liability insurance referenced in Section 117, however, is attached as Appendix 117-A.

CHAPTER 1
GENERAL CONTENTS

- 110 Minimum Requirements for Legal, Financial, Compliance and Related Information
- 111 Introduction

For information pertaining to this section(s) refer to General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

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 (ACFC@). 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. See Figure 1-1 for an organization diagram depicting the 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 1, 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--A 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

For information pertaining to this section refer to General Chapter 1 binder for Canyon Fuel Company, LLC Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

~~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

~~For information pertaining to this section refer to General Chapter 1 binder for Canyon Fuel Company, LLC Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.~~

~~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

~~For information pertaining to this section refer to General Chapter 1 binder for Canyon Fuel Company, LLC Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.~~

APPLICANT:

~~_____ Canyon Fuel Company, LLC
_____ 6995 South Union Park Center, Suite 550
_____ Midvale, UT 84047
_____ Telephone: (801) 636-2872
_____ Employer Identification: 87-0567183~~

OPERATOR:

~~_____ Canyon Fuel Company, LLC
_____ 6995 South Union Park Center, Suite 550~~

Midvale, UT 84047

Telephone: (801) 636-2872

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 550

Midvale, UT 84047

Telephone: (801) 636-2872

PERSON WHO WILL PAY ABANDONED MINE RECLAMATION FEES:

Richard D. Pick

Canyon Fuel Company, LLC

6995 South Union Park Center, Suite 550

Midvale Utah 84047

Telephone: (801) 636-2872

112.3 Control Persons

For information refer pertaining to this section to General Chapter 1 binder for Canyon Fuel Company, LLC Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

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

EMPLOYER IDENTIFICATION:

43-1811130

ADDRESS: _____

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

EMPLOYER IDENTIFICATION:

43-1811084

ADDRESS: _____

Arch Coal, Inc.
City Place One, Suite 300
St. Louis, MO 63141

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

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:

~~**CANYON FUEL COMPANY, LLC:**~~

~~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
Effective: 06/01/1998~~

~~**ARCH COAL, INC.:**~~

~~**Directors:**~~

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

Paul W. Chelgren 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: 553-82-9271
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: 553-82-9271
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,
Secretary and General Counsel
SSN: 406-86-6729
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

ITOCHU CORPORATION²

Name Title Date of Appointment

²The following individuals listed as directors and officers of Itochu Corporation are Japanese nationals and do not have social security numbers:

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
Hirotaka 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 COAL INTERNATIONAL, INC.³

~~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, Soldier Canyon Mine, 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.

Permit	Issuing Authority	Approval Status/ Identification No.
Mining and Reclamation Permit C/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	Mine Safety and Health	Approved

³The following individuals listed as directors and officers of Itochu Coal International, Inc. are Japanese nationals and do not have social security numbers.

Permits 42-0007	Administration - Utah	
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

For additional information refer to General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

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 1-6.~~

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.

TABLE 1-0

COAL MINING AND RECLAMATION OPERATIONS

Facility	State	Parent Mailing Address	Permit Number	Issuing Authority	Status	MSHA Number
Black Thunder Mine	Wyoming	Thunder Basin Coal Company ⁴ P.O. Box 406 Wright, Wyoming 82732	233-T5 00977	Land Quality Division Dpt. of Environmental Quality	Renewal Approved 4/23/88	48-00977 Issued 9/95
Coal Creek Mine	Wyoming	Thunder Basin Coal Company P.O. Box 406 Wright, Wyoming 82732	483-T3	Land Quality Division Dpt. of Environmental Quality	Renewal Approved 2/25/86	48-01215 Issued 1979
West Elk Mine	Colorado	Mountain Coal Company ⁵ West Elk Mine P.O. Box 594 Somerset, CO 81434	G-80-007	Colorado Division of Mining and Gas	Renewal Approved 7/31/96	05-03672 Issued 4/28/84

⁴Employer Identification Number 94-3046274

⁵Employer Identification Number 95-3046276

Facility	State	Parent Mailing Address	Permit Number	Issuing Authority	Status	MSHA Number
Gordon Creek No. 2, 7, 88	Utah	Mountain Coal Company West Elk Mine P.O. Box 591 Somerset, CO 81434	ACT/007/016	Utah Division of Oil, Gas, and Mining	Renewal Approved 8/28/89	NA
Gordon Creek No. 386	Utah	Mountain Coal Company West Elk Mine P.O. Box 591 Somerset, CO 81434	ACT/007/017	Utah Division of Oil, Gas, and Mining	Renewal Approved 9/19/86	NA
Huntington Canyon No. 4 Mine	Utah	Mountain Coal Company West Elk Mine P.O. Box 591 Somerset, CO 81434	ACT/015/004	Utah Division of Oil, Gas, and Mining	Renewal Approved 4/30/90	NA

**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~~

225 North 5th Street, 9th Floor
Grand Junction, CO 81501

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
225 North 5th Street, 9th Floor
Grand Junction, CO 81501

~~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
225 North 5th Street, 9th Floor
Grand Junction, CO 81501
~~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
225 North 5th Street, 9th Floor
Grand Junction, CO 81501
~~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~~

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

Canyon Fuel Company, LLC hereby attests that the information contained in this permit

document is true and correct to the best of their knowledge.

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

For information pertaining to this section refer to General Chapter 1 binder for Canyon Fuel Company, LLC Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

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, ACT/007/018, Banning Loadout, ACT/007/034; SUFCo Mine, ACT/041/002; Skyline Mine, ACT/007/005; 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. Violations for Affiliated Companies are set forth in Table 1-4.~~

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	Termination Date/Status	Administrative or Judicial Proceedings
97-9-6-1 -anning 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 holes along berm	08/20/87	Terminated
98-13-1-1 -anning Loadout	04/18/88	Failure to pass disturbed runoff through an operating sediment control structure.	Repaired and reinstalled two silt fences and installed two straw bale dikes	04/28/88	Terminated
89-28-1-4 -CCC 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 drainage control facilities was recovered to the extent possible. Straw bales installed around remainder.	02/06/89	Terminated
99-17-3-1 -CCC 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 including mine water discharge around construction site during construction activities.	10/16/89	Terminated
99-22-89 -CCC minesite	11/22/89	Failure to confine disturbance to limits of previously approved boundaries during surface facilities expansion construction.	An adequate plan for the use and/or reclamation of areas disturbed was submitted.	01/22/90	Terminated
90-27-6-1 -CCC 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 work and moved off the job site. No remedial action required.	02/22/90	Terminated
90-28-5-4 -anning Loadout	08/01/90	Failure to have a valid certificate of blaster certification during surface blasting activities.		08/06/90	Terminated

NOV	Date	Description	Actions Taken	Termination Date/Status	Administrative or Judicial Proceedings
90-15-1-1 -anning Loadout	10/04/90	Violation 2 of 2 issued for failure to conduct water monitoring in accordance with approved plan.		10/04/90	Terminated
91-37-1-3 -CCG Minesite	01/30/91	Violation 1 of 3 issued for failure to operate within disturbed area boundary.		04/02/91	Terminated
91-37-1-3 -CCG Minesite	01/30/91	Violation 2 of 3 issued for failure to place excess spoil in a designated area within the permit boundary.		03/01/91	Terminated
91-37-1-3 -CCG Minesite	01/30/91	Violation 3 of 3 issued for failure to identify and protect the topsoil resource.		03/01/91	Terminated
92-15-1-1 -anning Loadout	08/26/92	Failure to submit a complete response to Division Order 92B regarding M&RP submittal.	Submitted response	01/12/93	Terminated
93-38-1-3 -DOG M	09/22/93	Violation 1 of 3 issued for failure to provide certification for the design of existing primary road.	Submitted response		Terminated
93-38-1-3 -DOG M	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		Terminated
93-38-1-3 -DOG M	09/22/93	Violation 3 of 3 issued for failure to include power lines on maps approved within the MRP.	Submitted response		Terminated
94-38-1-1 -OGM	01/26/94	Failure to comply with TDS limitation for discharge at facility sedimentation pond.	None required	01/26/94	Terminated
94-39-5-1 -OGM	11/09/94	Failure to have an identification sign at the main gate.	Replaced sign	11/09/94	Terminated
96-39-5-1 -OGM	11/18/96	Failure to have maps showing all water diversions and treatments at Banning Loadout	Submitted New Maps	11/26/96	Terminated
97-46-2-1	05/21/97	Failure to comply with holding time requirements for water monitoring analysis.	None required	05/21/97	Terminated

TABLE 1-2

LIST OF VIOLATIONS

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

NOV	Date	Description	Actions Taken	Administrative or Terminidicial Proceedings Date/Status
35-6-1-1	01/15/85	No fan small area exemption runoff sampling.	Immediately started sampling	
35-6-4-1	03/12/85	Parking pad drainage modification to sediment pond without approval	12/21/84 - sent in revised plan to eliminate small area exemption and go back to previously approved plan of parking pad drainage to sediment pond. 3/14/85 - Sent in plans again to Division that were approved without any revisions on 4/18/85.	4/22/85 Termination of Notice
35-6-6-1	04/30/85	Failure to analyze for oil and grease in sediment pond decant sample	None - requested assessment conference	4/30/84 Termination of Notice
35-6-7-1	06/24/85	Quality of fan area discharge	6/11/85 - Sent in request for Division approval to eliminate main site fan small area exemption. 6/28/85 - Letter submitted to satisfy abatement. 7/18/85 DOGM approval of plan. 8/16/86 modification implemented.	9/11/85 Termination of Notice
36-9-6-1	05/04/86	Bypass culvert contaminated with oil & white film on surface of water	Inspected and cleaned culvert. Repaired hole in side of culvert where contaminate was seeping in.	7/14/86 NOV Vacated

NOV	Date	Description	Actions Taken	Administrative or Judicial Proceedings Date/Status	Administrative or Judicial Proceedings
36-9-7-1	06/17/86	Failure to meet TDS limitation for sediment pond discharge	Letter sent to DOGM with explanation and steps to be taken to prevent further violation.	7/16/86	Termination of Notice
37-9-9-1	09/22/87	Failure to comply with conditions and terms of approved permit.	Meetings held with DOGM. Written comments submitted	12/11/87	NOV Vacated
39-13-1-1	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 and stabilized bank. 11/6/90 - Revegetated channel and topsoil stockpile.	11/14/89	Terminated
39-28-10-1	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 report submitted to the Division	12/07/89	Terminated
39-28-1-1	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.	04/11/90	Terminated
39-39-1-1	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 submitted.	12/24/90	Terminated
39-39-1-1	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 submitted.	01/28/92	Terminated
39-42-1-1	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 Division.	09/07/96	Terminated
39-46-2-1	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.	12/27/94	Terminated
39-46-4-1	10/25/95	Failure to properly handle non-coal waste in a controlled manner.	Cleaned up non-coal waste and trained surface supervisors in proper handling procedures.	11/07/95	Terminated

NOV	Date	Description	Actions Taken	Administrative or Terminidicial Date/Status	Proceedings
97-46-4-3	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 diversion ditches 10/23/97 - Filled in erosion gullies on slope 05/26 to 06/10/98 - Shotcreted the steep slopes 10/30/97 - Necessary documentation submitted	12/15/97 12/15/97 12/15/97	Finalized assessment - paid Finalized assessment - paid Finalized assessment - paid
98-46-1-1	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" culvert with concrete and installed silt fences. 06/18/98 - Submitted remedial action plan to DOGM-Price for cleanup. 07/07/98 - Finished cleanup of drainage	08/10/98	Finalized assessment - paid

TABLE 1-3

LIST OF VIOLATIONS

Skyline Mines - Utah Division of Oil, Gas and Mining NOV History

NOV	Date	Description	Actions Taken	Administrative or Termination Date /Status	Judicial Proceedings
2-37-1-1	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 submitted	03/20/92	Vacated
2-37-1-1	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 action items in Docket No. 192-03.	05/17/93	Fine paid
2-37-4-1	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 completed.	10/09/92	Finalized assessment & paid
2-37-5-1	08/26/92	Failure to maintain diversion as described in the M&RP Volume 5, Section 10, page 4/4.	Necessary documentation submitted and required actions taken.	01/07/93	Received final assessment & paid
2-37-6-1	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 submitted and required actions taken.	01/07/93	Finalized assessment & paid
2-37-7-1	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 submitted and required actions taken.	01/07/93	Finalized assessment & paid

NOV	Date	Description	Actions Taken	Administrative or Termination Date / Status	Judicial Proceedings
93-39-2-1	03/03/93	Conducting mining activities outside the permit area. Coal was pushed over retaining wall.	Removed coal without damaging vegetation or topsoil	05/18/93	Paid proposed assessment
93-39-5-3	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 installed after approval.	Terminated	Paid final assessment
93-39-5-3	09/16/93	Violation 2 of 3. Failure to design emergency spillway.	Submitted plan for approval showing pond in total containment and therefore no spillway is needed.	Terminated	Paid final assessment
95-39-1-1	09/07/95	Failed to protect, minimize disturbance and adverse impacts on fish and related environmental matters.	Submitted mitigation plan and implemented plan.	Terminated	Waiting for proposed assessment
95-39-3-1	10/15/95	Conducting mining activities without Division approval.	Submitted amendment to cover activity	Terminated	Paid assessment
95-39-3-1 pulation & consent er 95-02C0UDWQ	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.	Closed-out	Payment of penalty to UDWQ and reimbursement to UDWQ for fish kill and cost of restocking
95-39-1-1	08/07/95	Failed to protect minimize disturbance and adverse impacts on fish and related environmental values.	Submitted and implemented required abatement plan.	Assessment conference requested	Paid assessment
97-39-5-1	07/29/97	Discharged water from sediment pond to abandoned underground workings	Modified existing M&RP to allow for discharge of water from sediment pond to abandoned underground workings	Assessment conference requested	Paid final assessment
98-39-1-1	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	Terminated	Paid final assessment

~~Table 1-4~~
~~List of Violations~~

~~**Affiliated Companies**~~

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.

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.

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.

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.

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.

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. 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

To the best knowledge of Canyon Fuel Company, LLC, no portion of the area to be permitted is designated, or under study for being designated, unsuitable for mining.

CFC does not propose to conduct coal mining or reclamation operations within 300 feet of any occupied dwelling. There are no public roads and no occupied dwellings within the area proposed to be added to the permit by the Alkali Tract Significant.

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. ~~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, 5.26-1 and Plate 5-1.~~

~~115~~ **Status of Unsuitability Claims [unchanged]**

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

- ~~1. Not included within an area designated unsuitable for surface coal mining operation. {R645-301-115-100}~~
- ~~2. Not within an area under study for designating lands unsuitable for surface coal mining operations. {R645-301-115-100}~~
- ~~3. Not on any lands subject to the prohibitions or limitations for R645-102-322.~~
- ~~4. 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.~~
- ~~5. Not within 300 feet of any occupied dwelling. {R645-103-235}.~~
- ~~6. 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 (C/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, 5.26-1 and Plate 5-1.~~

117 Insurance and Proof of Publication

~~For insurance information refer to General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.~~

~~A copy of an updated Certificate of Liability Insurance is attached as Appendix 117-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.~~

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.

APPENDIX 1-A

RECLAMATION BOND

CLEAN COPY



CANYON FUEL COMPANY, LLC

OWNERSHIP AND CONTROL INFORMATION

SOLDIER CANYON MINE

C/007/018

**June 1, 1998
November 2004**

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CHAPTER 1
GENERAL CONTENTS

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

111 Introduction

For information pertaining to this section(s) refer to General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

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 mining will be on leases owned by the United States and administered by the Bureau of Land Management.

112 Identification of Interests

For information pertaining to this section refer to General Chapter 1 binder for Canyon Fuel Company, LLC Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

112.100 Business Entity

For information pertaining to this section refer to General Chapter 1 binder for Canyon Fuel Company, LLC Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

112.200 Applicant and Operator

For information pertaining to this section refer to General Chapter 1 binder for Canyon Fuel Company, LLC Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

112.300 Control Persons

For information refer pertaining to this section to General Chapter 1 binder for Canyon Fuel Company, LLC Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

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

The following list describes permits held by Canyon Fuel Company, LLC, Soldier Canyon Mine, 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.

Permit	Issuing Authority	Approval Status/ Identification No.
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 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
Air Quality Approval Order	State of Utah Utah Air Conservation Committee Department of Health Division of Environmental Health	Approved
Dam Permits	State Engineer	Approved

For additional information refer to General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

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.

**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
225 North 5th Street, 9th Floor
Grand Junction, CO 81501

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
225 North 5th Street, 9th Floor
Grand Junction, CO 81501

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
225 North 5th Street, 9th Floor
Grand Junction, CO 81501

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
225 North 5th Street, 9th Floor
Grand Junction, CO 81501

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

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

Canyon Fuel Company, LLC hereby attests that the information contained in this permit document is true and correct to the best of their knowledge.

113 Violation Information

For information pertaining to this section refer to General Chapter 1 binder for Canyon Fuel Company, LLC Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

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). 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.

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.

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.

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.

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. 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

To the best knowledge of Canyon Fuel Company, LLC, no portion of the area to be permitted is designated, or under study for being designated, unsuitable for mining.

CFC does not propose to conduct coal mining or reclamation operations within 300 feet of any

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

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. 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, 5.26-1 and Plate 5-1.

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 (C/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.

117 Insurance and Proof of Publication

For insurance information refer to General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

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.

118 Filing Fee

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 will correspond with the requirements in R645-301-140.

150 Completeness

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

APPENDIX 1-A

RECLAMATION BOND