

From: Angela Nance
To: Sheila Morrison
Date: 2/11/04 4:04PM
Subject: Fwd: Soldier, Chapter 1 (pages 28-54)

>>> Angela Nance 02/11/2004 4:03:59 PM >>>

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

114 Right-of-Entry Information

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

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

TABLE 1-1
 LIST OF VIOLATIONS

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

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

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

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

TABLE 1-2

LIST OF VIOLATIONS

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

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

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

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

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

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

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

Federal Coal Leases

Lease No. SL 051279-063188

Date of Lease: January 4, 1935

Lands Covered:

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

Sec. 12: E/2E/2

Sec. 13: NE/4 NE/4

T13S. R12E. SLB&M

Sec. 7: All

Sec. 8: W/2

Sec. 17: NW/4

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

(NW/4 NW/4)

Containing: 1548.31 acres

Supporting Documents:

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

Federal Permission to Mine

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

Lands Covered:

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

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

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

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

Containing: 163.32 acres

Supporting Documents:

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

Federal Coal Lease U-50722

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

Date of Lease: September 1, 1982

Lands Covered:

T.13S., R11E. SLB&M

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

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

Containing: 400 acres

Supporting Documents:

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

Federal Coal Lease Modified U-50722

Date of Lease: August 24, 1991
Lands Covered:

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

Supporting Documents:

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

Federal Coal Lease UTU-69635

Date of Lease: October 1, 1995
Lands Covered:

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

Containing 2,177.52 acres

Supporting Documents:

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

Unleased Federal Coal Leases

Lands Covered:

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

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

Sec. 31: All
Containing: 600 acres

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

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

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

Sec 34: SW1/4
Containing: 160 acres

Supporting Documents:

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

Federal Coal Leases Contiguous to Permit Area

(Proposed lease additions not within this Permit Term)

Federal Coal Lease U-07064-027821

Lands Covered:

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

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

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

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

Containing: 2416.14 acres

Supporting Documents:

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

State Coal Leases

State Coal Lease ML-42648

Date of Lease: October 11, 1985

Land Covered:

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

Sec. 8: E/2

Sec. 17: NE/4

Containing: 480 acres

Supporting Documents

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

State Coal Lease ML-42649

Date of Lease: October 11, 1985

Lands Covered:

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

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

Sec 3: W/2

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

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

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

Containing: 1304.24 acres

Supporting Documents:

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

State Coal Lease ML-44365

Date of Lease: April 3, 1989

Lands Covered:

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

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

Sec. 6: All

Containing: 557.20 acres

Supporting Documents:

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

State Coal Leases Contiguous to Permit Area

(Proposed lease additions not within this Permit Term)

State Coal Lease ML-42648

Date of Lease: October 11, 1985

Lands Covered:

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

Sec. 10: S/2

Sec. 11: S/2

Sec. 14: All

Sec. 15: All

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

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

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

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

Sec. 23: W/2 NW/4

Containing: 3160 acres

Supporting Documents:

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

State Coal Lease ML-42649

Date of Lease: October 11, 1985

Lands Covered:

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

Sec. 3: E/2

Sec. 9: S/2 SE/4

Sec. 10: N/2

Sec. 11: N/2

Containing: 906.86 acres

Supporting Documents:

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

State Coal Lease ML-22590

Date of Lease: January 25, 1965
Lands Covered:

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

Supporting Documents:

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

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

Unleased Private Coal Leases

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

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

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

Containing: 40 acres

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

Containing: 40 acres

Sec 33: NE 1/4 NE 1/4

Containing: 40 acres

Sec 34: NW 1/4

Containing: 160 acres

Supporting Documents:

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

Fee Coal Contiguous to Permit Area

(Proposed lease additions not within this Permit Term)

Parcel 1 - "Fish Creek Canyon" Fee Coal

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

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

Sec. 16: All

Containing: 640.0 acres

Supporting Documents:

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

Parcel 2 - "Dugout Canyon" Fee Coal

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

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

Supporting Documents:

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

Alkali Tract - Fee Coal

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

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

Containing: 757.49 acres

Supporting Documents:

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

Surface Ownership

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

Federal Right-of-Ways U-50167

(Sewage Lagoons, Pipeline, Access Road)

Dated: July 2, 1982

Lands Covered:

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

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

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

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

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

Containing: 4.81 acres

Supporting Documents:

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

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

Federal Right-of-Ways U-52071

(Sediment Pond, Access Road, Storage Area)

Dated: June 7, 1983
Lands Covered:

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

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

Supporting Documents:

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

Land Use Permit UTU-66132

(Topsoil Storage Site and Access Road)

Date of Agreement: August 14, 1990
Lands Covered:

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

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

Supporting Documents:

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

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

Amendment of Right-of-Way UTU-62044

(Road Relocation)

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

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

Supporting Documents:

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

Federal Realty Action UTU-65023

Exchange of Public Lands in Carbon County, Utah

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

Dated: June 17, 1991
Lands Covered:

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

Supporting Documents:

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

Surface Consent Agreements

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

Easement

(Power line)

Date of Agreement:

Consentor: Mountain Fuels Supply Company

Consentee: Sage Point Coal Company

Lands Covered:

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

Sec. 7:

Supporting Documents:

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

Conditional Licensee Agreement

(Surface Facilities)

Date of Agreement: December 11, 1989

Consentor: Questar Pipeline Company

Consentee: Soldier Creek Coal Company

Lands Covered:

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

Sec. 18: NE/4 NE 4

Supporting Document:

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

Realignment of Portion of Soldier Creek Road

Date of Agreement: July 11, 1990
Lands Covered:

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

Supporting Document:

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

Stream Channel Alteration Permit 90-91-23SA

Stream Culvert Extension

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

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

Supporting Documents:

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

County Road Relocation Project

Date of Agreement: March 25, 1991

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

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

Supporting Document:

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

County Road Right-of-Way Encroachment Authorization

(Topsoil Storage Access Road)

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

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

Supporting Documents:

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

115 Status of Unsuitability Claims {unchanged}

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

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

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

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

116 Permit Term

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

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

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

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

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

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

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

117 Insurance and Proof of Publication

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

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

118 Filing Fee

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

120 Permit Application Format and Contents {unchanged}

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

130 Reporting of Technical Data {unchanged}

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

140 Maps and Plans {unchanged}

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

150 Completeness {unchanged}

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