

**Canyon Fuel Company, LLC
Soldier Canyon Mine
Banning Loadout**

1996 ANNUAL REPORT



GENERAL INFORMATION

1. Permit Number	ACT/007/034
2. Mine Name	Banning Loadout
3. Permittee Name	Canyon Fuel Company
4. Operator Name (if other than Permittee)	
5. Permit Expiration Date	October 25, 1998
6. Company Representative, Title	Rick Olsen, General Manager
7. Phone Number	(801) 637-6360
8. Fax Number	(801) 637-0108
9. Mailing Address	Soldier Canyon Mine - Banning Loadout
	P.O. Box 1029
	Wellington, Utah 84542
10. Resident Agent, Title	C.T. Corporation Systems
Mailing Address	50 West Broadway
	Salt Lake City, Utah 84104

IDENTIFICATION OF OTHER PERMITS

Identify other permits which are required in conjunction with mining and reclamation activities.

Permit Type	ID Number	Description	Expires on
1. MSHA Mine ID(s)	42- 01756		
2. MSHA Impoundment(s)			
3. NPDES/UPDES Permit(s) (water)	UT00400 00		

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4. PSD (Air) Permit(s)	DAQE-906-95		
5.			
6.			

CERTIFIED REPORTS

List the certified inspection reports as required by the rules and under the approved plan which must be periodically submitted to the Division. Specify whether the information is included as APPENDIX A to this Annual Report or currently ON FILE with the Division.

Certified Reports:	Reports Required?		INCLUDED or ON FILE w/DOGM?			Comments
	YES	NO	YES	NO	ON FILE	
1. Excess Spoil Piles		X				
2. Refuse Piles		X				
3. Impoundments	X		X			
4.						
5.						

REPORTING OF OTHER TECHNICAL DATA

List other technical data and information as required under the approved plan which must be periodically submitted to the Division. Specify whether the information is included as APPENDIX B to this Annual Report or currently ON FILE with the Division.

Technical Data:	Reports Required?		INCLUDED or ON FILE w/DOGM?			Comments
	YES	NO	YES	NO	ON FILE	
1. Climatological Data		X				
2. Subsidence Monitoring Data		X				
3. Vegetation Monitoring Data		X				
4. Soils Monitoring Data		X				
5. Water Monitoring Data	X		X			
First Quarter Report		X				
Second Quarter Report		X				
Third Quarter Report		X				
Fourth Quarter Report		X				
6. Geological/Geophysical Data		X				
7. Engineering Data		X				
8. Other Data						
Air Quality Monitoring	X		X			

Coal Quality Sample	x		x				

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

Changes in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is requesting that each permittee review and update the legal, financial, compliance and related information in the plan as part of the Annual Report. Provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other changes as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include any certified financial statements, audits or worksheets which may be required to meet bonding requirements. Specify whether the information is currently ON FILE with the Division or included as APPENDIX C to this Annual Report.

Legal/Financial Data:	Report Required?		INCLUDED or ON FILE w/DOGM?			Comments
	YES	NO	YES	NO	ON FILE	
1. Department of Commerce, Annual Report of Officers	x				x	
2. Other						

MINE MAPS

Copies of mine maps, current and up-to-date through at least December 31, 1996, are to be provided to the Division as APPENDIX D to this Annual Report in accordance with the requirements of R645-301-525.270. These map copies shall be made in accordance with 30 CFR 75.1200, as required by MSHA. Upon request, mine maps shall be kept confidential by the Division.

Map Number(s)	Map Title / Description	Confidential?

OTHER INFORMATION

Please provide any comments or further information to be included as part of the Annual Report. Any other attachments are to be provided as APPENDIX E to this Annual Report.

Additional attachments to this report? No Yes

APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

as required under R645-301-514

CONTENTS

Certified Inspection of Banning Sedimentation Pond

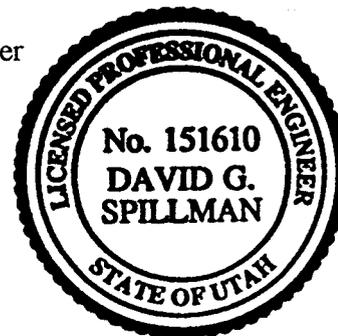


Coastal
The Energy People

I, David G. Spillman, do certify that on March 27, 1996, I personally inspected the sedimentation pond associated with the Banning Loadout facility. The observations made during this inspection are as follows:

1. The sedimentation pond has been basically constructed and maintained as designed. This is in accordance with the approved plan and R645-301-533.
2. This impoundment meets the SCS Class A criteria in TR60.
3. Any discharge from this impoundment is monitored in accordance with UPDES Permit No. UTG040011.
4. The overflow elevation is 5,495.2 feet and the total capacity is 1.45 acre-feet.
5. The water impounded at the time of the inspection was less than 1 foot.
6. No fires have occurred in the construction material.
7. The sedimentation pond appeared to be sound with no signs of instability or hazardous conditions.

 3/28/96
David G. Spillman
Registered Professional Engineer
Utah Registration No. 151610



Pond.ban

Soldier Creek Coal Company

A SUBSIDIARY OF THE COASTAL CORPORATION
P O BOX 1029 • WELLINGTON UT 84542 • 801/637-6360 • FAX 801/637-0108



Coastal
The Energy People

I, David G. Spillman, do certify that on December 18, 1996, I personally inspected the sedimentation pond associated with the Banning Loadout facility. The observations made during this inspection are as follows:

1. The sedimentation pond has been basically constructed and maintained as designed. This is in accordance with the approved plan and R645-301-533.
2. This impoundment meets the SCS Class A criteria in TR60.
3. Any discharge from this impoundment is monitored in accordance with UPDES Permit No. UTG040011.
4. The overflow elevation is 5,495.2 feet and the total capacity is 1.45 acre-feet.
5. The water impounded at the time of the inspection was less than 1 foot.
6. No fires have occurred in the construction material.
7. The sedimentation pond appeared to be sound with no signs of instability or hazardous conditions.

David G. Spillman 12/19/96

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



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APPENDIX B

Reporting of Technical Data

including monitoring data, reports, maps, and other information
as required under the approved plan
or as required by the Division

in accordance with the requirements of R645-301-130 and R645-301-140.

CONTENTS

Water Monitoring Sample

Coal Quality Sample

Air Quality Monitoring

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

Lab Sample ID: *L12011-02*
 Client Sample ID: *Banning Sump*
 Client Project ID:
 ACZ Report ID: *RG36630*

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

Date Sampled: *12/3/96 10:50*
 Date Received: *12/9/96*
 Date Reported: *12/27/96*

Sample Matrix: *Ground Water*

Metals Analysis

Parameter	EPA Method	Result	Qual	Units	MDL	PQL	Date	Analyst
Calcium, dissolved	M6010 ICP	143.0		mg/L	0.2	1	12/10/96	ss
Iron, dissolved	M6010 ICP	0.16		mg/L	0.01	0.05	12/10/96	ss
Magnesium, dissolved	M6010 ICP	184.0		mg/L	0.2	1	12/10/96	ss
Manganese, dissolved	M6010 ICP	0.016	B	mg/L	0.005	0.03	12/10/96	ss
Potassium, dissolved	M6010 ICP	2.1		mg/L	0.3	1	12/10/96	ss
Sodium, dissolved	M6010 ICP	265		mg/L	2	10	12/12/96	jaw

Wet Chemistry

Parameter	EPA Method	Result	Qual	Units	MDL	PQL	Date	Analyst
Alkalinity as CaCO3	M2320B							
Bicarbonate as CaCO3		389		mg/L	2	10	12/11/96	ss
Carbonate as CaCO3			U	mg/L	2	10	12/11/96	ss
Hydroxide as CaCO3			U	mg/L	2	10	12/11/96	ss
Total Alkalinity		389		mg/L	2	10	12/11/96	ss
Cation-Anion Balance	Calculation							
Cation-Anion Balance		-2.7		%			12/27/96	calc
Sum of Anions		35.80		meq/L	0.01	0.05	12/27/96	calc
Sum of Cations		34.00		meq/L	0.01	0.05	12/27/96	calc
Chloride	M325.2 - Colorimetric (RFA)	71		mg/L	1	5	12/10/96	hm
Lab Filtration	***						12/9/96	sak
Lab Filtration & Acidification	***						12/9/96	sak
Nitrate as N, dissolved	M353.2 - Automated	0.36		mg/L	0.02	0.1	12/9/96	hm
Nitrate/Nitrite as N, dissolved	M353.2 - Automated Cadmium Reduction	0.36		mg/L	0.02	0.1	12/9/96	hm
Nitrite as N, dissolved	M353.2 - Automated		U	mg/L	0.01	0.05	12/9/96	hm
Residue, Filterable (TDS) @180C	M160.1 - Gravimetric	2330		mg/L	10	20	12/9/96	sak
Sulfate	M375.3 - Gravimetric	1240		mg/L	10	20	12/10/96	sak
TDS (calculated)	Calculation	2140		mg/L	10	50	12/27/96	calc
TDS (ratio - measured/calculated)	Calculation	1.09					12/27/96	calc

Inorganic Qualifiers (based on EPA CLP 3/90)

U = Analyte was analyzed for but not detected at the indicated MDL
 B = Analyte concentration detected at a value between MDL and PQL
 PQL = Practical Quantitation Limit

S. Halverson for RVP
 Vice President of Operations: Ralph Poulsen



COMMERCIAL TESTING & ENGINEERING CO.

GENERAL OFFICES: 1919 SOUTH HIGHLAND AVE., SUITE 210-B, LOMBARD, ILLINOIS 60148 • TEL: 708-953-9300 FAX: 708-953-9306

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Member of the SGS Group (Société Générale de Surveillance)

PLEASE ADDRESS ALL CORRESPONDENCE TO:
4665 PARIS STREET
SUITE B-200
DENVER, CO 80239
TEL: (303) 373-4772
FAX: (303) 373-4791

January 16, 1997

CT&E SKYLINE
P.O. BOX 690
PRICE UT 84501

Sample identification by
CTE SKYLINE

SAMPLE # : 33-13835
SAMPLE ID: NOV 1996 ANNUAL TOXICITY
ANALYSIS

Kind of sample COAL

Sample taken by CTE SKYLINE

Date received December 11, 1996

Analysis report no. 72-350154

WATER EXTRACTABLE TRACE ELEMENTS

<u>Parameter</u>	<u>Results</u>	<u>Units</u>
Arsenic, As	<0.01	ppm
Barium, Ba	0.49	ppm
Boron, B	0.03	ppm
Cadmium, Cd	<0.01	ppm
Copper, Cu	0.01	ppm
Lead, Pb	<0.05	ppm
Mercury, Hg	<0.0002	ppm
Molybdenum, Mo	<0.05	ppm
Selenium, Se	<0.01	ppm
Zinc, Zn	0.02	ppm

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.

E sequit Jans
Denver Laboratory



OVER 40 BRANCH LABORATORIES STRATEGICALLY LOCATED IN PRINCIPAL COAL MINING AREAS, TIDEWATER AND GREAT LAKES PORTS, AND RIVER LOADING FACILITIES

465 Original Watermarked For Your Protection

TERMS AND CONDITIONS ON REVERSE



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Sample taken by CTE SKYLINE

Date received December 11, 1996

Analysis report no. 72-350154

<u>Parameter</u>	<u>Results</u>	<u>Units</u>
pH	8.27	s.u.
Conductivity	300	umhos/cm
Saturation	50.00	%
Nitrate Nitrogen	0.9	ppm
Non Sulfate Sulfur	0.44	%
Total Organic Sulfur	<0.01	%
Calcium Carbonate	3.47	%
ACID BASE POTENTIAL		
Neutralization Potential	34.7	T/1000 T
Maximum Acid Potential	15.2	T/1000 T
Net Acid Base Potential	19.5	T/1000 T

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.

Denver Laboratory



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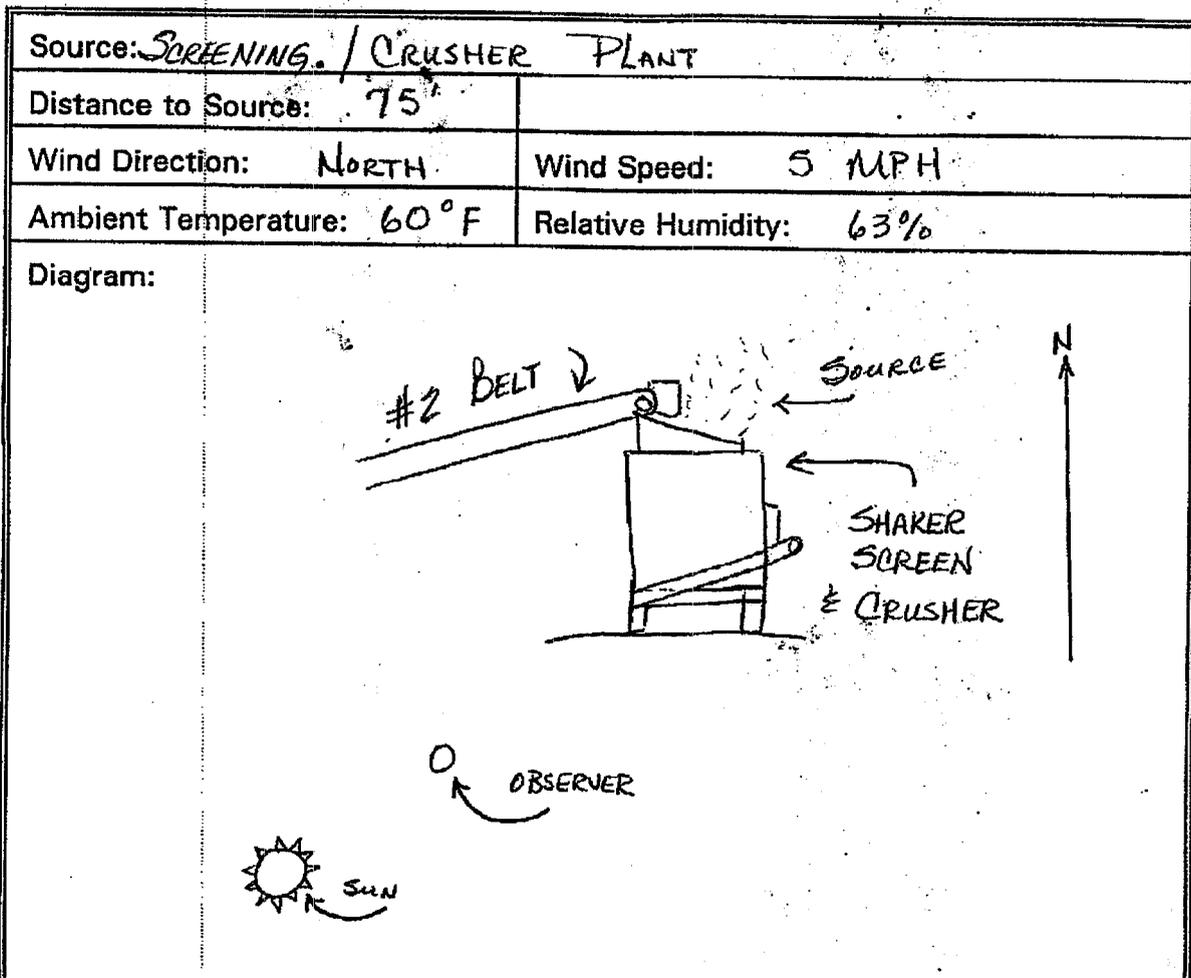
TERMS AND CONDITIONS ON REVERSE

Coastal States Energy Company
EPA Method 9
Air Opacity Source Evaluation Report

Facility: BANNING LOADOUT

Date: 11-13-96

Observer: DON LOGSTON



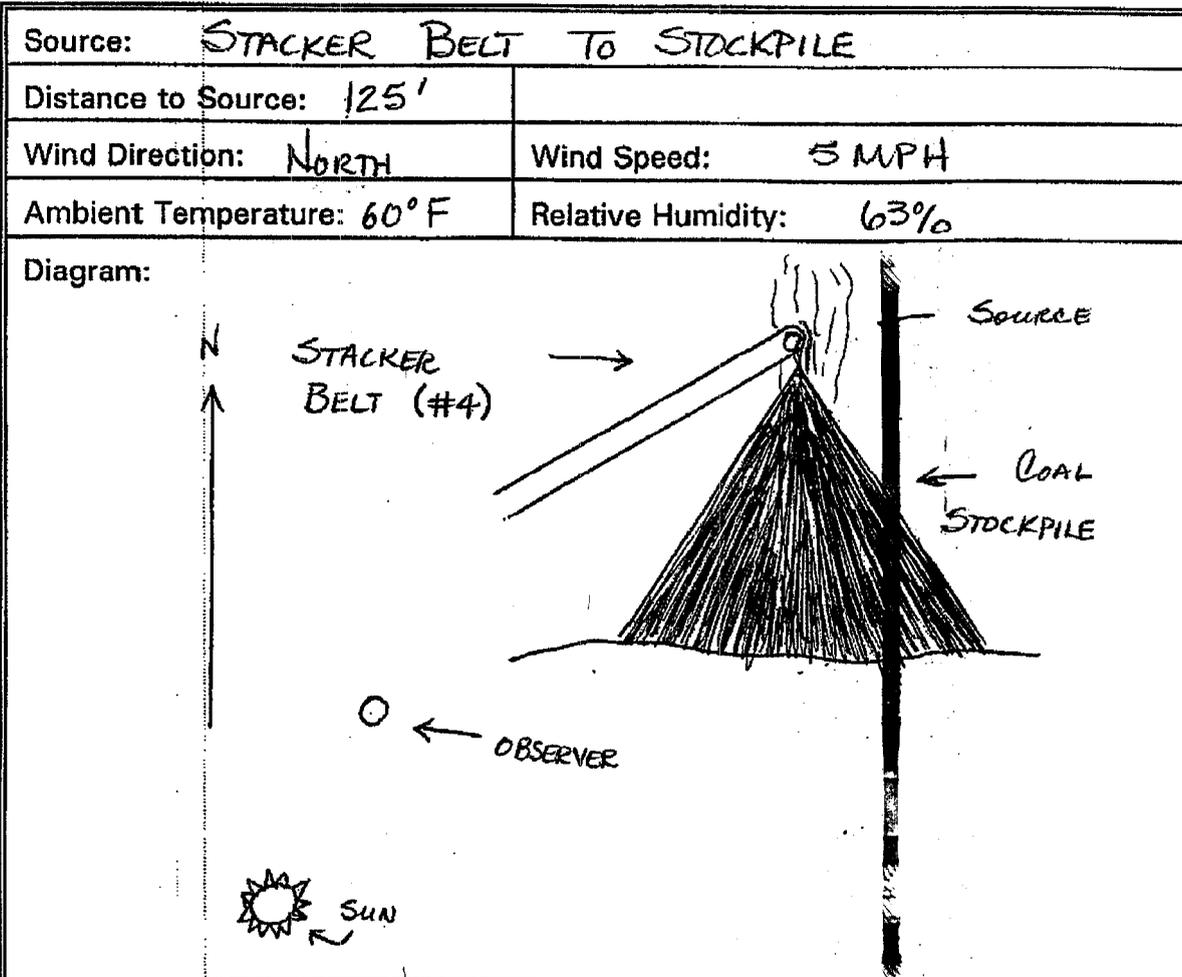
No.	Hr./Min.	Seconds				Average
		0	15	30	45	
1	14:25	15	15	0	10	10
2	14:26	0	5	5	5	3.75
3	14:28	10	10	10	5	8.75
4	14:29	15	15	20	25	18.75
5	14:30	5	10	10	15	10
6	14:31	10	10	15	15	12.50

**Coastal States Energy Company
EPA Method 9
Air Opacity Source Evaluation Report**

Facility: BANNING LOADOUT

Date: 11-13-96

Observer: DON LOGSTON



No.	Hr./Min.	Seconds				Average
		0	15	30	45	
1	14:10	10	15	0	15	10
2	14:11	0	0	0	0	0
3	14:12	0	0	0	0	0
4	14:14	10	10	10	10	10
5	14:16	10	10	10	10	10
6	14:18	10	10	15	15	12.50

APPENDIX C

Legal, Financial, Compliance and Related Information

Annual Report of Officers
as submitted to the Utah Department of Commerce
and other changes in ownership and control information
as required under R645-301-110.

CONTENTS

APPENDIX D

Mine Maps

as required under R645-301-525.270.

CONTENTS

APPENDIX E

Other Information

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

CONTENTS