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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
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Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

October 26, 1998

Rick Olsen, General Manager
Banning Loadout
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, UT 84542

Re: Five-Year Permit Renewal, Banning Loadout, Canyon Fuel Company, LLC., ACT/007/034-98PR, Folder #3, Carbon County, Utah

Dear Mr. Olsen:

The permit renewal for the Banning Loadout is approved with one condition: "This permit is effective October 24, 1998. If any public comments are received between the time of expiration and the extended public comment period (November 27, 1998), those comments will be given appropriate programmatic consideration."

Enclosed are two (2) copies of the renewed permanent program mining and reclamation permit for the Banning Loadout. Please read the permit to be sure you understand the requirements of the permit and conditions, then have both copies signed and return one to the Division.

If you have any questions, please call me.

Sincerely,

for Lowell P. Braxton
Acting Director

Enclosures
cc: James Fulton, OSM, WRCC
R. Singh, OSM, WRCC
PFO
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UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
For
PERMIT RENEWAL

Canyon Fuel Company, LLC
Banning Loadout
ACT/007/034
Carbon County, Utah

October 24, 1998

CONTENTS

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ADMINISTRATIVE OVERVIEW

Canyon Fuel Company, LLC
Banning Loadout
Five Year Permit Renewal
ACT/007/034
Carbon County, Utah

October 24, 1998

BACKGROUND

The Banning Loadout is a coal loading facility located approximately eight miles east of Wellington, Utah on or along the Union Pacific Company right of way. This rail loadout is permitted by Canyon Fuel Company, LLC (a company owned in part (65%) by Arch Western Resources, LLC [a company owned 99% by Arch Western Acquisition, fully owned by Arch Coal, Inc., and 1% by Delta Housing, Inc. fully owned by Atlanta Richfield Company] and 35% by Itochu Coal International, Inc., a fully owned subsidiary of Itochu Corporation).

PERMIT RENEWAL

Canyon Fuel Company, LLC made application to the Division of Oil Gas and Mining for a five year permit renewal for the Banning Loadout on July 6, 1998. This renewal encompasses the same permit area and disturbance as currently approved in the permit.

The Mining and Reclamation Plan (MRP) for the Banning Loadout was originally approved by the Division of Oil, Gas and Mining on October 24, 1988 and renewed subsequently on October 24, 1993.

The application for permit renewal was submitted on July 6, 1998 and the renewal application was determined administratively complete on July 27, 1998. Public notice for this permit renewal was (and will be) published in the Sun Advocate on October 6, 13, 20, and 27, 1998.

ANALYSIS

The permit renewal application was received at least 120 days prior to permit renewal and all notices were published as required. The publication in the Sun Advocate will continue after the renewal late. Therefore, a condition has been added to the permit that states, "This permit is effective October 24, 1998. If any public comments are received between the time of expiration and the extended public comment period

(November 1998), those comments will be given appropriate programmatic consideration."

RECOMMENDATION

Approval for this permit renewal is recommended conditioned as follows: "This permit is effective October 24, 1998. If any public comments are received between the time of expiration and the extended public comment period (November 27, 1998), those comments will be given appropriate programmatic consideration."

PERMITTING CHRONOLOGY

Canyon Fuel Company, LLC
Banning Loadout
Permit Renewal
ACT/007/034
Carbon County, Utah

October 24, 1998

July 6, 1998	Canyon Fuel Company, LLC submitted a permit renewal application.
July 27, 1998	Determination of Administrative Completeness of permit renewal application. Permit renewal completeness determination sent to applicable state, federal, and county agencies.
October 6, 13, 20 and 27, 1998	Public notice for permit renewal for the Banning Loadout published in the Sun Advocate.
October 24, 1998	Permit Renewal is issued to Banning Loadout with one condition: "This permit is effective October 24, 1998. If any public comments are received between the time of expiration and the extended public comment period (November 27, 1998), those comments will be given appropriate programmatic consideration."

PERMIT RENEWAL FINDINGS

Canyon Fuel Company, LLC
Banning Loadout
ACT/007/034
Carbon County, Utah

October 24, 1998

1. The permit renewal term will not exceed the original permit term of five years (R645-303-234).

2. The terms and conditions of the existing permit are being met. (R645-303-233.110).

3. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program (R645-303-233.120).

4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program (R645-303-233.130).

5. The operator has provided evidence of having liability insurance (United States Fidelity and Guarantee Company - ICG14798097600)(R645-303-233.140).

6. The operator has posted a reclamation surety in the required amount and has provided evidence that the surety will remain in full effect. (Surety in the amount of $350,000 is posted by Liberty Mutual Insurance Company - Bond Number 14-000-068-003-UT) (R645-303-233.150).

7. The operator has submitted updated information as required by the Division at this time. (R645-233.160)

Permit Supervisor

Aaron R. Waddoell

Permit Supervisor

Associate Director of Mining

for Lowell P. Braxton

Acting Director

FEDERAL
October 24, 1998

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5289

This permit, ACT/007/034, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Canyon Fuel Company, LLC
6955 Union Park Center, Suite 540
Salt Lake City, UT 84047
(801) 569-7111

for the Banning Loadout. Canyon Fuel Company, LLC is the lessee of federal, state and fee-owned property. A performance bond is filed with the DOGM in the amount of $350,000.00, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSMRE). DOGM must receive a copy of this permit signed and dated by the permittee.

Sec. 1 **STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 **PERMIT AREA** - The permittee is authorized to conduct coal mining activities associated with a preparation plant on the following described lands within the permit area at the Banning Loadout situated in the state of Utah, Carbon County, and located:

Township 15 South, Range 12, East, SLBM

Portions of Sections 15, 16, and 22

This legal description is for the permit area of the Banning Loadout and included in the operation and reclamation plan on file at the Division. The permittee is authorized to conduct underground coal mining activities connected with a preparation plant on the foregoing described property subject to the conditions of the leases, including all conditions and all other applicable conditions, laws and regulations.

Sec. 3 **COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

Sec. 4 **PERMIT TERM** - This permit becomes effective on October 24, 1998 and expires on October 24, 2003.

Sec. 5 **ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and R645-303.

Sec. 6 **RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

A. have the rights of entry provided for in 30 CFR 840.12, R645-400-110, 30 CFR 842.13 and R645-400-220; and,

B. be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.

Sec. 7 **SCOPE OF OPERATIONS** - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 **ENVIRONMENTAL IMPACTS** - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:

A. accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;

B. immediate implementation of measures necessary to comply; and

C. warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 **DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 **CONDUCT OF OPERATIONS** - The permittee shall conduct its operations:

A. in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and

B. utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 11 **EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-3023 for compliance, modification, or abandonment of existing structures.

Sec. 12 **RECLAMATION FEE PAYMENT** - The operator shall pay all reclamation fees required by 30 CFR part 870 for coal produced under the permit, for sale, transfer or use.

Sec. 13 **AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec. 14 **COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

Sec. 15 **PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 16 **CULTURAL RESOURCES** - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.

Sec. 17 **APPEALS** - The permittee shall have the right to appeal as provided for under R645-300.

Sec. 18 SPECIAL CONDITIONS - There is a special condition associated with this permitting action as described in Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: _____
Associate Director, Mining

Date: October 26, 1998

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

_____
Authorized Representative of the Permittee

Date: _____

ATTACHMENT A
SPECIAL CONDITION

1. This permit is effective October 24, 1998. If any public comments are received between the time of expiration and the extended public comment period (November 27, 1998), those comments will be given appropriate programmatic consideration.

This project will require compliance with Da[illegible]con Federal Wage Standards. A pre-bid meeting will be held at 1:30 p.m., Monday, Septemb[illegible], 1998 at Helper City Hall, 73 South Main, Helper, Utah.

Contractors shall be responsible for all information given to sub contractors, suppliers and distributors for sub-bids. Bid Documents shall be issued as complete sets only, and shall be provided only to General Contractors.

Each bid must be submitted on the form provided herein as part of the bid documents and shall be accompanied by a certified check, cashiers check, or bid bond from a surety company acceptable to the Owner and made payable to the Owner in an amount equal to at least 5% of the total bid.

Bids will be received at the Office of the City Recorder, 73 South Main, Helper, Utah, until the hour of 5:00 p.m., October 8, 1998. Late bids and fax bids will not be accepted.

Two (2) copies of the bid documents are available to each bonafide bidder upon deposit of $200.00, refundable in full, if sets have been returned in complete and good condition within seven (7) days after award of bid. Deposits for documents shall be made payable to Prescott Muir Architects.

Helper City reserves the right to reject any or all bids, or any part of any bid, or to waive any information in any bid, or any bidding formality as its best interest may appear. A decision on the rejection of any or all bids, or the award of the contract, will be made within (3) calendar days after the bid opening.

-s-Sandra G. Baird
Helper City Recorder

Published in the Sun Advocate September 22, 29 and Oct 6, 1998.

PROPOSED LEGAL NOTICE
APPLICATION FOR PERMIT RENEWAL
BANNING RAIL LOADOUT

Canyon Fuel Company, LLC - Soldier Canyon Mine, P. O. Box 1029, Wellington, Utah 84542, is authorized, as applicant and operator, to operate the Banning Rail Loadout in Carbon County, Utah under Permit Number ACT/007/034 issued by the State of Utah, Division of Oil, Gas, and Mining. Soldier Canyon is wholly owned by Canyon Fuel Company, LLC. Arch Western Resources, LLC, City Place One, Suite 300, St. Louis, Missouri 63141, has entered into an acquisition agreement with Arco Uinta Coal Company the owner of Canyon Fuel Company, LLC, to purchase 65% of Canyon Fuel Company, LLC from Arco Uinta Coal Company. 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, fully owned by Arch Coal, Inc., and 1 % by Delta Housing, Inc., fully owned by Atlantic Richfield Company.

Canyon Fuel Company, LLC, - Soldier Canyon Mine has filed a Permit Renewal Application, in advance of closing, with the Division of Oil, Gas, and Mining.

Approval by the Division of this application will allow coal loading operations to continue within the leasehold interest and fee lands owned by Canyon Fuel Company, LLC. The lands on which mining activity is to occur are located in Carbon County. The loading facilities are located approximately eight miles east of Wellington, Utah on or along the Union Pacific Company right-of way. The five year plan involves lands which are leased, assigned, or deeded to Canyon Fuel Company, LLC - Soldier Canyon Mine in:

T.15 S., R.12 E. SL Meridian, Utah, Sec 15: portions of W-1/2; Sec. 16: portions of E-1/2 SE-1/4, Sec. 21: E-1/2 NE-1/4.

Copies of the advance Permit Application will be available for inspection at the following locations: Utah Division of Oil, Gas, and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801; Carbon Country Courthouse, Price, Utah; Soldier Canyon Mine, 12 miles Northeast of Wellington, Utah; and Canyon Fuel Company, LLC, 6995 South Union Park Center, Suite 550, Midvale, Utah 84047.

Written comments on the application must be submitted within 30 days of this first public notice to the Utah Division of Oil, Gas, and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801 with copies to Canyon Fuel Company, LLC, 6995 South Union Park Center, Suite 550, Midvale, Utah 84047.

Published in the Sun Advocate October 6,13, 20 and 27 1998.

Ke T/007/034 #2
Copy Plan

Published in the Sun Advocate September 24, 29 and C

NOTICE OF PUBLIC HEARI
Incinerators for Hospital, Medical, Inf

The Air Quality Board requests comment on a new plan and rul incinerators burning hospital, medical, infectious waste and which v 20, 1996. Federal requirements for these sources are found at 40 C became effective September 16, 1997. States are required to prep these sources. Otherwise, the sources are subject to federal enfo

The federal requirements anticipate that many operators will find it the incinerator and switch to off-site disposal or alternative meth required this in order to protect citizens from dioxins and furans, me pollutants. These are common byproducts of this kind of incine residential neighborhoods. The plan and rules specify compliance requirements for operators, testing and reporting requirements. Th small rural incinerators. R307-222 incorporates federal provisi extensions under specified conditions, and sets an interim co choosing to retrofit incinerators.

The following affected sources have been identified; there may b in Sandy, Beaver Valley Hospital in Beaver, BFI Medical Wa Castleview Hospital in Price, Central Valley Vet Hospital in S Medical Center, Fillmore Community Medical Center, Garfield IHL Sevier Valley Hospital in Richfield, Logan Regional Hospit Monticello, Uintah Basin Medical Center in Roosevelt, Vetera Lake City, and Wasatch County Hospital in Heber.

A public hearing will be held on October 20 at 10 am in F Environmental Quality Office at 168 N. 1950 West in Salt Lak

In compliance with the Americans with Disabilities Act, individ tions (including auxiliary communicative aids and services) d Bureau of Human Resources at 168 North 1950 West, Salt L three working days before the meetings.

Electronic copies of the rule will be available October 1 at: ht copies of the proposed rule are available at the Division of Ai Salt Lake City Main Library, Salt Lake County Library (Whit River District Health Department in Logan; the Uintah Basin D the Central Utah District Health Department in Richfield; the S ment in Price; the Southwest District Health Department in C Health Department in Coalville; the Tooele County Health D Department, Salt Lake City/County Health Department, Da ber-Morgan District Health Department, City-County Heal comment period closes at 5 p.m. on November 2, 1998. C November 2, 1998, will be considered. Both written and c considered equally.

Written comments regarding the changes may be mailed d

Ursula K. Trueman, Director
Division of Air Quality
Box 144820
Salt Lake City, UT 84114-4820

ATTN: HMIWI plan: DAQSN-0162-98
Published in the Sun Advocate September 2

Part-Time
Performs general housekeeping duties
marble, concrete. Full system

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DEPARTMENT OF NATURAL RESOURCES
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Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

October 23, 1998

To: File

From: Pamela Grubaugh-Littig, Permit Supervisor

Re: 510 (c) Recommendation for Canyon Fuel Company, LLC, Banning Loadout, ACT/007/034, Folder #5, Carbon County, Utah

As of this writing of this memo, there are no NOVs or COs which are not corrected or in the process of being corrected for the Banning Loadout. There are no finalized civil penalties which are outstanding and overdue in the name of Canyon Fuel Company, LLC. Canyon Fuel Company, LLC does not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

Attached is an OSM recommendation from the Applicant Violator System with an issue recommendation for the Banning Loadout.

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Applicant Evaluation Applicant Violator System 23-Oct-1998 09:31:22

State : UT Permit No : ACT007034 Appl No : ACT007034
Applicant : 142816(CANYON FUEL CO LLC) Seqno : 1

SYSTEM RECOMMENDATION IS BASED ON ENTITY OFT

SYSTEM RECOMMENDATION	: ISSUE	10/23/1998
PREVIOUS SYSTEM RECOMMENDATION	: ISSUE	10/16/1998

RCM_MNT(F7) PERMIT/APPL(F8)
PRV_SCR(F3) EVOFT(F5) REPORTS(F9) CHOICES(F10)

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