

2000 ANNUAL REPORT

to

Utah Division of Oil, Gas and Mining For BANNING LOADOUT, C/007/0034

Canyon Fuel Company, LLC
Banning Loadout
P.O. Box 1029
Wellington, Utah 84542

File in:

Confidential

Shelf

Expandable

Refer to Record No. 0002 Date 03/14/2001

In C 0070034-2001 Submining

For additional information

0002



Canyon Fuel Company, LLC
Soldier / Dugout Canyon Mines
P.O. Box 1029
Wellington, Utah 84542
435/637-6360 Fax: 435/637-0108

COPY

March 14, 2000

Utah Coal Regulatory Program
Attn: Mary Ann Wright
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

~~INFORMATION~~

Re: Submittal of the 2000 Annual Reports
Dugout Canyon Mine, ACT/007/039
Soldier Canyon Mine, ACT/007/018
Banning Loadout ACT/007/018

Dear Ms. Wright:

Enclosed please find two copies of the 2000 annual reports for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout.

Should you have any questions concerning this submittal, please contact Dave Spillman at (435) 636-2872 or Chris Hansen at (435) 448-2669.

Sincerely,

David S. Spillman
for *est.*

R. W. Olsen
General Manager

*Called Dave on 3/20/01.
He ^{said} should be at PFD.
Two copies.*

enclosures

cc: Chris Hansen, Skyline
Central Files

File in: 0070034 2001 Dugout
Refer to:

- Confidential
- Shelf
- Expandable

Date: 03/14/01 For additional information

RECEIVED

MAR 15 2001

DIVISION OF
OIL, GAS AND MINING

To enter text, click in the box and type your response. If a box already contains an entry select the entry and type the replacement. You can use the **tab** key to move from one field to the next. To select a check box, click in the box or type an x.

GENERAL INFORMATION

Permitte Name	Canyon Fuel Company,LLC
Mine Name	Banning Loadout
Operator Name (If other then permittee)	
Permit Expiration Date	October 24, 2003
Permit Number	ACT/007/034
Authorized Representative Title	Rick Olsen, General Manager
Phone Number	435-637-6360
Fax Number	435-637-0108
E-mail Address	
Mailing Address	Soldier Canyon Mine P.O. Box 1029 Wellington, UT 84542
Resident Agent	C.T. Corporation Systems
Resident Agent Mailing Address	50 West Broadway Salt Lake City, UT 84104
Number of Binders Submitted	(2) two

IDENTIFICATION OF OTHER PERMITS

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

Permit Type	ID Number	Description	Expiration Date
MSHA Mine ID(s)	42-01756		
MSHA Impoundment(s)			
NPDES/UPDES Permit(s)	UTG040011	Utah Pollutant Discharge Elimination System	April 30, 2003
PSD Permit(s) (Air)	DAQE-334-94		
Other			

CERTIFIED REPORTS

List the certified inspection reports as required by the rules and under the approved plan that must be periodically submitted to the Division. Specify whether the information is included as Appendix A to this report or currently on file with the Division.

Certified Reports:	Required		Included or on file with DOGM		Comments
	Yes	No	Included	On File	
Excess Spoil Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NO
Refuse Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NO
Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Quarterly Pond - Inspections (see Appendix - A)
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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 report or currently on file with the Division.

Technical Data:	Required		Included or on file with DOGM		Comments
	Yes	No	Included	On file	
Climatological	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NO
Subsidence Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NO
Vegetation Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NO
Raptor Survey	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NO
Soils Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NO
Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
First quarter	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NO
Second quarter	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NO
Third quarter	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NO
Fourth quarter	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NO
Geological / Geophysical	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NO
Engineering	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NO
Other Data					
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

Change 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

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APPENDIX A

Certified Reports

Excess Spoil Piles

Refuse Piles

Impoundments

As required under R645-301-514

Quarterly Pond Inspections (Sedimentation Pond)



Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
(801)637-6360 Fax: (801) 637-0108

QUARTERLY POND INSPECTION

POND BEING INSPECTED: BAUNING

DATE OF INSPECTION: MAR. 01, 2000

PERSON(S) MAKING INSPECTION: DON LOGSTON

ANY STRUCTURAL WEAKNESS, EROSION AND OTHER HAZARDOUS CONDITIONS NOTED: _____

NONE

ANY ROUTINE MAINTENANCE REQUIRED: NONE

COMMENTS: SMALL AMOUNT OF ICE/WATER IN BOTTOM OF POND.

APPROVAL: _____ DATE: _____

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Permit Number	ACT/007/034	Report Date	06/16/00
Mine Name	Banning Loadout		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Banning Loadout Sedimentation Pond	
	Impoundment Number	None	
	UPDES Permit Number	UTG040011	
	MSHA ID Number	Impoundment -None (Loadout - 42-01756)	

IMPOUNDMENT INSPECTION

Inspection Date	06/13/00
Inspected By	David G. Spillman
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

There were no signs of instability, structural weakness or other hazardous conditions observed during this inspection.

Required for an impoundment which functions as a **SEDIMENTATION POND.**

2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.

Sediment Storage Capacity - 100% = 0.27 acre-feet @ an elevation of 5,487.8 feet
- 60% = 0.16 acre-feet @ an elevation of 5,486.6 feet
The existing sediment level was observed to be well below the established sediment cleanout marker.

3. Principle and emergency spillway elevations.

Principal Spillway Elevation - 5,494.2 feet
Emergency Spillway Elevation - 5,495.1 feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

At the time of the inspection there was no water impounded in the pond.

To date, there has been no discharge from this pond.

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

5. **Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: _____ Date: _____

CERTIFIED REPORT

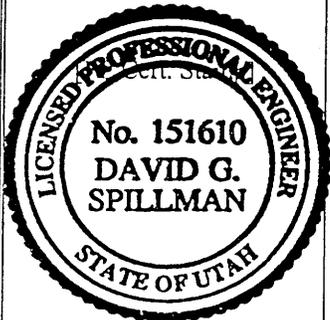
IMPOUNDMENT EVALUATION (If NO, explain under Comments)

	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	X	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	X	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	X	

COMMENTS AND OTHER INFORMATION

Certification Statement:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.



By: David G. Spillman, Technical Services Manager
(Full Name and Title)

Signature: David G. Spillman Date: 06/16/00

P.E. Number & State: No. 151610, State of Utah

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Permit Number	ACT/007/034	Report Date	10/02/00
Mine Name	Banning Loadout		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Banning Loadout Sedimentation Pond	
	Impoundment Number	None	
	UPDES Permit Number	UTG040011	
	MSHA ID Number	Impoundment -None (Loadout - 42-01756)	

IMPOUNDMENT INSPECTION

Inspection Date	09/27/00
Inspected By	David G. Spillman
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

There were no signs of instability, structural weakness or other hazardous conditions observed during this inspection.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.

*Sediment Storage Capacity - 100% = 0.27 acre-feet @ an elevation of 5,487.8 feet
- 60% = 0.16 acre-feet @ an elevation of 5,486.6 feet*

The existing sediment level was observed to be well below the established sediment cleanout marker.

3. Principle and emergency spillway elevations.

Principal Spillway Elevation - 5,494.2 feet

Emergency Spillway Elevation - 5,495.1 feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on out slopes of embankments, etc.

At the time of the inspection the bottom of the pond was only muddy(no impounded water).

To date, there has been no discharge from this pond.

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water; estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: _____ Date: _____

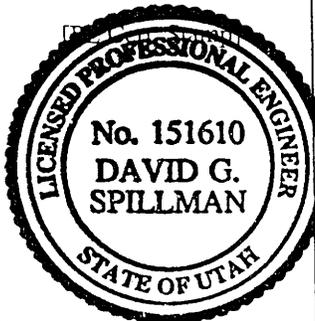
CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	X	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	X	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	X	

COMMENTS AND OTHER INFORMATION

Certification Statement:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.



By: David G. Spillman, Technical Services Manager
(Full Name and Title)

Signature: David G. Spillman Date: 10/02/00

P.E. Number & State: No. 151610, State of Utah

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 2	
Permit Number	ACT/007/034	Report Date	12/20/00
Mine Name	Banning Loadout		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Banning Loadout Sedimentation Pond	
	Impoundment Number	None	
	UPDES Permit Number	UTG040011	
	MSHA ID Number	Impoundment -None (Loadout - 42-01756)	
IMPOUNDMENT INSPECTION			
Inspection Date	12/20/00		
Inspected By	David G. Spillman & James Byars		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection & Annual Certification		
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p><i>There were no signs of instability, structural weakness or other hazardous conditions observed during this inspection.</i></p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p><i>Sediment Storage Capacity - 100% = 0.27 acre-feet @ an elevation of 5,487.8 feet</i> <i>- 60% = 0.16 acre-feet @ an elevation of 5,486.6 feet</i> <i>The existing sediment level was observed to be well below the established sediment cleanout marker.</i></p> <p>3. Principle and emergency spillway elevations.</p> <p><i>Principal Spillway Elevation - 5,494.2 feet</i> <i>Emergency Spillway Elevation - 5,495.1 feet</i></p>		
<p>4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on out slopes of embankments, etc.</p> <p><i>At the time of the inspection the bottom of the pond was only muddy (no impounded water).</i></p> <p><i>To date, there has been no discharge from this pond.</i></p>			

5. **Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: _____ Date: _____

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)

	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	X	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	X	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	X	

COMMENTS AND OTHER INFORMATION

James Byars, a recently hired member of the Dugout engineering staff participated in this inspection. He was properly trained to inspect this impoundment for signs of instability, structural weakness or other hazardous conditions. Therefore, James Byars is hereby authorized to conduct future quarterly inspections of the Banning Loadout Sedimentation Pond.

Certification Statement:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.



By: David G. Spillman, Technical Services Manager
(Full Name and Title)

Signature: David G. Spillman Date: 12/20/00

P.E. Number & State: No. 151610, State of Utah

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 requirement of R645-310-130 and R645-301-140



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

December 8, 2000

Coal Regulatory Program
Attn.: Ms. Pam Grubaugh-Littig
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114

RE: Annual Coal Sampling at the Canyon Fuel Company, LLC (CFC) Banning Loadout,
ACT/007/034

Dear Ms. Grubaugh-Littig

As we discussed in our recent phone conversation on Tuesday, December 5, the Mining and Reclamation Plan for the Banning Loadout requires the operator to obtain, analyze, and report the results of an annual sample of stockpiled coal. This analysis was conducted to monitor coal quality for constituents that could potentially leach into the groundwater. However, since Banning was placed in temporary cessation this year, there remains no stockpiles nor are any planned throughput for the facility. Therefore, beginning this year, CFC would like to indefinitely forego coal analysis until the facility is reactivated. The culmination of our phone conversation on Tuesday would indicate the Division concurs. Please let me know if our conclusion is correct.

If you have any questions regarding this information, please give me a call at (435) 448-2669.

Sincerely,

A handwritten signature in black ink that reads "Chris D. Hansen". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Chris D. Hansen
Environmental Coordinator
Canyon Fuel Company, LLC

cc: Rick Olsen
Dave Spillman
Pete Hess, DOGM Price Field Office
Central Files

APPENDIX C

Legal Financial, Compliance and Related Information

As required under R645-301-110

APPENDIX D

Mine Maps

As required under R645-302-525-270

APPENDIX E

Other Information

In accordance with the requirements of R645-301 and R645-302