

**2003 ANNUAL REPORT
TO THE
UTAH DIVISION OF OIL, GAS AND MINING**

**BANNING LOADOUT
C/007/034**

Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, UT 84542

File in:

- Confidential
 Shelf
 Expandable

Refer to Record No. 0001 Date 03192004
In C 0070034, 2003, Utah Mining
For additional information

0001



Canyon Fuel Company, LLC
Dugout Canyon Mine
P.O. Box 1029
Wellington, Utah 84542

COPY

March 19, 2004

Ms. Pamela Grubaugh-Littig
Utah Coal Regulatory Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Incoming
C/007/0018
cc: C/007/0034 ✓
C/007/00039

RE: 2003 Annual Reports for Dugout Canyon Mine, C/007/039; Soldier Canyon Mine, C/007/018;
and Banning Loadout, C/007/034

Dear Ms. Pamela Grubaugh-Littig,

Enclosed please find two copies of the Annual Reports for 2003 for the Dugout Canyon Mine, Soldier Canyon Mine, and Banning Loadout.

Should you have any questions concerning this submittal, please contact me at (435) 636-2869.

Sincerely yours,

Vicky S. Miller

enclosures

cc: Chris Hansen (letter only)
Dave Spillman (enclosures)
Central Files (enclosures)

File in: C/0070034 2004 *Incoming*
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RECEIVED

MAR 19 2004

DIV. OF OIL, GAS & 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, 2008
Permit Number	C/007/034
Authorized Representative Title	Rick Olsen, General Manager
Phone Number	(435) 637-6360
Fax Number	(435) 636-2897
E-mail Address	rolsen@archcoal.com
Mailing Address	P.O. Box 1029, Wellington, Utah 84542
Designated Representative Resident Agent	C.T. Corporation Systems
Resident Agent Mailing Address	50 West Broadway, Salt Lake City, Utah 84104
Number of Binders Submitted	(1) One Binder, Two Copies

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		N/A
MSHA Impoundment(s)	N/A		
NPDES/UPDES Permit(s)	UTG 040011	UPDES Discharge Permit	April 30, 2008
PSD Permit(s) (Air)	DAQE-334-94	Air Quality Permit	N/A
Other			
Storm Water Permit	UTR000572	Storm Water Discharge Permit	December 1, 2006

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"/>	N/A
Refuse Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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"/>	
	<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"/>	Not Required
Subsidence Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not Required
Vegetation Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not Required
Raptor Survey	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not Required
Soils Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not Required
Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
First quarter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Second quarter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Third quarter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Fourth quarter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Geological / Geophysical	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not Required
Engineering	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not Required
Non Coal Waste / Abandoned Underground Equipment*	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not Required
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"/>	

Reminder: If equipment has been abandoned during 2003, an amendment must be submitted that includes a map showing its location, a description of what was abandoned, whether there were any hazardous or toxic materials and any revision to the PHC as necessary.

APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

As required under R645-301-514

CONTENTS

CERTIFIED IMPOUNDMENT REPORTS

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 2	
Permit Number	ACT/007/034	Report Date	12/05/03
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	11/12/03		
Inspected By	David G. Spillman		
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 outslopes of embankments, etc.</p> <p><i>At the time of the inspection the pond was dry.</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: _____

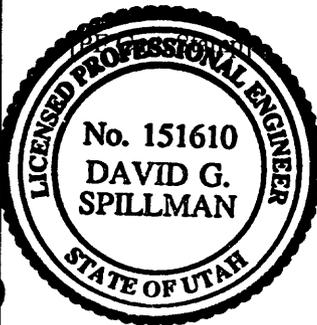
CERTIFIED REPORT

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

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: 12/05/03

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

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APPENDIX C

Legal Financial, Compliance and Related Information

Annual Report of Officers
As submitted to the Utah Department of Commerce

Other change in ownership and control information
As required under R645-301-110

CONTENTS

OFFICERS AND DIRECTORS

Officers and Directors

The following lists describe the officers and directors of Canyon Fuel Company, LLC, Arch Western Resources, LLC, Arch Coal, Inc., Itochu Corporation, and Itochu Coal International, Inc. The addresses for the officers, directors, representatives to the management board listed are the same as those of the respective business entities as listed below for which the individuals are officers, directors or representatives.

ADDRESS:

Arch Coal, Inc.
CityPlace One, Suite 300
St. Louis, MO 63141-7056

ADDRESS:

Arch Western Resources, LLC
City Place One, Suite 300
St. Louis, MO 63141-7056

Itochu Coal International, Inc. is a wholly owned subsidiary of Itochu Corporation, a Japanese corporation.

ADDRESS:

Itochu Coal International, Inc.
555 17th Street, Suite 845
Denver, Colorado 80202

ADDRESS:

Itochu Corporation, 5-1
Kita-Aoyama 2-Chome
Minato-ku, Tokyo 107-77, Japan

CANYON FUEL COMPANY, LLC:

Directors:

Robert W. Shanks
Effective: 06/01/1998

Chairman

Masayoshi Araya
Effective: 06/01/2001

Yuzo Hirono
Effective: 12/14/1999

Steven F. Leer
Effective: 06/01/1998

Kenneth G. Woodring
Effective: 12/01/2000

John W. Eaves
Effective: 12/01/2000

Alternative Representative

Joe Y. Nakazawa
Effective: 06/01/2001

Alternative Representative

Tsutomu Niwa
Effective: 10/09/2001

Alternative Representative

Officers

Richard D. Pick
Effective: 06/01/1998

President, Chief Executive Officer and General Manager

Robert G. Messey
Effective: 10/09/2001

Chief Financial Officer

James E. Florczak
Effective: 05/25/1999

Vice President, Finance

John W. Eaves
Effective: 06/23/1998

Vice President, Marketing

Robert G. Jones
Effective: 03/08/2000

Vice President, General Counsel and Assistant Secretary

Janet L. Horgan

Secretary

Canyon Fuel Company, LLC

March 11, 2004

Effective: 10/11/2000

William H. Rose
Effective: 06/01/1998

Assistant Secretary

ARCH COAL, INC.:

Directors:

James R. Boyd
Effective: 07/01/1997

Chairman

Frank M. Burke
Effective: 09/07/2000

Robert G. Potter
Effective: 04/26/2001

Theodore D. Sands
Effective: 02/25/1999

Michael A. Perry
Effective: 09/28/1998

Douglas H. Hunt
Effective: 07/01/1997

Steven F. Leer
Effective: 07/1/1997

James L. Parker
Effective: 07/01/1997

Thomas A. Lockhart
Effective: 02/21/2003

Officers:

Steven F. Leer
Effective: 07/1/1997

President and Chief Executive Officer

Kenneth G. Woodring
Effective: 07/01/1997

Executive Vice President-Mining Operations

C. Henry Besten, Jr. Effective: 07/01/1997	Vice President - Strategic Marketing
Larry R. Brown Effective: 07/01/1997	Vice President & Chief Information Officer
John W. Eaves Effective: 12/11/2002	Executive Vice President, Chief Operating Officer
David B. Peugh Effective: 07/01/1997	Vice President - Business Development
Robert W. Shanks Effective: 07/01/1997	Vice President - Operations
Robert J. Messey Effective: 12/1/2000	Senior Vice President, Chief Financial Officer
Robert G. Jones Effective: 10/16/2000 and 3/01/2000	Vice President, General Counsel and Secretary
James E. Florczak Effective: 08/17/1998	Treasurer
Deck S. Slone Effective: 04/26/2001	Vice President, Investor and Public Relations
Bradley M. Allbritten Effective: 03/1/2000	Vice President, Marketing
Shiela B. Feldman Effective: 02/03/2003	Vice President, Human Resources
Janet L. Horgan Effective: 10/16/2000	Assistant Secretary and Counsel
John W. Lorson Effective: 04/9/1999	Comptroller
Charles David Steele Effective: 04/24/2003	Vice President, Tax Planning
Bennett K. Hatfield Effective: 04/24/2003	Vice President

Arch Western Resources, LLC, Representatives to the Management Board:

Name: Steven F. Leer
Effective: 06/01/98

Name: Robert W. Shanks
Effective: 06/01/98

Alternate:

Name: Kenneth G. Woodring
Effective: 06/01/98

Itochu Coal International, Inc. Representatives to the Management Board:

Board:

Akio Shigetomi
Effective: 11/30/1996

Masayoshi Araya
Effective: 11/30/1996

Yuzo Hirono
Effective: 12/31/1999

Alternates:

Yutaka Nakazawa
Effective: 12/20/1996

Tsutomu Niwa
Effective: 6/01/2001

Canyon Fuel Company, LLC

March 11, 2004

Masahisa Naitoh	Vice Chairman	April 2000
Uichiro Niwa	President, CEO	April 1998
Hiroshi Sumie	Executive Vice President	April 2000
Makoto Kato	Executive Vice President	April 2001
Yushin Okazaki	Executive Vice President	April 2001
Sumitaka Fujita	Executive Vice President	April 2001
Mitsuaki Fukuda	Sr. Managing Director	April 2000
Akira Yokota	Sr. Managing Director	April 2001
Kiyomi Yamada	Managing Director	April 2001
Motonori Toyota	Managing Director	June 2001
Kouhei Wantanabe	Managing Director	April 2002
Hiroshi Ueda	Managing Director	April 2002

ITOCHU COAL INTERNATIONAL INC.

Masayoshi Araya	Chairman of the Board	Dec. 1999
Yuzo Hirono	President and Chief Executive Officer	Dec. 1999
Tsutomu Niwa	Chief Financial Officer	June 1996
Dietz Fry	Vice President, Finance and Administration	March 1997
Yutaka Nakazawa	Vice President Commercial and Secretary	Dec. 1996
Hiroshi Akiba	Assistant Secretary	Feb. 2000

APPENDIX D

Mine Maps

As required under R645-302-525-270

CONTENTS

APPENDIX E

Other Information

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

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