

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

August 9, 2005

TO: Internal File

THRU: Dana Dean, Environmental Scientist III, P.E., Team Lead

FROM: Priscilla Burton, Environmental Scientist III, Soils

RE: Post Mining Land Use Change, Canyon Fuel Company, LLC, Banning Siding Loadout, C/007/0034, Task ID #2247

SUMMARY:

The proposal for post mining land use change from wildlife habitat to industrial was initially received on May 25, 2004; given task number 1936 and determined Administratively Complete on July 27, 2004; additional information concerning Chapter 1 was received on November 17, 2004. [Ownership and control information was reviewed under a separate submittal and approved on February 11, 2005.] A response to deficiencies was received on January 3, 2005 and was again reviewed under Task #2117. Response to task 2117 deficiencies was received on May 13, 2005, only the General Contents, Identification of Interests section requires review, there were no deficiencies in other assigned sections.

This post-mining land use change is for 0.41 acres of pad area associated with the substation within the disturbed area and an additional 0.42 acres of undisturbed area within the permit area (pp 4-6 and 4-7). The area being considered for post mining land use change totals 0.83 acres as shown on the revised Plate 5-2. There is a reasonable likelihood (R645-301-413.310) that the new land use will be achieved as East Carbonics, Inc. has already purchased the 0.83 acres.

The disturbed area at Banning Siding Loadout is **approximately** 30 acres. The most complete legal description of this area is found in Exhibit of the Purchase and Sale Agreement between Canyon Fuel Company L.L.C and East Carbonics, Inc., dated May 9, 2003, found in Appendix 1-5 of the MRP.

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TECHNICAL ANALYSIS:

**REQUIREMENTS FOR PERMITS FOR SPECIAL
CATEGORIES OF MINING**

**COAL PREPARATION PLANTS NOT LOCATED WITHIN THE PERMIT
AREA OF A MINE**

Regulatory Reference: 30 CFR Sec. 785.21, 827; R645-302-110, R645-302-260, et seq.

Analysis:

As outlined in the subsequent sections of this technical analysis, the application was reviewed under the Utah Rules for Coal Processing Plants Not Located Within the Permit Area of a Mine, R645-302-260. All provisions of R645-300 and R645-301 apply to this category of mining unless otherwise specified under R645-302.

Findings:

As discussed in this Technical Analysis, the information provided does not meet the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine. The Division's Findings are outlined under the R645-301 headings that follow.

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

Canyon Fuel Company, LLC was issued the permit to operate the Banning Loadout C/007/034 on 12/20/1996 (see correspondence folder and MRP, Section 111).

Volume 1 of the Banning MRP refers the reader to the General Chapter 1, dated February 2005 legal and financial information for Arch Coal. (This information was reviewed and approved under Task # 2069.) The applicant and operator is Canyon Fuel Company, LLC

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(Section 112.200). The Resident Agent is C.T. Corporation Systems (50 W. Broadway; SLC UT 84104). Canyon Fuel has offices in Colorado, a contact is provided in Section 112.200.

Ownership and control information for Canyon Fuel Company, LLC was recently updated (February 11, 2005) and is presented in Figure 1-1 and in Sections 111 and 112 of the General Chapter 1 Volume. The Permittee, Canyon Fuel Co., LLC, is owned by Arch Coal and its subsidiaries. Figure 1A outlines the corporate structure. And section 112.100 indicates that Delta Housing Inc has a minor (1%) interest in the Arch Western Resources, LLC.

Officers and directors of Canyon Fuel Co., LLC, Arch Western Bituminous Group, LLC, Arch Western Resources, LLC and Arch Coal, Inc are found in Appendix 1-1. Coal mining and reclamation operations related through corporate structure are listed in Table 1-1 and include the active sites: Dugout, SUFCO, Skyline and Soldier Canyon mines and the reclaimed sites: Gordon Creek No 3 & 6, Gordon Creek No. 2, 7, & 8, and Huntington No. 4 mines in Utah.

The Permittee's registered agent is listed as CT Corporation in the MRP.

Findings:

The information provided meets the requirements of the Regulations for Identification of Interests.

RECOMMENDATIONS:

Approval is recommended. When incorporating this amendment into the MRP, the Division should compile information received on May 26, 2004, November 2004 (Chap. 1), January 2005, and May 2005.