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**Canyon Fuel Company, LLC**

Banning Loadout  
P.O. Box 1029  
Wellington, UT 84542  
(435) 637-6360 Fax: (435) 636-2897

*OK C/007/034 Incoming  
#2987*

June 6, 2008

Attn: Coal Regulatory Program  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

RE: Permit Renewal, Banning Loadout, Canyon Fuel Company, LLC, C/007/034,  
Carbon County, Utah

Dear Sirs::

Canyon Fuel Company, LLC hereby files application for renewal of permit C/007/034, to operate under the provisions of the Utah Coal Mining and Reclamation Act pursuant to R645-303-300 of the Utah Coal Program Regulations. The legal description of the area associated with the Banning Loadout can be found in the newspaper notice attached.

The permit renewal package includes the following in compliance with the application requirements (R645-303-232):

- Evidence of a liability insurance policy;
- Evidence of a performance bond in effect for the operation;
- A copy of the proposed newspaper notice as required by R645-300-121.100 and;
- Proof of publication of newspaper notice (submitted after completion of publication).

Should you have any questions please contact either Vicky Miller (435) 636-2869 or David Spillman at (435) 637-6360.

Sincerely yours,



Erwin Sass  
General Manager

cc: David Spillman  
Vicky Miller  
Chris Hansen

**RECEIVED**

**JUN 09 2008**

**DIV. OF OIL, GAS & MINING**

# MARSH

# CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER  
CHI-000333518-12

**PRODUCER**  
Marsh USA Inc.  
701 Market Street, Suite 1100  
St. Louis, MO 63101  
Attn: archcoal.certrequest@marsh.com

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

**COMPANIES AFFORDING COVERAGE**

- COMPANY  
**A** ACE AMERICAN INSURANCE COMPANY
- COMPANY  
**B**
- COMPANY  
**C**
- COMPANY  
**D**

001950-state-GL8-07-08

Y

**INSURED**  
Canyon Fuel Company, LLC  
c/o Arch Western Bituminous Group, L.L.C.  
225 N. 5th Street, Suite 900  
Grand Junction, CO 81501

**COVERAGES**

This certificate supersedes and replaces any previously issued certificate for the policy period noted below.

10

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	<b>GENERAL LIABILITY</b>	HDO G2 3732920	07/31/07	07/31/08	GENERAL AGGREGATE	\$ 500,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	*****\$500,000 general aggregate			PRODUCTS - COMP/OP AGG	\$ 500,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	****per location****			PERSONAL & ADV INJURY	\$ 300,000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	\$ 300,000
	<input checked="" type="checkbox"/> Includes XCU				FIRE DAMAGE (Any one fire)	\$ 50,000
					MED EXP (Any one person)	\$ 5,000
					COMBINED SINGLE LIMIT	\$
	<b>AUTOMOBILE LIABILITY</b>				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				PROPERTY DAMAGE	\$
	<input type="checkbox"/> SCHEDULED AUTOS					
	<input type="checkbox"/> HIRED AUTOS					
	<input type="checkbox"/> NON-OWNED AUTOS					
	<b>GARAGE LIABILITY</b>				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	\$
					AGGREGATE	\$
	<b>EXCESS LIABILITY</b>				EACH OCCURRENCE	\$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE	\$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM					\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>				WC STATUTORY LIMITS	OTHER
	THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE:	<input type="checkbox"/> INCL <input type="checkbox"/> EXCL			EL EACH ACCIDENT	\$
	<b>OTHER</b>				EL DISEASE-POLICY LIMIT	\$
					EL DISEASE-EACH EMPLOYEE	\$

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS**  
Permit Banning Loadout C007034  
Blasting and use of explosives is not excluded under the policy.

**CERTIFICATE HOLDER**

Utah Dept. Of Natural Resources  
Division of Oil, Gas and Mining  
1594 W. North Temple  
Suite 1210  
Salt Lake City, UT 84114-5801

**CANCELLATION**

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDORSE MAIL 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN.

MARSH USA INC.

By: Alfred A. Peterfeso  
MM1(3/02)

*Alfred A. Peterfeso*

VALID AS OF: 07/30/07

Exhibit "B" - BONDING AGREEMENT

SURETY BOND

Permit Number: ACT/007/034

**SURETY BOND  
(NON-FEDERAL COAL)**

--ooOOoo--

**THIS SURETY BOND** entered into by and between the undersigned **PERMITTEE**, and **SURETY**, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining (**DIVISION**) in the penal sum of (\$ 350,000.00 ) (Surety Bond Amount) for the timely performance of reclamation responsibilities of the surface disturbance described in Exhibit "A" of this Reclamation Agreement.

This **SURETY BOND** will remain in effect until all of the **PERMITTEE**'s reclamation obligation have been met and released by the **DIVISION** and is conditioned upon faithful performance of all of the requirements of the Act, the applicable rules and regulations, the approved permit and the Division.

The **SURETY** will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the Principal during the period of liability.

The **SURETY** and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the **DIVISION** from any and all expenses which the **DIVISION** may sustain as a result of the **PERMITTEE**'s failure to comply with the condition(s) of the reclamation obligation.

The **SURETY** will give prompt notice to the **PERMITTEE** and to the **DIVISION** of any notice received or action alleging the insolvency or bankruptcy of the **SURETY**, or alleging any violations or regulatory requirements which could result in suspension or revocation of the **SURETY**'s license.

Terms for release or adjustment of this **BOND** are as written and agreed to by the **DIVISION** and the **PERMITTEE** in the **RECLAMATION AGREEMENT** incorporated by reference herein, to which this **SURETY AGREEMENT** has been attached as Exhibit "B".

REPLACES LIBERTY MUTUAL INSURANCE COMPANY BOND NO.14-000-068-0003-UT

Exhibit "B" - BONDING AGREEMENT  
SURETY BOND

IN WITNESS WHEREOF, the PERMITTEE has hereunto set its signature and seal  
this 8 day of JUNE, ~~19~~ 2000.

CANYON FUEL COMPANY, LLC  
PERMITTEE

By: [Signature]  
Title: President

IN WITNESS WHEREOF, the SURETY has hereto set its signature and seal this  
18TH day of MAY, ~~19~~ 2000

ST. PAUL FIRE AND MARINE INSURANCE COMPANY  
SURETY

By: [Signature]  
JANICE H. FENNEL  
Title: ATTORNEY-IN-FACT

ACCEPTED BY THE STATE OF UTAH:

[Signature] 5/9/01  
Director - Division of Oil, Gas and Mining

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.

AFFIDAVIT OF QUALIFICATION  
SURETY COMPANY

--ooOOoo--

I, JANICE H. FENNEL, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) ATTORNEY-IN-FACT of ST. PAUL FIRE AND MARINE INSURANCE COMPANY; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said SURETY COMPANY is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations herein.

(Signed) Janice H. Fennell  
Surety Company Officer - Position  
JANICE H. FENNEL, ATTORNEY-IN-FACT

Subscribed and sworn to before me this 18TH day of MAY ~~19~~ 2000.

Heather H. King  
Notary Public  
HEATHER H. KING

My Commission Expires:

MAY 28, ~~19~~ 2003.

~~WITNESS~~ WITNESS: Loretta Jones  
LORETTA JONES

STATE OF TENNESSEE )  
COUNTY OF KNOX ) ss:

Seaboard Surety Company  
St. Paul Fire and Marine Insurance Company  
St. Paul Guardian Insurance Company  
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company  
Fidelity and Guaranty Insurance Company  
Fidelity and Guaranty Insurance Underwriters, Inc.

Power of Attorney No. 22276

Certificate No. 619070

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, and that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, and that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, and that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (*herein collectively called the "Companies"*), and that the Companies do hereby make, constitute and appoint

Frank A. Word, Jr., Tina Marie Foster, Heather Howard King, Fred W. Smith, III, Harold W. Cunningham, Jr.,  
Debra Elaine Clark, Samuel Franklin Robinson and Donald Bruce Wake

Knoxville Tennessee

of the City of \_\_\_\_\_, State \_\_\_\_\_, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and sealed this 20th day of November, 2000

Seaboard Surety Company  
St. Paul Fire and Marine Insurance Company  
St. Paul Guardian Insurance Company  
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company  
Fidelity and Guaranty Insurance Company  
Fidelity and Guaranty Insurance Underwriters, Inc.



*John F. Phinney*  
JOHN F. PHINNEY, Vice President

*Thomas E. Huibregtse*  
THOMAS E. HUIBREGTSE, Assistant Secretary

State of Maryland  
City of Baltimore

On this 20th day of November, 2000, before me, the undersigned officer, personally appeared John F. Phinney and Thomas E. Huibregtse, who acknowledged themselves to be the Vice President and Assistant Secretary, respectively, of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc.; and that the seals affixed to the foregoing instrument are the corporate seals of said Companies; and that they, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the names of the corporations by themselves as duly authorized officers.

In Witness Whereof, I hereunto set my hand and official seal.  
My Commission expires the 13th day of July, 2002.



*Rebecca Easley-Onokala*  
REBECCA EASLEY-ONOKALA, Notary Public

**AFFIDAVIT OF QUALIFICATION  
PERMITTEE  
--ooOOoo--**

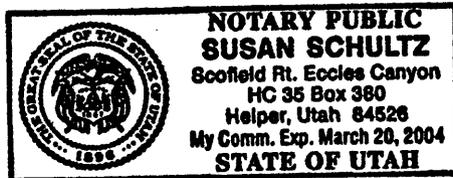
I, Susan Schultz, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) Officer of Canyon Fuel Co.; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said **PERMITTEE** is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.

(Signed) [Signature] / President  
Name - Position

Subscribed and sworn to before me this 8 day of June, 2000, 1900.

[Signature]  
Notary Public

My Commission Expires:  
3-20-04, 1904.



Attest:

STATE OF UT )  
COUNTY OF Carbon ) ss:

**AFFIDAVIT OF QUALIFICATION  
DIRECTOR**

--ooOOoo--

Lowell P. Braxton, being first duly sworn under oath, deposes and says that he is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah; and that he is duly authorized to execute and deliver the foregoing obligations; and that said DIRECTOR is authorized to execute the same by authority of law on behalf of the State of Utah.

(Signed) Lowell P. Braxton  
Lowell P. Braxton, Director  
Division of Oil, Gas and Mining

Subscribed and sworn to before me this 9<sup>th</sup> day of May, 2001.

Victoria A. Bailey  
Notary Public

My Commission Expires:  
February 29, 2004.

Attest:  
STATE OF Utah )  
COUNTY OF Salt Lake ) SS:



## LEGAL NOTICE

Canyon Fuel Company, LLC of Midvale, Utah, hereby announces its intent to renew its permit for the operation of the Banning Loadout under the laws of the State of Utah and the U.S. Office of Surface Mining. The currently approved permit is number C/007/034.

Canyon Fuel Company, LLC, operates the Banning Loadout a coal loading facility which is located eight (8) miles east of Wellington, Utah, on or along a Union Pacific Company right-of-way. Located in portions of Section 15, 16, and 22, Township 15 South, Range 12 East, Salt Lake Base Meridian.

A legal description of the permit boundary includes:

### **Township 13 S., Range 12 E., Salt Lake Base and Meridian**

Section 15: Portions of W1/2  
Section 16: Portions of E1/2SE1/4  
Section 22: Portions of W1/2NW1/4NW1/4

A copy of the permit renewal 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 and Carbon County Courthouse, 120 East Main Street, Price, Utah 84501

The address of the applicant is:

Canyon Fuel Company, LLC, 225 North 5<sup>th</sup> Street, Suite 900, Grand Junction, Utah 81501

Written comments or request for a hearing regarding this application must be submitted within 30 days of the last publication date of this notice, to the Utah Division of Oil, Gas and Mining, Attention Coal Regulatory Program, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801.