0008

State of Utah
DEPARTMENT OF NATURAL RESOURCES

Outgoing

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 24, 2008

Erwin Sass, General Manager
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542

Dear Mr. Sass:

Subject: Five-Year Permit Renewal, Canyon Fuel Company, LLC, Banning Loadout, C/007/0034, Outgoing File

The Division of Oil, Gas and Mining has reviewed your application for permit renewal and has made a decision to approve this application. Enclosed is the renewed permanent program mining permit for the Banning Loadout and a copy of the State's Decision Document.

Two (2) copies of the permit are included. Please have both copies signed by the responsible official for Banning Loadout and return one to the Division. Please call Daron Haddock at (801) 538-5325 if you have any questions.

Sincerely,

John R. Baza
Director

sqs
Enclosures
cc: J. Fulton, OSM
Price Field Office
O:\007034.BAN\FINAL\permit08\letter&findings.doc

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
For
PERMIT RENEWAL

Canyon Fuel Company, LLC
Banning Loadout
C/007/0034
Carbon County, Utah

October 24, 2008

CONTENTS

* Administrative Overview
* Location Map
* Permitting Chronology
* Findings
* Affidavit of Publication
* AVS Recommendation, memo to file (October 22, 2008)
* Permit

ADMINISTRATIVE OVERVIEW

Canyon Fuel Company, LLC
Banning Loadout
C/007/0034
Carbon County, Utah

October 24, 2008

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 Bituminous Group [a company fully owned by Arch Western Resources, a company owned 99% by Arch Western Acquisition Corporation, fully owned by Arch Coal, Inc., and 1% by Delta Housing, Inc. fully owned by Atlanta Richfield Company] and 35% by Arch Coal, Inc). This loadout went into temporary cessation on March 7, 2000 and continues to be in temporary cessation.

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 June 6, 2008. 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, again on October 24, 1998 and again on October 24, 2003.

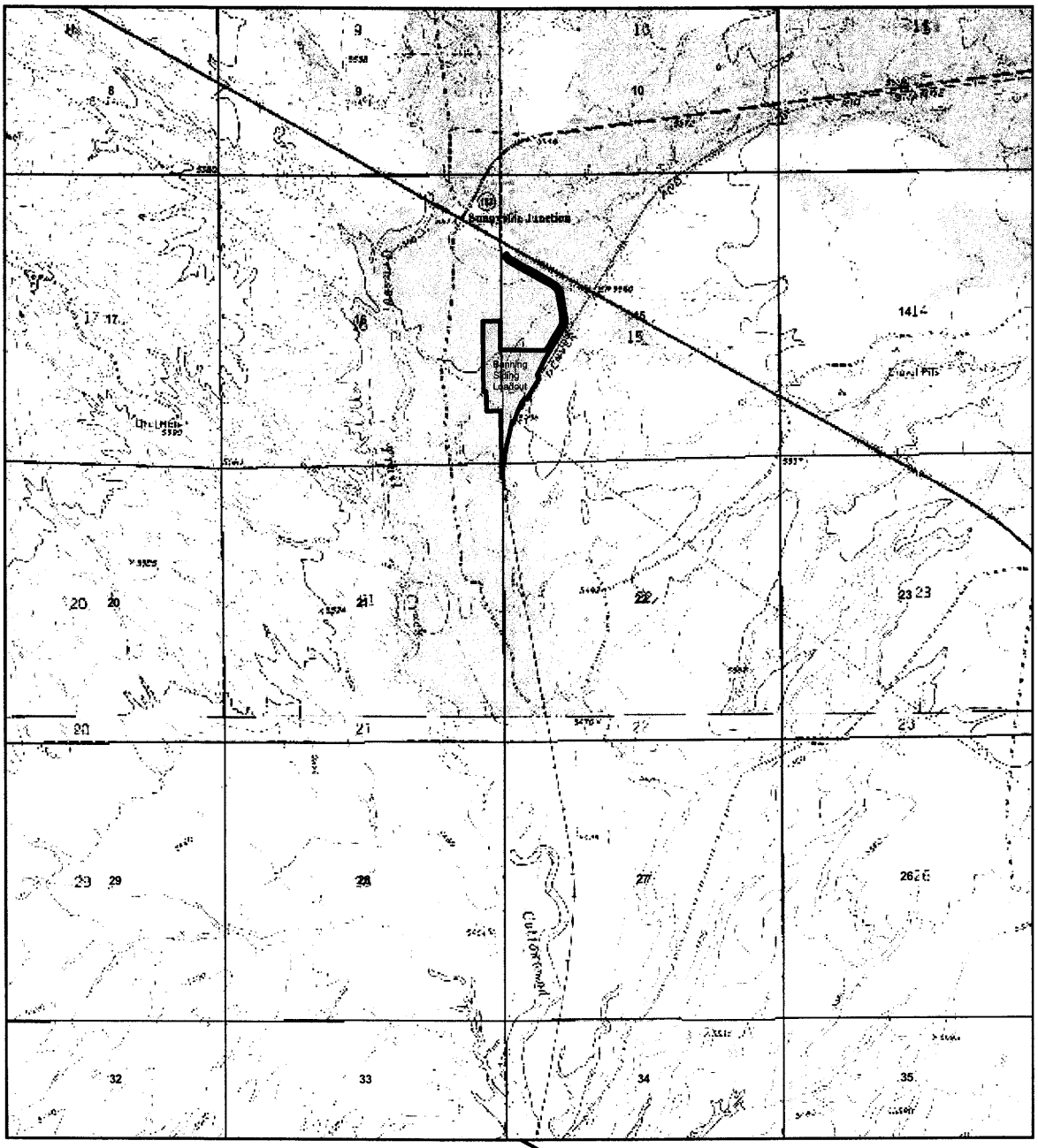
The application for permit renewal was received on June 9, 2008 and the renewal application was determined administratively complete on July 10, 2003. Public notice for this permit renewal was published in the Sun Advocate on August 14, 21, 28 and September 4, 2008.

ANALYSIS

The permit renewal application was received at least 120 days prior to permit renewal and all notices were published as required. No comments were received. The Permittee has provided evidence of a liability insurance policy and a performance bond in the required amount. A check of the Applicant Violator System AVS indicates that there are no outstanding violations or permit blocks associated with this permit or permittee. The terms of the existing permit are being satisfactorily met and operations are in compliance with the environmental protection standards of the State program.

RECOMMENDATION

Approval of this permit renewal is recommended.



Banning Siding Loadout

C0070034
Carbon County, Utah

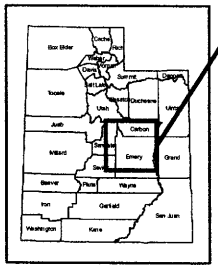
Township 15 South Range 12 East

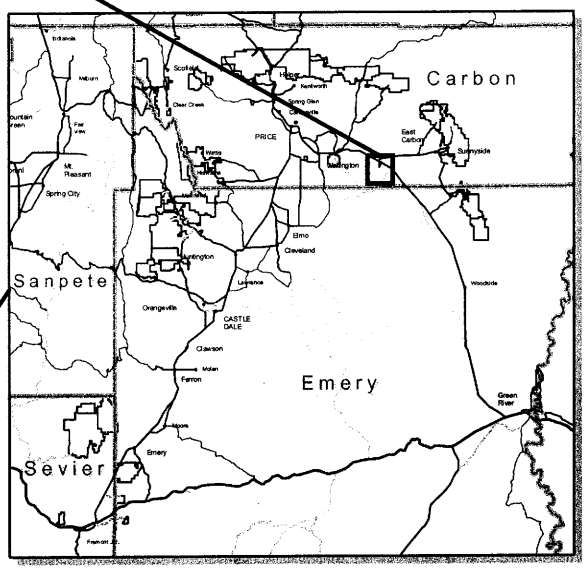
- Permit Area
- Proposed Mine Plan Modification (If shown)
- Proposed State Permit Modification
- Active Permit
- In Reclamation
- Relaimed-Final Bond Release

0 0.15 0.3 0.6 Miles

1:24,000

N:\GIS\coal\coalareamaps\C0070034.mxd
8/23/2007 @ 2:07:10 PM
NAD 1927 UTM Zone 12N





Locator Map

PERMITTING CHRONOLOGY

Canyon Fuel Company, LLC
Banning Loadout
C/007/0034
Carbon County, Utah

October 24, 2008

June 6, 2008	Canyon Fuel Company, LLC submits application for permit renewal for the Banning Loadout.
June 9, 2008	Division receives the application for permit renewal.
July 10, 2008	Division notifies Canyon Fuel Company, LLC that the Banning Loadout permit renewal application is complete.
July 14, 2008	Division notifies other federal, state and local agencies about the Banning Loadout permit renewal.
August 14, 21 and 28, And September 4, 2008	The Banning Loadout permit renewal is published in the Sun Advocate for four consecutive weeks.
October 4, 2008	End of public comment period. No comments received.
October 24, 2008	Division issues Decision Document and renewed state permit.

PERMIT RENEWAL FINDINGS

Canyon Fuel Company, LLC
Banning Loadout
C/007/0034
Carbon County, Utah

October 24, 2008

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 satisfactorily 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 permittee has provided evidence of having liability insurance (Ace American Insurance Company-policy # HDOG23744223)(R645-303-233.140).

6. The permittee has posted a reclamation surety bond performance bond issued by St. Paul Fire and Marine Insurance Company surety bond number 400SA1916 in the required amount of $350,000. This instrument will remain in full effect for the additional permit period. No additional surface disturbances are approved with this renewal (R645-303-233.150).

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

Permit Supervisor

Permit Supervisor

Associate Director, Mining

Director

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Richard Shaw, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and the first publication was on the 14 day of August, 2008, and that the last publication of such notice was in the issue of such newspaper dated the 4th day of September, 2008.

Richard Shaw - Publisher

Subscribed and sworn to before me this 4th day of September, 2008.

Linda Thayn

Notary Public My commission expires January 10, 2011 Residing at Price, Utah

Publication fee, $ 366..08

LINDA THAYN
NOTARY PUBLIC-STATE OF UTAH
845 EAST MAIN
PRICE, UTAH 84501
COMM. EXP. 01-10-2011

LEGAL NOTICE

Canyon Fuel Company, LLC [illegible] announces [illegible] for the operation of the Banning Loadout [illegible] Mining. The currently approved permit is number [illegible]

Canyon Fuel Company [illegible] loading facility which is located [illegible] on or along a Union Pacific Company [illegible] Section 15, 16, and 22, Township 13 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, [illegible] North 5th Street, Suite 900, Grand Junction, Colorado 81501.

Written comments or [illegible] regarding this application must be submitted within 30 [illegible] publication date of this notice, to the Utah Division of Oil, Gas and Mining, Attention Coal Regulatory Program, 1594 West North Temple, Suite [illegible], Salt Lake City, Utah 84114-[illegible]

Published in Sun Advocate August [illegible], 21, 28, and September 4, [illegible]

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 22, 2008

TO: Internal File

FROM: Daron R. Haddock, Permit Supervisor

RE: Compliance Review for Section 510 (c) Findings - Permit Renewal, Banning Siding Loadout, Canyon Fuel Company, LLC, C/007/0034

As of the writing of this memo, there are no NOVS or COs which are not corrected or in the process of being corrected at the Banning Siding 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.

The recommendation from the Applicant Violator System (AVS) denotes that there were no violations retrieve by the system. (see attached AVS Evaluation Report, dated October 22, 2008).

O:\007034.BAN\FINAL\WG2987\RenMemo102208.doc

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

Permit Evaluation

Permit Number	ACT007034
Permitee Name	142816 Canyon Fuel Company LLC
Date of Evaluation	10/22/2008 10:54:51 AM
Requested Individual	Angela Nance

CAUTION: The Applicant/Violator System (AVS) is an informational database. Permit eligibility determinations are made by the regulatory authority with jurisdiction over the permit application not by the AVS. Results which display outstanding violations may not include critical information about settlements or other conditions that affect permit eligibility. Consult the AVS Office at 800-643-9748 for verification of information prior to making decisions on these results.

There were no violations retrieved by the system

Evaluation OFT

Entities: 99

109255 Atlantic Richfield Co - ()
---061928 Mike R Bowlin - (Chairman of the Board)
---061928 Mike R Bowlin - (Chief Executive Officer)
---062210 Henry E Wendt - (Director)
---084987 Harrell L Bilhartz Jr - (Senior Vice President)
---086342 Marie L Knowles - (Chief Financial Officer)
---086342 Marie L Knowles - (Director)
---086342 Marie L Knowles - (Executive Vice President)
---113155 Lodwrick M Cook - (Director)
---113157 John Gavin - (Director)
---113158 Hanna H Gray - (Director)
---113175 William E Wade Jr - (Director)
---113175 William E Wade Jr - (Executive Vice President)
---113175 William E Wade Jr - (President)
---113180 Mark L Hazelwood - (Senior Vice President)
---113185 Patricia N Boinski - (Assistant Secretary)
---113186 Patrick J Brophy - (Assistant Secretary)
---113187 James R Coffee - (Assistant Secretary)
---113190 Thomas F Linn - (Assistant Secretary)
---113191 Ronald W Macdonald - (Assistant Secretary)
---113192 Richard C Morse - (Assistant Secretary)
---113194 Paul J Richmond - (Assistant Secretary)
---113195 Thomas C Roantree Iii - (Assistant Secretary)
---113199 Diane A Ward - (Assistant Secretary)
---113200 Bruce G Whitmore - (Secretary)
---113200 Bruce G Whitmore - (Senior Vice President)
---113202 Patrick J Ellingsworth - (Corporate Officer)
---113202 Patrick J Ellingsworth - (Vice President)
---113205 Allen C Holmes - (Vice President)
---120542 Anthony G Fernandes - (Director)
---120542 Anthony G Fernandes - (Executive Vice President)
---120546 Terry G Dallas - (Senior Vice President)
---120546 Terry G Dallas - (Treasurer)
---122949 Frank D Boren - (Director)
---122951 John B Slaughter - (Director)
---122952 Beverly L Hamilton - (Vice President)
---129866 Michael E Wiley - (Director)
---129866 Michael E Wiley - (Executive Vice President)
---129870 Robert E Mcmanus - (Corporate Officer)
---130259 Daniel J Rolf - (Assistant Secretary)
---131979 Allan L Comstock - (Controller)
---131979 Allan L Comstock - (Vice President)
---131980 John H Kelly - (Senior Vice President)
---131981 J Kenneth Thompson - (Executive Vice President)
---131981 J Kenneth Thompson - (Senior Vice President)
---135502 Stephen R Mut - (Senior Vice President)

---135505 Patricia B Fisher - (Assistant Secretary)
---135779 Kent Kresa - (Director)
---137568 George S Davis - (Assistant Treasurer)
---137580 David T Mclaughlin - (Director)
---137583 W Steven Jones - (Assistant Secretary)
---137584 John R Lucas Jr - (Assistant Secretary)
---137585 Stephen Molina - (Assistant Secretary)
---137586 Ronald C Redcay - (Assistant Secretary)
---142826 John B Cheatham - (Senior Vice President)
---142842 Robert M Pine - (Controller)
---142843 Ronald R Williams - (Corporate Officer)
---142844 E Larry Cantu - (Assistant Secretary)
---142845 Susan O Liebson - (Assistant Secretary)
---142846 David W Marquez - (Assistant Secretary)
---142847 Karen R Monroe - (Assistant Secretary)
---142848 Eric E Sigsbey - (Assistant Secretary)
---142849 Antoinette M Tadolini - (Assistant Secretary)
---144427 Barbara M Bartoletti - (Secretary)
---145261 Donald R Voelte - (Senior Vice President)
---145262 Robert L Healy - (Vice President)
---145263 Ian F Chate - (Assistant Secretary)
---145264 June I Rose - (Assistant Secretary)
---145595 Arch Western Resources Llc - (Subsidiary Company)
------098471 David B Peugh - (Vice President)
------127325 Robert G Jones - (Assistant Secretary)
------127325 Robert G Jones - (Vice President)
------129563 Charles David Steele - (Vice President)
------138467 Paul A Lang - (President)
------146381 James E Florczak - (Treasurer)
------146381 James E Florczak - (Vice President)
------155171 Jolene Jouett Mermis - (Assistant Secretary)
------155430 Arch Western Bituminous Group Llc - (Subsidiary Company)
---------093320 Robert W Shanks - (Director)
---------129465 Eugene E Diclaudio - (Director)
---------129465 Eugene E Diclaudio - (Manager)
---------129465 Eugene E Diclaudio - (President)
---------129563 Charles David Steele - (Vice President)
---------133451 John W Eaves - (Director)
---------142816 Canyon Fuel Company LLC - (Subsidiary Company)
----------093320 Robert W Shanks - (Director)
----------113124 David N Warnecke - (Vice President)
----------129465 Eugene E Diclaudio - (Director)
----------129465 Eugene E Diclaudio - (President)
----------129563 Charles David Steele - (Vice President)
----------133451 John W Eaves - (Director)
----------146381 James E Florczak - (Treasurer)
----------146381 James E Florczak - (Vice President)
----------155171 Jolene Jouett Mermis - (Assistant Secretary)
----------157738 Gregory A Billhartz - (Secretary)
---------146381 James E Florczak - (Treasurer)
---------146381 James E Florczak - (Vice President)
---------155171 Jolene Jouett Mermis - (Assistant Secretary)
---------157738 Gregory A Billhartz - (Secretary)
------157738 Gregory A Billhartz - (Secretary)
------158835 Patricia A Will - (Assistant Treasurer)
------247567 John T. Drexler - (Vice President)
---145597 Mark J Friedman - (Assistant Secretary)
---145601 Gary L Tooker - (Director)
---145602 Denise L Ramos - (Assistant Treasurer)
---145603 Donald A Davis - (Vice President)
---145604 Roger E Truitt - (Senior Vice President)
---145605 Dodd W De Camp - (Vice President)
---145616 John M Slater - (Senior Vice President)
144492 Arch Coal Inc - ()
---044179 Clarence Henry Besten Jr - (Vice President)
---098471 David B Peugh - (Vice President)
---113124 David N Warnecke - (Vice President)
---118428 Thomas A Lockhart - (Director)
---119588 James Robert Boyd - (Director)
---125225 Steven F Leer - (Chairman of the Board)
---125225 Steven F Leer - (Chief Executive Officer)
---125225 Steven F Leer - (Director)
---127325 Robert G Jones - (General Counsel)

---127325 Robert G Jones - (Secretary)
---127325 Robert G Jones - (Senior Vice President)
---129563 Charles David Steele - (Vice President)
---133451 John W Eaves - (Chief Operations Officer)
---133451 John W Eaves - (Director)
---133451 John W Eaves - (President)
---138362 Douglas H Hunt - (Director)
---138467 Paul A Lang - (Senior Vice President)
---142816 Canyon Fuel Company LLC - (Subsidiary Company)
------093320 Robert W Shanks - (Director)
------113124 David N Warnecke - (Vice President)
------129465 Eugene E Diclaudio - (Director)
------129465 Eugene E Diclaudio - (President)
------129563 Charles David Steele - (Vice President)
------133451 John W Eaves - (Director)
------146381 James E Florczak - (Treasurer)
------146381 James E Florczak - (Vice President)
------155171 Jolene Jouett Mermis - (Assistant Secretary)
------157738 Gregory A Billhartz - (Secretary)
---145629 Arch Western Acquisition Corp - (Subsidiary Company)
------044179 Clarence Henry Besten Jr - (Director)
------098471 David B Peugh - (Director)
------098471 David B Peugh - (Vice President)
------129563 Charles David Steele - (Vice President)
------138467 Paul A Lang - (Director)
------138467 Paul A Lang - (President)
------145595 Arch Western Resources Llc - (Subsidiary Company)
---------098471 David B Peugh - (Vice President)
---------127325 Robert G Jones - (Assistant Secretary)
---------127325 Robert G Jones - (Vice President)
---------129563 Charles David Steele - (Vice President)
---------138467 Paul A Lang - (President)
---------146381 James E Florczak - (Treasurer)
---------146381 James E Florczak - (Vice President)
---------155171 Jolene Jouett Mermis - (Assistant Secretary)
---------155430 Arch Western Bituminous Group Llc - (Subsidiary Company)
----------093320 Robert W Shanks - (Director)
----------129465 Eugene E Diclaudio - (Director)
----------129465 Eugene E Diclaudio - (Manager)
----------129465 Eugene E Diclaudio - (President)
----------129563 Charles David Steele - (Vice President)
----------133451 John W Eaves - (Director)
----------142816 Canyon Fuel Company LLC - (Subsidiary Company)
----------093320 Robert W Shanks - (Director)
----------113124 David N Warnecke - (Vice President)
----------129465 Eugene E Diclaudio - (Director)
----------129465 Eugene E Diclaudio - (President)
----------129563 Charles David Steele - (Vice President)
----------133451 John W Eaves - (Director)
----------146381 James E Florczak - (Treasurer)
----------146381 James E Florczak - (Vice President)
----------155171 Jolene Jouett Mermis - (Assistant Secretary)
----------157738 Gregory A Billhartz - (Secretary)
----------146381 James E Florczak - (Treasurer)
----------146381 James E Florczak - (Vice President)
----------155171 Jolene Jouett Mermis - (Assistant Secretary)
----------157738 Gregory A Billhartz - (Secretary)
---------157738 Gregory A Billhartz - (Secretary)
---------158835 Patricia A Will - (Assistant Treasurer)
---------247567 John T. Drexler - (Vice President)
------146381 James E Florczak - (Treasurer)
------146381 James E Florczak - (Vice President)
------155171 Jolene Jouett Mermis - (Assistant Secretary)
------157738 Gregory A Billhartz - (Secretary)
------247567 John T. Drexler - (Vice President)
---146381 James E Florczak - (Treasurer)
---146805 Michael A Perry - (Director)
---147242 Theodore D Sands - (Director)
---147387 John W Lorson - (Comptroller)
---147951 Robert G Potter - (Director)
---149037 Wesley M Taylor - (Director)
---149715 Frank M Burke - (Director)
---150775 Deck S Slone - (Vice President)

---152524 Anthony S Bumbico - (Vice President)
---153333 Sheila B Feldman - (Vice President)
---155172 Patricia Fry Godley - (Director)
---156500 Allen Kelley - (Corporate Officer)
---157113 Michael T Abbene - (Corporate Officer)
---157113 Michael T Abbene - (Vice President)
---157738 Gregory A Billhartz - (Assistant Secretary)
---158670 Brian J Jennings - (Director)
---247567 John T. Drexler - (Chief Financial Officer)
---247567 John T. Drexler - (Senior Vice President)

Narrative

FEDERAL | **PERMIT C/007/0034** | **October 24, 2008**

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, suite 1210
Salt Lake City, Utah 84114-1210
(801) 538-5340

This permit, C/007/0034, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

Canyon Fuel Company, LLC
225 North 5th Street, Suite 900
Grand Junction, CO 81501
(970) 263-5130

for the Banning Loadout. A Surety Bond is filed with the Division in the amount of $350,000 payable to the State of Utah, Division of Oil, Gas and Mining and the United States Department of Interior, Office of Surface Mining Reclamation and Enforcement (OSM). The Division 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 and reclamation operations on the following described lands within the permit area at the Banning Loadout, situated in the state of Utah, Carbon County:

Township 15 South, Range 12, East, SLB&M

Section 15: Portions of W½
Section 16: Portions of E½SE¼.
Section 22: Portions of W½NW¼NW¼

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 mining and reclamation operations 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 is effective October 24, 2008, and expires on October 24, 2013.

Sec. 5 **ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Division Director. 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 R645-303-300.

Sec. 6 **RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), 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, R645-400-220, 30 CFR 842.13 and R645-400-110;

(b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by the private person.

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

Sec. 8 **ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

(a) Any accelerated or additional monitoring necessary 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 the Division 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 R645-302 for compliance, modification, or abandonment of existing structures.

Sec. 12 **RECLAMATION FEE PAYMENTS** - 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 area 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 the Division of Oil, Gas, and Mining. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by the Division within the time frame specified by the Division.

Sec. 17 **APPEALS** - The permittee shall have the right to appeal as provided for under R645-300-200.

Sec. 18 **SPECIAL CONDITIONS** - There are special conditions 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 the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: _____

Date: 10/27/08

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 CONDITIONS

1. Canyon Fuel Company, LLC must submit water quality data for the Banning Loadout in an electronic format through the Electronic Data Input web site, http://hlunix.hl.state.ut.us/cgibin/appxogm.cgi.