

0001

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

COPY



March 24, 2010

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

RE: 2009 Annual Report for the Banning Loadout, C/007/034

To Whom It May Concern:

Enclosed please find two copies of the Annual Report for 2009 for the Banning Loadout.
Should you have any questions concerning this submittal, please contact me at (435) 636-2869.

Sincerely yours,

Vicky S Miller
Vicky S. Miller

enclosures

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

File in:

- Confidential
- Shelf
- Expandable

Refer to Record No. 0001 Date 03242010

In C 0070034-2010 In Coming
For additional information

RECEIVED

MAR 29 2010

DIV. OF OIL, GAS & MINING

**2009 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

This Annual Report shows information the Division has for your mine. Please review the information to see if it is current. If the information needs to be updated please do so in this document. At the end of each section the operator is asked to verify if the information is correct. Please answer these questions and make all comments on this document. Submit the completed document and any additional information identified in the Appendices to the Division by April 30, 2010. During a complete inspection an inspector will check and verify the information. To enter text, click in the cell and type your response. You can use the tab key to move from one field to the next. To enter an X in a box, click next to the box, right click, and select properties, then the checked circle, then hit enter, or hit the unchecked circle if the X is to be removed.

GENERAL INFORMATION

Permittee Name	Canyon Fuel Company, LLC
Mine Name	Banning Loadout
Operator Name (If other than permittee)	
Permit Expiration Date	October 24, 2013
Permit Number	C/007/0034
Authorized Representative Title	Erwin Sass
Phone Number	(435) 637-6360
Fax Number	(435) 636-2897
Email Address	esass@archcoal.com
Mailing Address	P.O. Box 1029 Wellington, Utah 84542
Designated Representative Resident Agent	C.T. Corporation
Resident Agent Mailing Address	50 West Broadway, Salt Lake City, UT 84101
Number of Binders Submitted	2

Operator, please update any incorrect information.

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	Legal Identity	NA
MSHA Impoundment(s)		NA	NA
NPDES/UPDES Permit(s)	UTG040011	UPDES	April 30, 2013
PSD Permit(s) (Air)	533-6108	Air Quality	NA
Other			
Storm Water Permit	UTR000572	Storm Water	December 31, 2011

Operator, please update any incorrect information.

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 Included	or	DOGM file location Vol, Chapter, Page
	Yes	No			
Excess Spoil Piles	<input type="checkbox"/>	X	<input type="checkbox"/>		
Refuse Piles	<input type="checkbox"/>	X	<input type="checkbox"/>		
Impoundments	X	<input type="checkbox"/>	X		
Other					
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Operator Comments:**Inspector:**

Has the operator complied with this section? Yes No

Inspector Comments:**COMMITMENTS AND CONDITIONS**

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If the particular section is blank, no commitment has been identified and no response is required for this report. If additional written response is required, it should be filed under Appendix B to this report.

Admin R645-301-100
Soils R645-301-200
Biology R645-301-300
Landuse, Cultural Resources, Air Quality R645-301- 400
Engineering R645-301-500
Geology R645-301-600
Hydrology R645-301-700
Bonding & Insurance R645-301-800

Other Commitments

*Reminder: If equipment has been abandoned during 2009, 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.

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.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

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 and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as Appendix C to the report.

Legal / Financial Update	Required	Included	or	DOGM File location
	Yes No	Included		

Department of Commerce, Annual Report Officers	X	<input type="checkbox"/>	<input type="checkbox"/>	General Chapter 1, a single stand-alone 1" binder with M&RP
Other				
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2009, are to be provided to the Division as Appendix D to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential. (Please provide a CD.)

Confidential information is limited to:

R645-300-124.310. Information that pertains only to the analysis of the chemical and physical properties of the coal to be mined, except information on components of such coal which are potentially toxic in the environment.

R645-300-124.330. Information on the nature and location of archeological resources on public land and Indian land as required under the Archeological Resources Protection Act of 1979 (P. L. 96-95, 93 Stat. 721, 16 U.S.C. 470).

R645-301-322, Fish and Wildlife Information; R645-301-322.100, the scope and level of detail for such information will be determined by the Division in consultation with state and federal agencies with responsibilities for fish and wildlife and will be sufficient to design the protection and enhancement plan required under R645-301-333 and R645-301-322.230, other species or habitats identified through agency consultation as requiring special protection under state or federal law; R645-301-333.300, Include protective measures that will be used during the active mining phase of operation.

The Division will provide procedures, including notice and opportunity to be heard for persons both seeking and opposing disclosure.

Map Number(s)	Map Title/ Description		
Annual subsidence map		Not Required	
Mine map		Not Required	
Other maps		Confidential	
		Yes	No
		<input type="checkbox"/>	<input type="checkbox"/>

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

OTHER INFORMATION

Please provide any comments of further information to be included as part of the Annual Report. Any other attachments are to be provided as Appendix E to this report. If information is submitted as a group rather than by individual mine, please identify each of the mine's data in the list below.

Additional attachment to this report? Yes No

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

As required under R645-301-514

CONTENTS

Pond Inspections

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 2
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Permit Number	C/007/034	Report Date	1/4/10
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Mine Name	Banning Loadout		
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Company Name	Canyon Fuel Company, LLC		
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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	
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Inspection Date	11/16/09		
-----------------	----------	--	--

Inspected By	Vicky Miller		
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Reason for Inspection <small>(Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)</small>	Routine Quarterly Inspection and Monthly Inspection		
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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.	<p><i>Sediment Storage Capacity - 100% = 0.27 acre-feet @ an elevation of 5,487.8 feet</i></p> <p style="padding-left: 40px;"><i>- 60% = 0.16 acre-feet @ an elevation of 5,486.6 feet</i></p> <p><i>The existing sediment level was observed to be well below the established sediment cleanout marker.</i></p>	
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	3. Principle and emergency spillway elevations.	<p><i>Principal Spillway Elevation - 5,494.2 feet</i></p> <p><i>Emergency Spillway Elevation - 5,495.1 feet</i></p>	
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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.

To date, there has been no discharge from this pond. Minor erosion on interior of pond embankments remains the same as in the previous inspections. The emergency and primary spillways were inspected and were in good conditions. No signs of livestock or wildlife activity at the pond site. Some precipitation over the previous weekend but pond appeared dry at the time of inspection.

3. **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.

See Number 4.

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: Wichy S. Muller Date: 1-4-10

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:

[PE Cert. Stamp]

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 _____
(Full Name and Title)

Signature: _____ Date: _____

P.E. Number & State _____

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 2	
Permit Number	C/007/034	Report Date	11/10/09
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	8/17/09		
Inspected By	Vicky Miller		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection and Monthly Inspection		
<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></p> <p><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>To date, there has been no discharge from this pond. Minor erosion on interior of pond embankments remains the same as in the previous inspections. The pond was dry at the time of inspection. The emergency and primary spillways were inspected and were in good conditions. No signs of precipitation at site.</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.

See Number 4.

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: Udely J. Muller Date: 11/10/09

CERTIFIED REPORT

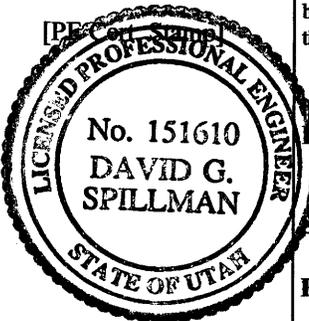
IMPOUNDMENT EVALUATION (If NO, explain under Comments)

	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: _____
(Full Name and Title)

Signature: David Spillman Date: 3/23/10

P.E. Number & State _____

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 2	
Permit Number	C/007/034	Report Date	8/6/09
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	5/8 and 5/10/09		
Inspected By	Vicky Miller		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection and Monthly Inspection		
1. Describe any appearance of any instability, structural weakness, or any other hazardous condition. <i>There were no signs of instability, structural weakness or other hazardous conditions observed during this inspection</i>			
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. <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>		
	3. Principle and emergency spillway elevations. <i>Principal Spillway Elevation - 5,494.2 feet</i> <i>Emergency Spillway Elevation - 5,495.1 feet</i>		
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. <i>To date, there has been no discharge from this pond. Minor erosion on interior of pond embankments, inlet and outlet were in good condition. The pond was dry at the time of inspection. The emergency and primary spillways were inspected. No signs of precipitation at site.</i>			

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.

See Number 4.

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Signature: Uschky S Muller Date: 8/6/09

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:

[PE Cert. Stamp]

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 _____
(Full Name and Title)

Signature: _____ Date: _____

P.E. Number & State _____

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 2
Permit Number	C/007/034	Report Date 3/3/09
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	2/23 and 26/09	
Inspected By	Vicky Miller	
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection	
<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>		
<p>Required for an impoundment which functions as a SEDIMENTATION POND.</p>	<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></p> <p><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>To date, there has been no discharge from this pond. Minor erosion on interior of pond embankments, inlet and outlet were in good condition. The pond was dry at the time of inspection. The emergency and primary spillways were inspected. Signs of cows in the area, accesses the site through railroad spur gate.</i></p>		

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

CONTENTS

Not Applicable

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

Not Applicable

APPENDIX D

Mine Maps

As required under R645-302-525-270

CONTENTS

Not Applicable

APPENDIX E

Other Information

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

CONTENTS

Not Applicable