



# United States Department of the Interior

OFFICE OF SURFACE MINING  
Reclamation and Enforcement  
Applicant/Violator System Office  
2679 Regency Road  
Lexington, Kentucky 40503

January 23, 2002

RECEIVED

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DIVISION OF  
OIL, GAS AND MINING

Greg A. Walker, Esq.  
Senior Vice President  
General Counsel and Secretary  
RAG American Coal Holding, Inc.  
900 Corporate Blvd.  
Linthicum Heights, MD 21090

*Incoming  
C/007/038*

Dear Mr. Walker:

Thank you for your letter dated October 23, 2001, in response to our September 7, 2001, request for more information. As a result of our review of the information you provided and other information we have obtained, we have identified a few additional questions and issues to be addressed. These questions and issues are outlined below.

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Our definitions of *control or controller* at 30 CFR 701.5 specifically address situations in which a person may directly or indirectly determine the manner in which a surface coal mining operation is conducted. It is principally against this standard that we are evaluating your challenge that Joel Richards, III is not a controller of RAG American Coal Holding, Inc. (RACH). If you would please answer a few more questions regarding Mr. Richards, we will be in a better-informed position to issue our decision regarding whether he is a controller of RACH.

1. Why was Mr. Richards recruited to the RACH Board of Directors and appointed to the Executive Committee?
2. What in his background caused him to be selected over other candidates?
3. What specialized experience does he bring to the RACH board and Executive Committee?
4. Does operating direction of the RACH coal mining subsidiaries originate with the RACH Executive Committee?

As a result of our review of the information on Mr. Richards, some additional issues have evolved regarding James F. Roberts. We learned that Mr. Roberts is

Mr. Greg A. Walker

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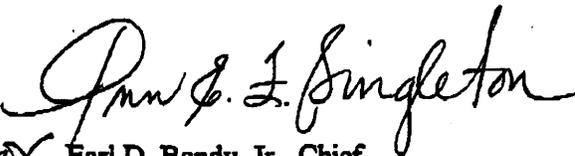
the president and CEO of RACH but believe him also to be a member of the Executive Committee. Additionally, the Applicant/Violator System (AVS) shows Mr. Roberts as a director (and in one instance, CEO) of sixteen of the twenty-two RACH subsidiary companies holding surface coal mining permits. In order for us to fully evaluate Mr. Richards' activities on the RACH board and Executive Committee, we wish to verify the positions of Mr. Roberts. Please provide the following information regarding Mr. Roberts.

1. Would you confirm Mr. Roberts' position as an Executive Committee member?
2. In addition to those we have identified above, what other positions does Mr. Roberts hold in RACH?
3. In view of his holding directorships in RACH and sixteen of RACH's coal mining subsidiaries, is Mr. Roberts the person who has the greatest level of effective control over RACH's coal mining subsidiaries?
4. Please also identify the members of the Executive Committee in addition to Mr. Richards and Mr. Roberts.

Please provide this information and any other information that you feel may be helpful. We will continue to hold our decision regarding Mr. Richards in abeyance pending your response.

You may direct any questions to Ann Singleton, Acting Investigations Team Leader, or to me, at 1-800-643-9748.

Sincerely,

  
for Earl D. Bandy, Jr., Chief  
Applicant/Violator System Office

cc: Joel Richards, III  
West Virginia Division of Environmental Protection 304-759-0528  
Utah Division of Oil, Gas and Mining 801-359-3940

Mr. Greg A. Walker

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Pennsylvania Department of Environmental Protection 717-783-4675  
Kentucky Department for Surface Mining, Reclamation and Enforcement 502-564-6764  
Colorado Office of Mined Lands Reclamation 303-832-8106  
Illinois Office of Mines and Minerals 217-524-4819  
Indiana Division of Reclamation 812-665-5041  
Wyoming Department of Environmental Quality 307-777-5864