

**2001 ANNUAL REPORT
TO THE
UTAH DIVISION OF OIL, GAS AND MINING**

**DUGOUT CANYON MINE
C/007/039**

Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, UT 84542

File in:

- Confidential
- Shelf
- Expandable

Refer to Record No. 0002 Date 03/12/02
In C 007003.7.2002 Incoming

For additional information

Confidential



Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
(435) 637-6360 Fax: (435) 637-0108

COPY

Incoming
✓ C/007/039

copy
C/007/034
C/007/018

March 11, 2001

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

RE: 2001 Annual Reports for Dugout Canyon Mine, C/007/039; Soldier Canyon Mine, C/007/018;
and Banning Loadout, C/007/034

Dear Ms. Pamela Grubaugh-Littig,

Enclosed please find two copies of the Annual Reports for 2001 for the Dugout Canyon Mine, Soldier Canyon Mine, and Banning Loadout.

Should you have any questions concerning this submittal, either contact myself at (435) 636-2869 or Chris Hansen at (435) 448-2669.

Sincerely yours,

Vicky S. Miller

enclosures

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

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MAR 13 2002

DIVISION OF
OIL, GAS AND MINING

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To enter text, click in the box and type your response. If a box already contains an entry select the entry and type the replacement. You can use the **tab** key to move from one field to the next. To select a check box, click in the box or type an **x**.

GENERAL INFORMATION

Permitte Name	Canyon Fuel Company, LLC
Mine Name	Dugout Canyon Mine
Operator Name (If other than permittee)	
Permit Expiration Date	March 16, 2003
Permit Number	C/007/039
Authorized Representative Title	Rick Olsen, General Manager
Phone Number	(435) 637-6360
Fax Number	(435) 636-2897
E-mail Address	
Mailing Address	P.O. 1029, Wellington, Utah 84542
Resident Agent	C.T. Corporation Systems
Resident Agent Mailing Address	50 West Broadway, Salt Lake City, Utah 84104
Number of Binders Submitted	(2) Two

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)	42-01890	Rock Canyon Seam (West Side)	N/A
	42-01888	Gilson Seam (West Side)	N/A
MSHA Impoundment(s)	N/A		
NPDES/UPDES Permit(s)	UTG 040020	UPDES Discharge Permit	April 30, 2003
PSD Permit(s) (Air)	DAQE-001-1999	Air Quality Permit	N/A
Other			
Storm Water Permit	UTR000573	Storm Water Discharge Permit	December 1, 2006

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MAR 13 2002
DIV OF OIL GAS & MINING

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 or on file with DOGM		Comments
	Yes	No	Included	On File	
Excess Spoil Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Refuse Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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.

Technical Data:	Required		Included or on file with DOGM		Comments
	Yes	No	Included	On file	
Climatological	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not Required
Subsidence Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Subsidence Monitoring Station Map - SUB 2001
Vegetation Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not Required
Raptor Survey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Raptor Survey Map, Also see Map 3-2 in approved permit
Soils Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not Required
Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
First quarter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Second quarter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Third quarter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Fourth quarter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Geological / Geophysical	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not Required
Engineering	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not Required
Other Data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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.

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

The hillside adjacent to the Truck Loadout at the Dugout Mine was re-seeded during the Fall of 2001. The hillside was re-seeded at the requested of the UDOGM inspector. The approved interim seed mix in conjunction with wood fiber mulch were applied with hydroseeding equipment.

APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

As required under R645-301-514

Certified Impoundment Report

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Permit Number	ACT/007/039	Report Date	1/08/01
Mine Name	Dugout Canyon Mine		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Surface Facility Sedimentation Pond	
	Impoundment Number	None	
	UPDES Permit Number	UTG040020	
	MSHA ID Number	Impoundment - None (Mine - 42-01890)	

IMPOUNDMENT INSPECTION

Inspection Date	1/08/01
Inspected By	James Byars
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection

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. <i>Sediment Storage Capacity (as designed) - 100% = 0.40 acre-feet @ an elevation of 6,954.4 feet - 60% = 0.24 acre-feet @ an elevation of 6,952.2 feet</i>
	3. Principle and emergency spillway elevations. <i>Principal Spillway Elevation (as designed) - 6,964.0 feet Emergency Spillway Elevation (as designed) - 6,964.5 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.

At the time of inspection the water level was observed to be approx. 4.5' below the principal spillway.

To date there has been no discharge from the pond during 2001

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.

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: *[Signature]* Date: 1-8-01
OSR 1/9/01

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?		
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?		
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?		

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.

[PE Cert. Stamp]

By: _____
 (Full Name and Title)

Signature: _____ Date: _____

P.E. Number & State: _____

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 2	
Permit Number	ACT/007/039	Report Date	5-25-01
Mine Name	Dugout Canyon Mine		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Surface Facility Sedimentation Pond	
	Impoundment Number	None	
	UPDES Permit Number	UTG040020	
	MSHA ID Number	Impoundment - None (Mine - 42-01890)	
IMPOUNDMENT INSPECTION			
Inspection Date	5-25-01		
Inspected By	James Byars		
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>			
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 (as designed) - 100% = 0.40 acre-feet @ an elevation of 6,954.4 feet</i> <i>- 60% = 0.24 acre-feet @ an elevation of 6,952.2 feet</i></p>		
	<p>3. Principle and emergency spillway elevations.</p> <p><i>Principal Spillway Elevation (as designed) - 6,964.0 feet</i> <i>Emergency Spillway Elevation (as designed) - 6,964.5 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 outlopes of embankments, etc.</p> <p><i>Dugout Canyon Sedimentation Pond has not discharged during 2001 as of inspection date.</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.

Water level is estimated at approx. 5' below primary spillway elevation.

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:  Date: 5-19-01

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

** The construction of the Dugout Canyon Mine sedimentation pond is believed to be in accordance with the approved plan. The as-built design details have been surveyed by Johansen and Tuttle Engineering Inc. and Blackhawk Engineering Inc. Additional survey detail was completed by the Dugout Engineering staff at the time of this inspection. The final as-built drawing will be completed in the near future.*

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: David G. Spillman, Technical Services Manager
(Full Name and Title)

Signature: _____ Date: _____

P.E. Number & State: No. 151610, State of Utah

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Permit Number	ACT/007/039	Report Date	8/22/01
Mine Name	Dugout Canyon Mine		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Surface Facility Sedimentation Pond	
	Impoundment Number	None	
	UPDES Permit Number	UTG040020	
	MSHA ID Number	Impoundment - None (Mine - 42-01890)	

IMPOUNDMENT INSPECTION

Inspection Date	8/22/01
Inspected By	James Byars
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection

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.

*Sediment Storage Capacity (as designed) - 100% = 0.40 acre-feet @ an elevation of 6,954.4 feet
- 60% = 0.24 acre-feet @ an elevation of 6,952.2 feet*

3. Principle and emergency spillway elevations.

*Principal Spillway Elevation (as designed) - 6,964.0 feet
Emergency Spillway Elevation (as designed) - 6,964.5 feet*

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 outslopes of embankments, etc.

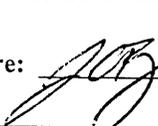
The pond has discharged during July and August. This discharge took place in order to perform the sediment cleanout process. Grab samples were taken in accordance with the approved U.P.D.E.S. permit.

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.

At the time of inspection the water elevation was approx 6,951'. The pond was cleaned out the last part of July through the first part of August. Sediment levels are minimal if any

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: 

Date: 8-22-01

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

** The construction of the Dugout Canyon Mine sedimentation pond is believed to be in accordance with the approved plan. The as-built design details have been surveyed by Johansen and Tuttle Engineering Inc. and Blackhawk Engineering Inc. Additional survey detail was completed by the Dugout Engineering staff at the time of this inspection. The final as-built drawing will be completed in the near future.*

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: David G. Spillman, Technical Services Manager
(Full Name and Title)

Signature: _____ Date: 8-22-01

P.E. Number & State: No. 151610, State of Utah

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 2	
Permit Number	ACT/007/039	Report Date	12/22/01
Mine Name	Dugout Canyon Mine		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Surface Facility Sedimentation Pond	
	Impoundment Number	None	
	UPDES Permit Number	UTG040020	
	MSHA ID Number	Impoundment - None (Mine - 42-01890)	
IMPOUNDMENT INSPECTION			
Inspection Date	12/01/01		
Inspected By	Dave Spillman		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection and Annual Certification		
<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 (as designed) - 100% = 0.40 acre-feet @ an elevation of 6,954.4 feet</i> <i>- 60% = 0.24 acre-feet @ an elevation of 6,952.2 feet</i></p>		
	<p>3. Principle and emergency spillway elevations.</p> <p><i>Principal Spillway Elevation (as designed) - 6,964.0 feet</i> <i>Emergency Spillway Elevation (as designed) - 6,964.5 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>At the time of the inspection, there had been no discharge from the pond during the quarter.</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.

At the time of inspection, the water elevation was approximately 7 feet below the top of the primary spillway. The impounded water was frozen over and snow covered. Sediment levels were impossible to observe, however, sediment was cleaned out earlier this year and current amounts should be minimal and not a concern.

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: _____ Date: _____

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

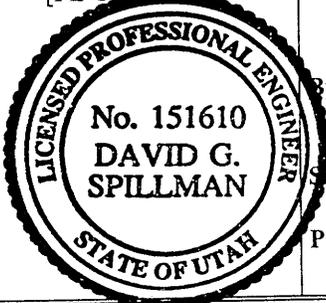
The construction of the Dugout Canyon Mine sedimentation pond is believed to be in accordance with the approved plan. This is based on the as-built design details as surveyed by Johansen and Tuttle Engineering Inc., Blackhawk Engineering Inc. and the Dugout Engineering staff.

On December 10, 2001, Vicky Miller was properly trained to inspect this impoundment for signs of instability, structural weakness or other hazardous conditions. Therefore, Vicky Miller is hereby authorized to conduct future quarterly inspections of the Dugout Canyon Mine Sedimentation Pond.

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.

[PE Cert. Stamp]



By: David G. Spillman, Technical Services Manager
(Full Name and Title)

Signature: David G. Spillman Date: 12-22-01

P.E. Number & State: No. 151610, State of Utah

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 2	
Permit Number	ACT/007/039	Report Date	12/22/01
Mine Name	Dugout Canyon Mine		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Surface Facility Wastewater Disposal System (Leach Field)	
	Impoundment Number	None	
	UPDES Permit Number	None	
	MSHA ID Number	None (Mine - 42-01890)	
IMPOUNDMENT INSPECTION			
Inspection Date	12/01/01		
Inspected By	Dave Spillman		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Routine Quarterly Inspection and Annual Certification		
<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.	2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.		
	3. Principle and emergency spillway elevations.		
<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>At the time of the inspection the site was snow covered. The wastewater disposal system, however, appeared to be functioning as designed. There was no evidence to suggest that any effluent was improperly flowing to the surface at the septic tank. at the distribution line clean-outs / air vent or down hill from the leach field.</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.

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: _____ Date: _____

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	

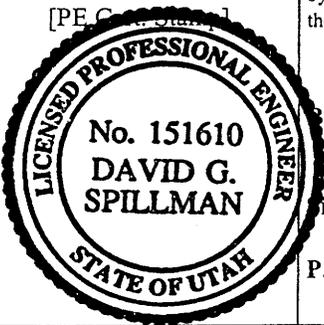
COMMENTS AND OTHER INFORMATION

The Dugout Canyon Mine wastewater disposal system was approved for operation on October 30, 2001. This approval was granted by the Utah Department of Environmental Quality, Southeast Utah District.

On December 10, 2001, Vicky Miller was properly trained to inspect the Dugout Canyon Mine wastewater disposal system in accordance with the approved Operations and Maintenance Manual. Therefore, Vicky Miller is hereby authorized to conduct future quarterly inspections of the Dugout Canyon wastewater disposal system.

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: David G. Spillman, Technical Services Manager
(Full Name and Title)

Signature: David G. Spillman Date: 12-22-01

P.E. Number & State: No. 151610, State of Utah

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

Raptor Survey Map – *Confidential*
Subsidence Monitoring Stations Map

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

Report of Officers and Directors

Officers and Directors

This section identifies those persons who own or control Canyon Fuel Company, LLC. Canyon Fuel Company, LLC, is a Delaware limited liability company with two members; Arch Western Resources, LLC holding 65% interest, and ITOCHU Coal International Inc. holding 35% interest.

Arch Western Resources, LLC, is owned 99% by Arch Western Acquisition Corporation, a wholly owned subsidiary of Arch Coal, Inc., and 1% by Delta Housing, Inc., a wholly owned subsidiary of Atlantic Richfield Company.

ITOCHU Coal International Inc. is a wholly owned subsidiary of ITOCHU Corporation, a Japanese corporation.

ADDRESSES:

Arch Western Resources, LLC
City Place One, Suite 300
St. Louis, MO 63141

Arch Western Acquisition Corporation
City Place One, Suite 300
St. Louis, MO 63141

Arch Coal, Inc.
City Place One, Suite 300
St. Louis, MO 63141

Delta Housing, Inc.
515 South Flower Street
Los Angeles, CA 90071

Canyon Fuel Company, LLC

December 2001

Atlantic Richfield Company
515 South Flower Street
Los Angeles, CA 90071

ITOCHU Coal International Inc.
555 17th Street, Suite 845
Denver, Colorado 80202

ITOCHU Corporation, 5-1
Kita-Aoyama 2-Chome
Minato-ku, Tokyo 107-77, Japan

The following lists describe the officers and directors of Canyon Fuel Company, LLC, Arch Western Resources, LLC, Arch Acquisition Corporation, Arch Coal, Inc., ITOCHU Corporation, and ITOCHU Coal International Inc. The addresses for the officers, directors, representatives to the management board listed are the same as those of the respective business entities as listed above, for which the individuals are officers, directors or representatives.

CANYON FUEL COMPANY, LLC:

Directors:

Robert W. Shanks Chairman
SSN
Effective : 06/01/1998

Yuzo Hirono Director
SSN : Not Applicable
Effective : 12/14/1999

Steven F. Leer Director
SSN
Effective : 06/01/1998

Masayoshi Araya Director
SSN
Effective : 06/01/2001

Joe Y. Nakazawa Alternative Representative
SSN : Not Applicable
Effective : 06/01/2001

Tsutomu Niwa Alternative Representative
SSN : Not Applicable
Effective : 10/09/2001

Officers

Richard D. Pick President, Chief Executive Officer and General Manager
SSN
Effective : 06/01/1998

Robert G. Messey Chief Financial Officer
SSN
Effective : 10/09/2001

James E. Florczak Vice President, Finance
SSN:
Effective : 05/25/1999

John W. Eaves Vice President, Marketing
SSN:
Effective : 06/23/1998

Robert G. Jones SSN: Effective : 03/08/2000	Vice President, General Counsel and Assistant Secretary
Janet L. Hogan SSN: Effective : 10/11/2000	Secretary
William H. Rose SSN: Effective : 06/01/1998	Assistant Secretary

ARCH COAL, INC.:

Directors:

James R. Boyd SSN Effective : 01/01/1990	Director
Frank M. Burke SSN Effective : 12/01/2000	Director
Robert L. Hintz SSN Effective : 06/30/1997	Director
Douglas H. Hunt SSN : Effective : 04/04/1995	Director
Steven F. Leer SSN Effective : 02/11/1992	Director
James L. Parker SSN Effective : 04/04/1995	Director
A. Michael Perry SSN Effective : 09/28/1998	Director
Ignacio Dominguez Urquijo SSN : Not Applicable Effective : 12/11/1998	Director

Robert W. Shanks SSN Effective : 07/01/1997	Vice President - Operations
Larry R. Brown SSN Effective : 07/01/1997	Vice President and Chief Information Officer
William H. Rose SSN Effective : 04/22/1998	Vice President - Tax Planning
Brad Allbritten SSN Effective : 02/24/2000	Vice President - Human Resources
Deck S. Slone SSN Effective : 04/27/2001	Vice President - Investor and Public Relations
James E. Florczak SSN Effective : 08/17/1998	Treasurer
Janet L. Hogan SSN Effective : 10/16/2000	Assistant Secretary and Counsel
Charles David Steele SSN Effective : 06/22/1998	Internal Auditor
John Lorson SSN Effective : 04/09/1999	Controller

Arch Western Resources, LLC,:

Officers:

Robert W. Shanks SSN Effective : 06/02/1998	President
David B. Peugh SSN Effective : 03/17/1998	Vice President

Sumitaka Fujita	Executive Vice President	April 2001
Mitsuaki Fukuda	Sr. Managing Director	April 2000
Akira Yokota	Sr. Managing Director	April 2001
Masaya Takei	Managing Director	April 2000
Kiyomi Yamada	Managing Director	April 2001
Motonori Toyota	Managing Director	June 2001

ITOCHU COAL INTERNATIONAL INC.

Masayoshi Araya SSN Effective : Dec. 1999	Chairman of the Board
Yuzo Hirono SSN Effective: : Dec. 1999	President and Chief Executive Officer
Tsutomu Niwa SSN : Not Applicable Effective : June 1996	Chief Financial Officer
Dietz Fry SSN Effective : March 1997	Vice President, Finance and Administration
Yutaka Nakazawa SSN Effective : Dec. 1996	Vice President Commercial and Secretary
Hiroshi Akiba SSN : Not Applicable Effective : Feb. 2000	Assistant Secretary

APPENDIX D

Mine Maps

As required under R645-302-525-270

Rock Canyon Seam 2001 Production Map

APPENDIX E

Other Information

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