

0074



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

COPY

November 16, 2004

Ms. Pamela Grubaugh-Littig
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple
Suite 1210
Salt Lake City, UT 84114-5801

*Incoming
C/007/0039
Task ID # 1915
additional info.*

RE: Revisions to Chapter 1 of the SITLA Lease, Task ID # 1884 associated with the Creation of a General Chapter 1 Binder and Ownership Changes, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/039

Dear Ms. Grubaugh-Littig:

Enclosed please find four copies of information to address a revision to Chapter 1 of the Dugout Canyon Mine M&RP which have been revised to include the acreage associated with inclusion of the SITLA lease into the permit boundary. A general Chapter 1 has been created for the Dugout Canyon Mine, Banning Loadout and Soldier Canyon Mine. The information in the stand alone binder is common to the operations and is referenced in each of the M&RP's. All old and outdated information should be discarded as outlined on the C2 forms attached.

An additional copy of the submittal has been delivered to the Price Field Office.

Please contact Vicky Miller at (435) 636-2869, if there are any questions concerning this submittal.

Sincerely yours,

Vicky S. Miller

Vicky S. Miller

Cc: Dave Spillman (enclosures)
Price Field Office (enclosures)

File in:

- Confidential
- Shelf
- Expandable

Refer to Record No.

Date

In

*0074 Date 11/16/2004
C/007/0039/2004 Incoming*

RECEIVED

NOV 17 2004

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

COPY

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: Dugout Canyon Mine

Permit Number: C/007/039

Title: Revisions to Chapters 1, SITLA Lease - Task ID # 1884

Description, Include reason for application and timing required to implement:

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ increase decrease.
- Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
- Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes No 6. Does the application require or include public notice publication?
- Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes No 9. Is the application submitted as a result of a Violation? NOV # _____
- Yes No 10. Is the application submitted as a result of other laws or regulations or policies?
Explain: _____
- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations herein.

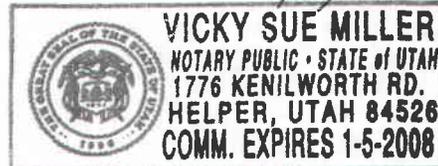
David Spillman
Print Name

David Spillman, Engineering Manager
Sign Name, Position, Date

Subscribed and sworn to before me this 16 day of NOVEMBER, 2004

Vicky Sue Miller
Notary Public

My commission Expires: 1-5, 2008
Attest: State of UTAH } ss:
County of CARBON



| | | |
|------------------------------------|---|--|
| <p>For Office Use Only:</p> | <p>Assigned Tracking Number:</p> | <p>Received by Oil, Gas & Mining RECEIVED NOV 17 2004 DIV. OF OIL, GAS & MINING</p> |
|------------------------------------|---|--|

Canyon Fuel Company, LLC
SCM/Dugout Canyon Mine

Mining and Reclamation Plan
November ~~January~~ 2003-2004

CHAPTER 1

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

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CHAPTER 1
LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

110 MINIMUM REQUIREMENTS FOR LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

111 Introduction

For information pertaining to this section(s) refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

~~The permit is presently held by Canyon Fuel Company, LLC, a Delaware limited liability company ("CFC"). Under the Purchase and Sale Agreement dated as of March 22, 1998, closed effective June 1, 1998, Arch Western Resources, LLC, a Delaware limited liability company, purchased the 65% membership interest of Arco Uinta Coal Company, a fully owned subsidiary of Atlantic Richfield Company, in CFC. Itochu Coal International, Inc., a fully owned subsidiary of Itochu Corporation, retained its ownership of the remaining 35% membership interest. The common membership interests in Arch Western Resources, LLC, are in turn owned 99% by Arch Western Acquisition corporation, a Delaware corporation fully owned by Arch Coal, Inc., also a Delaware corporation, and 1% by Delta Housing, Inc., a Delaware corporation fully owned by Atlantic Richfield Company, a Delaware corporation. Soldier Creek Coal Company became Soldier Canyon Mine through the merge and subsequent sale of Coastal Coal, Inc. on or about December 20, 1996.~~

~~Soldier Canyon Mine (SCM) will provide in this chapter all information pertaining to the Dugout Canyon Mine required by R645-301-100 and provide the information required by R645-301-112 and R645-301-113 in a format prescribed by OSM.~~

~~Where possible the Mining and Reclamation Plan has been updated to reflect the legal and financial information associated with Canyon Fuel Company, LLC (CFC). Other portions of the Mining and Reclamation Plan remain unmodified. Any charts, maps, drawings, diagrams, exhibits, tables, and so forth in the unmodified portions of the Mining and Reclamation Plan bearing the name(s) Coastal States Energy Company, and/or Soldier Creek Coal Company should be read with the name Canyon Fuel Company, LLC substituting for any and all of these other entities, which have been merged into Canyon Fuel Company.~~

112 Identification of Interests

112.100 Business Entity

The Dugout underground coal mining operation ~~is~~ will be located in Carbon County, Utah. The surface facilities for the Dugout Canyon Mine ~~will be~~ are within Section 23, Township 13 South, Range 12 East, SLBM approximately 11 miles northeast of Wellington, Utah.

~~For addition information refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.~~

~~Canyon Fuel Company, LLC is a Limited Liability Company organized under the laws of Delaware in December 1996 and now owned 65% by Arch Western Resources, LLC, a Delaware limited liability company, and 35% by Itochu Coal International Inc. by Arch Coal, Inc., a Delaware Corporation. Itochu Coal International Inc. is a wholly owned subsidiary of Itochu Corporation, a Japanese Corporation. Arch Western Resources, LLC, is owned 99% by Arch Western Acquisition Corporation, a Delaware corporation wholly owned by Arch Coal, Inc., a Delaware corporation, and 1% by Delta Housing, Inc., a Delaware corporation wholly owned by Atlantic Richfield Company, a Delaware corporation.~~

112.200 Applicant and Operator

For information pertaining to this section refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

~~APPLICANT: Operations, Administration, Permit Revisions, and Amendments~~

~~_____ Canyon Fuel Company, LLC
_____ 6955 South Union Park Center
_____ Suite 540
_____ Midvale, UT 84047
_____ Telephone: (801) 569-4700
_____ EMPLOYER ID: 87-0567183~~

~~OPERATOR: Canyon Fuel Company, LLC
_____ 6955 South Union Park Center, Suite 540
_____ Midvale, UT 84047
_____ Telephone: (801) 569-4700~~

~~RESIDENT AGENT: C.T. Corporation Systems
_____ 50 West Broadway
_____ Salt Lake City, UT 84104
_____ Telephone: (801) 531-7090~~

~~CONTACT PERSON: _____ Richard D. Pick
_____ Canyon Fuel Company, LLC
_____ 6955 South Union Park Center, Suite 540
_____ Midvale, UT 84047
_____ Telephone: (801) 569-4700~~

~~PERSON WHO WILL PAY ABANDONED MINE RECLAMATION FEES:~~

~~_____ Richard D. Pick
_____ Canyon Fuel Company, LLC
_____ 6955 South Union Park Center, Suite 540
_____ Midvale Utah 84047~~

112.300 Officers of the Applicant

For information pertaining to this section refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

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.

ADDRESS:

Arch Western Resources, LLC
City Place One, Suite 300
St. Louis, MO 63141-7056

EMPLOYER IDENTIFICATION: 43-1811130

ADDRESS:

Arch Western Acquisition Corporation
City Place One, Suite 300
St. Louis, MO 63141-7056

EMPLOYER IDENTIFICATION: 43-1811084

ADDRESS:

Arch Coal, Inc.
City Place One, Suite 300
St. Louis, MO 63141-7056

EMPLOYER IDENTIFICATION: 43-0921172

ADDRESS:

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

EMPLOYER IDENTIFICATION: 94-2314688

ADDRESS:

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

EMPLOYER IDENTIFICATION: 23-0371610

ADDRESS:

Canyon Fuel Company, LLC

Canyon Fuel Company, LLC
SCM/Dugout Canyon Mine

Mining and Reclamation Plan
~~November~~ January 2003-2004

EMPLOYER IDENTIFICATION: ~~87-0567183~~

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

ADDRESS:

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

EMPLOYER IDENTIFICATION: ~~52-2003963~~

ADDRESS:

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

EMPLOYER IDENTIFICATION: ~~98-0053818~~

~~The following lists describe the officers and directors of Canyon Fuel Company, LLC, Arch Western Resources, LLC, 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. Social Security numbers for the officers and directors are no longer required to be disclosed according to Bonnie Edens of the Office of Surface Mining (e-mail from Bonnie Edens, January 10, 2003, 6:25am).~~

~~CANYON FUEL COMPANY, LLC:~~ _____

Directors:

~~Robert W. Shanks _____ Chairman
Effective: 06/01/1998~~

~~Masayoshi Araya _____
Effective: 06/01/2001~~

~~Yuzo Hirono _____
Effective: 12/14/1999~~

~~Steven F. Leer _____
Effective: 06/01/1998~~

~~Kenneth G. Woodring
Effective: 12/01/2000~~

John W. Eaves ————— Alternative Representative
Effective: 12/01/2000

Joe Y. Nakazawa ————— Alternative Representative
Effective: 06/01/2001

Tsutomu Niwa ————— Alternative Representative
Effective: 10/09/2001

Officers

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

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

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

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

Robert G. Jones ————— Vice President, General Counsel and Assistant Secretary
Effective: 03/08/2000

Janet L. Horgan ————— Secretary
Effective: 10/11/2000

William H. Rose ————— Assistant Secretary
Effective: 06/01/1998

ARCH GOAL, INC.:

Directors:

James R. Boyd ————— Chairman
Effective: 07/01/1997

Frank M. Burke
Effective: 09/07/2000

Robert G. Potter
Effective: 04/26/2001

Theodore D. Sands
Effective: ~~02/25/1999~~

Michael A. Perry
Effective: ~~09/28/1998~~

Douglas H. Hunt
Effective: ~~07/01/1997~~

Steven F. Leer
Effective: ~~07/1/1997~~

James L. Parker
Effective: ~~07/01/1997~~

Thomas A. Lockhart
Effective: ~~02/21/2003~~

Officers:

Steven F. Leer President and Chief Executive Officer
Effective: ~~07/1/1997~~

Kenneth G. Woodring Executive Vice President-Mining Operations
Effective: ~~07/01/1997~~

G. Henry Besten, Jr. Vice President - Strategic Marketing
Effective: ~~07/01/1997~~

Larry R. Brown Vice President & Chief Information Officer
Effective: ~~07/01/1997~~

John W. Eaves Executive Vice President, Chief Operating Officer
Effective: ~~12/11/2002~~

David B. Peugh Vice President - Business Development
Effective: ~~07/01/1997~~

Robert W. Shanks Vice President - Operations
Effective: ~~07/01/1997~~

Robert J. Messey Senior Vice President, Chief Financial Officer
Effective: ~~12/1/2000~~

Robert G. Jones Vice President, General Counsel and Secretary

Effective: ~~10/16/2000 and 3/01/2000~~

James E. Florczak _____ Treasurer
Effective: ~~08/17/1998~~

Deck S. Stone _____ Vice President, Investor and Public Relations
Effective: ~~04/26/2001~~

Bradley M. Allbritten _____ Vice President, Marketing
Effective: ~~03/1/2000~~

Shiela B. Feldman _____ Vice President, Human Resources
Effective: ~~02/03/2003~~

Janet L. Horgan _____ Assistant Secretary and Counsel
Effective: ~~10/16/2000~~

John W. Lorson _____ Comptroller
Effective: ~~04/9/1999~~

Charles David Steele _____ Vice President, Tax Planning
Effective: ~~04/24/2003~~

Bennett K. Hatfield _____ Vice President
Effective: ~~04/24/2003~~

Arch Western Resources, LLC, Representatives to the Management Board:

Name: Steven F. Leer
Effective: ~~06/01/98~~

Name: Robert W. Shanks
Effective: ~~06/01/98~~

Alternate:

Name: Kenneth G. Woodring
Effective: ~~06/01/98~~

Itochu Coal International, Inc. Representatives to the Management Board:

Canyon Fuel Company, LLC
SCM/Dugout Canyon Mine

Mining and Reclamation Plan
~~November~~ January 2003-2004

Board:

Akio Shigetomi
Effective: ~~11/30/1996~~

Masayoshi Araya
Effective: ~~11/30/1996~~

Yuzo Hirono _____
Effective: ~~12/31/1999~~

Alternates:

Yutaka Nakazawa
Effective: ~~12/20/1996~~

Tsutomu Niwa
Effective: ~~6/01/2001~~

~~ARCH WESTERN RESOURCES, LLC~~

Directors:

Patrick A. Kriegshauser
Effective: ~~05/07/98~~

David B. Peugh
Effective: ~~05/07/98~~

Jeffry N. Quinn
Effective: ~~05/07/98~~

Thomas A. Lockhart
Effective: ~~02/24/2003~~

Officers:

Robert W. Shanks _____ President - Operations
Effective: ~~06/28/98~~

David B. Peugh _____ Vice President
Effective: ~~05/17/98~~

Robert G. Jones _____ Vice President and Assistant Secretary
Effective: ~~03/01/00 and 6/2/98~~

~~Replaced 5/23/03~~

~~Janet L. Horgan Secretary
Effective: 3/17/98~~

~~Anne W. Odonnell Assistant Secretary
Effective: 05/23/2003~~

~~James E. Florczak Vice President, Finance, Treasurer
Effective: 05/15/98 and 9/15/98~~

~~Charles David Steele Vice President, Tax Planning
Effective: 05/23/2003~~

ITOCHU CORPORATION

| <u>Name</u> | <u>Title</u> | <u>Date of Appointment</u> |
|------------------|--------------------------|----------------------------|
| Minoru Murofushi | Chairman | April 1998 |
| Masahisa Naitoh | Vice Chairman | April 2000 |
| Uichiro Niwa | President, CEO | April 1998 |
| Hiroshi Sumie | Executive Vice President | April 2000 |
| Makoto Kato | Executive Vice President | April 2001 |
| Yushin Okazaki | Executive Vice President | April 2001 |
| Sumitaka Fujita | Executive Vice President | April 2001 |
| Mitsuaki Fukuda | Sr. Managing Director | April 2000 |
| Akira Yokota | Sr. Managing Director | April 2001 |
| Kiyomi Yamada | Managing Director | April 2001 |
| Motonori Toyota | Managing Director | June 2001 |
| Kouhei Wantanabe | Managing Director | April 2002 |
| Hiroshi Ueda | Managing Director | April 2002 |

ITOCHU COAL INTERNATIONAL INC.

| | | |
|-----------------|--|------------|
| Masayoshi Araya | Chairman of the Board | Dec. 1999 |
| Yuzo Hirono | President and Chief Executive Officer | Dec. 1999 |
| Tsutomu Niwa | Chief Financial Officer | June 1996 |
| Dietz Fry | Vice President, Finance and Administration | March 1997 |
| Yutaka Nakazawa | Vice President Commercial and Secretary | Dec. 1996 |
| Hiroshi Akiba | Assistant Secretary | Feb. 2000 |

112.400 Coal Mining and Reclamation Operation Owned or Controlled

The following list describes all permits held by Canyon Fuel Company, LLC, all pending applications for permits, and any permit recognized as necessary in the future for which no

application has been filed. Identification numbers of applications or permits are contained in the following list. Many of the agencies listed, however, have review responsibility only and may not have submitted a numbered permit.

| <u>Permit</u> | <u>Issuing Authority</u> | <u>Approval Status/ Identification No.</u> |
|--|---|--|
| Mining and Reclamation Permit C/007/039 | State of Utah Department of Natural Resources Division of Oil, Gas and Mining Department of Interior U.S. Geological Survey and Office of Surface Mining Department of Agriculture U.S. Forest Service Manti La Sal National Forest | Approved |
| U.P.D.E.S. Permit UTG-040020/UT0025593 | Environmental Protection Agency and Utah D.E.Q. | Approved |
| Business License | Carbon County | Approved |
| Mine Health and Safety Permits 42-01890 and 42-01888, 1211-UT-09-01890-01 | Mine Safety and Health Administration - Utah | Approved |
| Radio Permits | Federal Communications Commission | Approved |
| Certificate of Insurance and Authorization to do Business in State | State Industrial Development Commission | Approved |
| Road Agreement | Carbon County | Approved |
| Air Quality Approval Order | State of Utah Utah Air Conservation Committee Department of Health Division of Environmental Health | Approved |

Stream Channel
Alteration Permit

State Engineer

Approved

The Canyon Coal Company, LLC mining permits and operations are:

| | |
|---------------------|-----------|
| SUFCO Mine | C/041/002 |
| Skyline Mine | C/007/005 |
| Soldier Canyon Mine | C/007/018 |
| Banning Loadout | C/007/034 |
| Dugout Canyon Mine | C/007/039 |

The issuing authority for the Canyon Fuel Company permits is the UDOGM

Operations held by subsidiary companies of Arch Coal, Inc. and corporate structure are presented on Figure 1-1 in the General Chapter 1 for Canyon Fuel Company, LLC. Facility names, mailing addresses and permit numbers for these operations are provided in either Table 1-1 and/or Table 1-2. For additional information refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

~~Permits and operation held by subsidiary companies of Arch Coal, Inc. are set forth in Table 1-1. Operations held by subsidiary companies of Arch Coal, Inc. are set forth on Figure 1-1. Facility names, mailing addresses and permit numbers for these operations are provided in either Table 1-1 and/or Table 1-2.~~

~~Neither Arch Coal, Inc. nor any of its subsidiaries owns or controls any other coal mining or reclamation operation. Itochu Corporation does not own or control any interest, direct or indirect, in any other entity having coal mining operations in the United States. None of the executive officers of Itochu Corporation are directors or officers of any other entity that owns or controls an interest, direct or indirect, in any entity having coal mining operations in the United States.~~

~~The corporate structure is presented in Figure 1-1.~~

112.500 Legal or Equitable Owner of the Surface and Mineral Properties

The legal and equitable owners of the surface and mineral properties to be affected by this mining operation during the duration of the permit period are the State of Utah, Bureau of Land Management and Canyon Fuel Company, LLC. Refer to Refuse Pile Amendment for additional ownership information.

Canyon Fuel Company, LLC
~~6955 South Union Park Center~~
~~Suite 540~~
~~Salt Lake City, UT 84047~~
Telephone: (801)569-4700
225 North 5th Street, 9th Floor
Grand Junction, CO 81501

Milton & Ardith Thayne Trust
Sunnyside Star Route
Price, Utah 84501

State of Utah
School and Institutional
Trust Lands Administration
675 East 500 South
Salt Lake City, Utah 84102-2818

George & Alice Conover Etal
2701 Georgia Way
Sandy, Utah 84092

United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
125 South 600 West
Price, Utah 84501

No area within the lands to be affected by surface operations and facilities or within the area of coal to be mined is under a real estate contract.

Coal mining and reclamation operations are listed on Table 1-1 and the corporate structures is presented on Figure 1-1 in the General Chapter 1 binder.

112.600 Owners of Record of Property Contiguous to Proposed Permit Area

Owners of record for surface and mineral properties contiguous to the proposed permit area are shown on Plate 1-1 and 1-2, with the names and addresses listed below.

United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
125 South 600 West
Price, Utah 84501

State of Utah
School and Institutional Trust Lands Admin.
675 East 500 South
Salt Lake City, Utah 84102-2818

KFJ Ranch Partnership
C/O Kerwin Jensen
Cleveland, Utah 84518

George & Alice Conover Etal
2701 Georgia Way
Sandy, Utah 84092

Milton & Ardith Thayne Trust
Sunnyside Star Route
Price, Utah 84501

Surface ownership along the county road is shown on Plate 1-3. In addition refer to the Refuse Pile Amendment for additional information.

112.700 MSHA Numbers

The Dugout Canyon Mine MSHA numbers are:

MSHA No. 42-01890 Rock Canyon seam (west side of canyon)

MSHA No. 42-01888 Gilson seam (west side of canyon)

MSHA No. 1211-UT-09-01890-01 Dugout Canyon Mine Refuse Pile

112.800 Interest in Contiguous Lands

A State Institutional Trust Lands coal tract is contiguous to the east of the Dugout Canyon Mine permit boundary. Upon approval by UDOGM, Canyon Fuel Company, LLC intends to begin mining the coal reserves in this lease during the current term of this permit application.

112.900 Certification of Submitted Information

Canyon Fuel Company, LLC hereby attests that the information contained in this permit document is true and correct to the best of their knowledge.

~~The undersigned hereby attests that the information contained in this Notice of Change in Ownership and Contract Information is true and correct to the best of the undersigned's information and belief.~~

_____ On behalf of CANYON FUEL COMPANY, LLC

Richard D. Pick
Its: ~~President, Chief Executive Officer and General Manager~~

STATE OF UTAH _____)
: ss
COUNTY OF SALT LAKE)

_____ Subscribed and sworn before me this ____ day of _____, 1998.

Notary Public
Residing at _____

(SEAL)

My Commission Expires:

113 Violation Information

For violation information refer to Table 1-2 in the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

~~Neither Canyon Fuel Company, LLC nor any major stockholder of the company having any interest, either legal or equitable, in Canyon Fuel Company, LLC have had a State or Federal mining permit suspended or revoked or a security deposited in lieu of a bond revoked. Neither Canyon Fuel Company, LLC, any of its mining operations, nor any person who owns or controls Canyon Fuel Company has any unabated cessation orders or unabated air or water quality violation notices.~~

~~As a newly formed entity, Canyon Fuel Company, LLC received no violations within the three years prior to filing of this application. The company mines, however, have been operating for several years and have received some NOV's. The violations for the Canyon Fuel Company, LLC operations, including the SUFCO Mine, C/041/002; Skyline Mine, C/007/005; Soldier Canyon Mine, C/007/018; Banning Loadout, C/007/034 are set forth below in Table 1-2.~~

114 Right-of-Entry Information

The right to enter the leaseholds conveyed by the State coal leases is conferred to the lessee by the Mineral Leasing Act of 1920 and the leases themselves. Copies of State coal leases ML-42648 and ML-42649, and Federal Lease U07064-027821 which grant CFC the right to enter and conduct underground mining operations, are presented in Appendix 1-1.

The legal description of the CFC leases is:

State Lease ML-42648 - (3640 acres) - Approved

T. 13 S., R. 12 E., SLBM, Utah

Section 8: E1/2

Section 10: S1/2

Section 11: S1/2

Sections 14 and 15: All

Section 17: NE1/4; E1/2SW1/4; SE1/4

Section 20: E1/2NW1/4; SW1/4NW1/4; N1/2NE1/4

- Section 21: N1/2NW1/4; NE1/4
- Section 22: N1/2; N1/2S1/2
- Section 23: W1/2NW1/4

State Lease ML-42649 - (2212 acres) - Approved

- T. 13 S., R. 12 E., SLBM, Utah
- Section 3: Lots 1, 2, 3, 4, S1/2 (all)
- Section 4: Lots 1, 2, 3, 4, S1/2 (all)
- Section 5: Lots 1, 2, SE1/4
- Section 9: All
- Section 10: N1/2
- Section 11: N1/2

Federal Coal Lease U-07064-027821 - (2,416.14 acres) - Approved 1 January 1957

- T. 13 S., R. 12 E., SLBM, Utah
- Section 13: S1/2
- Section 23: E1/2E1/2, W1/2SE1/4, NE1/4SW1/4
- Section 24: All
- Section 25: N1/2N1/2
- Section 26: N1/2NE1/4
- T. 13 S., R. 13 E., SLBM, Utah
- Section 18: Lots 3, 4, E1/2SW1/4; SE1/4
- Section 19: Lots 1-4, E1/2W1/2, NE1/4, NW1/4SE1/4
- Section 30: Lot 1

Federal BLM Right-of-Way UTU-76601 - (10 acres) - Sept. 1998

- T. 13S., R. 12 E., SLBM, Utah
- Section 23: NE1/4NW1/4NW1/4SW1/4, N1/2NE1/4NW1/4SW1/4,
SE1/4NW1/4NW1/4SW1/4

Fee land owned by CFC as described below: (800 acres)

T. 13 S., R. 12 E., SLBM, Utah

Section 16: All

Section 23: E1/2NW1/4; W1/2NE1/4

BLM Rt-of-Way UTU-77985 - (57.5 acres)

T13 S., R12E., SLBM, Utah

Section: 22: NE/4SW1/4SW/4SE1/4, S1/2SW1/4SW1/4SE1/4,
N1/2SE1/4SW1/4SE1/4, SE1/4NE1/4SW1/4SE1/4,
S1/2NW1/4SE1/4SE1/4, SW1/4NE1/4SE1/4SE1/4,
N1/2NE1/4SE1/4SE1/4

Section 23: NW1/4SW1/4NW1/4SW1/4, S1/2NW1/4NW1/4SW1/4,
NE1/4NW1/4NW1/4SW1/4, N1/2NE1/4NW1/4SW1/4

Section 27: NE1/4SE1/4NE1/4NW1/4, S1/2SE1/4NE1/4NW1/4,
SE1/4NE1/4NE1/4NW 1/4, W1/2 NW1/4NW1/4NE1/4

BLM Parcel (2.5 acres)

T13 S., R12E., SLBM, Utah

Section: 23: NW1/4NW1/4NW/4SW1/4

State Lease ML-48435-OBA - (2,560 acres)

T13 S., R13 E., SLBM, Utah (Currently within Permit Area, approximately 200 acres)

Section 17: W1/2W1/2SW1/4, W1/2E1/2W1/2SW1/4

Section 19: NE1/4SE1/4, S1/2SE1/4

Section 20: W1/2W1/2W1/2, W1/2E1/2W1/2W1/2

T13 S., R13 E., SLBM, Utah (Added to Permit Area in 2004, approximately 2,360 acres)

Section 17: E1/2SW1/4, SW1/4SE1/4, E1/2E1/2W1/2SW1/4

Section 20: E1/2W1/2, E1/2, E1/2E1/2W1/2W1/2

Section 21: SW1/4NW1/4, SW1/4

Section 28: NW1/4, N1/2SW1/4, SW1/4SW1/4

Section 29: All

Section 30: E1/2, E1/2W1/2

Waste Rock Storage Facility

T. 14 S., R. 12 E., SLBM, Utah (Approximately 26.8 acres)

Section 18: Portions of NE1/4, SW1/4 and SE1/4 of the NE1/4

All of Lease ML-42648, except the E1/2 of Section 8 and the NE1/4 of Section 17, is included within the Dugout Canyon Mine permit boundary. However, only the S1/2 SE1/4 of Section 9 from Lease ML-42649 is within the permit boundary. **The ten acres described in UTU-76601 are also described in UTU-77985.** The U.S. Department of Interior, Bureau of Land Management (BLM) right-of-way application UTU-76601 is included in Appendix 1-3.

The disturbed area encompasses 20.31 acres (Mine Facility area, including Gilson well pad and small substation), 2.2 acres (G-2 and G-3 Degas Well), **2.7 acres (G-4, G-5 and G-6 Degas Well)**, 1.8 acres (Leach field/pipeline area), and 26.8 acres (Refuse Pile area) ~~totally 51.4~~ **53.8** acres. That acreage includes a pre- and post mining road with an area of 1.6 acres and 2.03 acres of undisturbed land within the mine facilities disturbed area and 11.2 acres within the refuse pile disturbed area.

The permit boundary encompasses approximately **9,471** acres **which includes the following** surface ownership and acreage: 10 acres in the BLM right-of-way, approximately 567 acres of other federal lands, 920 acres of state lands, and fee acreage of approximately **7,974** acres (Plate 1-1 and RA Plate 1-1). ~~This is an Autocad generated number and the ground survey may vary from this number.~~

Coal ownership acreage within the permit area includes **approximately 2,804** acres of federal coal, approximately ~~3,225~~ **5840** acres of state coal, and 827 acres of fee coal (Plate 1-2 and RA1-1B). ~~The difference between the surface and coal ownership acreage is within the surface subsidence area and the refuse pile and leachfield areas which will not be mined (approximately 670 acres).~~ **Approximately 670 745 acres which include the surface subsidence area, refuse pile and leach field**

areas will not be mined although their acreage is included in the surface and coal ownership acreage totals.

A legal description of the permit boundary includes:

T. 13 S., R. 12 E., SLBM, Utah

- Section 9: S1/2SE1/4
- Section 10: S1/2
- Section 11: S1/2
- Section 13: All except N1/2N1/2
- Section 14: All
- Section 15: All
- Section 16: All
- Section 17: E1/2SW1/4; SE1/4
- Section 20: E1/2NW1/4; SW1/4NW1/4; N1/2NE1/4
- Section 21: N1/2NW1/4; NE1/4
- Section 22: N1/2; N1/2S1/2; **Portion of N1/2NE1/4SE1/4SE1/4;**
Portion of SW1/4NE1/4SE1/4SE1/4;
Portion of the S1/2NW1/4SE1/4SE1/4;
Portion of SW1/4NE1/4SW1/4SE1/4;
Portion of N1/2SE1/4SW1/4SE1/4;
Portion of NE1/4SW1/4SW1/4SE1/4;
Portion of S1/2SW1/4SW1/4SE1/4
- Section 23: NW1/4; NE1/4; SE1/4; NE1/4SW1/4; NW1/4NW1/4SW1/4;
S1/2NE1/4NW1/4SW1/4; NW1/4SW1/4NW1/4SW1/4;
- Section 24: All
- Section 25: N1/2N1/2
- Section 26: N1/2NE1/4
- Section 27: Portion of W1/2NW1/4NW1/4NE1/4**
Portion of SW1/4NE1/4NE1/4NW1/4

Portion of E1/2SW1/4NE1/4NW1/4
Portion of SW1/4SW1/4NE1/4NW1/4

T. 13 S., R. 13 E., SLBM, Utah

| | |
|------------|-------------------------------|
| Section 17 | SW1/4; SW1/4NW1/4; SW1/4SE1/4 |
| Section 18 | All except N1/2N1/2 |
| Section 19 | All |
| Section 20 | All |
| Section 21 | SW1/4; SW1/4NW1/4 |
| Section 28 | NW1/4; N1/2SW1/4; SW1/4SW1/4 |
| Section 29 | All |
| Section 30 | NW1/4NW1/4; E1/2; E1/2W1/2 |

T. 14 S., R. 12 E., SLBM, Utah

| | |
|------------|-------------------|
| Section 18 | Portion N1/2NE1/4 |
|------------|-------------------|

Topsoil is being stored in T14S, R12E, Section 8, a storage area permitted to Soldier Canyon Mine. See Chapter 2 for additional details concerning the topsoil storage.

Acreage has been added to the permit area which is in excess of the Federal lease acreage to act as a subsidence buffer zone. This acreage has been added in T13S, R12E Section 13 and T13S, R13E Sections 17 and 18 through 20.

The refuse pile will be is located on property owned by Canyon Fuel Company, LLC. The property is located approximately 6.5 miles southwest of the Dugout Canyon Mine in portions of the NE1/4, SW 1/4 and SE 1/4 of the NE 1/4, in a portion of the NW 1/4 of the SE1/4, and in the NW1/4 of the NE 1/4 of Section 18, Township 14 South, Range 12 East, Salt Lake Base Meridian.

BLM Right-of-Way UTU-77985 grants the right-of-entry for the leach field and associated pipeline. Refer to the right-of-way description above.

115 Status of Unsuitability Claims

To the best knowledge of Canyon Fuel Company, LLC, no portion of the area to be permitted is designated, or under study for being designated, unsuitable for mining.

CFC does not propose to conduct coal mining or reclamation operations within 300 feet of any occupied dwelling. A description of operations to be conducted within 100 feet of a public road is provided in Chapter 5 of this M&RP, together with a discussion of plans to protect the interests of the public.

116 Permit Term

The anticipated mining progression during operation of the Dugout Canyon Mine is outlined on Plate 5-7. Rates of production for the permit term are presented in Section 523. Reclamation operations are discussed in Chapters 2, 3, 5, 7, and 8.

117 Insurance, Proof of Publication, and Facilities and Structures Used in Common

Certificates of Insurance issued to Canyon Fuel Company, LLC are located in **the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations and Appendix 1-2 of this M&RP.**

The newspaper advertisement and the verification of the advertisement appearing in the appropriate newspapers are included in Appendix 1-2.

118 Filing Fee

The permit application was accompanied by a \$5.00 filing fee. UDOGM retains a record of filing fee payments in their office in Salt Lake City, Utah.

120 PERMIT APPLICATION FORMAT AND CONTENTS

This permit application will comply with R645-301-120.

130 REPORTING OF TECHNICAL DATA

All technical data submitted in the permit application will be accompanied by the name or organization responsible for the collection and analysis of data, dates of collection and descriptions of methodology used. Technical analyses will be planned by or under the direction of a qualified professional in the subject to be analyzed.

140 MAPS AND PLANS

The maps and plans in the Mining and Reclamation Plan will correspond with the requirements in R645-301-140.

150 COMPLETENESS

CFC believes the information in this permit application to be complete and correct.

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Clean copy

CHAPTER 1

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

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CHAPTER 1
LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

110 MINIMUM REQUIREMENTS FOR LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

111 Introduction

For information pertaining to this section(s) refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

112 Identification of Interests

112.100 Business Entity

The Dugout underground coal mining operation is located in Carbon County, Utah. The surface facilities for the Dugout Canyon Mine are within Section 23, Township 13 South, Range 12 East, SLBM approximately 11 miles northeast of Wellington, Utah.

For addition information refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

112.200 Applicant and Operator

For information pertaining to this section refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

112.300 Officers of the Applicant

For information pertaining to this section refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

112.400 Coal Mining and Reclamation Operation Owned or Controlled

The following list describes permits held by Canyon Fuel Company, LLC, all pending applications for permits, and any permit recognized as necessary in the future for which no application has been filed. Identification numbers of applications or permits are contained in the following list. Many of the agencies listed, however, have review responsibility only and may not have submitted a numbered permit.

| <u>Permit</u> | <u>Issuing Authority</u> | <u>Approval Status/ Identification No.</u> |
|---|---|--|
| Mining and Reclamation Permit C/007/039 | State of Utah Department of Natural Resources Division of Oil, Gas and Mining Department of Interior U.S. Geological Survey and Office of Surface Mining Department of Agriculture U.S. Forest Service Manti La Sal National Forest | Approved |
| U.P.D.E.S. Permit UTG-040020/UT0025593 | Environmental Protection Agency and Utah D.E.Q. | Approved |
| Business License | Carbon County | Approved |
| Mine Health and Safety Permits 42-01890 and 42-01888, 1211-UT-09-01890-01 | Mine Safety and Health Administration - Utah | Approved |

| | | |
|--|--|----------|
| Radio Permits | Federal Communications Commission | Approved |
| Certificate of Insurance and Authorization to do Business in State | State Industrial Development Commission | Approved |
| Road Agreement | Carbon County | Approved |
| Air Quality Approval Order | State of Utah Utah Air Conservation Committee Department of Health Division of Environmental Health | Approved |
| Stream Channel Alteration Permit | State Engineer | Approved |

The Canyon Coal Company, LLC mining permits and operations are:

| | |
|---------------------|-----------|
| SUFCO Mine | C/041/002 |
| Skyline Mine | C/007/005 |
| Soldier Canyon Mine | C/007/018 |
| Banning Loadout | C/007/034 |
| Dugout Canyon Mine | C/007/039 |

The issuing authority for the Canyon Fuel Company permits is the UDOGM

Operations held by subsidiary companies of Arch Coal, Inc. and corporate structure are presented on Figure 1-1 in the General Chapter 1 for Canyon Fuel Company, LLC. Facility names, mailing addresses and permit numbers for these operations are provided in either Table 1-1 and/or Table 1-2. For additional information refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

112.500 Legal or Equitable Owner of the Surface and Mineral Properties

The legal and equitable owners of the surface and mineral properties to be affected by this mining operation during the duration of the permit period are the State of Utah, Bureau of Land Management and Canyon Fuel Company, LLC. Refer to Refuse Pile Amendment for additional ownership information.

Canyon Fuel Company, LLC
225 North 5th Street, 9th Floor
Grand Junction, CO 81501

Milton & Ardith Thayne Trust
Sunnyside Star Route
Price, Utah 84501

State of Utah
School and Institutional
Trust Lands Administration
675 East 500 South
Salt Lake City, Utah 84102-2818

George & Alice Conover Etal
2701 Georgia Way
Sandy, Utah 84092

United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
125 South 600 West
Price, Utah 84501

No area within the lands to be affected by surface operations and facilities or within the area of coal to be mined is under a real estate contract.

Coal mining and reclamation operations are listed on Table 1-1 and the corporate structures is presented on Figure 1-1 in the General Chapter 1 binder.

112.600 Owners of Record of Property Contiguous to Proposed Permit Area

Owners of record for surface and mineral properties contiguous to the proposed permit area are shown on Plate 1-1 and 1-2, with the names and addresses listed below.

United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
125 South 600 West
Price, Utah 84501

State of Utah
School and Institutional Trust Lands Admin.
675 East 500 South
Salt Lake City, Utah 84102-2818

KFJ Ranch Partnership
C/O Kerwin Jensen
Cleveland, Utah 84518

George & Alice Conover Etal
2701 Georgia Way
Sandy, Utah 84092

Milton & Ardith Thayne Trust
Sunnyside Star Route
Price, Utah 84501

Surface ownership along the county road is shown on Plate 1-3. In addition refer to the Refuse Pile Amendment for additional information.

112.700 MSHA Numbers

The Dugout Canyon Mine MSHA numbers are:

MSHA No. 42-01890 Rock Canyon seam (west side of canyon)

MSHA No. 42-01888 Gilson seam (west side of canyon)

MSHA No. 1211-UT-09-01890-01 Dugout Canyon Mine Refuse Pile

112.800 Interest in Contiguous Lands

A State Institutional Trust Lands coal tract is contiguous to the east of the Dugout Canyon Mine permit boundary. Upon approval by UDOGM, Canyon Fuel Company, LLC intends to begin mining the coal reserves in this lease during the current term of this permit application.

112.900 Certification of Submitted Information

Canyon Fuel Company, LLC hereby attests that the information contained in this permit document is true and correct to the best of their knowledge.

113 Violation Information

For violation information refer to Table 1-2 in the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

114 Right-of-Entry Information

The right to enter the leaseholds conveyed by the State coal leases is conferred to the lessee by the Mineral Leasing Act of 1920 and the leases themselves. Copies of State coal leases ML-42648 and ML-42649, and Federal Lease U07064-027821 which grant CFC the right to enter and conduct underground mining operations, are presented in Appendix 1-1.

The legal description of the CFC leases is:

State Lease ML-42648 - (3640 acres) - Approved

T. 13 S., R. 12 E., SLBM, Utah

Section 8: E1/2

Section 10: S1/2

Section 11: S1/2

- Sections 14 and 15: All
- Section 17: NE1/4; E1/2SW1/4; SE1/4
- Section 20: E1/2NW1/4; SW1/4NW1/4; N1/2NE1/4
- Section 21: N1/2NW1/4; NE1/4
- Section 22: N1/2; N1/2S1/2
- Section 23: W1/2NW1/4

State Lease ML-42649 - (2212 acres) - Approved

- T. 13 S., R. 12 E., SLBM, Utah
- Section 3: Lots 1, 2, 3, 4, S1/2 (all)
- Section 4: Lots 1, 2, 3, 4, S1/2 (all)
- Section 5: Lots 1, 2, SE1/4
- Section 9: All
- Section 10: N1/2
- Section 11: N1/2

Federal Coal Lease U-07064-027821 - (2,416.14 acres) - Approved 1 January 1957

- T. 13 S., R. 12 E., SLBM, Utah
- Section 13: S1/2
- Section 23: E1/2E1/2, W1/2SE1/4, NE1/4SW1/4
- Section 24: All
- Section 25: N1/2N1/2
- Section 26: N1/2NE1/4

T. 13 S., R. 13 E., SLBM, Utah

- Section 18: Lots 3, 4, E1/2SW1/4; SE1/4
- Section 19: Lots 1-4, E1/2W1/2, NE1/4, NW1/4SE1/4
- Section 30: Lot 1

Federal BLM Right-of-Way UTU-76601 - (10 acres) - Sept. 1998

- T. 13S., R. 12 E., SLBM, Utah
- Section 23: NE1/4NW1/4NW1/4SW1/4, N1/2NE1/4NW1/4SW1/4,

SE1/4NW1/4NW1/4SW1/4

Fee land owned by CFC as described below: (800 acres)

T. 13 S., R. 12 E., SLBM, Utah

Section 16: All

Section 23: E1/2NW1/4; W1/2NE1/4

BLM Rt-of-Way UTU-77985 - (57.5 acres)

T13 S., R12E., SLBM, Utah

Section: 22: NE/4SW1/4SW/4SE1/4, S1/2SW1/4SW1/4SE1/4,
N1/2SE1/4SW1/4SE1/4, SE1/4NE1/4SW1/4SE1/4,
S1/2NW1/4SE1/4SE1/4, SW1/4NE1/4SE1/4SE1/4,
N1/2NE1/4SE1/4SE1/4

Section 23: NW1/4SW1/4NW1/4SW1/4, S1/2NW1/4NW1/4SW1/4,
NE1/4NW1/4NW1/4SW1/4, N1/2NE1/4NW1/4SW1/4

Section 27: NE1/4SE1/4NE1/4NW1/4, S1/2SE1/4NE1/4NW1/4,
SE1/4NE1/4NE1/4NW 1/4, W1/2 NW1/4NW1/4NE1/4

BLM Parcel (2.5 acres)

T13 S., R12E., SLBM, Utah

Section: 23: NW1/4NW1/4NW/4SW1/4

State Lease ML-48435-OBA - (2,560 acres)

T13 S., R13 E., SLBM, Utah (Currently within Permit Area, approximately 200 acres)

Section 17: W1/2W1/2SW1/4, W1/2E1/2W1/2SW1/4

Section 19: NE1/4SE1/4, S1/2SE1/4

Section 20: W1/2W1/2W1/2, W1/2E1/2W1/2W1/2

T13 S., R13 E., SLBM, Utah (Added to Permit Area in 2004, approximately 2,360 acres)

Section 17: E1/2SW1/4, SW1/4SE1/4, E1/2E1/2W1/2SW1/4

Section 20: E1/2W1/2, E1/2, E1/2E1/2W1/2W1/2

Section 21: SW1/4NW1/4, SW1/4

Section 28: NW1/4, N1/2SW1/4, SW1/4SW1/4

Section 29: All
Section 30: E1/2, E1/2W1/2

Waste Rock Storage Facility

T. 14 S., R. 12 E., SLBM, Utah (Approximately 26.8 acres)

Section 18: Portions of NE1/4, SW1/4 and SE1/4 of the NE1/4

All of Lease ML-42648, except the E1/2 of Section 8 and the NE1/4 of Section 17, is included within the Dugout Canyon Mine permit boundary. However, only the S1/2 SE1/4 of Section 9 from Lease ML-42649 is within the permit boundary. The ten acres described in UTU-76601 are also described in UTU-77985. The U.S. Department of Interior, Bureau of Land Management (BLM) right-of-way application UTU-76601 is included in Appendix 1-3.

The disturbed area encompasses 20.31 acres (Mine Facility area, including Gilson well pad and small substation), 2.2 acres (G-2 and G-3 Degas Well), 2.7 acres (G-4, G-5 and G-6 Degas Well), 1.8 acres (Leach field/pipeline area), and 26.8 acres (Refuse Pile area) totally 53.8 acres. That acreage includes a pre- and post mining road with an area of 1.6 acres and 2.03 acres of undisturbed land within the mine facilities disturbed area and 11.2 acres within the refuse pile disturbed area.

The permit boundary encompasses approximately 9,471 acres which includes the following surface ownership and acreage: 10 acres in the BLM right-of-way, approximately 567 acres of other federal lands, 920 acres of state lands, and fee acreage of approximately 7,974 acres (Plate 1-1 and RA Plate 1-1).

Coal ownership acreage within the permit area includes approximately 2,804 acres of federal coal, approximately 5840 acres of state coal, and 827 acres of fee coal (Plate 1-2 and RA1-1B). Approximately 745 acres which include the surface subsidence area, refuse pile and leach field areas will not be mined although their acreage is included in the surface and coal ownership acreage totals.

A legal description of the permit boundary includes:

T. 13 S., R. 12 E., SLBM, Utah

- Section 9: S1/2SE1/4
- Section 10: S1/2
- Section 11: S1/2
- Section 13: All except N1/2N1/2
- Section 14: All
- Section 15: All
- Section 16: All
- Section 17: E1/2SW1/4; SE1/4
- Section 20: E1/2NW1/4; SW1/4NW1/4; N1/2NE1/4
- Section 21: N1/2NW1/4; NE1/4
- Section 22: N1/2; N1/2S1/2; Portion of N1/2NE1/4SE1/4SE1/4;
Portion of SW1/4NE1/4SE1/4SE1/4;
Portion of the S1/2NW1/4SE1/4SE1/4;
Portion of SW1/4NE1/4SW1/4SE1/4;
Portion of N1/2SE1/4SW1/4SE1/4;
Portion of NE1/4SW1/4SW1/4SE1/4;
Portion of S1/2SW1/4SW1/4SE1/4
- Section 23: NW1/4; NE1/4; SE1/4; NE1/4SW1/4; NW1/4NW1/4SW1/4;
S1/2NE1/4NW1/4SW1/4; NW1/4SW1/4NW1/4SW1/4;
- Section 24: All
- Section 25: N1/2N1/2
- Section 26: N1/2NE1/4
- Section 27: Portion of W1/2NW1/4NW1/4NE1/4
Portion of SW1/4NE1/4NE1/4NW1/4
Portion of E1/2SW1/4NE1/4NW1/4
Portion of SW1/4SW1/4NE1/4NW1/4

T. 13 S., R. 13 E., SLBM, Utah

| | |
|------------|-------------------------------|
| Section 17 | SW1/4; SW1/4NW1/4; SW1/4SE1/4 |
| Section 18 | All except N1/2N1/2 |
| Section 19 | All |
| Section 20 | All |
| Section 21 | SW1/4; SW1/4NW1/4 |
| Section 28 | NW1/4; N1/2SW1/4; SW1/4SW1/4 |
| Section 29 | All |
| Section 30 | NW1/4NW1/4; E1/2; E1/2W1/2 |

T. 14 S., R. 12 E., SLBM, Utah

| | |
|------------|-------------------|
| Section 18 | Portion N1/2NE1/4 |
|------------|-------------------|

Topsoil is being stored in T14S, R12E, Section 8, a storage area permitted to Soldier Canyon Mine. See Chapter 2 for additional details concerning the topsoil storage.

Acreage has been added to the permit area which is in excess of the Federal lease acreage to act as a subsidence buffer zone. This acreage has been added in T13S, R12E Section 13 and T13S, R13E Sections 17 and 18.

The refuse pile is located on property owned by Canyon Fuel Company, LLC. The property is located approximately 6.5 miles southwest of the Dugout Canyon Mine in portions of the NE1/4, SW 1/4 and SE 1/4 of the NE 1/4, in a portion of the NW 1/4 of the SE1/4, and in the NW1/4 of the NE 1/4 of Section 18, Township 14 South, Range 12 East, Salt Lake Base Meridian.

BLM Right-of-Way UTU-77985 grants the right-of-entry for the leach field and associated pipeline. Refer to the right-of-way description above.

115 Status of Unsuitability Claims

To the best knowledge of Canyon Fuel Company, LLC, no portion of the area to be permitted is designated, or under study for being designated, unsuitable for mining.

CFC does not propose to conduct coal mining or reclamation operations within 300 feet of any occupied dwelling. A description of operations to be conducted within 100 feet of a public road is provided in Chapter 5 of this M&RP, together with a discussion of plans to protect the interests of the public.

116 Permit Term

The anticipated mining progression during operation of the Dugout Canyon Mine is outlined on Plate 5-7. Rates of production for the permit term are presented in Section 523. Reclamation operations are discussed in Chapters 2, 3, 5, 7, and 8.

117 Insurance, Proof of Publication, and Facilities and Structures Used in Common

Certificates of Insurance issued to Canyon Fuel Company, LLC are located in the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations and Appendix 1-2 of this M&RP.

The newspaper advertisement and the verification of the advertisement appearing in the appropriate newspapers are included in Appendix 1-2.

118 Filing Fee

The permit application was accompanied by a \$5.00 filing fee. UDOGM retains a record of filing fee payments in their office in Salt Lake City, Utah.

120 PERMIT APPLICATION FORMAT AND CONTENTS

This permit application will comply with R645-301-120.

130 REPORTING OF TECHNICAL DATA

All technical data submitted in the permit application will be accompanied by the name or organization responsible for the collection and analysis of data, dates of collection and descriptions of methodology used. Technical analyses will be planned by or under the direction of a qualified professional in the subject to be analyzed.

140 MAPS AND PLANS

The maps and plans in the Mining and Reclamation Plan will correspond with the requirements in R645-301-140.

150 COMPLETENESS

CFC believes the information in this permit application to be complete and correct.