

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

April 8, 2010

TO: Internal File

THRU: Steve Christensen, Team Lead *SKC*

FROM: Angela Nance, Business Analyst *an*

RE: Revisions to General Chapter 1, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/0039, Task ID #3518

SUMMARY:

On March 29, 2010, Canyon Fuel Company, LLC submitted revisions to General Chapter 1 for all Canyon Fuel operations. The revisions to Chapter 1 include an updated to Table 1-2 Violation History, current certificates of liability insurance for Appendix 1-2 and revised ownership and control information in Appendix 1-1 for Arch Coal, Inc., Arch Western Resources, LLC, Arch Western Acquisition Corporation, Arch Western Bituminous Group, and Canyon Fuel Company, LLC.

Deficiencies have been identified that must be addressed prior to Division of Oil, Gas and Mining (the Division) approval.

R645-301-112.330:

- **Arch Coal Inc.**

1. The AVS database shows a Begin Date of 12/01/02 for **Bresten, Jr., Clarence Henry (044179)**. This does not match the Begin Date of 07/01/97 listed in the submittal. *Please address this discrepancy.*
2. The AVS database shows an End Date of 04/30/08 for **Lorson, John W., COP**. The submittal does not indicate an End Date. Also, Lorson is listed as VP with a Begin Date of 04/30/08; this information is not listed in the submittal with a Secretary's Certificate. *Please address this discrepancy.*
3. The ID No. for **Hartley, David E. (249451)** is not listed in the submittal. *Please revise the amendment to include this information.*

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4. The Secretary's Certificate shows *Ploetz, Jon S. (250063)* as an Assistant General Counsel and Secretary. The submittal shows him only as the Assistant Secretary. All three positions need to be listed. Also, need to show the ID No. *Please revise the amendment to include this information.*
- **Arch Western Resources, LLC**
 1. The ID No. for *Ploetz, Jon S. (250063)* is not listed in the submittal. *Please revise the amendment to include this information.*
 - **Arch Western Acquisition Corporation**
 1. The ID No. for *Ploetz, Jon S. (250063)* is not listed in the submittal. *Please revise the amendment to include this information.*
 - **Arch Western Bituminous Group**
 1. The ID No. for *Ploetz, Jon S. (250063)* is not listed in the submittal. *Please revise the amendment to include this information.*
 - **Canyon Fuel Company, LLC**
 1. The ID No. for *Ploetz, Jon S. (250063)* is not listed in the submittal. *Please revise the amendment to include this information.*

TECHNICAL ANALYSIS:

GENERAL CONTENTS

VIOLATION INFORMATION

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132; R645-301-113

Analysis:

Section 113 of the MRP indicates that a current listing of violation information is provided in the General Chapter 1 volume for Utah affiliated mines. The most current information for violations for years 2005-2009 is found in Table 1-2.

Findings:

The information provided meets the requirements of the Regulations.

PUBLIC NOTICE AND COMMENT

Regulatory References: 30 CFR 778.21; 30 CFR 773.13; R645-300-120; R645-301-117.200.

Analysis:

Certificates of Insurance are located in the General Chapter 1 Volume, Appendix 1-2. The insurance provider is National Union Fire Insurance Company of Pittsburgh, PA. This provider has an A rating with AM's Best Rating Center. The policies are current through July 31, 2010.

This amendment is not considered a significant revision and therefore no public notice was required.

Appendix 1-1 lists the revised Officers and Directors. Not all of the information submitted matches the information found in the OSM/AVS database as listed in the Findings below.

Findings:

The following deficiencies must be addressed in accordance with **R645-301-112.330**:

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Arch Coal Inc.

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Arch Western Resources, LLC

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Arch Western Acquisition Corporation

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Arch Western Bituminous Group

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Canyon Fuel Company, LLC

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RECOMMENDATIONS:

The application should not be approved until the above-listed corrections have been made to General Chapter 1, Appendix 1-1.