

LAW OFFICES OF
KIMBALL, PARR, WADDOUPS, BROWN & GEE
A PROFESSIONAL CORPORATION
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SALT LAKE CITY, UTAH 84147-0019
TELEPHONE (801) 532-7840
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JOHN M. BURKE

VIA HAND DELIVERY

November 13, 1996

Ms. Jay Rene
County Recorder's Office
Sevier County Court House
250 North Main
Richfield, Utah 84701

Re: Application of Mining Permit Transfer

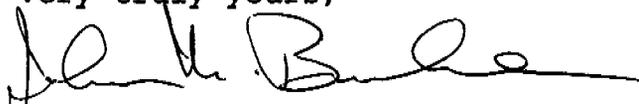
Dear Ms. Rene:

Per our telephone conference yesterday, November 12, 1996, please find enclosed herewith a copy of an application for transfer of the mining permit for the SUFCo Mine in Sevier County. As we discussed, this application must be available at the court house for review by interested members of the public.

We provided a public notice regarding the permit transfer application to The Richfield Reaper for publication today. That notice indicates that the application will be available for review at the Recorder's office. I am also enclosing with the application a copy of the notice published by The Richfield Reaper. As you suggested, please post the application and notice where it is available to the public and direct anyone inquiring about to the proper location.

You were most helpful in our telephone conference yesterday, and I appreciate your assistance. If you have any questions or comments regarding the foregoing, please do not hesitate to contact me.

Very truly yours,

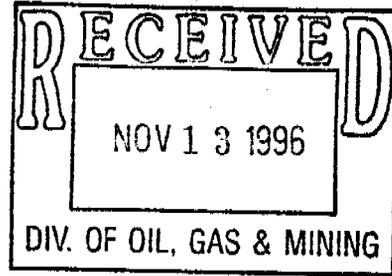


John M. Burke

Enclosure

cc: David M. Arnolds
Kirk Mueller
Daron Haddock
Clayton J. Parr

JMB/wm



CANYON FUEL COMPANY, LLC

APPLICATION FOR PERMIT TRANSFER

SUFCo MINE

ACT/041/001
002

November 13, 1996

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- 1-2 Lease Documents (unmodified)
- 1-3 Newspaper Advertisement
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¹Appendices 1-1 and 1-2 are unmodified by this Application for Permit Transfer and are available in Volume 4 of the existing Mining and Reclamation Plan for the SUFCo Mine on file with the Division of Oil, Gas, and Mining. Appendices 1-3 and 1-4 are modified by this Application for Permit Transfer and appear at the end of the application.



State of Utah
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
 Governor
 Ted Stewart
 Executive Director
 James W. Carter
 Division Director

1594 West North Temple, Suite 1210
 Box 145801
 Salt Lake City, Utah 84114-5801
 801-359-3940 (Fax)
 801-538-5319 (TDD)

UTAH DIVISION OF OIL, GAS AND MINING
 FACSIMILE COVER SHEET

DATE: November 14, 1996
 FAX #: 1-606-233-2699
 ATTN: Sherry Wilson
 COMPANY: OGM-ALSO
 FROM: Ram G-L
 DEPARTMENT: DDAM
 NUMBER OF PAGES BEING SENT (INCLUDING THIS ONE): 20

If you do not receive all of the pages, or if they are illegible, please call (801) 538-

We are sending from a Sharp facsimile machine. Our telecopier number is (801) 359-3940.

MESSAGES:
Here's the information on the "ARCO"
legal and financial stuff/owner-
control information.
Proposed permit transfer for
Convalsin Canyon Mine ACT/041/002...
Thanks. Ram

Important: This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you.



CHAPTER 1
GENERAL CONTENTS

1.10 Minimum Requirements for Legal, Financial, Compliance and Related Information

1.1.1 Introduction

Canyon Fuel Company, LLC submits this Application for Permit Transfer seeking transfer of Permit No. ACT/041/002 (the "permit") pursuant to Utah Admin. R645-303-320. The application sets forth information regarding the (1) nature of the transaction giving rise to this transfer request; (2) the identity of the principal interests involved in the transfer; (3) the legal, financial, and compliance status and history of Canyon Fuel Company; and (4) the status of the mine area.

The permit was issued to and is presently held by Coastal States Energy Company. Southern Utah Fuel Company ("SUFCo"), a subsidiary of Coastal States Energy Company, presently owns and operates the mine ("SUFCo Mine") located in the Northeastern corner of Sevier County. Coastal States Energy Company is a fully owned subsidiary of Coastal Coal, Inc. which, in turn, is the fully owned subsidiary of The Coastal Corporation. Coastal States Energy Company owns the following entities: (1) SUFCo; (2) Sage Point Coal Company which, in turn owns Soldier Creek Coal Company; (3) Utah Fuel Company, and (4) Skyline Coal. Skyline Coal Company and Coastal States Energy Company own, as equal partners, the Skyline Joint Venture. Figure 1.1 depicts the Coastal States organizational structure.

A Purchase and Sale Agreement ("Agreement") entered into by The Coastal Corporation, Coastal Coal Company, Inc., Atlantic Richfield Company, and Itochu Corporation anticipates merger of Coastal States Energy Company and all of its subsidiaries into a newly formed joint liability company, Canyon Fuel Company, LLC and the subsequent sale of Canyon Fuel Company, LLC to Arco Uinta Coal Company, a fully owned subsidiary of Atlantic Richfield Company, and Itochu Coal International Inc., a fully owned subsidiary of Itochu Corporation. See Figure 1.2 for an organizational diagram depicting the entities that will merge together into

Canyon Fuel Company, LLC, and the parent corporations of Canyon Fuel Company, LLC. This Application seeks transfer of the Permit from Coastal States Energy Company to Canyon Fuel Company, LLC, contingent upon the closing of the anticipated sell and the merger of Coastal States Energy Company and its subsidiaries into Canyon Fuel Company, LLC on or about December 20, 1996. As a result of this transaction, this Application for Permit Transfer documents anticipated changes in Chapter 1 of the Mining and Reclamation Plan for the SUFCo Mine -- "Legal, Compliance, and Related Information."

FIGURE 1.1
Coastal Coal Operations
Legal Structure and Business Units

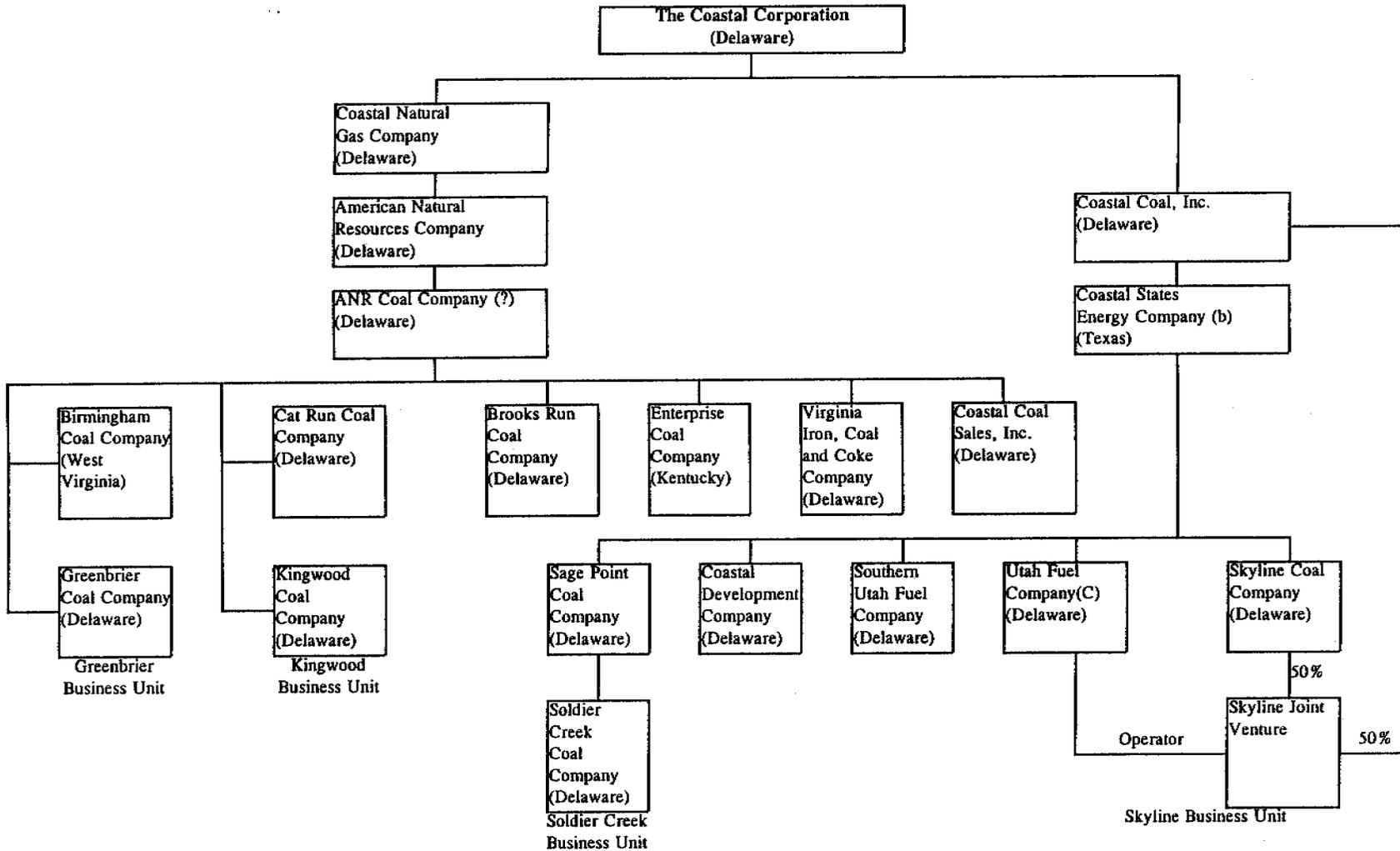
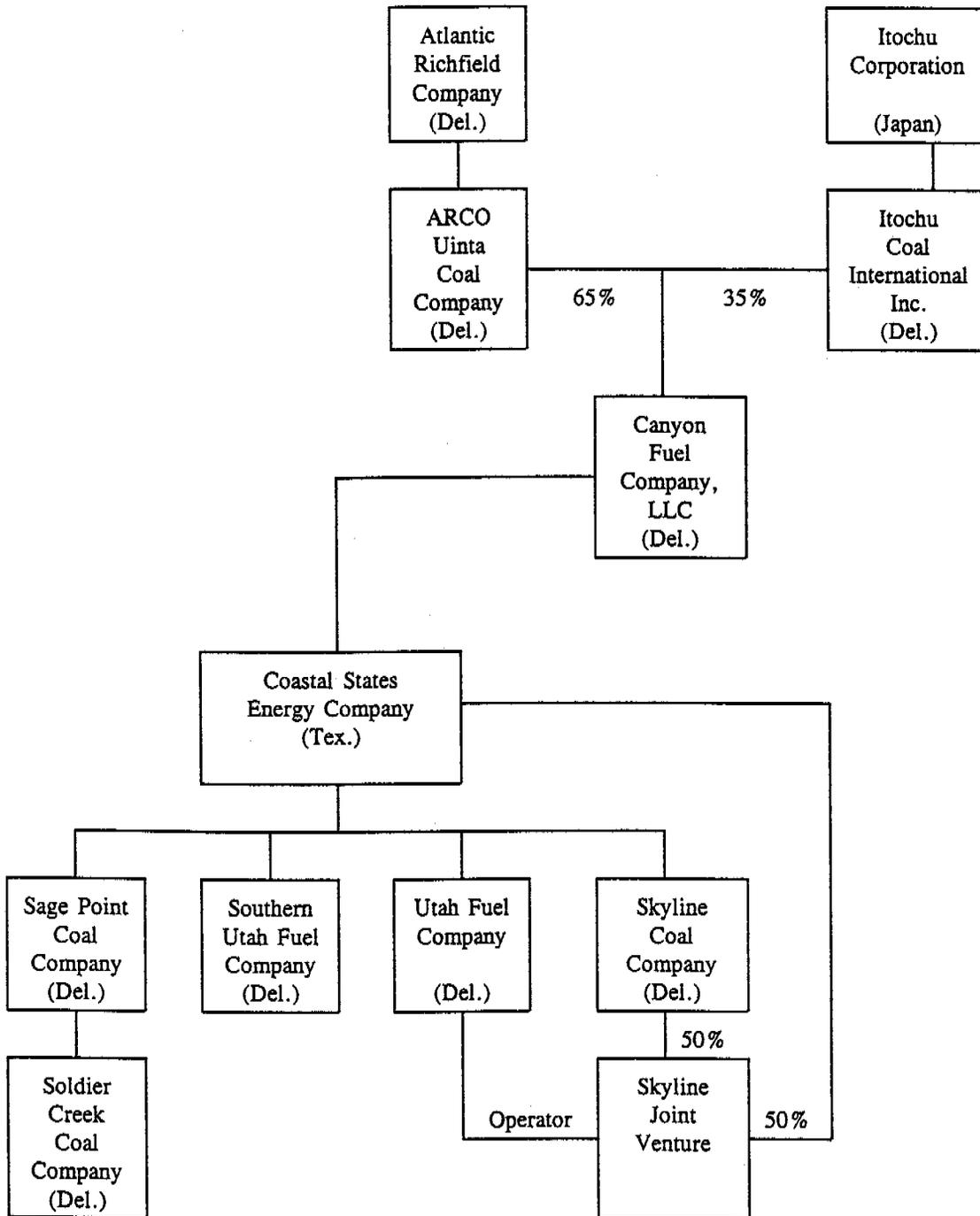


FIGURE 1.2



The mine has been in production since 1941, mining coal from both federally owned lands leased to and fee lands owned by SUFCo. Most of the present and future development will be on lands owned by the United States and administered by either the U.S. Forest Service as a part of the Fishlake and Manti La Sal National Forests or the Bureau of Land Management.

Coastal States Energy Company submitted the original Mine Plan to the U.S. Geological Survey on February 12, 1977 and to the State of Utah's Division of Oil, Gas and Mining (UDOGM) on June 8, 1977. Surface and coal ownership plats of leases and the surrounding area were transmitted to the U.S. Geological Survey on April 13, 1977.

In October, 1979, Coastal States Energy Company submitted additional information to the respective agencies to update the previously filed and approved Mine Plan.

1.1.2 Identification of Interests

The applicant, Canyon Fuel Company, LLC is a newly formed Limited Liability Company organized under the laws of Delaware and owned by ARCO Uinta Coal Company, a Delaware Corporation, and Itochu Coal International Inc., a Delaware Corporation. ARCO Uinta Coal Company is a wholly owned subsidiary of Atlantic Richfield Corporation. Itochu Coal International Inc. is a wholly owned subsidiary of Itochu Corporation, a Japanese Corporation.

1.1.2.2 Applicant and Operator

APPLICANT:

Canyon Fuel Company, LLC
555 Seventeenth Street
Denver, Colorado 80202
Telephone: (303) 293-7576
Employer Identification: To be applied for

OPERATOR:

Canyon Fuel Company, LLC
555 Seventeenth Street
Denver, Colorado 80202
Telephone: (303) 293-7576
Employer Identification: To be applied for

RESIDENT AGENT:

CT Corporation Systems
50 West Broadway, Salt Lake City, Utah 84104
Telephone: (801) 531-7090
Social Security number: N/A
Employer Identification: 51-0006522

CONTACT PERSON:

David M. Arnolds
Canyon Fuel Company, LLC
555 Seventeenth Street
Denver, Colorado 80202
Telephone: (303) 293-7576

PERSON WHO WILL PAY ABANDONED MINE RECLAMATION FEES:

Canyon Fuel Company, LLC
6995 South Union Park Center, Suite 550
Midvale Utah 84047

1.1.2.3 Control Persons

This section identifies that those persons who own or control Canyon Fuel Company, LLC. Canyon Fuel Company, LLC, will be a Delaware limited liability company with two members. ARCO Uinta Coal Company will hold a 65% interest, and Itochu Coal International, Inc. will hold a 35% interest.

ARCO Uinta Coal Company is a wholly owned subsidiary of Atlantic Richfield Company.

ADDRESS:

ARCO Uinta Coal Company
555 Seventeenth Street
Denver, Colorado 80202

EMPLOYER IDENTIFICATION:

95-4298676

ADDRESS:

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

EMPLOYER IDENTIFICATION:

23-0371610

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

ADDRESS:

Itochu Coal International, Inc.
C/O Deloitte Touche, LLP
555 17th Street, Suite 3600
Denver, Colorado 80202

EMPLOYER IDENTIFICATION:

Applied for

ADDRESS:

Itochu Corporation, 5-1
ICita-Aoyama 2-Chrome
Minatoku, Tokyo 107-77, Japan

EMPLOYER IDENTIFICATION:

98-0053818

The following lists the officers and directors of Canyon Fuel Company, LLC, Atlantic Richfield Company, ARCO Uinta Coal Company, Itochu Corporation, and Itochu Coal International, Inc.

Masayoshi Araya
SSN : Not Applicable
Effective: : 11/30/1996

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

Katsurni Takahisa
SSN : Not Applicable
Effective : 11/30/1996

Kazuo Osawa
SSN : Not Applicable
Effective : 11/30/1996

Directors and Officers

ATLANTIC RICHFIELD COMPANY

DIRECTORS:

Ronald J. Arnault Director
SSN :
Effective : 10/26/1937 First Elected: 10/26/1987

Frank D. Boren Director
SSN :
Effective : 07/23/1990 First Elected: 07/23/1990

Mike R. Bowlin Director
SSN :
Effective : 06/22/1992 First Elected: 06/22/1992

Lodwick M. Cook Director
SSN :
Effective : 06/23/1980 First Elected: 06/23/1980

Richard H. Deihl Director
SSN :
Effective : 02/23/1987 First Elected: 02/23/1987

Anthony G. Fernandes Director
SSN :
Effective : 09/26/1994 First Elected: 09/26/1994

John Gavin	Director
SSN :	
Effective : 02/01/1989	First Elected: 02/01/1989
Hanna H. Gray	Director
SSN :	
Effective : 06/28/1982	First Elected: 06/28/1982
Phillip M. Hawley	Director
SSN :	
Effective : 12/16/1975	First Elected: 12/16/1975
Marie L. Knowles	Director
SSN :	
Effective : 07/22/1996	First Elected: 07/22/1996
Kent Kresa	Director
SSN : - - - - -	
Effective : 11/01/1993	First Elected: 11/01/1993
David T. McLaughlin	Director
SSN :	
Effective : 02/22/1993	First Elected: 02/22/1993
John B. Slaughter	Director
SSN :	
Effective : 12/18/1989	First Elected: 12/18/1989
William E. Wade, Jr.	Director
SSN :	
Effective : 06/28/1993	First Elected: 06/28/1993
Henry Wendt	Director
SSN :	
Effective : 12/01/1987	First Elected: 12/01/1987

OFFICERS:

Mike R. Bowlin	Chairman of the Board & Chief Executive Officer
SSN :	
Effective : 05/06/1996	First Elected: 05/06/1996
Ronald J. Arnault	Executive Vice President
SSN :	
Effective : 07/22/1996	First Elected: 07/22/1996

Anthony G. Fernandes SSN : Effective : 09/26/1994	Executive Vice President First Elected: 09/26/1994
Marie L. Knowles SSN : Effective : 07/22/1996	Executive Vice President and Chief Financial Officer First Elected: 07/22/1996
William E. Wade, Jr. SSN : Effective : 06/01/1993	Executive Vice President First Elected: 06/01/1993
Harrell L. Bilhartz, Jr. SSN : Effective : 07/23/1990	Senior Vice President First Elected: 07/23/1990
John B. Cheactham SSN : Effective : 11/20/1995	Senior Vice President First Elected: 11/20/1995
E. Kent Damon, Jr. SSN : Effective : 07/23/1990	Senior Vice President First Elected: 07/23/1990
Kenneth R. Dickerson SSN : Effective : 06/27/1988	Senior Vice President First Elected: 06/27/1988
Stephan R. Mut SSN : Effective : 09/26/1994	Senior Vice President First Elected: 09/26/1994
William C. Ruspack SSN : Effective : 07/23/1990	Senior Vice President First Elected: 07/23/1990
J. Kenneth Thompson SSN : Effective : 06/27/1994	Senior Vice President First Elected; 06/27/1994
Bruce G. Whitmore SSN : Effective : 01/01/1995	Sr. Vice President, General Counsel & Corporate Secretary First Elected: 01/01/1995
Allan L. Comstock SSN : Effective : 06/01/1993	Vice President and Controller First Elected: 06/01/1993

Terry G. Dallas	Vice President and Treasurer
SSN :	
Effective : 01/24/1994	First Elected: 01/24/1994
Stephen J. Giovanisci	Vice President
SSN :	
Effective : 09/23/1985	First Elected: 09/23/1985
Beverly L. Hamilton	Vice President and Investment Officer
SSN :	
Effective : 02/25/1991	First Elected: 02/25/1991
Linda G. Havard	Vice President
SSN :	
Effective : 01/24/1994	First Elected: 01/24/1994
Allen C. Holmes	Vice President and General Tax Officer
SSN :	
Effective : 03/25/1991	First Elected: 03/25/1991
John H. Kelly	Vice President
SSN :	
Effective : 06/01/1993	First Elected: 06/01/1993
Robert J. Trunek	Vice President
SSN :	
Effective : 01/24/1994	First Elected: 01/24/1994
Barbara M. Hinds	Assistant Corporate Secretary
SSN :	
Effective : 12/19/1977	First Elected: 12/19/1977
Kathleen A. Kingsbury	Associate Corporate Secretary
SSN :	
Effective : 10/24/1994	First Elected: 10/24/1994
Robert M. Pine	Assistant Controller
SSN :	
Effective : 01/28/1991	First Elected: 01/28/1991
Patrick J. Ellingsworth	Chief Tax Attorney and Associate General Tax Officer
SSN :	
Effective : 05/01/1989	First Elected: 05/01/1989
Leslye B. Nunnelly	Assoc. General Tax Officer
SSN :	
Effective : 05/02/1988	First Elected: 05/02/1988

Ronald R. Williams SSN Effective : 05/05/1991	Assoc. General Tax Officer First Elected: 05/05/1991
Charles P. Cooley SSN Effective : 06/28/1993	Assistant Treasurer First Elected: 06/28/1993
George S. Davis SSN Effective : 02/06/1995	Assistant Treasurer First Elected: 01/23/1995
Martin C. Recchuite SSN Effective : 06/27/1988	Assistant Treasurer First Elected: 06/27/1988
John J. Coffey SSN Effective : 05/03/1993	Assistant Vice President First Elected: 05/03/1993
Patricia N. Boinski SSN Effective : 05/06/1989	Assistant Secretary First Elected: 05/06/1989
Patrick J. Brophy SSN Effective : 05/06/1986	Assistant Secretary First Elected: 05/06/1986
E. Larry Cantu SSN Effective : 05/06/1996	Assistant Secretary First Elected: 05/06/1996
James R. Coffee SSN Effective : 05/07/1985	Assistant Secretary First Elected: 05/07/1985
Patricia B. Fisher SSN Effective : 05/06/1996	Assistant Secretary First Elected: 05/06/1996
W. Steven Jones SSN Effective : 05/02/1994	Assistant Secretary First Elected: 05/02/1994
Susan O. Liebson SSN Effective : 05/06/1996	Assistant Secretary First Elected: 05/06/1996

Thomas F. Linn	Assistant Secretary
SSN :	
Effective : 05/06/1986	First Elected: 05/06/1986
John R. Lucas, Jr.	Assistant Secretary
SSN :	
Effective : 05/03/1993	First Elected: 05/03/1993
Roderick W. MacDonald	Assistant Secretary
SSN :	
Effective : 05/05/1987	First Elected: 05/05/1987
David W. Marquez	Assistant Secretary
SSN :	
Effective : 05/06/1996	First Elected: 05/06/1996
Stephen Molina	Assistant Secretary
SSN :	
Effective : 05/06/1996	First Elected: 05/06/1996
Karen R. Monroe	Assistant Secretary
SSN :	
Effective : 05/06/1996	First Elected: 05/06/1996
Richard C. Morse	Assistant Secretary
SSN :	
Effective : 05/07/1985	First Elected: 05/07/1985
Ronald C. Redcay	Assistant Secretary
SSN :	
Effective : 05/03/1993	First Elected: 05/03/1993
Paul J. Richmond	Assistant Secretary
SSN :	
Effective : 05/07/1985	First Elected: 05/07/1985
Thomas C. Roantree, III	Assistant Secretary
SSN :	
Effective : 05/01/1989	First Elected: 05/01/1989
Daniel J. Rolf	Assistant Secretary
SSN :	
Effective : 06/22/1992	First Elected: 06/22/1992
Eric E. Sigsbey	Assistant Secretary
SSN :	
Effective : 05/06/1996	First Elected: 05/06/1996

OFFICERS:

Stephen B. Mut SSN Effective : 09/26/1994	President First Elected: 09/26/1994
David T. Bennett SSN Effective : 06/05/1996	Vice President First Elected: 06/05/1996
Michael W. DeGenring SSN Effective : 09/24/1990	Vice President First Elected: 09/24/1990
Chris M. Noble SSN Effective : 09/11/1995	Vice President First Elected: 09/11/1995
Richard D. Pick SSN Effective : 11/01/1992	Vice President First Elected: 11/01/1992
Harold F. Tyber SSN Effective : 08/01/1995	Vice President First Elected: 08/01/1995
William S. Wagener SSN Effective : 06/05/1996	Vice President First Elected: 06/05/1996
Kathleen A. Kingsbury SSN Effective : 11/01/1994	Vice President and Secretary First Elected: 11/01/1994
George S. Davis SSN Effective : 02/06/1995	Treasurer First Elected: 02/06/1995
Charles P. Cooley SSN Effective : 06/28/1993	Assistant Treasurer First Elected: 06/28/1993
Cathey S. Lowe SSN Effective : 03/07/1996	Assistant Treasurer First Elected: 08/07/1996

William R. Ash SSN : Effective : 06/17/1996	Assistant Secretary First Elected: 06/17/1996
Patricia B. Fisher SSN : Effective : 09/26/1994	Assistant Secretary First Elected: 09/26/1994
Sue Ann Higgins SSN : Effective : 06/17/1996	Assistant Secretary First Elected: 06/17/1996
Barbara M. Hinde SSN : Effective : 08/01/1990	Assistant Secretary First Elected: 08/01/1990
Thomas F. Linn SSN : Effective : 05/02/1994	Assistant Secretary First Elected: 05/02/1994
Thomas C, Roantree, III SSN : Effective : 06/17/1996	Assistant Secretary First Elected: 06/17/1996

Directors and Officers

ITOCHU CORPORATION²

<u>Name</u>	<u>Title</u>	<u>Date of Appointment</u>
Minoru Murofushi	Chairman, President, CEO	June-96
Tariyoshi Nakazawa	Executive Vice Chairman	June-96
Jay W. Chni	Executive Vice President	June-93
Takashi Yamamura	Executive Vice President	April-95
Konji Morisawa	Executive Vice President	April-96
Ichiro Kanade	Executive Vice President	April-96
Noboru Nishikawa	Sr. Managing Director	April-96
Kouji Nojiura	Sr. Managing Director	April-96

²The following individuals listed as directors and officers of Itochu Corporation are Japanese nationals and do not have social security numbers.

Akihito Mori	Sr. Managing Director	April-96
Masayoshi Trujiwara	Sr. Managing Director	April-96
Uichiro Niwa	Sr. Managing Director	April-96
Hiroshi Surrie	Sr. Managing Director	April-96
Fumiaki Fujino	Managing Director	June-95
Hiroyuka Yamaoka	Managing Director	April-95
Katsuyuki Kanozaki	Managing Director	April-95
Tetsusaburo Shirai	Managing Director	April-95
Scizo Kanou	Managing Director	April-95
Nobuhiro Takahashi	Managing Director	April-96
Takashi Shiga	Managing Director	April-96
Motohiro Matsukura	Managing Director	April-96
Takeahi Seino	Managing Director	April-96
Takeo Onda	Managing Director	April-96
Shougo Honma	Managing Director	April-96
Keiiehi Wakabayashi	Managing Director	April-96
Akira Asami	Director	June-91
Masahiro Pukumoto	Director	June-95
Kiyoaki Imai	Director	June-95
Shiro Morita	Director	June-95
Nobuo Kobayashi	Director	June-95
Makoto Kato	Director	June-95
Yuushin Okazaki	Director	June-95
Kakuichi Saegusa	Director	June-95
Sumitaka Fujita	Director	June-95
Hiromi Izuka	Director	June-96
Renjiro Sakashita	Director	June-96
Tokuji Kayama	Director	June-96
Mitauo Sakai	Director	June-96
Hiroataka Takechi	Director	June-96
Tadao Abe	Director	June-96

Masaya Takci	Director	June-96
Junichi Tanlyama	Director	June-96
Takeshi Kondou	Director	June-96
Mitsuaki Fukuda	Director	June-96
Yasuo Itsushima	Director	June-96
Kunio Tajiri	Director	June-96
Michio Tanabe	Director	June-96
Hiroshi Itoh	Full-time Corporate Auditor	April-92
Jouji Akizawa	Full-time Corporate Auditor	June-95
Iharuhiko Ochiai	Full-time Corporate Auditor	June-95
Ryuuhei Takashima	Corporate Auditor	June-94
Riichi Hashimoto	Corporate Auditor	June-94

ITOCHU COAL INTERNATIONAL, INC.³

Akio Shigerom	Chief Executive Officer	November 1996
Masayolin Aray	Executive Director	November 1996
Katsumi Takahisa	Executive Director	November 1996

1.1.2.4 Coal Mining and Reclamation Operation Permit Applications Previous, Current or Pending

The following list represents all permits to be transferred to Canyon Coal Company, LLC by Coastal State Energy Company, 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. However, many of the agencies listed have review responsibility only and may not have submitted a numbered permit.

³The following individuals listed as directors and officers of Itochu Coal International, Inc. are Japanese nationals and do not have social security numbers.

<u>Permit</u>	<u>Issuing Authority</u>	<u>Approval Status/ Identification No.</u>
Mining and Reclamation Permit ACT/041/002	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 Fishlake National Forest and Manti La Sal National Forest	1977 Mine Plan was approved on May 19, 1987
U.P.D.E.S. Permit UT-0022918	Environmental Protection Agency and Utah D.E.Q.	Approved
Disposal for Water Discharge	Utah Department of Health	Approved
Business License	Sevier County	Approved
Mine Health and Safety Permits 42-00089	Mine Safety and Health Administration - Utah	All approved
ID No. 1211-UT-09-00089-01	Mine Safety and Health Administration	New Waste Rock Disposal Area Construction Plan
Radio Permits	Federal Communications Commission	Approved
Certificate of Insurance and Authorization to do Business in State	State Industrial Development Commission	Approved
Public Water Supply Permit #21020	State of Utah Department of Health Division of Environmental Health	Approved
Special Use 4078-02	U.S. Forest Service Fishlake National Forest	Approved

Air Quality
Approval Order

State of Utah
Utah Air Conservation Committee
Department of Health
Division of Environmental Health

Approved 1988
Production Increase
approved 3/27/90

Water Rights

State Engineer

Approved

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

SUFCo Mine	ACT/041/002
Skyline Mine	ACT/007/005
Soldier Canyon Mine	ACT/007/018
Banning Loadout	ACT/007/034
Dugout Canyon	Pending

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

Permits and operations held by the following subsidiary companies of Atlantic Richfield Company are:

<u>PERMIT</u>	<u>STATE</u>	<u>ISSUING AGENCY</u>	<u>FACILITY</u>	<u>STATUS</u>	<u>MSHA NO.</u>
233-T3	Wyoming	Land Quality Division Department of Environmental Quality	Black Thunder Mine	Renewal Approved 23 January 1988	48-00977 Issued
483-T1	Wyoming	Land Quality Division Department of Environmental Quality	Coal Creek Mine	Renewal Approved 25 February 1986	48-01215 Issued

Neither Atlantic Richfield Company nor any of its subsidiary owns or controls any other coal mining or reclamation operation. None of the executive officers and directors of Atlantic Richfield Company are directors and officers of any other entity that owns or controls an interest, direct or indirect, having coal mining operations in the United States. 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.

1.1.2.5 Legal or Equitable Owner of the Surface and Mineral Properties to be Mined

Owner of all the surface under Federal Coal Leases U-062453, SL-062583, U-0149084, U-047080, U-063214 and U-28297 is:

United States of America
Department of Agriculture
U.S. Forest Service
Fishlake National Forest
115 East 900 North
Richfield, Utah 84701

United States of America
Department of Agriculture
U.S. Forest Service
Manti-La Sal Forest
599 West Price River Drive
Price, Utah 84501

United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
900 North 700 East
Price, Utah 84501

Lessee: Coastal States Energy Company
Nine Greenway Plaza
Houston, Texas 77046

The Bureau of Land Management owns the mineral rights for the same leases.

United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
900 North 700 East
Price, Utah 84501

The Applicant owns 640 acres of coal within the permit area. Surface ownership of these acres is listed below:

Neal J. Mortensen
c/o UNELCO, Inc.
Aurora, Utah 84620

Roger E. Nielsen and Ruth Nielsen
515 East 240 North
Salina, Utah 84654

Coastal States Energy Company
Nine Greenway Plaza
Houston, Texas 77046

A property ownership map of the permit area and adjacent area is presented as Plate 5-6.

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.

1.1.2.6 Owners of Record of Property Contiguous to Proposed Permit Area

The following list contains the names and addresses of all owners of surface lands contiguous to the permit boundary:

United States of America
Department of Agriculture
U.S. Forest Service
Fishlake National Forest
115 East 900 North
Richfield, Utah 84701

United States of America
Department of Agriculture
U.S. Forest Service
Manti-La Sal National Forest
599 West Price River Drive
Price, Utah 84501

State of Utah
Division of State Lands
411 Empire Building
231 East 400 South
Salt Lake City, Utah 84111

United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
900 North 700 East
Price, Utah 84501

The following list contains the names and addresses of the owners of mineral acreage contiguous to the permit boundary:

State of Utah
Division of State Lands
411 Empire Building
231 East 400 South
Salt Lake City, Utah 84111

United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
900 North 700 East
Price, Utah 84501

1.1.2.7 MSHA Numbers

Mine ID No. 42-00089, Waste Rock ID No. 1211-UT-09-00089-01.

1.1.2.8 Interest in Contiguous Lands

The applicant owns or controls, directly or indirectly, no legal or equitable interest in any lands contiguous to the permit area.

1.1.3 Violation Information

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.

Table 1 -1 contains the NOV history for the Canyon Fuel Company, LLC and its operations. 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 NOVs. The violations for the Canyon Fuel Company, LLC operations, including the SUFCo Mine, ACT/041/002; Skyline Mine, ACT/007/005; Soldier Canyon Mine, ACT/007/018; Banning Loadout, ACT/007/034 are set forth in Table 1.1.

TABLE 1-1

LIST OF VIOLATIONS

Soldier Creek Mine - Utah Division of Oil, Gas and Mining NOV History

NOV	Date	Description	Actions Taken	Termination Date/Status	Administrative or Judicial Proceedings
N87-9-6-1 Banning Loadout	07/17/87	Failure to prevent, to the extent possible, additional contributions of sediment to stream flow outside the permit area.	Repaired two small piping holes along berm	08/20/87	Terminated
N88-13-1-1 Banning Loadout	04/18/88	Failure to pass disturbed runoff through an operating sediment control structure.	Repaired and reinstalled two silt fences and installed two straw bale dikes	04/28/88	Terminated
N-89-28-1-1 SCCC minesite	02/01/89	Failure to pass surface drainage from a disturbed area through a sediment pond or treatment facility before leaving a permit area.	Snow pushed beyond drainage control facilities was recovered to the extent possible. Straw bales installed around remainder.	02/06/89	Terminated
N89-17-3-1 SCCC minesite	10/11/89	Failure to maintain adequate sediment control to prevent, to the extent possible, additional contributions of sediment to Soldier Creek.	Diverted all stream flow including mine water discharge around construction site during construction activities.	10/16/89	Terminated
N89-22-89 SCCC minesite	11/22/89	Failure to confine disturbance to limits of previously approved boundaries during surface facilities expansion construction.	An adequate plan for the use and/or reclamation of areas disturbed was submitted.	01/22/90	Terminated
N90-27-6-1 SCCC minesite	05/22/90	Failure of sub-contractor (Cowing & Company, Inc.) for new mine portal development to have surface blaster certification.	Sub-contractor had completed work and moved off the job site. No remedial action required.	02/22/90	Terminated
N90-28-5-1 Banning Loadout	08/01/90	Failure to have a valid certificate of blaster certification during surface blasting activities.		08/06/90	Terminated
N90-15-1-1 Banning Loadout	10/04/90	Violation 2 of 2 issued for failure to conduct water monitoring in accordance with approved plan.		10/04/90	Terminated
N91-37-1-3 SCCC Minesite	01/30/91	Violation 1 of 3 issued for failure to operate within disturbed area boundary.		04/02/91	Terminated

NOV	Date	Description	Actions Taken	Termination Date/Status	Administrative or Judicial Proceedings
N-91-37-1-3 SCCC Minesite	01/30/91	Violation 2 of 3 issued for failure to place excess spoil in a designated area within the permit boundary.		03/01/91	Terminated
N91-37-1-3 SCCC Minesite	01/30/91	Violation 3 of 3 issued for failure to identify and protect the topsoil resource.		03/01/91	Terminated
N92-15-1-1 Banning Loadout	08/26/92	Failure to submit a complete response to Division Order 92B regarding M&RP submittal.	Submitted response	01/12/93	Terminated
N93-38-1-3 DOGM	09/22/93	Violation 1 of 3 issued for failure to provide certification for the design of existing primary road.	Submitted response		Terminated
N93-38-1-3 DOGM	09/22/93	Violation 2 of 3 issued for failure to provide design information for a ditch/berm system associated with an existing road.	Submitted response		Terminated
N93-38-1-3 DOGM	09/22/93	Violation 3 of 3 issued for failure to include power lines on maps approved within the MRP.	Submitted response		Terminated
N94-38-1-1 DOGM	01/26/94	Failure to comply with TDS limitation for discharge at facility sedimentation pond.	None required	01/26/94	Terminated
N94-39-5-1 DOGM	11/09/94	Failure to have an identification sign at the main gate.	Replaced sign	11/09/94	Terminated

TABLE 1-2

LIST OF VIOLATIONS

SUFCo Mine - Utah Division of Oil, Gas and Mining NOV History

NOV	Date	Description	Actions Taken	Termination Date/Status	Administrative or Judicial Proceedings
N85-6-1-1	01/15/85	No fan small area exemption runoff sampling.	Immediately started sampling		
N85-6-4-1	03/12/85	Parking pad drainage modification to sediment pond without approval	12/21/84 - sent in revised plan to eliminate small area exemption and go back to previously approved plan of parking pad drainage to sediment pond. 3/14/85 - Sent in plans again to Division that were approved without any revisions on 4/18/85.	4/22/85	Termination of Notice
N85-6-6-1	04/30/85	Failure to analyze for oil and grease in sediment pond decant sample	None - requested assessment conference	4/30/84	Termination of Notice
N85-6-7-1	06/21/85	Quality of fan area discharge	6/11/85 - Sent in request for Division approval to eliminate main site fan small area exemption. 6/28/85 - Letter submitted to satisfy abatement. 7/18/85 DOGM approval of plan. 8/16/86 modification implemented.	9/11/85	Termination of Notice
N86-9-6-1	05/01/86	Bypass culvert contaminated with oil - white film on surface of water	Inspected and cleaned culvert. Repaired hole in side of culvert where contaminate was seeping in.	7/14/86	NOV Vacated
N86-9-7-1	06/17/86	Failure to meet TDS limitation for sediment pond discharge	Letter sent to DOGM with explanation and steps to be taken to prevent further violation.	7/16/86	Termination of Notice
N87-9-9-1	09/22/87	Failure to comply with conditions and terms of approved permit.	Meetings held with DOGM. Written comments submitted	12/11/87	NOV Vacated

NOV	Date	Description	Actions Taken	Termination Date/Status	Administrative or Judicial Proceedings
N89-13-1-1	09/28/89	Failure to confine mining activities to within the approved disturbed area. Failure to minimize disturbance to surface water systems. Disturbing stockpiled topsoil. Placing soil materials in an undisturbed ephemeral drainage	9/29/90 Cleared channel and stabilized bank. 11/6/90 Revegetated channel and topsoil stockpile.	11/14/89	Terminated
N89-28-10-1	11/17/89	Failure to maintain required records at the mine site and submit required reports to the Division	Obtained copies of NPDES discharge monitoring report submitted to the Division	12/07/89	Terminated
N90-28-1-1	03/19/90	Failure to maintain sediment control structures in a manner which prevents additional contributions of sediment to stream flow outside the permit area.	Repaired silt fences.	04/11/90	Terminated
N90-39-1-1	11/26/90	Failure to conduct mining in accordance with the terms and conditions of the permit. TDS at 003 above NPDES limit.	Necessary documentation submitted.	12/24/90	Terminated
N92-39-1-1	01/24/92	Failure to notify the Division of the date of seeding one week prior to seeding at substation pad required by const. amendment.	Necessary documentation submitted.	01/28/92	Terminated
N93-42-1-1	08/26/93	Failed to report both field and lab measurements for pH and spec. cond. Nitrate was not reported as (NO ₃ + NO ₂)	Submitted required data to Division.	09/07/96	Terminated
N94-46-2-1	10/31/94	Failed to mark perimeter to surface facilities prior to beginning surface activities. Failure to maintain perimeter markers as required (4 East fan).	Perimeter markers installed.	12/27/94	Terminated
N95-46-4-1	10/25/95	Failure to properly handle non-coal waste in a controlled manner.	Cleaned up non-coal waste and trained surface supervisors in proper handling procedures.	11/07/95	Terminated

TABLE 1-3

LIST OF VIOLATIONS

Skyline Mines - Utah Division of Oil, Gas and Mining NOV History

NOV	Date	Description	Actions Taken	Termination Date/Status	Administrative or Judicial Proceedings
N92-37-1-1	03/04/92	Failure to provide monitoring results of revegetation practices, treatments, and trails as described in pages 4-35 and 4-36, and Volume 1-2 of the MRP. This information is also requested annually by the Division in the Annual Report.	Necessary documentation submitted	03/20/92	Vacated
N92-37-1-1	03/25/92	Failure to comply with the terms and conditions of the approved permit, specifically exceedance of NPDES Discharge Permit UT-002340 to TDS and sulfates. Sampling confirms chronic exceedance of TDS limits that have been self-reported to the Bureau of Water Pollution Control.	Written acceptance of the action items in Docket No. 192-03.	05/17/93	Fine paid
N92-37-4-1	05/22/92	Failure to maintain sediment control in Area 17 of the Railroad Loadout. Failure to prevent to the extent possible, additional contributions of sediment to stream flow or run off outside the permit area.	Required remedial action completed.	10/09/92	Finalized assessment - paid
N92-37-5-1	08/26/92	Failure to maintain diversion as described in the M&RP Volume 5, Section 10, page 4/4.	Necessary documentation submitted and required actions taken.	01/07/93	Received final assessment - paid
N92-37-6-1	08/26/92	Failure to implement sediment control measures as described in the construction plan and consequently conducting coal mining operations outside of the permit area (D & B).	Necessary documentation submitted and required actions taken.	01/07/93	Finalized assessment - paid
N92-37-7-1	08/26/92	Failure to provide maps and plans showing relevant surface configuration and slope; size and location of spoil and development waste areas.	Necessary documentation submitted and required actions taken.	01/07/93	Finalized assessment - paid
N93-39-2-1	03/03/93	Conducting mining activities outside the permit area. Coal was pushed over retaining wall.	Removed coal without damaging vegetation or topsoil	05/18/93	Paid proposed assessment

NOV	Date	Description	Actions Taken	Termination Date/Status	Administrative or Judicial Proceedings
N93-39-5-3	09/16/93	Violation 1 of 3. Failure to have appropriate sediment control measures that are designed and constructed.	Submitted design for sediment control measures and then installed after approval.	Terminated	Paid final assessment
N93-39-5-3	09/16/93	Violation 2 of 3. Failure to design emergency spillway.	Submitted plan for approval showing pond in total containment and therefore no spillway is needed.	Terminated	Paid final assessment
C95-39-1-1	09/07/95	Failed to protect, minimize disturbance and adverse impacts on fish and related environmental matters.	Submitted mitigation plan and implemented plan.	Terminated	Waiting for proposed assessment
N-95-39-3-1	10/15/95	Conducting mining activities without Division approval.	Submitted amendment to cover activity	Terminated	Paid assessment
Stipulation & consent order #195-02COUDWQ	10/23/95	Discharge of longwall mining fluid which caused a fish kill in Eccles and Mud Creeks	Install and implement measures to prevent any future release of longwall fluids.	Closed out	Payment of penalty to UDWQ and reimbursement to UDWQ for fish kill and cost of restocking
C-95-39-1-1	08/07/95	Failed to protect minimize disturbance and adverse impacts on fish and related environmental values.	Submitted and implemented required abatement plan.	Assessment conference requested	Pending

1.1.4 Right-of-Entry Information

Copies of documents granting the legal right to enter and begin underground coal mining activities have not changed with the transfer. They can be found in Appendix 1.1 Mining and Reclamation Plan for the SUFCo Mine, which is unmodified by this Application for Permit Transfer.

The right to enter the leaseholds conveyed by the Federal Coal leases is conferred to the lessee by the Mineral Leasing Act of 1920 and the leases themselves. Copies of Federal coal leases U-47080, U-28297, U-62453, U-149084, U-63214, and SL-062583 which grant the right to enter and conduct underground mining operations on the leased premises is presented in Appendix 1-2 Mining and Reclamation Plan for the SUFCo Mine. Appendix 1-2 is unmodified by this Application for Permit Transfer.

Federal Coal Lease SL-062583 grants the right to use lands for the construction and utilization of surface facilities necessary for underground coal mining.

The legal description of the SUFCo coal leases:

Federal Coal Lease U-28297 - (2,631.98 acres) - Approved January 1979

T. 21 S., R. 5 E., SLM, Utah

Sec. 32, lots 1-4, N1/2S1/2

Sec. 33, lot 1, NW1/4SW1/4

T. 22 S., R. 5 E., SLM, Utah

Sec. 4, lot 4, SW1/4NW1/4, W1/2SW1/4

Sec. 5, all;

Sec. 7, S1/2NE1/4, E1/2SW1/4, SE1/4;

Sec. 8, all;

Sec. 17, NE1/4, N1/2NW1/4

Sec. 18, NE1/4, E1/2NW1/4

Federal Coal Lease U-062453 - (480 acres) - Approved March 1962

T. 21 S., R. 5 E., SLM, Utah

Sec. 28, SW1/4SW1/4

Sec. 29, SE1/4SE1/4

Sec. 32, N1/2

Sec. 33, W1/2NW1/4

Federal Coal Lease U-0149084 - (240 acres) - Approved June 1966

T. 22 S., R. 4 E., SLM, Utah
Sec. 12, NE1/4 and N1/2SE1/4

Federal Coal Lease SL-062583 - (2,202.77 acres) - Approved September 1941

Modified January 1973

T. 21 S., R. 4 E., SLM, Utah
Sec. 36, S1/2
T. 21 S., R. 5 E., SLM, Utah
Sec. 31, all;
T. 22 S., R. 4 E., SLM, Utah
Sec. 1, lots 1 to 4 incl. S1/2N1/2, S1/2
Sec. 12, NW1/4
T. 22 S., R. 5 E., SLM, Utah
Sec. 6, all;
Sec. 7, N1/2NE1/4, E1/2NW1/4

Federal Coal Lease U-47080 - (1,158.05 acres) - Approved October 1981

T. 21 S., R. 4 E., SLM, Utah
Sec. 25, all;
Sec. 36, N1/2
T. 21 S., R. 5 E., SLM, Utah
Sec. 30, lots 2-4, W1/2SE1/4.

Federal Coal Lease U-63214 - (9,905.46) - Approved July 1989

T. 21 S., R. 4 E., SLM, Utah
Sec. 12, E1/2SE1/4
Sec. 13, E1/2NE1/4, S1/2
Sec. 14, E1/2SW1/4, SE1/4
Sec. 23, E1/2, E1/2W1/2
Sec. 24, all.
T. 21 S., R. 5 E., SLM, Utah
Sec. 15, W1/2
Secs. 16-21, all;
Sec. 22, W1/2
Sec. 26, W1/2NW1/4SW1/4, SW1/4SW1/4
Sec. 27, all;
Sec. 28, N1/2, N1/2SW1/4, SE1/4SW1/4, SE1/4
Sec. 29, E1/2NE1/4, NE1/4SE1/4
Sec. 30, lot 1, N1/2NE1/4
Sec. 33, lots 2-4, NE1/4, E1/2NW1/4, NE1/4SW1/4, N1/2SE1/4
Sec. 34, all;
Sec. 35, lots 1, 2, W1/2NW1/4, N1/2SW1/4.

T. 22 S., R. 5 E., SLM, Utah

Sec. 3, lots 1-4, S1/2N1/2, NE1/4SW1/4, S1/2SW1/4, N1/2SE1/4,
SW1/4SE1/4

Sec. 4, lots 1, 2, S1/2NE1/4, SE1/4SE1/4

Sec. 9, NE1/4NE1/4

Sec. 10, W1/2NE1/4, NW1/4, N1/2SW1/4.

1.1.5 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.

Since the SUFCo Mine was in production before passage of the Surface Mining Control and Reclamation Act of 1977, the unsuitability criteria was not applied to the existing surface facilities.

Canyon Fuel Company, LLC does not propose to conduct coal mining or reclamation operations within 300 feet of any occupied dwelling. Coal mining and reclamation operations have been or will be conducted within 100 feet of a public road, see Section 5.2.1.1 for details.

1.1.6 Permit Term

The following information is presented to identify permit term requirements and stipulations. Canyon Fuel Company will be operating the SUFCo Mine with continuous miner and longwall mining methods. Although the Mining and Reclamation Permit Application covers the next five-year period of mining, information is presented below for the life of the mining operation.

1.	First coal produced	1941
2.	Termination of mining activity	December, 2023
3.	Horizontal extent of mine workings	17,258.26 acres (Life of mine)
4.	Vertical extent of mine workings	Surface to 2,000 feet deep (Life of mine)

The anticipated total acreage to be affected during the five years of operation by underground mining activities is 1,025 acres. The estimated number of total surface acres to be affected over the entire mining operation is 69.709 acres.

DISTURBED AREAS TO BE RECLAIMED	ACREAGE
3 East Portals	0.017 acres
4 East Portals	0.50 acres
South Portals	0.017 acres
Quitcupah Portals	0.017 acres
Mine Site, East Spring Canyon	27.79 acres
Waste Rock Disposal Site	40.00 acres
Spring Collection Field, Convulsion Canyon	0.39 acres
Pump House, Convulsion Canyon	0.075 acres
Leach Field, Convulsion Canyon	0.28 acres
Water Tank, East Spring Canyon	0.193 acres
Sediment Pond Access Road, Convulsion Canyon	0.430 acres
TOTAL:	69.709 acres

The permit area includes 16,618.26 acres of Federal coal leases, 640 acres of fee coal leases, the 40 acres waste rock disposal site and 9.945 acres under U.S. Forest Service special use permit for a total of 17,308,205 acres.

1.1.7 Insurance and Proof of Publication

Certificates of Insurance issued to Canyon Fuel Company, LLC will be added prior to closing and to approval of the permit transfer. The newspaper advertisement appears in Appendix 1-3. Verification of the advertisement appearing in the appropriate newspapers will be added to Appendix 1-3 and submitted to the Division no later than 4 weeks after publication.

1.1.8 Filing Fee

A photocopy of the receipt is presented in Appendix 1-4 as proof of payment of the permit filing fee.

The undersigned parties hereby attest that the information contained in this Application for Permit Transfer is true and correct to the best of the undersigneds' information and belief.

On behalf of CANYON FUEL COMPANY, LLC

Richard Albal
Its: Chief Executive Officer

Subscribed and sworn before me this 12th day of NOVEMBER, 1996.



(SEAL)

Catherine K. DelaZerda
Notary Public

Residing at 555 SEVENTEENTH ST
DENVER, CO 80202

My Commission Expires:

8/15/99

APPENDICE 1-3

PUBLIC NOTICE
Application for Permit Transfer
Canyon Fuel Company, LLC
SUFCo Mine

Notice is hereby given that Canyon Fuel Company, LLC, 555 Seventeenth Street, Denver, Colorado 80202, on or about November 13, 1996, submitted an Application for Permit Transfer for Permit No. ACT/041/002, covering operations related to the SUFCo mine, to the State of Utah, Department of Natural Resources, Division of Oil, Gas, and Mining. The current permittee, Coastal States Energy Company, Nine Greenway Plaza, Houston Texas 77046, will be merged into the Canyon Fuel Company, LLC. In conjunction with the anticipated change in the name of the owner of the mining operations, the Canyon Fuel Company, LLC filed the Application for Permit Transfer in advance of closing to obtain approval for the transfer from the Division of Oil, Gas, and Mining.

Copies of the complete application for transfer are available for public inspection at the offices of the Sevier County Recorder, 250 North Main, Richfield, Utah 84701 and the Utah Division of Oil, Gas, and Mining offices, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 82114-5801.

The permit area is located in the Northeastern corner of Sevier County. Approval by the Division of Oil, Gas, and Mining will allow mining operations to continue in the permit area.

The legal description of the lands constituting the mine area follows:

LEGAL DESCRIPTION

<u>Federal Lease</u>	<u>Originally Issued To</u>	<u>Date of Issuance</u>
Utah - 0149084	Southern Utah Fuel Co.	6/01/66
Utah - 062453	Heiner Coal Company	3/01/62
	Southern Utah Fuel Co.	
	Equipment Rental Service	
SL - 062583	Lorenzo R. Hansen	9/11/41

Utah - 28297	Coastal States Energy Co.	1/01/79
Utah - 47080	Coastal States Energy Co.	10/01/81
Utah - 63214	Coastal States Energy Co.	7/01/89

The legal descriptions of the above-listed coal leases and properties held in fee are:

Federal Coal Lease Serial Utah-0149084

T. 22 S., R. 4 E., SL Meridian, Utah

Sec. 12: NE-1/4 and N-1/2 SE-1/4
containing 240 acres;

Federal Coal Lease Serial SL-062583

T. 21 S., R. 4 E., SL Meridian, Utah

Sec. 36: S-1/2;

T. 21 S., R. 5 E., SL Meridian, Utah

Sec. 31: All;

T. 22 S., R. 4 E., SL Meridian, Utah

Sec. 1: Lots 1 to 4 incl., S-1/2 N-1/2, S-1/2;

Sec. 12: NW 1/4;

T. 22S., R. 5 E., SL Meridian, Utah

Sec. 6: All;

Sec. 7: N-1/2 NE-1/4, E-1/2 NW-1/4

containing 2202.77 acres;

Federal Coal Lease Serial Utah-062453

T. 21 S., R. 5 E., SL Meridian, Utah

Sec. 28: SW-1/4 SW-1/4;

Sec. 29: SE-1/4 SE-1/4;

Sec. 32: N-1/2;

Sec. 33: W-1/2 NW-1/4;

containing 480.00 acres;

Federal Coal Lease Serial Utah-028297

T. 21 S., R. 5 E., SL Meridian, Utah

Sec. 32: Lots 1-4, N-1/2 S-1/2;

Sec. 33: Lot 1, NW-1/4 SW-1/4;

T. 22 S., R. 5 E., SL Meridian, Utah

Sec. 4: Lot 4, SW-1/4 NW-1/4, W-1/2 SW1/4;
Sec. 5: All;
Sec. 7: S-1/2 NE-1/4, E-1/2 SW-1/4, SE 1/4;
Sec. 8: All;
Sec. 17: NE-1/4, N-1/2 NW-1/4;
Sec. 18: NE-1/4, E-1/2 NW-1/4;
containing 2631.98 acres;

Federal Coal Lease Serial Utah-47080

T. 21 S., R. 4 E., SL Meridian, Utah

Section 25: All;
Section 36: N-1/2;

T. 21 S., R. 5 E., SL Meridian, Utah

Section 30: Lots 2-4, W-1/2 SE-1/4;
containing 1158.05 acres;

Federal Coal Lease Serial Utah-63214

T. 21 S., R. 4 E., SL Meridian, Utah

Sec. 12: E-1/2 SE-1/4;
Sec. 13: E-1/2 NE-1/4, S-1/2;
Sec. 14: E-1/2 SW-1/4, SE-1/4;
Sec. 23: E-1/2, E-1/2 W-1/2;
Sec. 24: All;

T. 21 S., R. 5 E., SL Meridian, Utah

Sec. 15: W-1/2;
Secs. 16-21: All;
Sec. 22: W-1/2;
Sec. 26: W-1/2 NW-1/4 SW-1/4, SW-1/4 SW-1/4;
Sec. 27: All;
Sec. 28: N-1/2, N-1/2 SW-1/4, SE-1/4 SW-1/4, SE-1/4;
Sec. 29: E-1/2 NE-1/4, NE-1/4 SE-1/4;
Sec. 30: Lot 1, N-1/2 NE-1/4;
Sec. 33: Lots 2-4, NE-1/4, E-1/2 NW-1/4,
NE-1/4 SW-1/4, N-1/2 SE-1/4;

APPENDICE 1-4

APPLICATION FOR PERMIT CHANGE

Title of Change: Waste Rock Disposal Site to Accept Soldier Creek Waste Rock	Application Number: 96A	Permit Number: ACT /041 /002 Mine: SUFCO Permittee: Coastal States Energy
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Description, include reason for change and timing required to implement: Add capability to accept mining waste from Soldier Creek and Dugout operations at the SUFCO Waste Rock Disposal Site.

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Change in the size of the Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	3. Will permit change include operations outside the Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	4. Will permit change include operations in hydrologic basins other than currently approved?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	5. Does permit change result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	6. Does permit change require or include public notice publication?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	7. Permit change as a result of a Violation? Violation # _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	8. Permit change as a result of a Division Order? D.O.# _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	9. Permit change as a result of other laws or regulations? Explain: _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	10. Does permit change require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	11. Does the permit change affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	12. Does permit change require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	13. Could the permit change have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	14. Does permit change require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	15. Does permit change require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	16. Does permit change require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	17. Does permit change require or include water monitoring, sediment or drainage control measures?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	18. Does permit change require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	19. Does permit change require or include underground design or mine sequence and timing?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	20. Does permit change require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	21. Have reclamation costs for bonding been provided or revised for any change in the reclamation plan?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	22. Is permit change within 100 feet of a public road or perennial stream or 500 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	23. Is this permit change coal exploration activity <input type="checkbox"/> inside <input type="checkbox"/> outside of the permit area?

INCORPORATED

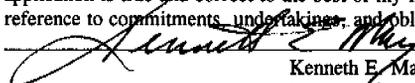
EFFECTIVE:

APR 24 1996

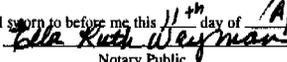
UTAH DIVISION OF GAS AND MINING
PRICE FIELD OFFICE

X Attach 3 complete copies of proposed permit change as it would be incorporated into the Mining and Reclamation Plan.

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.


 Kenneth E. May, General Manager, April 11, 1996

Subscribed and sworn to before me this 11th day of April, 1996


 Notary Public

My Commission Expires: _____
 Attest: STATE OF _____
 COUNTY OF _____

Notary Public

ELLA RUTH WAYMAN
30 North 500 West
Aurora, Utah 84602
My Commission Expires
December 16, 1998
State of Utah

Received by: _____, Gas & Mining

MAY -8 1996

DIVISION OF OIL
GAS & MINING PRICE UTAH

ASSIGNED PERMIT CHANGE NUMBER

96A

APPLICATION FOR PERMIT CHANGE

Title of Change:

Application Number: 96A

Permit Number: ACT /041 /002

Waste Rock Disposal Site to Accept Soldier Creek Waste Rock

Mine: SUFCO

Permittee: Coastal States Energy

Description, include reason for change and timing required to implement: Add capability to accept mining waste from Soldier Creek and Dugout operations at the SUFCO Waste Rock Disposal Site.

- | | | |
|------------------------------|--|--|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 2. Change in the size of the Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 3. Will permit change include operations outside the Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 4. Will permit change include operations in hydrologic basins other than currently approved? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 5. Does permit change result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 6. Does permit change require or include public notice publication? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 7. Permit change as a result of a Violation? Violation # _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 8. Permit change as a result of a Division Order? D.O.# _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 9. Permit change as a result of other laws or regulations? Explain: _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 10. Does permit change require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 11. Does the permit change affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 12. Does permit change require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 13. Could the permit change have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 14. Does permit change require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 15. Does permit change require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 16. Does permit change require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 17. Does permit change require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 18. Does permit change require or include certified designs, maps, or calculations? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 19. Does permit change require or include underground design or mine sequence and timing? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 20. Does permit change require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided or revised for any change in the reclamation plan? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 22. Is permit change within 100 feet of a public road or perennial stream or 500 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 23. Is this permit change coal exploration activity <input type="checkbox"/> inside <input type="checkbox"/> outside of the permit area? |

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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.

Subscribed and sworn to before me this 27th day of February, 1996
 Kenneth E. May, General Manager
 My Commission Expires: 3-28
 Attest: STATE OF Utah
 COUNTY OF Sevier

RECEIVED
 Received by Oil, Gas & Mining
 MAR - 4 1996
 DIVISION OF OIL
 GAS & MINING PRICE UTAH
 ASSIGNED PERMIT CHANGE NUMBER

