



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

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

May 20, 2002

Ken May, General Manager
Canyon Fuel Company, LLC
397 South 800 West
Salina, Utah 84654

Re: Five-Year Permit Renewal, Canyon Fuel Company, LLC, SUFCO Mine, C/041/002,
Outgoing File

Kan
Dear Mr. May:

Enclosed is the renewed permanent program mining permit for the SUFCO Mine with the State's Decision Document. Two (2) original permits with one condition are enclosed. Please read the permit to be sure you understand the requirements of the permit and condition, have both copies signed by the company official with signatory authority and return one to the Division.

If you have any questions, please call Pamela Grubaugh-Littig at (801) 538-5286 or me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lowell".

Lowell P. Braxton
Director

sm

Enclosures

cc: Ranvir Singh, OSM

O:\041002.CON\FINAL\PERMIT\DD_RN02.DOC

**UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT**

**For
PERMIT RENEWAL**

Canyon Fuel Company, LLC
SUFCO Mine
C/041/002
Sevier County, Utah

May 20, 2002

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ADMINISTRATIVE OVERVIEW

Canyon Fuel Company, LLC
SUFCO Mine
Five-Year Permit Renewal
C/041/002
Sevier County, Utah

May 20, 2002

BACKGROUND

Canyon Fuel Company, LLC made application to the Division of Oil, Gas and Mining for a five-year permit renewal for the SUFCO Mine in a timely manner. This renewal encompasses the same permit area and disturbance as currently approved.

The SUFCO Mine, formerly known as the Convulsion Canyon Mine and operated by Southern Utah Fuel Company (SUFCO), is located approximately 30 miles east of Salina, Utah, with the surface facilities and access portals on U. S. Forest Service land in East Spring Canyon, within Section 12, Township 22 South, Range 4 East, Salt Lake Baseline and Meridian. The mine commenced operations in 1941, mining federally-owned coal. The original mine plan was submitted to the U. S. Geological Survey (USGS) and the Utah Division of Oil, Gas and Mining (DOG M) in 1977. Additional information was submitted, and the mine plan was approved by DOGM pursuant to the Utah Mined Land Reclamation Act on September 14, 1977. The USGS approved the plan on February 3, 1978.

In October of 1979, SUFCO submitted additional information to comply with the regulation of the newly implemented Surface Mining Control and Reclamation Act of 1977. A joint OSM/DOG M review was conducted and the mine plan application was declared complete on July 18, 1983. A permanent program permit was issued to the Coastal States Energy Company on May 19, 1987, consisting of five federal leases and one fee lease for a total of 7,355 acres. The need for a waste rock disposal site was soon apparent. Coastal States applied for a disposal site located on a 40-acre tract of private land located approximately 6 miles west of the mine portals. This waste rock site was approved on August 26, 1988, bringing the revised permit area to a total of 7395 acres.

On July 3, 1989, application was made to add another federal lease known as the Quitcupah Lease to the permit area. Approval for the new lease was obtained and a revised permit was issued effective December 21, 1989. This new lease brought the total permit area to 17,301 acres.

On December 20, 1996 the permit was transferred to Canyon Fuel Company, LLC.

A lease modification to the Quitchupah lease (150 acres) was submitted in January 1999. This was approved as an incidental boundary change and added to the existing permit area on October 20, 1999.

Canyon Fuel Company, LLC acquired the Pines Tract lease through a lease by application (LBA) process. An EIS was completed for the Pines Tract lease on January 28, 1999 and the lease was issued to Canyon Fuel Company, LLC on September 1, 1999. The state issued a permit on June 22, 2000, and the mining plan approval was signed by the Secretary on July 25, 2000. The total permit acreage is currently 24, 632.95 acres with a surface disturbance of 35.27 acres.

RECOMMENDATION

Canyon Fuel Company, LLC has demonstrated that mining of the SUFCO Mine can be done in conformance with the Surface Mining Control and Reclamation Act and the corresponding Utah Act and performance standards.

The public notice for this permit renewal was last published on March 6, 2002. The public comment period ended on April 6, 2002, and no comments were received. A letter, dated May 1, 2002, from the United States Fish and Wildlife Service (USFWS) stated "no comment". The State Historical Preservation Office letter dated March 13, 2002, concurred with the "completeness" determination.

Approval for this permit renewal is recommended, with one condition: "Canyon Fuel Company, LLC must submit water quality data for the SUFCO Mine in an electronic format through the Electronic Data Input web site, <http://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi>."

PERMITTING CHRONOLOGY

Canyon Fuel Company, LLC
SUFCO Mine
Five-Year Permit Renewal
C/041/002
Sevier County, Utah

May 20, 2002

- January 4, 2002 Canyon Fuel Company, LLC submits application for permit renewal.
- January 31, 2002 Division notifies Canyon Fuel Company, LLC by telephone that the application is administratively complete.
- February 12, 19, 26
and March 5, 2002 Canyon Fuel Company, LLC published permit renewal in Emery County Progress for four consecutive weeks.
- February 13, 20, 27,
And March 6, 2002 Canyon Fuel Company, LLC published permit renewal in Richfield Reaper for four consecutive weeks.
- March 5, 2002 Division notifies Canyon Fuel Company, LLC other federal, state, and local governmental agencies and water users that the application is determined administratively complete.
- April 6, 2002 End of public comment period. No comments received.
- May 20, 2002 Division issues renewed permit with one condition.

PERMIT RENEWAL FINDINGS

Canyon Fuel Company, LLC
SUFCA Mine
Five-Year Permit Renewal
C/041/002
Sevier County, Utah

May 20, 2002

1. The permit renewal term will not exceed the original permit term of five years (R645-303-234).
2. The terms and conditions of the existing permit are being satisfactorily met (R645-303-233.110).
3. The present underground coal mining activities are in compliance with the environmental protection standards of the Act and the Utah State Program (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program (R645-303-233.130).
5. The Permittee has provided evidence of having liability insurance (Federal Insurance Company, Policy #3711-00-11)(R645-303-233.140).
6. The Permittee has posted a reclamation surety in the required amount and has provided evidence that the surety will remain in full effect for the additional permit period. (St. Paul Fire and Marine Insurance Company, Bond #40000SA1915 in the amount of \$4,439,000)(R645-303-233.150).
7. The Permittee has submitted updated information as required by the Division at this time, (R645-233.160).



Permit Supervisor



Permit Supervisor



Associate Director of Mining



Director

**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340**

This permit, C/041/002, is issued for the State of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

**Canyon Fuel Company, LLC
6955 South Union Park Center, Suite 540
Midvale, Utah 84047
(801) 596-7111**

for the SUFCO Mine (previously the Convulsion Canyon Mine.) Canyon Fuel Company, LLC is the lessee of federal, state and fee-owned property. A performance bond is filed with the DOGM in the amount of \$4,439,000.00 payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSMRE). DOGM must receive a copy of this permit signed and dated by the permittee.

- Sec. 1 STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.
- Sec. 2 PERMIT AREA** - The permittee is authorized to conduct coal mining and reclamation operations on the following described lands within the permit area at the SUFCO Mine situated in the state of Utah, Sevier and Emery Counties, and located:

Township 20 South, Range 5 East, SLBM

Section 35: S1/2NE1/4, SE1/4NW1/4, NE1/4SW1/4, S1/2SW1/4, SE1/4
Section 36: W1/2SW1/4, SE1/4SW1/4

Township 21 South, Range 4 East, SLBM

Section 12: E1/2SE1/4
Section 13: E1/2NE1/4, S1/2
Section 14: E1/2SW1/4, SE1/4
Section 23: E1/2, E1/2W1/2
Section 24: All
Section 25: All
Section 36: All

Township 21 South, Range 5 East, SLBM

Section 1: lots 3-4, S1/2SW1/4, SW1/4SE1/4
Section 2: lots 1-4, S1/2S1/2
Section 10: E1/2, SE1/4NW1/4, E1/2SW1/4, E1/2E1/2SW1/4SW1/4,
E1/2E1/2NW1/4SW1/4, E1/2 E1/2SW1/4NW1/4
Section 11
thru 24: All
Section 25: N1/2, N1/2S1/2
Section 26: N1/2, NE1/4SW1/4, E1/2NW1/4SW1/4, SE1/4,
W1/2NW1/4SW1/4, SW1/4SW1/4
Section 27
thru 34: All
Section 35: Lots 1, 2, W1/2NW1/4, N1/2SW1/4

Township 21 South, Range 6 East, SLBM

Section 19: lots 3-4, E1/2SW1/4
Section 30: lots 1-3, E1/2NW1/4, NE1/4SW1/4

Township 22 South, Range 4 East, SLBM

Section 1: All
Section 12: N1/2, N1/2SE1/4, portions of NE1/4SW1/4 and S1/2
Section 18: NW1/4NE1/4

Township 22 South, Range 5 East, SLBM

Section 3: Lots 1-4, S1/2N1/2, NE1/4SW1/4, S1/2SW1/4,
N1/2SE1/4, SW1/4SE1/4
Section 4: Lots 1, 2, S1/2NE1/4, SE1/4SE1/4, W1/2W1/2
Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 9: NE1/4NE1/4
Section 10: W1/2NE1/4, NW1/4, N1/2SW1/4
Section 17: NE1/4, N1/2NW1/4
Section 18: N1/2

This legal description is for the permit area of the SUFCO Mine included in the mining and reclamation plan on file at the Division. The permittee is authorized to conduct coal mining and reclamation operations on the foregoing described property subject to the conditions of the leases, including all conditions and all other applicable conditions, laws and regulations.

- Sec. 3** **COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4** **PERMIT TERM** - This permit become effective on May 20, 2002 and expires on May 20, 2007.
- Sec. 5** **ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and R645-303.
- Sec. 6** **RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- A. have the rights of entry provided for in 30 CFR 840.12, R645-400-110, 30 CFR 842.13 and R645-400-220; and,
 - B. be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.
- Sec. 7** **SCOPE OF OPERATIONS** - The permittee shall conduct coal mining and reclamation operations only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.
- Sec. 8** **ENVIRONMENTAL IMPACTS** - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:
- A. accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
 - B. immediate implementation of measures necessary to comply; and
 - C. warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

- Sec. 9 DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.
- Sec. 10 CONDUCT OF OPERATIONS** - The permittee shall conduct its operations:
- A. in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
 - B. utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 11 EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.
- Sec. 12 RECLAMATION FEE PAYMENT** - The operator shall pay all reclamation fees required by 30 CFR part 870 for coal produced under the permit, for sale, transfer or use.
- Sec. 13 AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 14 COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq.) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.
- Sec. 15 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State program and Federal lands program.
- Sec. 16 CULTURAL RESOURCES** - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.

- Sec. 17 **APPEALS** - The permittee shall have the right to appeal as provided for under R645-300.
- Sec. 18 **SPECIAL CONDITIONS** - There is a special condition associated with this permitting action as described in Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: Janell P. Brafford
Director, Division of Oil, Gas & Mining

Date: 5-21-02

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of the Permittee
(Name and Title)

Date: _____

ATTACHMENT A

- 1) Canyon Fuel Company, LLC must submit water quality data for the SUFCO Mine in an electronic format through the Electronic Data Input web site, <http://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi>

AFFIDAVIT OF PUBLICATION

County of Sevier, State of Utah, ss.

I, SHERRIE OKERLUND, being first duly sworn, depose and say I am the Legal Secretary of THE RICHFIELD REAPER, a weekly paper having a bonafide circulation of more than 200 subscribers in the State of Utah, published every Wednesday at Richfield, Sevier County, Utah.

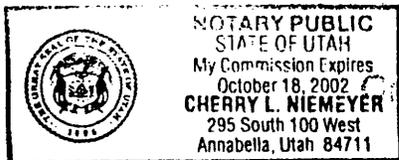
That the notice PERMIT RENEWAL a copy of which is attached hereto, was published in said paper for FOUR consecutive issues, the first publication having been made in the issue of the 13 day of FEBRUARY 2002 and the last publication in the issue of the 6 day of MARCH 2002, that the said notice was published in the regular and entire issue of every number of said paper during the period of times and publication, and that the same was published in the newspaper proper and not in a supplement.

Sherrie Okerlund

Subscribed and sworn to before me this 6 day of MARCH, 2002

Received

MAR 28 2002



Canyon Fuel Company
SUFECO Mine

Cherry L. Niemeier
Notary Public

My Residence is Annabella, Sevier, County, Utah
My Commission Expires October 18, 2002

LEGAL NOTICE
Canyon Fuel Company LLC
South Union Park Center
Suite 1540, Midvale, Utah
84047 has filed an application
for a coal mining permit renewal
under the laws of the State of
Utah and the U.S. Office of
Surface Mining.

Approval of this application
will allow coal mining operations
at the SUFECO Mine, to
continue within the leasehold
interest and fee lands owned by
Canyon Fuel Company LLC.
The lands on which mining is
to continue are located in
Sevier and Emery County and
include parts of the Fishlake
National Forest and Mandala
LaSal National Forest. The
mine portals are located 30
miles east of Salina, Utah,
located within Section 12,
NW 1/4, Township 22S, Range
4E. The approximately
24,632.95 acre leasehold
involves all or part of the following coal leases and fee land
which have been assigned or
deeded to Canyon Fuel
Company LLC.

Federal Coal Lease U-28297
(2,631.98 acres) Approved
January 1979
T. 21 S., R. 5 E., SLM, Utah

T. 21 S., R. 5 E., SLM
Sec. 1, lots 3-4, S1/2SW1/4,
SW1/4 SE1/4

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

Sec. 10, E1/2

Sec. 11-14, all

Sec. 15, E1/2

Sec. 22, E1/2

Sec. 23-24, all

Sec. 25, N1/2, N1/2S1/2

Sec. 26, N1/2, NE1/4SW1/4,
E1/2NW1/4SW1/4, SE1/4

T. 21 S., R. 6 E., SLM

Sec. 19, lots 3-4, E1/2SW1/4

Sec. 20, lots 1-3,
E1/2NW1/4, NE1/4SW1/4

Fee lands owned by
Canyon Fuel Company LLC

T. 21 S., R. 5 E., SLB&M,
Utah

Sec. 29, SW1/4, NW1/4,
W1/2NE1/4, W1/2SE1/4

Sec. 30, S1/2NE1/4,
E1/2SE1/4

containing 640.00 acres

T. 22 S., R. 4 E., SLB&M,
Utah

Sec. 18, NW1/4NE1/4,
containing 40 acres

After filing, copies of the
permit application will be
available for inspection at the
following locations: Utah
Division of Oil, Gas, and
Mining, 1594 West North
Temple, Suite 1210, Salt Lake
City, Utah, and Sevier County
Courthouse, Richfield, Utah.

Written comments or
requests for an informal conference
regarding this application
may be addressed within 30
days of the last publication date
of this notice to the Utah
Division of Oil, Gas, and
Mining, Box 45801, Salt Lake
City, Utah 84114-5801.

Published in The Richfield
Reaper, Feb. 13, 20, 27, and
March 6, 2002.

AFFIDAVIT OF PUBLICATION

STATE OF UTAH) **Received**

ss MAR 1 1 2002

County of Emery,)

Canyon Fuel Company
SUFCO Mine

I, Ken Larson, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, State and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and that the first publication was on the 12th day of February, 2002 and that the last publication of such notice was in the issue of such newspaper dated the 5th day of March 2002.

Ken G. Larson

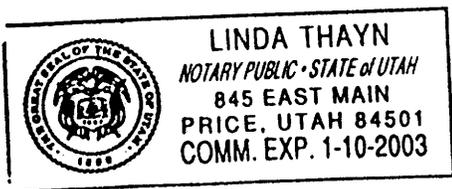
Ken G Larson - Publisher

Subscribed and sworn to before me this 5th day of March, 2002.

Linda Thayne

Notary Public My commission expires January 10, 2003 Residing at Price, Utah

Publication fee, \$ 831.76



LEGAL NOTICE

Canyon Fuel Company LLC, 6955 South Union Park Center, Suite 540, Midvale, Utah 84047, has filed an application for a coal mining permit renewal under the laws of the State of Utah and the U.S. Office of Surface Mining.

Approval of this application will allow coal mining operations at the SUFCO Mine to continue within the leasehold interest and fee lands owned by Canyon Fuel Company LLC. The lands on which mining is to continue are located in Sevier and Emery County and include parts of the Fishlake National Forest and Miami-LaSal National Forest. The mine portals are located 30 miles east of Salina, Utah, located within Section 12, NW1/4, Township 22 S., Range 4 E. The approximately 24,632.95 acre leasehold involves all or part of the following coal leases and fee land which have been assigned or deeded to Canyon Fuel Company LLC:

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 - (10,055.46 acres) - Approved July 1989

Modified June 1999

T: 21 S., R: 4 E., SLM, Utah

Sec. 30, S1/2NE1/4, E1/2SE1/4

containing 640.00 acres

T: 22 S., R: 4 E., SLB&M, Utah

Sec. 18, NW1/4NE1/4 containing 40 acres

After filing, copies of the permit application will be available for inspection at the following locations: Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah; and Sevier County Courthouse, Richfield, Utah.

Written comments or requests for an informal conference regarding this application may be addressed within 30 days of the last publication date of this notice to the Utah Division of Oil, Gas and Mining, Box 145801, Salt Lake City, Utah 84114-5801.

Published in the Emery County Progress February 12, 19, 26 and March 5, 2002.



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

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

May 14, 2002

TO: Compliance File

FROM: Pamela Grubaugh-Littig, Permit Supervisor *pgl*

RE: 510 (c) Recommendation for Permit Renewal, SUFCO Mine, Canyon Fuel Company, LLC, C/041/002, Compliance File

As of the writing of this memo, there are no NOV's or CO's which are not corrected or in the process of being corrected for the SUFCO Mine. There are no finalized civil penalties which are outstanding and overdue in the name of Canyon Fuel Company, LLC. Canyon Fuel Company, LLC does not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

Attached is an OSM recommendation from the Applicant Violator System that identified no violations retrieved from AVS and that AVS provided a quality check of this application on May 14, 2002.

sm

Attachment:

O:\041002.CON\COMPLIANCE\AVS_051402.DOC

