

Closing Loopholes, Improving Transparency, and Ensuring Taxpayers Receive the Royalties They are Legally Owed from Federal Coal Production

A growing body of evidence indicates that taxpayers are not receiving the royalties they are legally owed from coal production on federal lands, contributing to distortions in U.S. coal markets that [disadvantage non-federal production in the Appalachian region](#) and other coal-producing basins.

Specifically, it appears that the coal industry has been taking advantage of a regulatory loophole to reduce royalty payments by cloaking certain sales with subsidiaries and affiliates as “arm’s-length transactions.” Republican and Democratic [Members of Congress](#), [the State of Wyoming](#), and [independent reviewers](#) have called for reforms to close this loophole.

Key Facts:

Under current regulations, coal companies pay royalties on the price received from the first “arm’s-length” sale of the coal, as opposed to the true market price at which it is sold to a power plant or other end user. Additionally, coal companies are allegedly disguising sales of coal to subsidiaries and affiliates as “arm’s length” transactions to keep the price of coal artificially low for royalty, tax, and other valuation purposes.

- Using this provision in the current regulation, coal companies who export coal are able to pay royalties on the domestic mine-mouth price of the coal, as opposed to the price at which they sell the coal overseas. A [2012 investigation by Reuters](#) estimated that this loophole allowed companies to pocket more than \$40 million on coal exports from Wyoming and Montana alone in 2011.
- In [Western Minerals LLC v. KCP, Inc., et al. \(1:12-cv-00085\)](#) – a contract dispute filed in the U.S. District Court of Montana in 2012 between Western Minerals, LLC and Ambre Energy, LLC – Western Minerals alleged that Ambre Energy engaged in “self-dealing transactions, by selling to itself coal from the Decker Coal Company through either Ambre limited directly or an affiliated subsidiary and then reselling such coal at a higher price.”
- In [Cloud Peak Energy Resources, LLC v. State of Montana, Dept. of Revenue \(DA 14-0057\)](#) – a Montana State court case regarding a tax dispute - the State of Montana alleged that Cloud Peak Energy intentionally undervalued federal coal sold to two affiliates between 2005 and 2007 to pay reduced taxes.

The major coal companies have built an extensive network of subsidiaries and affiliates through which they sell and distribute their coal; and, coal sales through this network have skyrocketed in the last decade.

- According to the U.S. Energy Information Administration, or EIA, 42% of all coal produced in Wyoming in [2012](#) was sold through a “captive transaction,” or a sale to an affiliated or parent company – up from just 4% in [2004](#).

- According to the companies' filings, Alpha Natural Resources has built a network of 184 domestic and foreign subsidiaries, Ambre Energy has built a network of 26 domestic and foreign subsidiaries, Arch Coal has built a network of 83 domestic and foreign subsidiaries, Cloud Peak Energy has built a network of at least 31 domestic subsidiaries, and Peabody Energy has built a network of 141 domestic subsidiaries and 101 foreign subsidiaries. These subsidiaries are listed in the attachment.

Coal industry records suggest that the exploitation of the arm's-length transaction loophole to reduce royalty payments is common practice and highly profitable.

- In a 2013 filing to the Securities and Exchange Commission, [Cloud Peak Energy](#) says in its 10-K form that the company's finances would be adversely affected if there is a change to how the federal government assesses royalty payments on non-arms' length sales: *"...if the federal government were to materially alter the method for valuing royalty payments for our non-arms' length sales, our profitability and cash flows could be materially adversely affected."*
- In its comments to the Office of Natural Resources Revenue, or ONRR, on the proposed rulemaking, the [State of Wyoming](#) noted that "non-arm's length transactions are highly susceptible to manipulation." Further, the State's chief auditor asks ONRR to change current regulation to prevent coal company sales to "affiliates, partners, marketing agents, and trade and export associations" from qualifying as "arm's-length" transactions.

When compared with international coal competitors, U.S. royalty-collection policy does not reflect the true market value of federally owned coal and is nontransparent.

- In the case of [coal exported from Indonesia](#), the royalty rate is based on the true market value of the coal received at the export terminal. This price is based off of the benchmark price or the actual sales price – whichever is higher. Further, transportation costs are not deductible from the price of coal upon which the royalty is levied.
- Similar to Indonesia, in Australia – the world's [5th](#) largest coal supplier – transportation [deductions for the onshore transportation](#) of coal are not permitted. As a result, the royalty is assessed on the gross value of the coal without regard to transportation costs.

Valuing coal based on the commodity's true market price – at the final point of sale or export – would allow ONRR auditors to use publicly-available information from EIA to calculate and verify royalty obligations, and eliminate the need for expensive closed-door valuation estimates. This change would also be consistent with U.S. goals under the [Extractive Industries Transparency Initiative](#).

ATTACHMENT

Alpha Natural Resources, Inc.: Subsidiaries

Source: Alpha Natural Resources 10-K, February 28, 2014, available at <http://cleanenergyaction.org/wp-content/uploads/2014/06/Alpha-Natural-Resources-ANR-2013-10-K-Annual-Report.pdf>.

Subsidiary
T. Massey Coal Company, Inc.
Alex Energy, Inc.
Alpha American Coal Company, LLC
Alpha American Coal Holding, LLC
Alpha Appalachia Holdings, Inc.
Alpha Appalachia Services, Inc.
Alpha Australia, LLC
Alpha Australia Services, LLC
Alpha Coal India Private Limited
Alpha Coal Resources Company, LLC
Alpha Coal Sales Co., LLC
Alpha Coal Sales International Limited
Alpha Coal West, Inc.
Alpha European Sales, Inc.
Alpha Gas and Oil Company
Alpha India, LLC
Alpha Land and Reserves, LLC
Alpha Midwest Holding Company
Alpha Natural Resources, Inc.
Alpha Natural Resources, LLC
Alpha Natural Resources International, LLC
Alpha Natural Resources Services, LLC
Alpha Natural Resources Singapore Private Limited
Alpha PA Coal Terminal, LLC
Alpha Shipping and Chartering, LLC
Alpha Sub One, LLC
Alpha Sub Two, LLC
Alpha Terminal Company, LLC
Alpha Wyoming Land Company, LLC
AMFIRE, LLC
AMFIRE Holdings, LLC
AMFIRE Mining Company, LLC
AMFIRE WV, L.P.
ANR Receivables Funding, LLC
Appalachia Coal Sales Company, Inc.
Appalachia Holding Company
Aracoma Coal Company, Inc.
Austin Rubber Company LLC
Axiom Excavating and Grading Services, LLC

Bandmill Coal Corporation
Bandytown Coal Company
Barbara Holdings Inc.
Barnabus Land Company
Belfry Coal Corporation
Ben Creek Coal Company
Big Bear Mining Company
Black Castle Mining Company, Inc.
Black Dog Coal, LLC
Black King Mine Development Co.
Black Mountain Cumberland Resources, Inc.
Black Mountain Resources LLC
Boone East Development Co.
Brooks Run Mining Company, LLC
Brooks Run South Mining, LLC
Buchanan Energy Company, LLC
Castle Gate Holding Company
Central Penn Energy Company, Inc.
Ceratech, Inc.
Ceratech USA Holdings, LLC
Clear Fork Coal Company
Coal Gas Recovery II, LLC
Coal Handling Solutions LLC
Coral Energy Services, LLC
Covington Handling LLC
Crystal Fuels Company
Cumberland Coal Resources, LP
Dehue Coal Company
Delbarton Mining Company
Delta Mine Holding Company
Dickenson-Russell Coal Company, LLC
Dickenson-Russell Land and Reserves, LLC
Dominion Terminal Associates
DRIH Corporation
Dry Systems Technologies, Inc.
Duchess Coal Company
Eagle Energy, Inc.
Elk Run Coal Company, Inc.
Emerald Coal Resources, LP
Enterprise Mining Company, LLC
Esperanza Coal Co., LLC
Excelven Pty Ltd.
Foundation Mining, LLC
Foundation PA Coal Company, LLC
Foundation Royalty Company
Freeport Mining, LLC

Freeport Resources Company, LLC
Green Source Holdings LLC
Goals Coal Company
Gray Hawk Insurance Company
Green Valley Coal Company
Greyeagle Coal Company
Harlan Reclamation Services LLC
Herndon Processing Company, LLC
Highland Mining Company
Hopkins Creek Coal Company
Independence Coal Company, Inc.
Jacks Branch Coal Company
Jay Creek Holding, LLC
Joboner Coal Company
Kanawha Energy Company
Kepler Processing Company, LLC
Kingsport Handling LLC
Kingsport Services LLC
Kingston Mining, Inc.
Kingwood Mining Company, LLC
Knox Creek Coal Corporation
Lauren Land Company
Laxare, Inc.
Litwar Processing Company, LLC
Logan County Mine Services, Inc.
Long Fork Coal Company
Lynn Branch Coal Company, Inc.
Mahatamil Mining and Thermal Energy Limited
Maple Meadow Mining Company
Marfork Coal Company, Inc.
Marshall Land LLC
Martin County Coal Corporation
Maxxim Rebuild Co., LLC
Maxxim Shared Services, LLC
Maxxum Carbon Resources, LLC
Maysville Handling LLC
McDowell-Wyoming Coal Company, LLC
Mill Branch Coal Corporation
Mountaineer Capital, LP
Neweagle Industries, Inc.
New Ridge Mining Company
New River Energy Corporation
Nicewonder Contracting, Inc.
North Fork Coal Corporation
Omar Mining Company
Paramont Coal Company Virginia, LLC

Paynter Branch Mining, Inc.
Peerless Eagle Coal Co.
Pennsylvania Land Holdings Company, LLC
Pennsylvania Land Resources Holding Company, LLC
Pennsylvania Land Resources, LLC
Pennsylvania Services Corporation
Performance Coal Company
Peter Cave Mining Company
Pigeon Creek Processing Corporation
Pilgrim Mining Company, Inc.
Pioneer Fuel Corporation
Plateau Mining Corporation
Power Mountain Coal Company
Premium Energy, LLC
Rawl Sales & Processing Co.
Republic Energy, Inc.
Resource Development LLC
Resource Land Company LLC
River Processing Corporation
Riverside Energy Company, LLC
Riverton Coal Production Inc.
Road Fork Development Company, Inc.
Robinson-Phillips Coal Company
Rockspring Development, Inc.
Rostraver Energy Company
Rum Creek Coal Sales, Inc.
Russell Fork Coal Company
Scarlet Development Company
Shannon-Pocahontas Coal Corporation
Shannon-Pocahontas Mining Company
Sidney Coal Company, Inc.
Simmons Fork Mining, Inc.
Solomons Mining Company
Spartan Mining Company
Stirrat Coal Company
Sycamore Fuels, Inc.
T. C. H. Coal Co.
Tennessee Consolidated Coal Company
Tennessee Energy Corp.
Town Creek Coal Company
Trace Creek Coal Company
Tucson Limited Liability Company
Twin Star Mining, Inc.
Twisted Gun, LLC
Vantage Mining Company
Wabash Mine Holding Company

Warrick Holding Company
West Kentucky Energy Company
West Virginia Media Partners, LP
White Buck Coal Company
Williams Mountain Coal Company
Wyomac Coal Company, Inc.
Wyoming Quality Healthcare Coalition, LLC

Ambre Energy Limited: Subsidiaries

Source: Ambre Energy Annual Report, December 12, 2012, available at http://www.ambreenenergy.com/FileLibrary/ambre_energy_limited_annual_report_30_june_2012_lr.pdf.

Subsidiary	Country of Incorporation	Ownership Interest
Ambre Energy (Felton) Pty Ltd	Australia	100%
Ambre Energy Exploration Pty Ltd	Australia	100%
Ambre Fuels Limited (formerly Ambre CTL Limited)	Australia	100%
Ambre EOR Pty Ltd	Australia	100%
Ambre Pipelines Pty Ltd	Australia	100%
AE Minerals Pty Ltd	Australia	100%
AE Oil Shale, Inc.	USA	100%
Ambre Energy Partners, Inc.	USA	100%
Ambre Energy Technology, LLC	USA	100%
AE Alternative Fuels, LLC	USA	100%
AE Fuels North America, LLC	USA	100%
Ambre Energy North America, Inc.	USA	100%
AE Coal, LLC	USA	100%
AE Infrastructure, LLC	USA	100%
Millennium Bulk Terminals-Longview, LLC	USA	62%
AE Coal Marketing, LLC	USA	100%
Coyote Island Terminal, LLC	USA	100%
Gulf States Bulk Terminal, LLC	USA	100%
Barlow Point Land Company, LLC	USA	62%
Pacific Transloading, LLC	USA	100%
AE Wind River, LLC	USA	100%
Eldorado Coal, Inc.	USA	100%
KCP, Inc.	USA	100%
KCP Properties, Inc.	USA	100%
Big Horn Coal Company	USA	100%
Rosebud Coal Sales Company USA	USA	100%

Arch Coal, Inc.: Subsidiaries

Source: Arch Coal, Inc. 10-K, February 28, 2014, available at <http://cleanenergyaction.org/wp-content/uploads/2014/06/Arch-Coal-Inc-ACI-2013-10-K-Annual-Report.pdf>

Subsidiary	Country/State of Incorporation	Ownership Interest
Arch Coal Asia-Pacific PTE. LTD.	Singapore	100%
Arch of Australia PTY LTD	Australia	100%
Arch Coal Australia PTY LTD	Australia	100%
Arch Coal Australia Holdings PTY LTD	Australia	100%
Arch Coal Europe Limited	United Kingdom	100%
Arch Reclamation Services, Inc.	Delaware	100%
Arch Western Acquisition Corporation	Delaware	100%
Arch Western Acquisition, LLC	Delaware	100%
Arch Western Resources, LLC	Delaware	0.5%
Arch Western Resources, LLC	Delaware	99.5%
Arch of Wyoming, LLC	Delaware	100%
Arch Western Finance, LLC	Delaware	100%
Arch Western Bituminous Group, LLC	Delaware	100%
Mountain Coal Company, L.L.C.	Delaware	100%
Thunder Basin Coal Company, L.L.C.	Delaware	100%
Triton Coal Company, LLC	Delaware	100%
ACI Terminal, LLC	Delaware	100%
Ark Land Company	Delaware	100%
Western Energy Resources, Inc.	Delaware	100%
Ark Land KH, Inc.	Delaware	100%
Ark Land LT, Inc.	Delaware	100%
Ark Land WR, Inc.	Delaware	100%
Allegheny Land Company	Delaware	100%
Apogee Holdco, Inc.	Delaware	100%
Arch Coal Sales Company, Inc.	Delaware	100%
Arch Energy Resources, LLC	Delaware	100%
Arch Coal Terminal, Inc.	Delaware	100%
Arch Coal West, LLC	Delaware	100%
Arch Development, LLC	Delaware	100%
Arch Receivable Company, LLC	Delaware	100%
Ashland Terminal, Inc.	Delaware	100%
Catenary Coal Holdings, Inc.	Delaware	100%
Cumberland River Coal Company	Delaware	100%
Lone Mountain Processing, Inc.	Delaware	100%
Powell Mountain Energy, LLC	Delaware	100%
Catenary Holdco, Inc.	Delaware	100%
Coal-Mac, Inc.	Kentucky	100%
Energy Development Co.	Iowa	100%
Hobet Holdco, Inc.	Delaware	100%

International Coal Group, Inc.	Delaware	100%
ICG, LLC	Delaware	100%
ICG, Inc.	Delaware	100%
Arch Flint Ridge, LLC	Delaware	100%
ICG Beckley, LLC	Delaware	100%
ICG Natural Resources, LLC	Delaware	100%
ICG East Kentucky, LLC	Delaware	100%
ICG Illinois, LLC	Delaware	100%
ICG Knott County, LLC	Delaware	100%
ICG Tygart Valley, LLC	Delaware	100%
Shelby Run Mining Company, LLC	Delaware	100%
ICG Eastern, LLC	Delaware	100%
ICG Eastern Land, LLC	Delaware	100%
ICG Hazard, LLC	Delaware	100%
ICG Hazard Land, LLC	Delaware	100%
CoalQuest Development LLC	Delaware	100%
Hunter Ridge Holdings, Inc.	Delaware	100%
Hunter Ridge, Inc. (Delaware)	Delaware	100%
Hunter Ridge Coal Company	Delaware	100%
White Wolf Energy, Inc.	Virginia	100%
Bronco Mining Company, Inc.	West Virginia	100%
Juliana Mining Company, Inc.	West Virginia	100%
Hawthorne Coal Company, Inc.	West Virginia	100%
Marine Coal Sales Company	Delaware	100%
Upshur Property, Inc.	Delaware	100%
King Knob Coal Co., Inc.	West Virginia	100%
Vindex Energy Corporation	West Virginia	100%
Patriot Mining Company, Inc.	West Virginia	100%
Melrose Coal Company, Inc.	West Virginia	100%
Wolf Run Mining Company	West Virginia	100%
The Sycamore Group, LLC	West Virginia	50%**
Simba Group, Inc.	Delaware	
Jacobs Ranch Holdings I LLC	Delaware	
Jacobs Ranch Holdings II LLC	Delaware	
Jacobs Ranch Coal LLC	Delaware	
Mingo Logan Coal Company	Delaware	
Mountain Gem Land, Inc.	West Virginia	100%
Mountain Mining, Inc.	Delaware	100%
Mountaineer Land Company	Delaware	100%
Otter Creek Coal, LLC	Delaware	100%
P.C. Holding, Inc.	Delaware	100%
Prairie Holdings, Inc.	Delaware	100%
Prairie Coal Company, LLC	Delaware	100%
Saddleback Hills Coal Company	Delaware	100%

** NOTE: The Sycamore Group is 50% owned by Wolf Run Mining Company and 50% owned by Emily Gibson Coal Co., Inc.

Cloud Peak Energy, Inc.: Subsidiaries

Source: Cloud Peak Energy, Inc., 10-K, February 14, 2014, available at <http://cleanenergyaction.org/wp-content/uploads/2014/06/Cloud-Peak-CLD-2013-10-K-Annual-Report.pdf>.

Domestic Subsidiary	State of Incorporation	Ownership Interest
Antelope Coal LLC	Delaware	100%
Arrowhead I LLC	Delaware	100%
Arrowhead II LLC	Delaware	100%
Arrowhead III LLC	Delaware	100%
Big Metal Coal Co. LLC	Delaware	100%
Caballo Rojo Holdings LLC	Delaware	100%
Caballo Rojo LLC	Delaware	100%
Cloud Peak Energy Finance Corp.	Delaware	100%
Cloud Peak Energy Logistics LLC	Oregon	100%
Cloud Peak Energy Receivables LLC	Delaware	100%
Cloud Peak Energy Services Company	Delaware	100%
Cordero Mining Holdings LLC	Delaware	100%
Cordero Mining LLC	Delaware	100%
Cordero Oil and Gas LLC	Delaware	100%
Decker Coal Company	Unincorporated	50%
Kennecott Coal Sales LLC	Oregon	100%
Montana Royalty Company Ltd.	Unincorporated	50%
NERCO Coal Sales LLC	Tennessee	100%
NERCO Coal LLC	Delaware	100%
NERCO LLC	Delaware	100%
Prospect Land and Development LLC	Oregon	100%
Resource Development LLC	Washington	100%
Sequatchie Valley Coal Corporation	Tennessee	100%
Spring Creek Coal LLC	Delaware	100%
The Interstate Ditch Company	Wyoming	59.68%
Venture Fuels Partnership	Colorado	50%
Western Minerals LLC	Oregon	100%
Wyoming Quality Healthcare Coalition, LLC	Delaware	33.30%
Youngs Creek Holdings I LLC	Delaware	100%
Youngs Creek Holdings II LLC	Delaware	100%
Youngs Creek Mining Company, LLC	Delaware	100%

Peabody Energy Corp.: Subsidiaries

Source: Peabody Energy Corp. 10-K, February 21, 2014, available at <http://cleanenergyaction.org/wp-content/uploads/2014/06/Peabody-BTU-2013-10-K-Annual-Report.pdf>.

Foreign Subsidiary	Country of Incorporation
Bowen Basin Coal Joint Venture	Australia
Conexcel 1 Pty Ltd.	Australia
Coppabella and Moorvale Joint Venture	Australia
Excel Equities International Pty Ltd.	Australia
Helensburgh Coal Pty Ltd.	Australia
Metropolitan Collieries Pty Ltd.	Australia
Middlemount Coal Pty Ltd	Australia
Middlemount Mine Management Pty Ltd	Australia
Burton Coal Pty Ltd.	Australia
Capricorn Joint Venture	Australia
Millennium Coal Pty Ltd.	Australia
Monto Coal 2 Pty Ltd	Australia
Monto Coal Joint Venture	Australia
Moorvale West Joint Venture	Australia
North Goonyella Coal Mines Pty Ltd.	Australia
North Wambo Pty Ltd.	Australia
Olive Downs South Joint Venture	Australia
Peabody (Bowen) Pty Ltd.	Australia
Peabody (Burton Coal) Pty Ltd.	Australia
Peabody (Horse Creek) Pty Ltd.	Australia
Peabody (Kogan Creek) Pty Ltd.	Australia
Peabody (Wilkie Creek) Pty Ltd. South	Australia
Peabody Acquisition Co. No. 2 Pty Ltd.	Australia
Peabody Acquisition Co. No. 5 Pty Ltd	Australia
Peabody Australia Holdco Pty Ltd.	Australia
Peabody Australia Intermediate Pty Ltd	Australia
Peabody Australia Mining Pty Ltd.	Australia
Peabody BB Interests Pty Ltd	Australia
Peabody Bistrotel Pty Ltd	Australia
Peabody Budjero Holdings Pty Ltd	Australia
Peabody Budjero Pty Ltd	Australia
Peabody Capricorn Pty Ltd	Australia
Peabody Coalsales Australia Pty Ltd.	Australia
Peabody Coaltrade Australia Pty Ltd.	Australia
Peabody Coppabella Coal Pty Ltd	Australia
Peabody Custom Mining Ltd	Australia
Peabody Energy Australia Coal Pty Ltd.	Australia
Peabody Energy Australia PCI (C&M Equipment) Pty Ltd	Australia

Peabody Energy Australia PCI (C&M Management) Pty Ltd	Australia
Peabody Energy Australia PCI Berrigurra Pty Ltd	Australia
Peabody Energy Australia PCI Equipment Pty Ltd	Australia
Peabody Energy Australia PCI Exporation Pty Ltd	Australia
Peabody Energy Australia PCI Financing Pty Ltd	Australia
Peabody Energy Australia PCI Management Pty Ltd	Australia
Peabody Energy Australia PCI Mine Management Pty Ltd	Australia
Peabody Energy Australia PCI Pty Ltd	Australia
Peabody Energy Australia PCI Rush Pty Ltd	Australia
Peabody Energy Australia Pty Ltd	Australia
Peabody Energy Finance Pty Ltd.	Australia
Peabody MCC Holdco Pty Ltd.	Australia
Peabody Monto Coal Pty Ltd	Australia
Peabody Moorvale Pty Ltd.	Australia
Peabody Moorvale West Pty Ltd	Australia
Peabody Olive Downs Pty Ltd	Australia
Peabody Pastoral Holdings Pty Ltd.	Australia
Peabody Queensland Coke & Energy Pty Ltd	Australia
Peabody West Burton Pty Ltd	Australia
Peabody West Rolleston Pty Ltd	Australia
Peabody West Walker Pty Ltd	Australia
PEAMCoal Holdings Pty Ltd.	Australia
PEAMCoal Pty Ltd.	Australia
Ribfield Pty Ltd	Australia
Wambo Coal Pty Ltd.	Australia
Wambo Coal Terminal Pty Ltd.	Australia
Wambo Open Cut Pty Ltd.	Australia
West/North Burton Joint Venture	Australia
West Rolleston Joint Venture	Australia
West Walker Joint Venture	Australia
Wilpinjong Coal Pty Ltd.	Australia
Excelven Pty Ltd.	B.V.I.
Peabody Coal Venezuela Ltd.	Bermuda
Peabody Energy (Botswana) (Proprietary) Limited	Botswana
Peabody Investment & Development Business Services Beijing Co., Ltd.	China
Peabody Bear Run Mining, LLC	Delaware
Peabody Coaltrade GmbH	Germany
Peabody Energy (Gibraltar) Limited	Gibraltar
Peabody Holdings (Gibraltar) Limited	Gibraltar
Peabody International (Gibraltar) Limited	Gibraltar
Peabody Investments (Gibraltar) Limited	Gibraltar
Peabody MCC (Gibraltar) Limited	Gibraltar
Peabody Mining (Gibraltar) Limited	Gibraltar
Peabody Coaltrade India Private Ltd	India
PT Peabody Coaltrade Indonesia	Indonesia

PT Peabody Mining Services	Indonesia
Peabody Energy (Gibraltar) Limited and S.C.S.	Luxembourg
Peabody Gobi LLC	Mongolia
Peabody Mozambique, Limitada	Mozambique
BTU International BV	Netherlands
Peabody Acquisition Cooperative U.A.	Netherlands
Peabody AMBV2 B.V.	Netherlands
Peabody Holland BV	Netherlands
Peabody Netherlands Holding B.V.	Netherlands
9 East Shipping (Asia) Pte Ltd.	Singapore
Peabody Coaltrade Asia Private Ltd.	Singapore
Peabody Global Services Pte Ltd.	Singapore
9 East Shipping Limited	UK
Peabody Coaltrade International Limited	UK
Carbones Peabody de Venezuela S.A.	Venezuela
Complejo Siderurgico Del Lago, CA	Venezuela
Desarrollos Venshelf IV, CA	Venezuela
Transportes Coal Sea de Venezuela, CA	Venezuela

Domestic Subsidiary - Peabody	State of Incorporation
American Land Development, LLC	Delaware
American Land Holdings of Colorado, LLC	Delaware
American Land Holdings of Illinois, LLC	Delaware
American Land Holdings of Indiana, LLC	Delaware
American Land Holdings of Kentucky, LLC	Delaware
American Land Holdings of West Virginia, LLC	Delaware
Arid Operations, Inc.	Delaware
Big Sky Coal Company	Delaware
BTU Western Resources, Inc.	Delaware
Caballo Grande, LLC	Delaware
Caseyville Dock Company, LLC	Delaware
Central States Coal Reserves of Illinois, LLC	Delaware
Central States Coal Reserves of Indiana, LLC	Delaware
Coal Reserve Holding LLC No. 1	Delaware
Coalsales II, LLC	Delaware
Colorado Yampa Coal Company	Delaware
Conservancy Resources, LLC	Delaware
Cottonwood Land Company	Delaware
Cyprus Creek Land Company	Delaware
Cyprus Creek Land Resources LLC	Delaware
Dyson Creek Coal Company, LLC	Delaware
Dyson Creek Mining Company, LLC	Delaware
El Segundo Coal Company, LLC	Delaware
Elkland Holdings, LLC	Delaware
Gallo Finance Company	Delaware

Gold Fields Chile, LLC	Delaware
Gold Fields Mining, LLC	Delaware
Gold Fields Ortiz, LLC	Delaware
Hayden Gulch Terminal, LLC	Delaware
Highwall Mining Service Company	Delaware
Hillside Recreational Lands, LLC	Delaware
HMC Mining LLC	Delaware
Independence Material Handling, LLC	Delaware
James River Coal Terminal, LLC	Delaware
Juniper Coal Company	Delaware
Kayenta Mobile Home Park, Inc.	Delaware
Kentucky Syngas, LLC	Delaware
Lively Grove Energy Partners, LLC	Delaware
Lively Grove Energy, LLC	Delaware
Marigold Electricity, LLC	Delaware
Midwest Coal Acquisition Corp.	Delaware
Midwest Coal Reserves of Illinois, LLC	Delaware
Midwest Coal Reserves of Indiana, LLC	Delaware
Midwest Coal Reserves of Kentucky, LLC	Delaware
Moffat County Mining, LLC	Delaware
Mustang Clean Energy, LLC	Delaware
Mustang Energy Company, LLC	Delaware
New Mexico Coal Resources, LLC	Delaware
P&L Receivables Company LLC	Delaware
Pacific Export Resources, LLC	Delaware
Peabody America, Inc.	Delaware
Peabody Archveyor, LLC	Delaware
Peabody Arclar Mining, LLC	Delaware
Peabody Bear Run Services, LLC	Delaware
Peabody Bear Run Mining, LLC	Delaware
Peabody Caballo Mining, LLC	Delaware
Peabody Cardinal Gasification, LLC	Delaware
Peabody China, LLC	Delaware
Peabody Coalsales, LLC	Delaware
Peabody Coaltrade International (CTI), LLC	Delaware
Peabody Coaltrade, LLC	Delaware
Peabody Colorado Operations, LLC	Delaware
Peabody Colorado Services, LLC	Delaware
Peabody Coulterville Mining, LLC	Delaware
Peabody Development Company, LLC	Delaware
Peabody Electricity, LLC	Delaware
Peabody Employment Services, LLC	Delaware
Peabody Energy Generation Holding Company	Delaware
Peabody Energy Investments, Inc.	Delaware
Peabody Energy Solutions, Inc.	Delaware
Peabody Gateway North Mining, LLC	Delaware

Peabody Gateway Services, LLC	Delaware
Peabody Holding Company, LLC	Delaware
Peabody Illinois Services, LLC	Delaware
Peabody Indiana Services, LLC	Delaware
Peabody International Investments, Inc.	Delaware
Peabody International Services, Inc.	Delaware
Peabody Investments Corp.	Delaware
Peabody Magnolia Grove Holdings, LLC	Delaware
Peabody Midwest Management Services, LLC	Delaware
Peabody Midwest Operations, LLC	Delaware
Peabody Midwest Services, LLC	Delaware
Peabody Mongolia, LLC	Delaware
Peabody Natural Gas, LLC	Delaware
Peabody Natural Resources Company	Delaware
Peabody New Mexico Services, LLC	Delaware
Peabody Operations Holding, LLC	Delaware
Peabody Powder River Mining, LLC	Delaware
Peabody Powder River Operations, LLC	Delaware
Peabody Powder River Services, LLC	Delaware
Peabody PowerTree Investments LLC	Delaware
Peabody Recreational Lands LLC	Delaware
Peabody Rocky Mountain Management Services, LLC	Delaware
Peabody Rocky Mountain Services, LLC	Delaware
Peabody Sage Creek Mining, LLC	Delaware
Peabody School Creek Mining, LLC	Delaware
Peabody Services Holding, LLC	Delaware
Peabody Southwest, LLC	Delaware
Peabody Southwestern Coal Company	Delaware
Peabody Terminal Holding Company, Inc.	Delaware
Peabody Terminals, LLC	Delaware
Peabody Trout Creek Reservoir LLC	Delaware
Peabody Twentymile Mining, LLC	Delaware
Peabody Venezuela Coal Corporation	Delaware
Peabody Venture Fund, LLC	Delaware
Peabody Western Coal Company	Delaware
Peabody Wild Boar Mining, LLC	Delaware
Peabody Wild Boar Services, LLC	Delaware
Peabody Williams Fork Mining, LLC	Delaware
Peabody Wyoming Gas, LLC	Delaware
Peabody Wyoming Services, LLC	Delaware
Peabody-Waterside Development LLC	Delaware
PEC Equipment Company, LLC	Delaware
PG Investments Six LLC	Delaware
Point Pleasant Dock Company LLC	Delaware
Pond River Land Company	Delaware
Porcupine Production LLC	Delaware

Porcupine Transportation LLC	Delaware
Riverview Terminal Company	Delaware
Sage Creek Holdings, LLC	Delaware
School Creek Coal Resources, LLC	Delaware
Seneca Coal Company, LLC	Delaware
Shoshone Coal Corporation	Delaware
Star Lake Energy Company LLC	Delaware
Thoroughbred Generating Company LLC	Delaware
Thoroughbred Mining Company LLC	Delaware
Twentymile Coal LLC	Delaware
West Roundup Resources, LLC	Delaware
Big Ridge, Inc.	Illinois
Black Hills Mining Company, LLC	Illinois
Century Mineral Resources, Inc.	Illinois
Illinois Land Holdings, LLC	Illinois
Midco Supply and Equipment Corporation	Illinois
Falcon Coal Company, LLC	Indiana
Kentucky United Coal LLC	Indiana
Peabody Midwest Mining, LLC	Indiana
Sugar Camp Properties, LLC	Indiana
United Minerals Company LLC	Indiana
Newhall Funding Company (MBT)	Massachusetts
Sterling Centennial Missouri Insurance Corporation	Missouri
Sterling Centennial Insurance Corp.	Vermont