



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

INSPECTION REPORT

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Michael O. Leavitt
Governor
Lowell P. Braxton
Division Director

Partial: Complete: XXX Exploration:
Inspection Date & Time: 3/2/99 / 8:00a.m.-12:30p.m.
Date of Last Inspection: 2/2/99

Mine Name: Skyline Mine County: Carbon Permit Number: ACT/007/005
Permittee and/or Operator's Name: Canyon Fuel Company
Business Address: P.O. Box 719, Helper, Utah 84526
Type of Mining Activity: Underground XXX Surface Prep. Plant Other
Company Official(s): Chris Hansen
State Officials(s): Stephen J. Demczak Federal Official(s): None
Weather Conditions: 30's, Clear, 25" Snow
Existing Acreage: Permitted- 7067.11 Disturbed- 62.08 Regraded- Seeded- Bonded- 65.38
Increased/Decreased: Permitted- Disturbed- Regraded- Seeded- Bonded-
Status: Exploration/ XXX Active/ Inactive/ Temporary Cessation/ Bond Forfeiture
Reclamation (Phase I/Phase II/ Final Bond Release/ Liability Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
a. For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

Table with 5 columns: Item, EVALUATED, N/A, COMMENTS, NOV/ENF. Contains 21 rows of inspection items with checkboxes for evaluation status.

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PERMIT NUMBER: ACT/007/005

DATE OF INSPECTION: 3/2/99

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMIT-

The permittee has sent additional information on the waste rock expansion to the Division. This information should make it possible for the Division to give approval.

The Mining and Reclamation Permit was last issued by the Division on April 30, 1997. The expiration date is on April 30, 2002. The mid-term review has a tentative date set for October 30, 1999. The Skyline Mine bond is by Liberty Mutual Inc. #14-000-068-0004 UT. This is a surety policy.

2. SIGNS AND MARKERS -

Identification signs meet the requirements of the R645 Coal Rules. The perimeter markers were spot-checked and are located around the perimeter of the disturbed areas.

3. TOPSOIL -

The topsoil piles were inspected with no signs of wind or water erosion. These piles are protected by vegetation, straw bales, or silt fences.

4A. DIVERSIONS -

The diversions were spot-checked and were found to comply with the requirements of the Mining and Reclamation Plan and the R645 Coal Rules performance standards.

Diversions were being cleaned out during the inspection from ice and snow.

4B. SEDIMENT PONDS -

The sediment pond at the mine site was discharging during the inspection. This was the only sediment pond which was discharging. The railroad loadout sediment pond discharged in February for the first time.

There were no signs of any hazardous conditions occurring to the sediment ponds during the inspection.

The sediment ponds were inspected for the fourth quarter on December 17, 1998 by the permittee. There was no report of hazardous conditions. This report was P.E. certified.

4C. OTHER SEDIMENT CONTROL MEASURES -

Skyline Mine uses straw bales, silt fences, gravel, and berms as its alternate sediment control measures. These areas were spot-inspected and complied with the R645 Coal Rules. Spot checks of these areas were made and no performance standards were violated.

4D. WATER MONITORING -

Water monitoring reports for the fourth quarter were reviewed and found to be complete. All parameters were taken as required in the Mining and Reclamation Plan.

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4E. EFFLUENT LIMITATIONS -

NPDES samples were taken for fourth quarter. These samples were in compliance with the NPDES permit. The permit will expire on October 1, 1999.

5. EXPLOSIVES -

No explosives were used on the surface for fourth quarter.

7. REFUSE PILE -

The refuse pile was P.E. certified for fourth quarter of 1998. The report did not indicate any hazardous conditions.

8. NON-COAL WASTE -

The area was clear of non-coal waste material , except for a diversion ditch located at the upper mine site. Permittee was in the process of removing the material.

14. SUBSIDENCE -

The subsidence map for 1997 was reviewed and is in the annual report. The mine is in the process of compiling new information for 1998 subsidence report.

18. SUPPORT FACILITIES -

There were no additional support facilities constructed.

20. AIR QUALITY -

The air quality permit (DAQE-1067-97) is being complied with.

21. BONDING AND INSURANCE -

The bonding is set at \$5,076,000. The policy is a surety bond from Liberty Mutual Insurance. The insurance acord form was inspected and meets the requirements of the R645 Coal Rules. Explosives are included in the acord form. The insurance policy will expire on July 31, 1999.

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas, and Mining.

Copy of this Report:

Mailed to: Chris Hansen (Canyon Fuel) Henry Austin (OSM)
Given to: Joe Helfrich (DOGM) Filed to: Price Field Office
Date: March 4, 1999

Inspector's Signature:  #39
Stephen J. Demczak