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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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INSPECTION REPORT

Partial:XX Complete:__ Exploration:__
Inspection Date & Time: 02/28/00 10:30am
Date of Last Inspection: 01/19/00

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 XX Surface__ Prep. Plant__ Other__
Company Official(s): Gary Taylor, Chris Hanson, Gary Paluta, new Surface Mgr., and Dan Mills, Surface Employee
State Officials(s): Mike Suflita Federal Official(s): None
Weather Conditions: Overcast & Cold. Several feet of snow on the ground.
Existing Acreage: Permitted-7067.11 Disturbed-62.08 Regraded-___ Seeded-___ Bonded-65.38
Increased/Decreased: Permitted-___ Disturbed-___ Regraded-___ Seeded-___ Bonded-__
Status: _Exploration/ XX 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.

		EVALUATED	N/A	COMMENTS	NOV/ENF
1.	PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	[X]	[ ]	[ ]	[ ]
2.	SIGNS AND MARKERS	[X]	[ ]	[ ]	[ ]
3.	TOPSOIL	[X]	[ ]	[ ]	[ ]
4.	HYDROLOGIC BALANCE:				
a.	DIVERSIONS	[X]	[ ]	[ ]	[ ]
b.	SEDIMENT PONDS AND IMPOUNDMENTS	[X]	[ ]	[ ]	[ ]
c.	OTHER SEDIMENT CONTROL MEASURES	[ ]	[ ]	[ ]	[ ]
d.	WATER MONITORING	[ ]	[ ]	[ ]	[ ]
e.	EFFLUENT LIMITATIONS	[ ]	[ ]	[ ]	[ ]
5.	EXPLOSIVES	[ ]	[ ]	[ ]	[ ]
6.	DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	[ ]	[ ]	[ ]	[ ]
7.	COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	[ ]	[ ]	[ ]	[ ]
8.	NONCOAL WASTE	[ ]	[ ]	[ ]	[ ]
9.	PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	[ ]	[ ]	[ ]	[ ]
10.	SLIDES AND OTHER DAMAGE	[ ]	[ ]	[ ]	[ ]
11.	CONTEMPORANEOUS RECLAMATION	[ ]	[ ]	[ ]	[ ]
12.	BACKFILLING AND GRADING	[ ]	[ ]	[ ]	[ ]
13.	REVEGETATION	[ ]	[ ]	[ ]	[ ]
14.	SUBSIDENCE CONTROL	[ ]	[ ]	[ ]	[ ]
15.	CESSATION OF OPERATIONS	[ ]	[ ]	[ ]	[ ]
16.	ROADS:				
a.	CONSTRUCTION/MAINTENANCE/SURFACING	[X]	[ ]	[ ]	[ ]
b.	DRAINAGE CONTROLS	[X]	[ ]	[ ]	[ ]
17.	OTHER TRANSPORTATION FACILITIES	[ ]	[ ]	[ ]	[ ]
18.	SUPPORT FACILITIES/UTILITY INSTALLATIONS	[ ]	[ ]	[ ]	[ ]
19.	AVS CHECK (4th Quarter-April, May, June)_____(date)	[ ]	[ ]	[ ]	[ ]
20.	AIR QUALITY PERMIT	[ ]	[ ]	[ ]	[ ]
21.	BONDING & INSURANCE	[ ]	[ ]	[ ]	[ ]

PERMIT NUMBER: ACT/007/005 DATE OF INSPECTION: 02/28/00

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMIT

No new permitting actions expected except the previously mentioned lease expansion.

2. SIGNS AND MARKERS

Permiter markers were visible only in a few places due to the snow.

3. TOPSOIL

Both topsoil piles are frozen and under several feet of snow. The Operator mentioned plans to seed the north side of the lower yard near the topsoil piles. The vegetation there is sparse compared to surrounding vegetation. This will be done in the spring.

4a. DIVERSIONS

Nearly all surface diversion ditches and culverts were covered with snow, but some had running water. The waste rock pile was not inspected since it's not in use and the road was not plowed. Much time was spent hiking up and inspecting the main culvert under the minesite. We went in from the outlet end and climbed up to the manhole at the intersection of the two smaller and steeper inlet culverts. Two conditions were noted that will require maintenance. First, mineral deposits, similar to stalagmites, were found in an 18-inch culvert at the outlet and about 20 feet up from the outlet. This 18-inch culvert comes into the main culvert from the north, about 100 feet up from the outlet of the main culvert. The mineral deposits were hard and partially blocked water flows. The second condition was a significant dent or bending of the main site culvert at the outlet. In addition, there is a large rock embedded into the stream bed, also at the main culvert outlet. It's possible the rock had fallen and bent the culvert and then lodged in the stream. The combination results in constricting the outlet of the culvert. The bent culvert will need to be straightened and the rock removed. The sediment pond discharge could be clearly seen inside the main culvert and was flowing an estimated 1000 to 1200 gallons per minute.

4b. SEDIMENT PONDS

The main sediment pond was discharging. The loadout sediment pond water level was about two feet below the discharge level. The waste rock sediment pond was not inspected since the waste rock pile was not in use and the road was not plowed.

We discussed the proposed revision of the NPDES discharge point. Utah Division of Oil, Gas, and Mining is working in conjunction with the Utah Division of Water Quality (DWQ) who regulate the discharge points. This revision involves reducing the hydraulic loading on the sediment pond by rerouting the mine discharge pipe to discharge into the same main minesite culvert, but at a slightly different location. Inside the mine there would be two sumps, one 5

million gallons, and one 54 million gallons. The water would then be pumped in a 12-inch line at about 1200 gallons per minute to the main culvert. An analyzer would take a steady sample stream of about 2 to 3 gallons per minute and look for oil and grease, total dissolved solids (TDS), and other parameters. The analyzer would be tied to the main Conspec Computer system of the mine for alarms and automatic valve switching. Details are to be worked out with DWQ.

16. ROADS

Except at the waste rock site, all roads were plowed and in good condition. With snow covering the site, there was little more to be observed. Coal fines were in a water slurry on several of the roads, but they all lead to the sediment pond.

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

Mailed to: Gary Taylor (Canyon Fuel) Henry Austin (OSM)
Given to: Daron Haddock (DOGM) Filed to: _____
Date: February 29, 2000

Inspector's Signature: Mike Hutchinson #40