

INSPECTION REPORT

Partial Complete Exploration
 Inspection Date: 05/29/2003 Time: 9:30am-3:00pm
 Date of Last Inspection: 04/17/2003

Mine Name: Skyline Mine County: Carbon Permit Number: C/007/005
 Permittee and/or Operator's Name: Canyon Fuel Company, LLC.
 Business Address: HC 35 Box 380, Helper, Utah 84526
 Company Official(s): Chris Hansen
 State Official(s): Stephen J. Demczak Federal Official(s): None
 Weather Conditions: Sunny, 70's
 Type of Mining Activity: Underground XXX Surface Prep Plant Other
 Existing Acreage: Permitted 10,374 Disturbed 79.12 Regraded Seeded
 Status: Active

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. SIGNS AND MARKERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 th Quarter- April, May, June)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/005

DATE OF INSPECTION: 05/29/2003

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The CTS report shows two outstanding permitting actions under review with the Division. These are Division Order on JC-3 well and an amendment to update the PHC.

2. SIGNS AND MARKERS

I inspected the identification signs and the information was complete and complied with the R645 Coal Rules.

3. TOPSOIL

The topsoil piles showed no signs of wind or water erosion.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The diversions were recently cleaned out and would function as designed. No water was flowing within the diversion during the inspection.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The mine site pond was discharging during the inspection. The Rail loadout and refuse ponds were not discharging and are unlikely to discharge this summer.

The permittee inspected the sediment ponds on March 28, 2003. No hazardous conditions were noted.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

Silt fences and straw bales have been replaced throughout the property.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The permittee has entered the water information for the fourth quarter of 2003 into the EDS. The first quarter information will be submitted to the Division by the end of the second quarter. The permittee could not sample two to three water sites for the first quarter due to high snow pack. The permittee considered this to be an unsafe act.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

The permittee received approval from Division of Water Quality in changing the UPDES permit. The two-ton per day of TDS has been removed from the permit. The mine cannot exceed an average of 500 mg/l of TDS during month.

INSPECTION REPORT
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7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

I inspected the refuse pile with no hazardous conditions noted during the inspection. The permittee has placed refuse material on the pile since the last inspection.

The permittee inspected the refuse pile for the first quarter of 2003. This document is P.E. certified. No hazardous conditions were reported. The permittee has sampled the refuse material as indicated in the Mining and Reclamation Plan.

8. NONCOAL WASTE

This mine site was clear of non-coal waste material.

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

No construction has occurred since the last inspection.

19. AVS CHECK

An AVS check was made and was found to be complete with the OSM report.

21. BONDING AND INSURANCE

The insurance accord form was inspection and found to comply with the requirements of the R645 Coal Rules. Federal Insurance Co issued this policy. This policy will expire on July 31, 2003.

Inspector's Signature: _____ Date: June 3, 2003
Stephen J. Demczak #39

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

cc: James Fulton, OSM
Dan Meadors, Canyon Fuel
Chris Hansen, Canyon Fuel
Price Field office
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