



The State of Utah

Department of
Natural ResourcesDivision of
Oil, Gas & MiningROBERT L. MORGAN
*Executive Director*LOWELL P. BRAXTON
*Division Director*OLENE S. WALKER
*Governor*GAYLE F. McKEACHNIE
Lieutenant Governor

Representatives Present During the Inspection:

Company	Chris D. Hansen
OGM	Steve Demczak Environmental Scientist III

Inspection Report

Permit Number:	C0070005
Inspection Type:	PARTIAL
Inspection Date:	Wednesday, May 12, 2004
Start Date/Time:	05/12/2004 11:00:00 AM
End Date/Time:	05/12/2004 4:00:00 PM
Last Inspection:	Friday, April 30, 2004

Inspector: Steve Demczak, Environmental Scientist IIIWeather: Snowing, Partly snow coveredInspectionID Report Number: 265Accepted by: pgrubaug
06/01/2004

Permittee: CANYON FUEL COMPANY LLC
 Operator: CANYON FUEL COMPANY LLC
 Site: SKYLINE MINE
 Address: HC 35 BOX 380, HELPER UT 84526
 County: CARBON
 Permit Type: PERMANENT COAL PROGRAM
 Permit Status: ACTIVE

Current Acreages

7,121.00	Total Permitted
83.92	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
 State
 County
 Fee
 Other

Types of Operations

- Underground
 Surface
 Loadout
 Processing
 Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Divison Orders, and amendments:

Outstanding Projects- HCI Ground Water Model Report in PHC

Permit Conditions:

- 1) Submit Water Monitoring data in electronic format to the Division.
- 2) Canyon Fuel Co. must submit all existing studies and data for the update of the PHC as a result of the mine inflows.
- 3) Canyon Fuel Co. must submit cumulative monthly flow data for discharges into Electric Lake and Eccles Creek.
- 4) Canyon Fuel Co. must have a qualified person compile and analyze past macroinvertebrate studies on Eccles Creek into one report.
- 5) Canyon Fuel Co. must initiate an update to and further evaluation of the Hydrologic and Channel-Stability Evaluation of Eccles and Mud Creek.

The permittee is meeting these permit conditions.

Outstanding Violations- None

Inspector's Signature:

Steve Demczak, Environmental Scientist III

Inspector ID Number: 39

Date

Friday, May 14, 2004

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

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 facsimile (801) 359-3940 TTY (801) 538-7223 www.ogm.utah.gov

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Permit Number: C0070005
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REVIEW OF PERMIT PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENT

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 Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference 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	Not Applicable	Comment	Enforcement
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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

It is suggested that the permittee submit an amendment for the North Lease area to allow second mining. The current permit only lets the permittee to do development mining. An approval for second mining prior to the Skyline mine start-up would be expedient.

3. Topsoil

The mine site topsoil pile was snow covered. The pile has vegetation growing on the pile. Prior inspection reported no signs of wind or water erosion.

4.a Hydrologic Balance: Diversions

The diversions were inspected and water was flowing within the ditches. The diversions were functioning as designed.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The mine site sediment was discharging during the inspection. Chris Hansen pulled a water sample during the inspection for the UPDES permit requirements.

4.c Hydrologic Balance: Other Sediment Control Measures

The permittee has repaired the silt fences throughout the property.

4.d Hydrologic Balance: Water Monitoring

The permittee is in the process of taking water samples for the second quarter.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse pile was not inspected due to snow and muddy conditions.

8. Noncoal Waste

The mine site was clear of non-coal waste materials.

15. Cessation of Operations

The permittee will need to submit a letter to the Division about the status of the mine once all coal has been removed from the property and mining has ceased.

18. Support Facilities, Utility Installations

No new construction has occurred since the last inspection.