



State of Utah

Department of Natural Resources

MICHAEL R. STYLER  
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA  
Division Director

JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

Representatives Present During the Inspection:	
Company	Gregg Galecki Environmental Coordinator
OGM	Karl Houskeeper Environmental Scientist III

**Inspection Report**

Permit Number:	C0070005
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, August 13, 2008
Start Date/Time:	8/13/2008 9:00:00 AM
End Date/Time:	8/13/2008 2:00:00 PM
Last Inspection:	Thursday, July 10, 2008

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Clear, Temp. 68 Deg. F.

InspectionID Report Number: 1732

Accepted by: *jheffric*  
9/8/2008

Permitee: **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

10,374.00	Total Permitted
79.12	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, Division Orders, and amendments:

The following permit conditions have been met or are being met:

- 1) Water Monitoring data is being submitted in an electronic format to the Division.
- 2) Canyon Fuel Co. must submit cumulative monthly flow data for discharges into Electric Lake and Eccles Creek. This condition is being met.

The 2007 Annual Report was reviewed as part of the complete inspection. A copy of the 2007 annual report review will be attached.

Inspector's Signature: \_\_\_\_\_

*Karl Houskeeper*

Date Wednesday, August 13, 2008

Karl Houskeeper, Environmental Scientist III  
Inspector ID Number: 49

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

**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 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, Divison 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 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.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: 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 type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

The current DOGM permit C/007/005 was issued effective 04/30/2007 and expires 04/30/2012.

-Certificate of Insurance policy number HDO G2 3732920, issued 07/31/2008 and terminates 07/31/2009.

-UPDES permit # UT0023540 effective 12/01/2004 and expires @ midnight 11/30/2009.

-Air Quality permit DAQE-AN0092007-03, issued June 24, 2003.

-SPCC Plan dated 07/07/05. The Plan is P.E. certified, stamped, signed and dated by a Utah P.E.

**2. Signs and Markers**

The Mine ID signs are at the point of public access to the permit area and contain the required information. All other signs and markers are in accordance with the coal rules.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The second quarter 2008 pond inspections were done May 28, 2008, no problems were noted.

The sediment pond at the main facilities is currently being cleaned. A hole in the base of the outlet structure allow three separate releases of coal laden sediment to short circuit the system and discharge into Eccles Creek. Citation 10028 was issued for failure to maintain. The abatement date is to stop the release of coal laden sediment immediately and to repair the discharge structure by September 15, 2008.

**4.d Hydrologic Balance: Water Monitoring**

First quarter 2008 water monitoring is in the EDI website and has been uploaded. Second quarter 2008 water monitoring is in the EDI website, but has not been uploaded. Water monitoring is current.

**7. Coal Mine Waste, Refuse Piles, Impoundments**

The refuse pile located near the town of Scofield was last inspected and P.E. certified on July 14,, 2008. No problems were noted.

**20. Air Quality Permit**

The Air Quality Permit Approval Order DAQE-AN0092007-03 was issued on June 24, 2003. The permit remains effective.

**21. Bonding and Insurance**

The current bond is \$5,137,000.00 as of September 19, 2006. The previous bond amount was \$5,076,000.00.

## 2007 Annual Report Review

**Permittee:** Canyon Fuel Company, LLC  
**Mine Name:** Skyline Mine  
**Permit Number:** C/007/0005  
**Date Report Received:** June 26, 2008

**Assigned Reviewer:** Karl R. Houskeeper

**Date Completed**  
July 30, 2008

**Instructions:** The assigned inspector will review the Annual report during the third quarter complete inspection and provide a written determination (finding) on how the mine has or has not met the permit requirements for reporting. If the report is deficient or remedial action is required to obtain compliance, this should be noted and the mine lead notified. A copy of this review will be filed with the Inspection Report. Should any of the sections require additional technical analysis, the inspector will notify the permit supervisor so that it can be scheduled during the 4<sup>th</sup> quarter.

SECTIONS TO REVIEW	SUBMITTED			FINDINGS
	YES	NO	NA	
Cover Sheet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
General Information	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Identification of other Permits	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Annual Impoundment Certification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Annual Overburden, Spoil, Refuse, Floor, etc. Certified Report	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appendix A contains a copy of the refuse pile certifications and the impoundment inspections and annual certification.
Annual Technical Requirements (Commitments)				
Climatological	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Subsidence	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A subsidence map that shows cumulative subsidence contours through 2007 is contained in the 2007 annual report. The contours are at 2 foot intervals and were derived from aerial surveys.
Vegetation monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Vegetation reports were submitted as part of the 2007 annual report. The reports should be reviewed by a Division Biologist.
Raptor Survey	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Soils Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Water Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Geological/Geophysical	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Engineering	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Non-Coal Waste	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Abandoned Underground Equipment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
AVS; Legal/ Financial Update	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Mine Sequence Map	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marked Confidential.
Other Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	