

0045

*OK Outgoing
c/001/0005*

From: Daron Haddock
To: waterlaw@uci.net
CC: Angela Nance
Date: 9/15/2008 4:31 PM
Subject: skyline mine report and violation
Attachments: Skyline August 2008.pdf; 0039.pdf; 0040.pdf

Dear Mr. Shephard,
Attached please find the inspection report and the notice of violation that resulted from the unauthorized discharge at the Skyline Mine. You will also find the termination of the violation. Hopefully this is the information you are wanting. Thanks.
Daron R. Haddock
Permit Supervisor



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

Table with 2 columns: Company, Name/Title. Row 1: Gregg Galecki, Environmental Coordinator. Row 2: OGM Karl Houskeeper, Environmental Scientist III

Inspection Report

Table with 2 columns: Field, Value. Fields include 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: jhelfric
9/8/2008

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

Table with 2 columns: Current Acreages, Total Permitted/Disturbed. Values: 10,374.00, 79.12

Mineral Ownership

- Checked: Federal, State, Fee. Unchecked: County, Other

Types of Operations

- Checked: Underground. Unchecked: 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:

Handwritten signature of 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 4th 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"/>	



Citation for Non-Compliance
Utah Coal Regulatory Program
 1594 West North Temple, Salt Lake City, UT 84114
 Phone: (801) 538-5340 Fax: (801) 359-3940

Citation #: *of* 10028
Permit Number: C0070005
Date Issued: 08/13/2008

NOTICE OF VIOLATION **CESSATION ORDER (CO)** **FAILURE TO ABATE CO**

Permittee Name: Canyon Fuel Company, LLC	Inspector Number and ID: 49 KHOUSKEE
Mine Name: Skyline Mine	Date and Time of Inspection: 08/13/2008 10:00 am
Certified Return Receipt Number: Hand Delivered	Date and Time of Service: 08/13/2008 10:15 am

Nature of condition, practice, or violation:
 Failure to maintain sediment pond discharge structure (CMP had hole in it allowing coal laden sediment to bypass) according to the approved mining and reclamation plan (MRP) and the Utah Coal Rules.

Provisions of Act, regulations, or permit violated: *all regulations are cited under R645-301-700*
 R645-742.110 R645-752.220 *KRH SAT*
 R645-742.221.34
 R645-742.221.35
 R645-752

This order requires Cessation of ALL mining activities. (Check box if appropriate.)

<input type="checkbox"/> Condition, practice, or violation is creating an imminent danger to health or safety of the public.	<input type="checkbox"/> Permittee is/has been conducting mining activities without a Permit.
<input type="checkbox"/> Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.	<input type="checkbox"/> Permittee has failed to abate Violation(s) included in <input type="checkbox"/> Notice of Violation or <input type="checkbox"/> Cessation Order within time for abatement originally fixed or subsequently extended.

This order requires Cessation of PORTION(S) of mining activities.

Mining activities to be ceased immediately: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Abatement Times (if applicable).
Do not allow any coal laden fines to discharge without proper retention time.	Immediately

Action(s) required: Yes No

Repair the hole in the CMP pipe of the sediment pond discharge structure in a manner that prevents short circuiting of coal laden sediment fines from discharging without the proper retention time by September 15, 2008.

GREGG GALECKI <small>(Print) Permittee Representative</small>	KARL HOUSKEEPER <small>(Print) DOGM Representative</small>
<i>Gregg A. Galecki</i> 8-13-08 <small>Permittee Representative's Signature - Date</small>	<i>Karl B. Houskeeper</i> 8-13-08 <small>DOGM Representative's Signature - Date</small>

SEE REVERSE SIDE Of This Form For Instructions And Additional Information

IMPORTANT – READ CAREFULLY

Pursuant to the Utah Coal Mined Land Reclamation Act, Utah Code Ann. § 40-10-1 et. seq. (Act), the undersigned authorized representative of the Division of Oil, Gas, and Mining (DOG M) has conducted an inspection and found that a Notice of Violation or Cessation Order must be issued.

This order shall remain in effect until it is modified, terminated or vacated by written notice of an authorized representative of DOGM.

1. PENALTIES.

Proposed assessment. DOGM assesses fines based upon a proposed recommendation by an assessment officer. If there is additional information you wish DOGM to consider regarding the cessation order and proposed fine, please submit that to DOGM within *15 days of the date this notice or order is served on you or your agent*. Such information will be used by the assessment officer in determining facts surrounding the violation(s) and amount of penalty. Once DOGM has determined the proper penalty, it will serve the proposed assessment on you or your agent, no later than 30 days of the issuance of this notice or order. See Utah Admin. Code R645-401-600 et. seq.

The penalty will be final unless you or your agent file, within 15 days of receipt of the proposed assessment, a written request for an informal hearing before the assessment officer.

Assessment. For each violation included in this notice, a penalty of up to \$5,000 may be assessed for each separate day the violation continues.

If you fail to abate any violation within the time set for abatement or for meeting any interim step, you will be assessed an additional minimum penalty of \$750 for each day of continuing violation beyond the time set for abatement. You will be issued a Cessation Order requiring cessation of surface coal mining operations or the portion of the operations relevant to the violation.

2. INFORMAL PUBLIC HEARING.

On the reverse side of this page, an authorized representative has made a finding as to whether or not this notice requires cessation of mining. If this order or notice requires cessation of mining, expressly or in practical effect, you may request that an informal public hearing be held at or near the mine site. If you wish an informal public hearing be held, please contact an authorized representative from DOGM. See Utah Admin. Code R645-400-350 et seq. Once an informal public hearing is scheduled, you will be notified of the date, time, and location of the hearing.

If this notice requires cessation of mining, it will expire within 30 days from the date you are notified unless an informal public hearing is held or waived, or the condition, practice, or violation is abated within the 30-day period.

3. FORMAL REVIEW AND TEMPORARY RELIEF.

You may appeal this notice or order to the Board of Oil, Gas, and Mining by submitting an application for hearing within 30 days of receipt of this notice or order. See Utah Admin. Code R645-300-164.300. Please submit the application for hearing to:

Secretary
Board of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

If applying for a formal board hearing, you may submit with your petition for review a request for *“temporary relief”* from this notice. Procedures for obtaining a formal board hearing are contained in the Board’s Rules of Practice and Procedure and in Utah Admin. Code R645-401-800 et. seq.

4. EFFECT ON PERMIT.

The permit may be suspended or revoked if it is determined that a pattern of violations of the Act, regulations or permit conditions exists, and that the violations were caused by an unwarranted or willful failure to comply.

For further information, consult Utah Code Ann. § 40-10-20 through 40-10-23 and Utah Admin. Code R645-400-300 et. seq. and R645-401 et. seq., or contact the Division of Oil, Gas, and Mining at (801) 538-5340.

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of 4007/005 outgoing



**Action Taken on Existing Citation
Utah Coal Regulatory Program**

1594 West North Temple, Salt Lake City, UT 84114
Phone: (801) 538 - 5285 Fax: (801) 359-3940

Action on Citation#: **10028**
Permit Number: **C0070005**
Date Cit. Issued: **08/13/2008**

- | | | |
|---|--|--|
| <input type="checkbox"/> MODIFICATION of | <input checked="" type="checkbox"/> TERMINATION of | <input type="checkbox"/> VACATION of |
| <input checked="" type="checkbox"/> NOTICE OF VIOLATION | <input type="checkbox"/> CESSATION ORDER (CO) | <input type="checkbox"/> FAILURE TO ABATE CO |

Permittee Name: Canyon Fuel Company, LLC	Inspector Number and ID: 49 KHOUSKEE
Mine Name: Skyline Mine	Date and Time of Action: 09/03/2008 1:30 pm
Certified Return Receipt Number: Regular Mail & Fax	Date and Time of Service: 09/03/2008 2:00 pm

In accordance with the provisions of the Utah Coal Mining and Reclamation Act, Utah Code Ann. § 40-10-1 et. seq. (Act), the above referenced Citation is:

Modified as follows:

Reason for modification:

Terminated because:

The necessary repairs to the CMP on the outlet discharge structure have been made (Hole has been adequately patched).

Vacated because:

Gregg Galecki

(Print) Permittee Representative

faxed & mailed 9/3/08

Permittee Representative's Signature - Date

KARL HOUSKEEPER

(Print) DOGM Representative

Karl R. Houskeeper 9/3/08

DOGM Representative's Signature - Date

Refer to the "Citation For Non-Compliance" for additional information