



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0070005
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, September 12, 2012
Start Date/Time:	9/12/2012 8:00:00 AM
End Date/Time:	9/12/2012 2:00:00 PM
Last Inspection:	Thursday, August 02, 2012

Representatives Present During the Inspection:	
Company	Gregg Galecki
OGM	Karl Houskeeper

Inspector: Karl Houskeeper

Weather: Clear Skies, Temp. 60 Deg. F.

InspectionID Report Number: 3231

Accepted by: jhelfric
10/1/2012

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

Current Acreages

121.97	Total Permitted
121.97	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.

Karl R. Houskeeper

Inspector's Signature:

Karl Houskeeper,
Inspector ID Number: 49

Date Wednesday, September 12, 2012



Note: This inspection report is an official record of the Division of Oil, Gas and Mining. It is subject to audit and review. For more information, contact the Division of Oil, Gas and Mining, telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

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 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 type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: 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 checked="" 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.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 04/30/20012 and expires 04/30/2017.

-Certificate of Insurance policy number GL093-61-11, issued 07/31/2012 and terminates 07/31/2013.

-UPDES permit # UT0023540 effective 12/01/2009 and expires @ midnight 11/30/2014.

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

-SPCC Plan dated 12/2//09. The Plan is P.E. certified, stamped, signed and dated by a Utah P.E. on 12/30/09.

2. Signs and Markers

Observed the mine identification signs at the main facility, load-out facility and refuse pile. All of the signs contained the required information set forth in the Utah R645 Coal Mining rules. The signs are compliant with the regulations.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The first quarter 2012 sediment pond inspections for the main sediment pond, load-out sediment pond, waste rock sediment pond and winter quarters sediment pond were done on March 6, 2012 and compiled into a report dated April 12, 2012.

The second quarter 2012 sediment pond inspections for the main sediment pond, load-out sediment pond, waste rock sediment pond and winter quarters sediment pond were done on June 26, 2012 and compiled into a report dated August 10, 2012.

The cleaning of the main sediment pond is completed and the pond is In service.

4.c Hydrologic Balance: Other Sediment Control Measures

New material is being tested at the sediment traps located at the base of the refuse access road in lieu of silt fence material. The material is more porous.

4.e Hydrologic Balance: Effluent Limitations

The discharge monitoring reports for May, June and July 2012 were reviewed as part of the complete inspection. No problems were observed.

5. Explosives

The powder and cap magazines were examined. The magazines are signed properly and both magazines are properly grounded.

7. Coal Mine Waste, Refuse Piles, Impoundments

The waste rock site (refuse pile), was inspected during the second quarter of 2012 on June 22, 2012. The inspection is documented on a report dated August 6, 2012, which is P.E. signed, dated and stamped by a Utah P.E.

During the inspection the refuse pile appeared stable. No visible hazards were observed.

8. Noncoal Waste

All areas of the mine site visited were found to be free of noncoal waste items. Noncoal waste storage bins are being maintained.

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. The bond from St. Paul Fire and Marine Insurance Company was released on February 4, 2009 and Bond #SUR0000311 issued by Rockwood Casualty Insurance Company was accepted as a replacement in the same amount.