

C007/005 Incoming  
cc: Karl  
Priscilla

✱

Office of Surface Mining - Denver Field Division  
Inspection Report and Enforcement Action Distribution

Distribution For:  INSPECTION REPORT

RECEIVED

JAN 10 2013

DIV. OF OIL, GAS & MINING

TDN # \_\_\_\_\_

NOV # \_\_\_\_\_

Modif.  Term.  Vac.

CO # \_\_\_\_\_

Modif.  Term.  Vac.

Date of Distribution: \_\_\_\_\_ By: \_\_\_\_\_

Mine Name: Skylark Mine

Inspection Date: 12-12-2012

Inspector: Christine Belka

OSM File

State (UT)

Company (NOV, CO, TDN, MIER, Narrative)

BLM  UT  CO  AK  
(NOV, CO, TDN, MIER, Narrative)

USFS  UT  CO  AK  
(NOV, CO, TDN, MIER, Narrative)

Inspector Belka

Other \_\_\_\_\_

Canyon Fuel Company  
Attn: Gress Galeck:  
HC 35 Box 380  
Helper, UT 84526



**U.S. DEPT. OF THE INTERIOR  
OFFICE OF SURFACE MINING  
Mine Site Evaluation  
State Program**



1. Permittee/Person <b>CANYON FUEL CO</b>		9. Permit Number <b>UT-007-005</b>	10. Permit Type <b>PP</b>
2. Address <b>225 NO. 5TH ST SUITE 900</b>		11. Field Visit Date <b>12/12/2012</b> <small>mm - dd - yyyy</small>	12. Purpose <b>OP</b>
3. City <b>GRAND JUNCTION</b>		13. SRA Present <b>Y</b>	14. Permit Status <b>A</b>
4. State <b>CO</b>		15. Site Status <b>AP</b>	16. Facility Type <b>BEFG</b>
5. Zip Code <b>81501</b>	6. Phone Number <b>(970) 263-5130</b>	17. OSM Office # <b>140</b>	18. CCID # <b></b>
7. Operator Name, if Different than Permittee <b></b>		19. Land Code <b>SF</b>	20. M.S.H.A. ID # <b>42-01566</b>
8. Mine Name <b>SKYLINE MINE</b>		21. State Abbrev. <b>UT</b>	22. County/Burrough <b>CARBON</b>
		23. AVS Permittee Entity ID Number <b>060080</b>	24. State Office <b></b>

25. Hours	26. Signature Block	27. Reviewing Official:
<input type="checkbox"/> 3.0 a. Permit Review <input type="checkbox"/> 2.8 b. Site Visit Time <input type="checkbox"/> 4.0 c. Travel Time <input type="checkbox"/> 2.0 d. Report Writing	 Signature: <b>Christine Belka, ID#182</b> Printed Name: Date: <b>12/18/2012</b>	 Signature: Review Date: <b>12/21/2012</b> <small>mm - dd - yyyy</small> Is Supplemental MSE Page Used Y/N <input checked="" type="checkbox"/> Y

Permit Type - Item 10 IP = Interim Program PP = Permanent Program NP = No Permit  
 Purpose Type Codes - Item 12  
 Oxx...Oversight Rfx...Reclamation Fees CCR...Citizen Complaint Referral (non-site visit)  
 Axx...Assistance Fxx...Federal Actions CC....Citizen Complaint (initial site visit)  
 CCF...Assistance

Joint Inspection - Item 13 A joint inspection is when a state inspector accompanies an OSM inspector at any time during the review of the mine site  
 Permit Status - Item 14  
 A Active: Coal mining activities occurring or permitted but not yet disturbed. AB Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840:11(g).  
 IN Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit): Coal mining completed and reclamation activities initiated. AB1 Bond Forfeiture: Bond forfeiture officially in process or completed and reclamation in progress or not yet commenced.  
 BR Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release). AB2 Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.  
 NA Not Applicable: When site is unpermitted. AB3 Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.

Site Status - Item 15  
 ND No Disturbance: No coal mining and reclamation operations have been started. MC Mining Complete: No mining activity on site, site regraded and awaiting bond release. NS Non-Site Visit: Status of site not determined.  
 EX Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun. TC Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817:13(b). FP Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress.  
 AP Active Coal Producing: Coal surface mining activities are occurring. P1 Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release. FR Forfeited and Reclaimed: Forfeiture reclamation completed.  
 AN Active Non-Producing: Active non-producing facility such as tipple or preparation plant. P2 Phase II Release: At least Phase II bond release for the entire permitted area. FO Abandoned Site: Abandoned site that is permitted but there is no bond.  
 NM No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded. P3 Phase III Release: Reclamation completed and the RA has released all bond. WC Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.

Facility Type Codes - Item 16  
 A....Surface D....Ancillary (Haulroad, Conveyor, and/or Rails H...Exploration Permits K...Government Financed Construction Exemption  
 B....Underground E....Refuse and/or Impoundment I....Notice of Intent to Explore L....Remining site permitted under 30 CFR 785.25  
 C....Preparation Plant F....Loading Facility and/or Tipple J....Exempt 16 and 2/3

**Small Business Regulatory Enforcement Fairness Act (SBREFA)  
Your Comments are Important**

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247).

U.S. DEPT. OF THE INTERIOR  
OFFICE OF SURFACE MINING  
Mine Site Evaluation

Permittee/ Person <span style="border: 1px solid black; padding: 2px;">CANYON FUEL CO</span>	Permit Number <span style="border: 1px solid black; padding: 2px;">UT-007-005</span>	Field Visit Date <span style="border: 1px solid black; padding: 2px;">12/12/2012</span>	State Program Continuation Page
---	---	--	------------------------------------

## 28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited, 7=Permit Defect

<p><b>A. Administrative</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Mining within Valid Permit</li> <li>2. <u>1</u> Mining within Bonded Area</li> <li>3. <u>1</u> Terms &amp; Conditions of Permit</li> <li>4. <u>1</u> Liability Insurance</li> <li>5. <u>1</u> Ownership and Control</li> <li>6. _____ Temporary Cessation</li> <li>7. _____ AML Rec. Fees - Non-Respondent</li> <li>8. _____ AML Rec. Fees - Failure to Pay</li> </ol> <p><b>B. Hydrologic Balance</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Drainage Control</li> <li>2. <u>1</u> Inspections &amp; Certifications</li> <li>3. <u>1</u> Siltation Structures</li> <li>4. <u>1</u> Discharge Structures</li> <li>5. <u>1</u> Diversions</li> <li>6. <u>1</u> Effluent Limits</li> <li>7. _____ Ground Water Monitoring</li> <li>8. _____ Surface Water Monitoring</li> <li>9. _____ Drainage - Acid-Toxic Materials</li> <li>10. _____ Impoundments</li> <li>11. <u>1</u> Stream Buffer Zones</li> </ol> <p><b>C. Topsoil &amp; Subsoil</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Removal</li> <li>2. _____ Substitute Materials</li> <li>3. <u>1</u> Storage and Protection</li> <li>4. _____ Redistribution</li> </ol>	<p><b>D. Backfilling &amp; Grading</b></p> <ol style="list-style-type: none"> <li>1. _____ Exposed Openings</li> <li>2. _____ Contemporaneous Reclamation</li> <li>3. _____ Approximate Original Contour</li> <li>4. _____ Highwall Elimination</li> <li>5. _____ Steep Slopes (includes downslope)</li> <li>6. _____ Handling of Acid and Toxic Materials</li> <li>7. _____ Stabilization (rills and gullies)</li> </ol> <p><b>E. Excess Spoil Disposal</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Placement</li> <li>2. <u>1</u> Drainage Control</li> <li>3. <u>1</u> Surface Stabilization</li> <li>4. _____ Inspections &amp; Certifications</li> </ol> <p><b>F. Coal Mine Waste (Refuse Piles/Impoundments)</b></p> <ol style="list-style-type: none"> <li>1. _____ Drainage Control</li> <li>2. _____ Surface Stabilization</li> <li>3. _____ Placement</li> <li>4. _____ Inspections &amp; Certifications</li> <li>5. _____ Impounding Structures</li> </ol> <p><b>G. Use of Explosives</b></p> <ol style="list-style-type: none"> <li>1. _____ Blaster Certification</li> <li>2. _____ Distance Prohibitions</li> <li>3. _____ Blast Survey/Schedule</li> <li>4. _____ Warnings &amp; Records</li> <li>5. _____ Control of Adverse Effects</li> </ol>	<p><b>H. _____ Subsidence Control Plan</b></p> <p><b>I. Roads</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Road Construction</li> <li>2. _____ Certification</li> <li>3. _____ Drainage</li> <li>4. <u>1</u> Surfacing and Maintenance</li> <li>5. _____ Reclamation</li> </ol> <p><b>J. Signs &amp; Markers</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Signs</li> <li>2. <u>1</u> Markers</li> </ol> <p><b>K. _____ Distance Prohibitions</b></p> <p><b>L. Revegetation</b></p> <ol style="list-style-type: none"> <li>1. _____ Vegetative Cover</li> <li>2. _____ Timing</li> </ol> <p><b>M. _____ Postmining Land Use</b></p> <p><b>N. Other</b></p> <p>General Performance Category</p> <p>_____</p> <p>_____</p> <p>_____</p>
---	--	--

### Performance Standard Categories 30 CFR Counterparts

<p><b>A. Administrative</b> ..... 773.11</p> <ol style="list-style-type: none"> <li>1. Valid Permit ..... 773.11</li> <li>2. Mining within Bonded Area ..... 773.11</li> <li>3. Terms &amp; Conditions of Permit ..... 773.17</li> <li>4. Liability Insurance ..... 800.60</li> <li>5. Ownership and Control ..... 778.13</li> <li>6. Temporary Cessation ..... 842.11(e) &amp; 816/817.131</li> <li>7. AML Rec. Fees - Non-Respondent ..... 870.15(b)</li> <li>8. AML Rec. Fees - Failure to Pay ..... 870.15(a)</li> </ol> <p><b>B. Hydrologic Balance</b> ..... (816/817.41-57)</p> <ol style="list-style-type: none"> <li>1. Drainage Control ..... 45</li> <li>2. Inspections &amp; Certifications ..... 49(a)(10)</li> <li>3. Siltation Structures ..... 46</li> <li>4. Discharge Structures ..... 47</li> <li>5. Diversions ..... 43</li> <li>6. Effluent Limits ..... 42</li> <li>7. Ground Water Monitoring ..... 41(c)</li> <li>8. Surface Water Monitoring ..... 41(e)</li> <li>9. Drainage - Acid - Toxic Materials ..... 41(f)</li> <li>10. Impoundments ..... 49</li> <li>11. Stream Buffer Zones ..... 57</li> </ol> <p><b>C. Topsoil &amp; Subsoil</b> ..... (816/817.22)</p> <ol style="list-style-type: none"> <li>1. Removal ..... 22(a)</li> <li>2. Substitute Materials ..... 22(c)</li> <li>3. Storage and Protection ..... 22(c)</li> <li>4. Redistribution ..... 22(d)</li> </ol> <p><b>D. Backfilling &amp; Grading</b> ..... 816/817.95-107)</p> <ol style="list-style-type: none"> <li>1. Exposed Openings ..... 816/817.13, 14, 15, &amp; 823.11 &amp; 21</li> <li>2. Contemporaneous Reclamation ..... 100</li> <li>3. Approximate Original Contour ..... 102(a)(1)</li> <li>4. Highwall Elimination ..... 102(a)(2)</li> <li>5. Steep Slopes (includes downslope) ..... 107</li> <li>6. Handling of Acid &amp; Toxic Materials ..... 102(c)</li> <li>7. Stabilization (rills and gullies) ..... 95(b)</li> </ol>	<p><b>E. Excess Spoil Disposal</b> ..... (816/817.71-74)</p> <ol style="list-style-type: none"> <li>1. Placement ..... 71(e)</li> <li>2. Drainage Control ..... 71(f)</li> <li>3. Surface Stabilization ..... 71(g)</li> <li>4. Inspections &amp; Certifications ..... 71(h)</li> </ol> <p><b>F. Coal Mine Waste (Refuse Piles/Impoundments)</b> ..... 816/817.81-84)</p> <ol style="list-style-type: none"> <li>1. Drainage Control ..... 83(a)</li> <li>2. Surface Stabilization ..... 83(b)</li> <li>3. Placement ..... 83(c)</li> <li>4. Inspections and Certifications ..... 83(d)</li> <li>5. Impounding Structures ..... 84</li> </ol> <p><b>G. Use of Explosives</b> ..... (816/817.61-68)</p> <ol style="list-style-type: none"> <li>1. Blaster Certification ..... 61(c)</li> <li>2. Distance Prohibitions ..... 61(d)</li> <li>3. Blast Survey/Schedule ..... 62-64</li> <li>4. Warnings &amp; Records ..... 66 &amp; 68</li> <li>5. Control of Adverse Effects ..... 67</li> </ol> <p><b>H. Subsidence Control Plan</b> ..... (817.121-122)</p> <p><b>I. Roads</b> ..... (816/817.150-151)</p> <ol style="list-style-type: none"> <li>1. Road Construction ..... 150(c)</li> <li>2. Certification ..... 151(a)</li> <li>3. Drainage ..... 150(b)-151(d)</li> <li>4. Surfacing and Maintenance ..... 150(e)-151(d)</li> <li>5. Reclamation ..... 150(f)</li> </ol> <p><b>J. Signs &amp; Markers</b> ..... 816/817.11)</p> <ol style="list-style-type: none"> <li>1. Signs ..... 11(a),(b), &amp; (c)</li> <li>2. Markers ..... 11(a),(b),(d),(e), &amp; (f)</li> </ol> <p><b>K. Distance Prohibitions</b> ..... (761.11)</p> <p><b>L. Revegetation</b> ..... (816/817.111-116)</p> <ol style="list-style-type: none"> <li>1. Vegetative Cover ..... 111 &amp; 116</li> <li>2. Timing ..... 113</li> </ol> <p><b>M. Postmining Land Use</b> ..... (816/817.133)</p>
--	---

### Mine Site Inspection

**Mine Name:** Skyline Mine

**Permittee:** Canyon Fuel Company

**Permit ID #:** C/007/005

**Inspection Date:** December 12, 2012 9:15 – 12:00

**Weather Conditions:** Overcast, cold (10's - 20's), light snow cover

#### **Participants:**

Christine Belka, Office of Surface Mining (OSM) #182

Karl Houskeeper, Division of Oil, Gas and Mining (DOGGM)

Gregg Galecki, Canyon Fuel Company (CFC)

### Field Evaluation

Skyline is an actively producing underground coal mine.

Topsoil: All topsoil stockpiles (near the main office, the Waste Rock Pile, and Winter Quarters vent shaft) were marked and properly protected.

Hydrology / sediment control: The pretreatment sump above the main facilities area pond (discharge outfall 001) was functioning as designed. The sump receives disturbed area drainage from the facilities and coal stockpile area, allowing some sediment to drop out of suspension prior to drainage reaching the sedimentation pond (see photo 9379). This is beneficial because it is easier and cheaper to clean out than the sediment pond. Water was flowing at the time of inspection and the main facilities area pond was discharging.

The rail loadout pond (discharge outfall oo2) was frozen and not discharging at the time of inspection. The Waste Rock Pile pond (discharge outfall 003) was frozen. This pond has been in place for approximately 27 years and has never discharged. The Winter Quarters pond (discharge outfall 004) was also frozen. This pond has been in place for approximately 1 year and has never discharged.

CFC has begun employing a new type of silt fence at runoff points along the haul road leading to the Waste Rock site. The "S-fence" material is comprised of a thin permeable fabric mesh secured between two layers of coated wire mesh. The fence has been anchored into the ground with tall side berms and ample rip rap in front of and behind the filter mesh. A small sump has also been constructed in front of each fence to help sediment settle prior to passing through the filter mesh. This system appears to work very well and should have a significantly longer lifespan than traditional silt fence.

Signs and markers: All topsoil piles are marked. The mine identification sign included the mine name, permit number, permittee address, name, and phone number as required.

Roads: All roads traveled were in good repair. Recent snow plowing activities resulted in a snow berm between the road and the diversion channel along the access road southwest of the office building (see photo 9380). This snow must be removed so that road runoff may reach the diversion channel. Mr. Galecki indicated that he would address this problem right away.

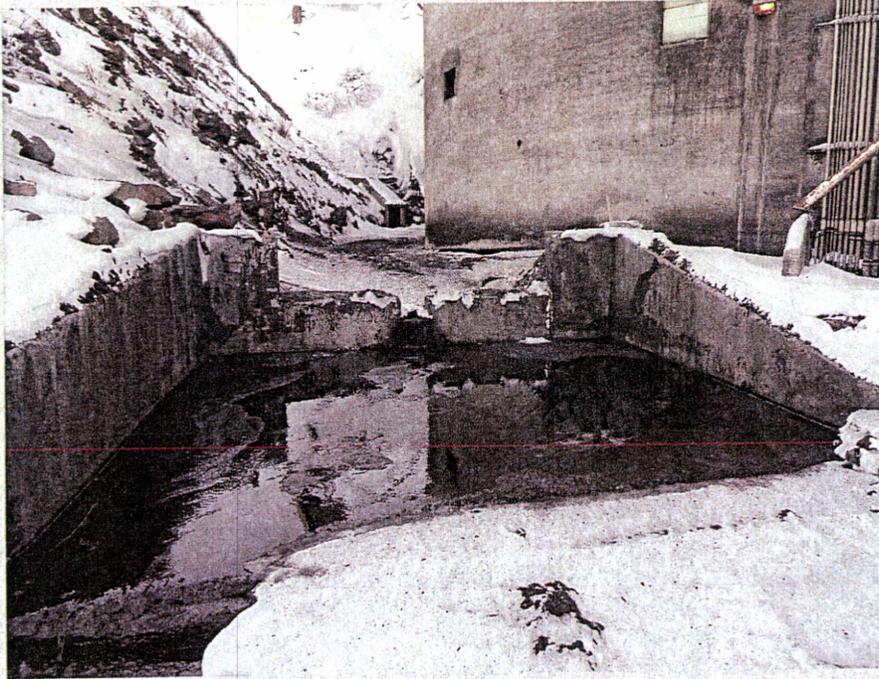
General compliance: The office area, coal stockpile, and explosives storage areas are clean and orderly. Construction of the Winter Quarters ventilation shaft is still underway (see photo 9381). Mr. Galecki

I&E Inspection Photos

Permit: UT-007-005

Inspection Date: 12/12/2012

Permittee: CANYON FUEL CO



Notes:

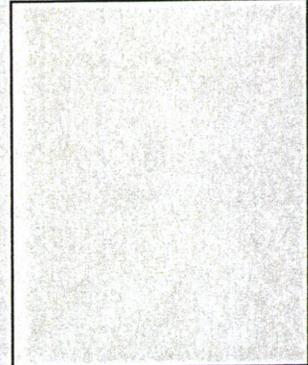


Photo ID: 9379

Photographer: SMCBELKA

Date Taken: 12/12/2012

State: UT

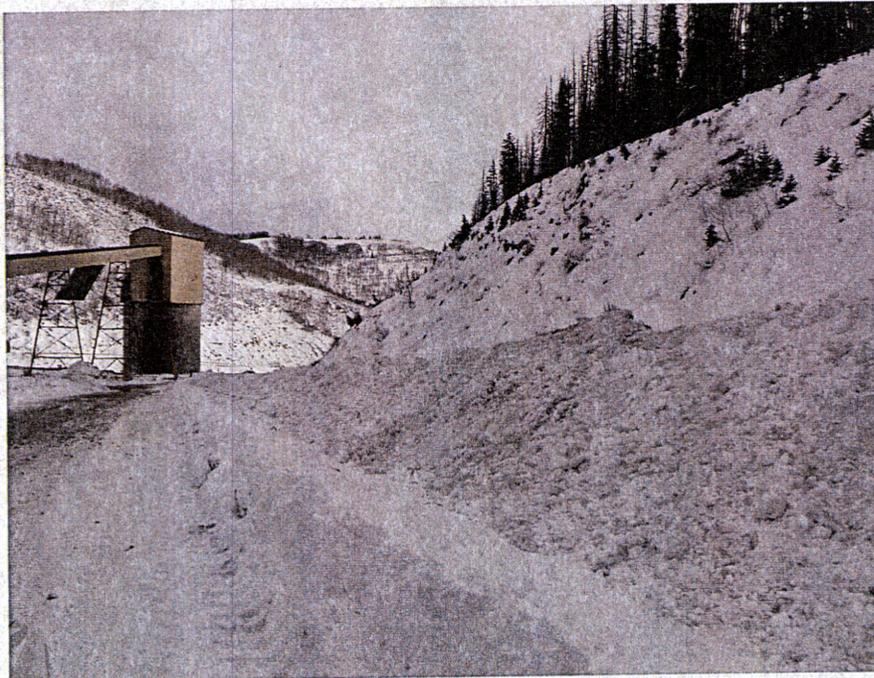
County: CARBON

Latitude: 39.66830944

Longitude: -  
111.20053222

Subject: SEDIMENTATION SUMP FUNCTIONING AS DESIGNED

Mine Name: SKYLINE MINE



Notes:

This snow must be removed so that road drainage may reach the diversion channel.

Photo ID: 9380

Photographer: SMCBELKA

Date Taken: 12/12/2012

State: UT

County: CARBON

Latitude: 39.68341667

Longitude: -  
111.20050139

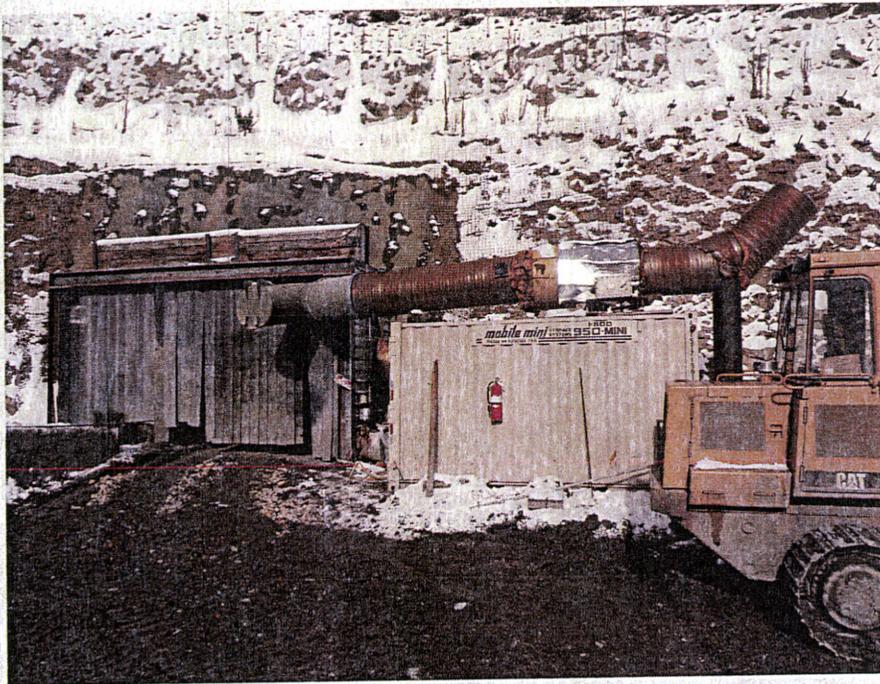
Subject: SNOW BERM BETWEEN ROAD AND DIVERSION CHANNEL

Mine Name: SKYLINE MINE

I&E Inspection Photos

Permit: UT-007-005      Inspection Date: 12/12/2012

Permittee: CANYON FUEL CO



Notes:

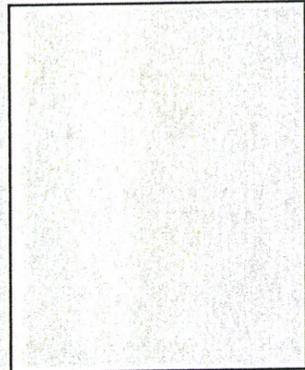


Photo ID: 9381

Photographer: SMCBELKA

Date Taken: 12/12/2012

State: UT

County: CARBON

Latitude: 39.71708333

Longitude: -  
111.20011028

Subject: WINTER QUARTERS VENT SHAFT UNDER CONSTRUCTION

Mine Name: SKYLINE MINE



Notes:

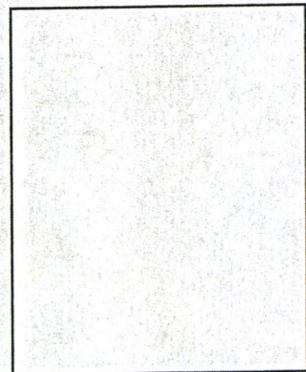


Photo ID: 9382

Photographer: SMCBELKA

Date Taken: 12/12/2012

State: UT

County: CARBON

Latitude: 39.71703417

Longitude: -  
111.15032889

Subject: NEW MATERIAL ON WASTE ROCK SITE

Mine Name: SKYLINE MINE