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DEPARTMENT OF NATURAL RESOURCES

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Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 26, 2015

Corey Heaps, Mine Manager
Canyon Fuel Company, LLC
HC 35 Box 380
Helper, Utah 84526

Subject: 2014 Annual Report Review Completion, Skyline Mine, C/007/0005, Task ID #4822

Dear Mr. Heaps:

The Division staff has completed the review of the 2014 Annual Report. Enclosed is a copy of the review with each reviewer's comments.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs
Enclosure
O:\007005.SKY\WG4822 ANNUAL REPORT\ReviewCompletionLetter.doc



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Annual Report

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by the date specified in the cover letter. During a complete inspection an inspector will check and verify the information.

GENERAL INFORMATION

Company Name	Canyon Fuel Company LLC	Mine Name	Skyline Mine
Permit Number	C/007/0005	Permit expiration Date	April 30, 2017
Operator Name	Gregg A. Galecki	Phone Number	+1 (435) 448-2636
Mailing Address	HC 35 Box 380	Email	ggalecki@bowieresources.com
City	Helper		
State	Utah	Zip Code	84526

DOGM File Location or Annual Report Location

Excess Spoil Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	
Refuse Piles	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	submitted quarterly on 8/8/14 (2nd), 11/15/14, and 1/27/2015. 1st qtr 2014 refuse pile report attached: .pdf "1st Qtr 2014 Pond Inspections."
Impoundments	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	submitted quarterly on 8/6/2014 (1st & 2nd), 11/5/2014, and 1/27/15.
Other:		

OPERATOR COMMENTS

Notices of Proposed Mining: No new notices for 2014, previous notices on file in Chapter 1 appendix 118A
 Archeology reports: none for 2014.

REVIEWER COMMENTS

Met Requirements Did Not meet Requirements

The Permittee submitted the refuse pile inspections quarterly in electronically on 4/22/14, 8/8/14, 11/15/14, and 1/27/2015. The inspection reports were completed by Carl Winters, a Utah PE certified professional engineer. The field inspections state that all foundation preparation was completed according to design specification. The reports detail that all slopes showed no signs of instability such as rills, gullies, or sloughage. The Permittee has addressed the requirements of this commitment. (CP)

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the Mining and Reclamation Plan and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If additional written response is required, it should be filed as an attachment to this report.

Title: WASTE ROCK SAMPLING

Objective: To document chemical characteristics and support reclamation plan using less than four feet of cover and to protect surface and groundwater.

Frequency: During periods of deposition at the waste rock site.

Status: Quarterly sampling, one sample per 2000 tons hauled to the disposal site.

Reports: Annual report

Citation: MRP, Volume 3, Section 4.4, page 4-30, 2nd paragraph and 1988 Soils Guidelines Table 6.

Operator Comments

A total of approximately 4,073 tons of material was hauled to the waste rock site in 2013. Two (2) samples were collected in 2014 and analyzed by Inter-Mountain Labs. Sample report #S1502143001 titled, "SkylineS1502143.pdf" is attached.

Reviewer Comments Met Requirements Did Not Meet Requirements

Title: RAPTOR SURVEYS

Objective: To monitor known nest locations and identify new raptor nests that could be impacted from subsidence or new surface facilities. Damaged nests will be replaced immediately with an artificial structure in consultation with DWR.

Frequency: Annually and according to the Division's Raptor Survey Guidelines

Status: Ongoing

Reports: Annual report

Citation: MRP, Chapter 4, Section 4.18, page 4-103

Operator Comments

A report .pdf file titled, "2014 Subsidence Area Survey Report 3-23-2015" is attached to this Annual report. 2014 subsidence is included in the report.

Reviewer Comments Met Requirements Did Not Meet Requirements

The 2014 Subsidence Area Survey Report 3-23-2015 is attached to the annual report. The report is comprehensive and indicates surveys included northern goshawk, American three-toed woodpecker, general raptors, and other general wildlife. There was no raptor or special status species observed within the subsidence area.

In the future, please include a layer indicating the mine panels for the current and upcoming year in the survey map so that it is obvious all areas are surveyed prior to undermining.

Title: MACROINVERTEBRATE SURVEYS

Objective: To determine if mining and mining related activities are impacting the perennial streams located in Woods, Eccles, Burnout and James Canyons.

Frequency: Fall and Spring every three years beginning in 2007.

Status: Spring 2012 report due to Division. Next sampling should be fall 2014/spring 2015.

Reports: Annual

Citation: MRP, Appendix A-3, Volume 2, Volume 1A, Section 2.8, pages 2-71, 71A, B,C. Section 2.8, table 2.8-1a

Operator Comments

The Fall 2011 report (canyon14.WQ11.SepOct.macro.final.pdf) was submitted to the Division in the 2013 Annual Report. Table 2.8-1a illustrates the next monitoring is due in Fall 2015. An amendment (task 4817) to modify macroinvertebrate sampling is currently being reviewed by the Division.

Reviewer Comments Met Requirements Did Not Meet Requirements

Not required for 2015. Next survey due in 2015. However, an application to reduce monitoring is currently under review.

Title: NORTH LEASE VEGETATION SURVEY

Objective: To determine the effects of longwall mining on riparian vegetation along Winter Quarters and Woods Canyon stream channels.

Frequency: Baseline survey of entire length of channels in 2005. Survey two years prior and during undermining of channel lengths and follow-up surveys two years after undermining.

Status: Ongoing, Please include a discussion of possible impacts from mining on riparian vegetation in report from qualified biologist.

Reports: Annual

Citation: MRP, Volume 1A, Section 2.7, pages 2-61d; A-2 volume 2, and A-3 Volume 2

Operator Comments

The 2014 Riparian Vegetation report is attached to this Annual Report. The .pdf file is titled, "canyon15.WQ14.rip.reportt.final.pdf".

Reviewer Comments Met Requirements Did Not Meet Requirements

The report describes results from the 2014 monitoring study in the riparian communities. Studies were designed to document major impacts to plant communities due to catastrophic events. The deficiency is that the report lacks a discussion of possible impacts from mining on riparian vegetation.



Title: FISH SURVEY

Objective: To determine if mining and mining related activities are impacting the perennial streams located in Eccles, and Winter Quarters. Woods, Burnout and James Canyon Surveys are complete.

Frequency: In the fall every three years beginning in 2007.

Status: 2010 surveys complete. 2013 surveys complete. Next survey due 2016.

Reports: Annual

Citation: MRP, Volume 1A, Section 2.8, page 2-71.

Operator Comments

Not required in 2014.

Reviewer Comments Met Requirements Did Not Meet Requirements

Survey is not due until 2016. However, an application to remove the requirement is currently under review.



Title: THREE-TOED WOODPECKER

Objective: To inventory presence of three-toed woodpeckers in areas of suitable habitat which have the potential for subsidence one year prior to undermining. Suitable habitat exists in the upper extents of Wife and Andrew Dairy Canyons, on slopes with northern aspects and coniferous cover.

Frequency: One year prior to undermining, annually.

Status: Ongoing

Reports: Annual Report

Citation: MRP, Appendix A-2, Volume 2, Habitat Assessment for Sensitive Wildlife Species, Page 5 and 6

Operator Comments

The three-toed woodpecker is included in the 2014 Subsidence Area Survey Report 3-23-2015 included with this Annual Report. No three-toed woodpeckers were observed.

Reviewer Comments Met Requirements Did Not Meet Requirements

See Raptor Survey. Presence of Three-toed woodpecker was not found.

Title: SUBSIDENCE MONITORING

Objective: To document the amount of subsidence that has occurred.

Frequency: Annually

Status: Ongoing

Reports: Annual Update of Drawing 4.17.3-1 and digitized area survey information and results of on the ground visual inspection.

Citation: MRP, Chapter 4, page 4-97 thru 4-99a

Operator Comments

The subsidence map is updated annually and submitted with this report with the plate titled, "Cumulative Subsidence 1982-2014" (file"2014 Subsidence Final Stamped.pdf)

Reviewer Comments Met Requirements Did Not Meet Requirements

The Permittee included a subsidence mine map and summary table with the annual report. The subsidence map shows the subsidence contours for the Skyline Mine as of 2014. The subsidence contours ranged from zero to 20 feet. The Permittee has addressed the requirements of this commitment. (CP)

Title: SUBSOIL SAMPLING AT WASTE ROCK SITE

Objective: To provide chemical characteristics of purchased subsoil.

Frequency: Once. Sample purchased subsoil for parameters in Table 1 of the Utah 1988 Guidelines.

Status: Ongoing with contemporaneous reclamation at the waste rock site.

Reports: None specified. Suggest verbal communication with Division and lab analysis to be included in bond release application.

Citation: MRP, Volume 3, Section 4.6.4.1, page 4-38a, 3rd paragraph, and page 4-38b.

Operator Comments

No subsoil purchased in 2014.

Reviewer Comments Met Requirements Did Not Meet Requirements

Title: AGE-MONITORING OF WATER

Objective: To understand the possible sources of groundwater inflows.

Frequency: When inflows of 800 gpm are encountered.

Status: No significant inflows in the North Lease.

Reports: Immediately notify Division

Citation: MRP, Volume 1, page 2-35b, paragraph 2.

Operator Comments

No inflows of 800 gpm were encountered in 2014.

Reviewer Comments

Met Requirements

Did Not Meet Requirements

The North Lease has not experienced significant inflows of water, but this requirement should continue. (AD)

Title: SAMPLING PRIOR TO SLURRY PLACEMENT IN ABANDONED UNDERGROUND WORKINGS

Objective: Protection of groundwater

Frequency: Every 450 feet of advance

Status: Report if placed slurry in abandoned underground workings.

Reports: Notification if parameters are out of compliance with Guidelines for Topsoil and Overburden.

Citation: MRP, Volume 2, Incorporation of 97K-1 and Section 1.2 (at the end of section 3.2).

Operator Comments

No slurry was placed in abandoned underground workings in 2014.

Reviewer Comments

Met Requirements

Did Not Meet Requirements

Met requirement. (AD)

FUTURE COMMITMENTS AND CONDITIONS

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the "status" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

Title: TOPSOIL SAMPLING

Objective: To determine fertilizer application rate.

Frequency: At final reclamation sample redistributed topsoil for N, P, K, Fe, Mg, Mn, Zn, Ca and pH.

Status: At final reclamation

Reports: None specified. Suggest verbal communication with Division and lab analyses to be included in bond release application.

Citation: MRP, Volume 3, Section 4.5, page 4-32, 2nd paragraph.

Title: SAMPLING OF WASTE ROCK IN TEMPORARY STOCKPILES

Objective: Protection of surface and groundwater

Frequency: one sample per 2000 tons of temporary stockpiled material if remains in temporary location longer than three months.

Status: Ongoing

Reports: Not specified. Assumed to be the same as disposal site sampling (previous paragraph on same page.)

Citation: MRP, Volume 3, page 4-30, 3rd paragraph, and 1988 Soils guidelines, table 6.

OPERATOR COMMENTS (OPTIONAL)

Final reclamation did not begin in 2014.
No temporary stockpiled material remaining longer than three months in 2014.

REVIEWER COMMENTS

REPORTING OF OTHER TECHNICAL DATA

Please list other technical data or information that was not included in the form above, but is required under the approved plan, which must be periodically submitted to the Division.

Please list attachments:

Reviewer Comments

MAPS

Copies of mine maps, current and up-to-date, are to be provided to the Division as an attachment to this report in accordance with the requirements of R645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

Map Name	Map Number	Included		Confidential	
		Yes	No	Yes	No
Annual subsidence map		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mine Map		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reviewer Comments Met Requirements Did Not Meet Requirements

Please note that mine maps are not confidential per R645-300-124.300. Confidentiality is limited to the information specified in R645-300-124.310, R645-300-320, and R645-300-124.330.