



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:	PARTIAL OVERSITE
Inspection Date:	Tuesday, May 17, 2016
Start Date/Time:	5/17/2016 9:00:00 AM
End Date/Time:	5/17/2016 3:00:00 PM
Last Inspection:	

Representatives Present During the Inspection:	
OGM	Lisa Reinhart
OGM	Priscilla Burton
OGM	Joe Helfrich
OSM	Spencer Shumate
OSM	Tom Medlin
Company	Jeremiah Armstrong
Company	Gregg Galecki

Inspector: Lisa Reinhart

Weather: Cool, cloudy, rainy, snowy

InspectionID Report Number: 5530

Accepted by: DHADDOCK

6/21/2016

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

10,611.41	Total Permitted
125.31	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

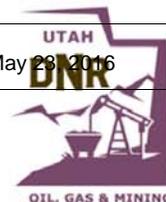
Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

OSM Oversight Topic and Partial Inspection reviewing the permit and vegetation reference sites. Inspection included a review of the MRP and site inspection of the Waste Rock Site and South Canyon breakout pad facility.

Inspector's Signature:

Lisa Reinhart,
Inspector ID Number: 69

Date: Monday, May 23, 2016



Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

13. Revegetation

The Mining and Reclamation Plan was reviewed with specific analysis on reference areas selected to measure revegetation success at the time of bond release. (Sections 2.7 and 4.7) During this review, I discovered the MRP included commitments for the Soil Conservation Service (SCS) to conduct monitoring of the reference locations on a 5 year basis. When I requested these records from the Permittee, they responded that SCS had not done this over the past 30 years and that the Permittees interpretation of the commitment was that monitoring of reference areas would start at final reclamation (which has not yet been initiated). The Division determined that because of the ambiguity of the language of the MRP, the fact that State regulations do not specifically require regular monitoring of reference sites, and that no harm to the environment or people had occurred, an NOV in accordance with R645-300-142 was not reasonable or warranted for this cause. However, because of the ambiguity of the language in the MRP, the Division requested the Permittee remedy the situation by monitoring each reference site in 2016 to ascertain that each site is in good to fair condition and is still appropriate as a reference site.

The review of the MRP also revealed that Plate 2.7.1-2 did not identify each reference location. Since the original MRP was approved, several amendments have been approved adding new disturbance and reference areas. Although the site specific reports contain maps and photographs of reference areas, plate 2.7.1-2 was not updated to include the new locations as they were added over the years. The Division requested this map be updated to show each reference site associated with the mine plan.

The Permittee submitted an amendment (see task 5186) in which they commit to verify the existing reference sites are still adequate for reference standards using qualitative ocular methods (which are approved in Appendix A of the Veg Guidelines). They also propose to reduced the commitment to monitor the condition of reference sites to years 9 and 10 of the liability period (final reclamation) in accordance with R645-301-357-200. If at years 9 and 10, the reference sites have been disturbed in a way that they no longer meet the requirements of R645-301-353, new locations would need to be agreed upon for success standards. The amendment also updates the vegetation reference area map (2.7.1-2) to account for all reference sites associated with the mine.

Prior to the field inspection, there was very little coordination or organization of the oversight field visit. Several email correspondence had occurred but a clear vision of the agenda was not established. On the date of inspection, I met Joe Helfich, Priscilla Burton, Spencer Shumate, Tom Madsen, Gregg Gelecki, and Jeremiah Armstrong at the Scofield Store at 9:00 am. We briefly reviewed the mine plan, reference sites, and discussed the agenda. Spencer expressed an interest in visiting sites that had received final reclamation. The only site Skyline has conducted final reclamation on is the South Fork Breakout Portal. Overall, Skyline has 12 reference sites that have been approved in the MRP. I had digitized each of the reference sites identified from maps in the MRP and digitized in them into GIS mapping software (Collector application). As such, I was able to use my ipad as a navigation tool to verify our location and the location of the reference site. At each site location, I took photographs that are GPS referenced.

Because it was closest in proximity to our location, and some interim reclamation has occurred, at 9:30 we drove to the Waste Rock Site. The group parked at the waste rock area and walked up to the Sagebrush/Grass site. There was substantial discussion on reference area site selection, monitoring methods, maintenance, and management. There was disagreement between myself and OSMRE on incorporation of the Division's Vegetation Information Guidelines into our regulations. It was my opinion that although the Guidelines recommend permanent staking of the reference site, periodic monitoring of vegetation, and site specific management, those requirements were not incorporated into regulation and therefore is not enforceable. Furthermore, it was my opinion that those specific requirements were not reasonable or valuable to reclamation efforts. There was conflict on this topic which was not resolved and continued throughout the inspection. The group then went further up the hill to inspect the Aspen site. Vegetation and wildlife habitat was further discussed and the group continued to evaluate the Aspen reference area for about 30 minutes.

Based on the request of OSMRE to visit sites with final reclamation, the group drove to the South Fork Breakout Portal next. We parked on the highway and hiked the ~1 mile to the reclaimed pad location. Along the trail, we observed a Golden Eagle dining on a deer carcass in the trail. We verified the South Fork Breakout Portal pad and access road have been regraded and revegetated for final reclamation as required in the MRP. Desirable vegetation (grasses and forbs) is dominating the site with adequate cover to control erosion and provide forage and browse for wildlife. A survey conducted by Mt. Nebo Scientific (the consultant) from several years ago was referenced back to actual site conditions. The reclaimed site has continued in an upward trend of desirable vegetative and ground cover since that time. Due to the time of year during the visit, some of the grasses and forbs were difficult to identify but it appeared as though the vegetative community consisted primarily of wild rose (shrub) and a grass forb mix with little to no aspen present. The Permittee is aware of low shrub density and musk thistle invasion and has been hand watering shrubs and treating weeds as a result. Phase II bond release has not been proposed but is likely warranted. At the time of phase III bond release, the Permittee will be required to meet shrub stocking rates agreed upon with USFS, DWR, and the Division pursuant to R645301-356.230. Due to the difficulty in establishing shrubs, two large watering containers are located on site to facilitate husbandry practices and promote shrub establishment pursuant to R645-301-357.300. After spending about 20 minutes inspecting this site, we returned back to our vehicles. Due to weather conditions (rain/snow mix), we did not pursue hiking to additional reference areas and concluded the inspection with a closeout meeting in the office.

We returned to the mine office at approximately 2:00 and at that time Craig Brown joined us. We discussed our day and again there was disagreement in regards to expectations of monitoring and maintenance of the reference sites. I made it clear that I do not believe the management suggestions in the Vegetation Information Guidelines are enforceable by rule but OSMRE disagreed. The meeting adjourned around 3:00 and everyone departed separately.

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22. Other

A Golden Eagle was observed on the South Fork reclaimed road feeding on a winter kill deer carcass.

ATTACHMENT A – Photos, Skyline Reference Site Inspection, May 17, 2016



PHOTO 1
James Canyon Road (USFS)



PHOTO 2
James Canyon Road



PHOTO 3
James Canyon Breakout Facility, Aspen



PHOTO 4
James Canyon Breakout Facility

ATTACHMENT A – Photos, Skyline Reference Site Inspection, May 17, 2016



PHOTO 5
Aspen Reference Site



PHOTO 6
WRS Sagebrush/Grass Reference Site



PHOTO 7
WRS Aspen Reference Site



PHOTO 8
WRS Aspen/Sagebrush/Grass Transition Zone