



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



NOV 09 2010

DIV. OF OIL, GAS & MINING

1. Permittee/Person CANYON FUEL CO		9. Permit Number UT-007-016	10. Permit Type PP
2. Address 225 N. 5TH STREET SUITE 900		11. Field Visit Date 10/20/2010 mm - dd - yyyy	12. Purpose O
3. City Grand Junction	4. State CO	13. SRA Present Y	14. Permit Status IN
5. Zip Code 81501	6. Phone Number (970) 263-5130	15. Site Status P2	16. Facility Type B
7. Operator Name, if Different than Permittee MOUNTAIN COAL CO		17. OSM Office # 140	18. CCID # []
8. Mine Name GORDON CREEK 2, 7 & 8		19. Land Code SF	20. M.S.H.A ID # 42-00125
		21. State Abrev. UT	22. County Name CARBON
		23. AVS Permittee Entity ID Number 109235	24. State Office []

25. Hours	26. Signature Block	27. Reviewing Official:
2.0 a. Permit Review	<i>Christine Belka</i>	<i>[Signature]</i>
1.0 b. Site Visit Time	Signature: Christine Belka ID # 182	Signature:
13.0 c. Travel Time	Printed Name:	Review Date: 11/2/2010 mm - dd - yyyy
2.0 d. Report Writing	Date: 11/02/2010	Is Supplemental MSE Page Used Y/N 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... Citizen Complaint Follow-up

Joint Inspection — Item 13 A joint inspection is when a state inspector accompanies an OSM inspector any time during the review of the mine site

Permit Status — Item 14
 A... Active: Coal mining and reclamation activities occurring or permitted but not yet disturbed
 IN... Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit) Coal mining completed and reclamation activities initiated.
 BR... Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release.)
 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)
 AB1... Bond Forfeiture: Bond forfeiture officially in process or completed, and reclamation in progress or not yet commenced.
 AB2... Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.
 AB3... Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.
 NA... Not Applicable: When site is unpermitted.

Site Status Codes — Item 15
 ND... No Disturbance: No coal mining and reclamation operations have been started.
 EX... Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.
 AP... Active Coal Producing: Coal surface mining activities are occurring.
 AN... Active Non-Producing: Active non-producing facility such as tipple or preparation plant.
 NM... No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.
 MC... Mining Complete: No mining activity on site, site regraded and awaiting phase bond release.
 TC... Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817.131(b).
 P1... Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.
 P2... Phase II Release: At least Phase II bond release for the entire permitted area.
 P3... Phase III Release: Reclamation completed and the RA has released all bond.
 NS... Non-Site Visit: Status of site not determined.
 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.
 FR... Forfeited and Reclaimed: Forfeiture reclamation completed.
 FO... Abandoned Site: Abandoned site that is permitted but there is no 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 H... Exploration Permits L... Remaining site permitted under 30 CFR 785.25
 B... Underground I... Notice of Intent to Explore
 C... Preparation Plant F... Loading Facility and/or Tipple J... Exempt 16 and 2/3
 D... Ancillary (Haulroad, Conveyor, and/or Rails) K... Government Financed Construction Exemption
 E... Refuse and/or Impoundment
 G... Stockpiles

**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

State Program
Continuation Page

Permittee/ Person CANYON FUEL CO

Permit Number UT-007-016

Field Visit Date 10/20/2010

28. Performance Standard Categories

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

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| <p>A. Administrative</p> <ol style="list-style-type: none"> 1. ___ Mining within Valid Permit 2. ___ Mining within Bonded Area 3. ___ Terms & Conditions of Permit 4. ___ Liability Insurance 5. ___ Ownership and Control 6. ___ Temporary Cessation 7. ___ AML Rec. Fees -- Non-Respondent 8. ___ AML Rec. Fees -- Failure to Pay <p>B. Hydrologic Balance</p> <ol style="list-style-type: none"> 1. <u>1</u> Drainage Control 2. ___ Inspections & Certifications 3. ___ Siltation Structures 4. <u>1</u> Discharge Structures 5. <u>1</u> Diversions 6. ___ Effluent Limits 7. ___ Ground Water Monitoring 8. ___ Surface Water Monitoring 9. ___ Drainage -- Acid-Toxic Materials 10. <u>1</u> Impoundments 11. <u>1</u> Stream Buffer Zones <p>C. Topsoil & Subsoil</p> <ol style="list-style-type: none"> 1. ___ Removal 2. ___ Substitute Materials 3. ___ Storage and Protection 4. <u>1</u> Redistribution | <p>D. Backfilling & Grading</p> <ol style="list-style-type: none"> 1. ___ Exposed Openings 2. ___ Contemporaneous Reclamation 3. <u>1</u> Approximate Original Contour 4. <u>1</u> Highwall Elimination 5. <u>1</u> Steep Slopes (includes downslope) 6. ___ Handling of Acid & Toxic Materials 7. <u>1</u> Stabilization (rills and gullies) <p>E. Excess Spoil Disposal</p> <ol style="list-style-type: none"> 1. ___ Placement 2. ___ Drainage Control 3. ___ Surface Stabilization 4. ___ Inspections & Certifications <p>F. Coal Mine Waste (Refuse Piles/Impoundments)</p> <ol style="list-style-type: none"> 1. ___ Drainage Control 2. ___ Surface Stabilization 3. ___ Placement 4. ___ Inspections and Certifications 5. ___ Impounding Structures <p>G. Use Of Explosives</p> <ol style="list-style-type: none"> 1. ___ Blaster Certification 2. ___ Distance Prohibitions 3. ___ Blast Survey/Schedule 4. ___ Warnings & Records 5. ___ Control of Adverse Effects | <p>H. ___ Subsidence Control Plan</p> <p>I. Roads</p> <ol style="list-style-type: none"> 1. ___ Road Construction 2. ___ Certification 3. ___ Drainage 4. ___ Surfacing and Maintenance 5. <u>1</u> Reclamation <p>J. Signs & Markers</p> <ol style="list-style-type: none"> 1. <u>1</u> Signs 2. <u>1</u> Markers <p>K. ___ Distance Prohibitions</p> <p>L. Revegetation</p> <ol style="list-style-type: none"> 1. <u>1</u> Vegetative Cover 2. ___ Timing <p>M. ___ Postmining Land Use</p> <p>N. Other</p> <p style="margin-left: 20px;">General _____</p> <p style="margin-left: 20px;">Performance _____</p> <p style="margin-left: 20px;">Category _____</p> <p style="margin-left: 20px;">___ 1) _____</p> <p style="margin-left: 20px;">___ 2) _____</p> <p style="margin-left: 20px;">___ 3) _____</p> |
|--|---|---|

Performance Standard Categories 30 CFR Counterpart

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

Utah Division of Oil, Gas and Mining Permit ID # C/007/0016
Wednesday October 20, 2010 8:30 – 9:30

Participants:

Karl Houskeeper, Division of Oil, Gas and Mining (DOGGM)
Christine Belka, Office of Surface Mining (OSM), Badge ID # 182
(No mine representative was present during this inspection)

Weather conditions: clear, cool (40's), light frost on ground and pond

This site has been reclaimed, but final bond release has not been sought.

Signs and Markers

The mine identification sign displays all of the required information. This sign has recently been replaced.

Hydrology and Sediment Control

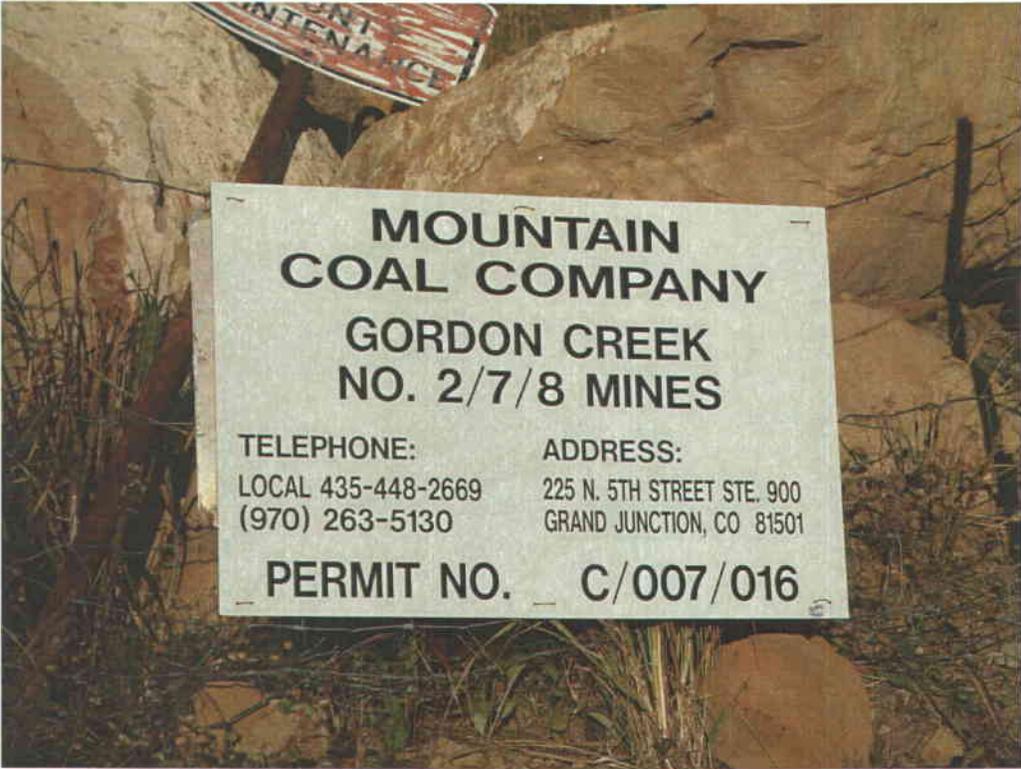
Jacob's Pond was holding turbid water but not discharging at the time of inspection. Vegetation is well-established along the slopes toward Gordon Creek. The main reclamation surface is sparser, but planted species are established. Thistle is colonizing the area and may become a problem. Mountain Coal Company may wish to spray thistle in the spring to prevent the weed from becoming a problem (spring and early fall are preferable times to attempt to control this weed). Undisturbed drainage channels remain intact and appear to be functioning as designed (no water flowing at the time of inspection).

Records Check

DOGGM inspection reports dated 1/9/07 through 9/9/10
DOGGM permit renewal effective August 28, 2009 (dated 8/24/2009)
Acord liability insurance expires 7/31/2011
Mine requested suspension of its UPDES permit by letter dated 11/21/2007 because ponds have been reclaimed and discharge points no longer exist.
Annual pond certification by Dan Guy, P.E. dated 8/26/2010
Electronic water quality data is being submitted electronically
Subsidence monitoring report dated 11/15/1998
Vegetation monitoring report dated 1997

No problems were noted and no violations were issued as a result of this inspection.

Photographs taken:



Recently replaced mine identification sign



Undisturbed drainage channel



Jacob's Pond holding turbid water, not discharging



Main reclamation area