



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



<p>1. Permittee/Person CANYON FUEL COMPANY LLC</p> <p>2. Address 9815 SOUTH MONROE STREET SUITE 203</p> <p>3. City SANDY</p> <p>4. State UT</p> <p>5. Zip Code 84070</p> <p>6. Phone Number (801) 695-9107</p> <p>7. Operator Name, if Different than Permittee</p> <p>8. Mine Name GORDON CREEK 2, 7, 8</p>	<p>9. Permit Number C/007/0016</p> <p>10. Permit Type PP</p> <p>11. Field Visit Date 10/31/2019 <small>mm - dd - yyyy</small></p> <p>12. Purpose OB3</p> <p>13. SRA Present Y</p> <p>14. Permit Status A</p> <p>15. Site Status P2</p> <p>16. Facility Type B</p> <p>17. OSM Office # 140</p> <p>18. CCID #</p> <p>19. Land Code SF</p> <p>20. M.S.H.A. ID #</p> <p>21. State Abbrev. UT</p> <p>22. County/Burrough CARBON</p> <p>23. AVS Permittee Entity ID Number 142816</p> <p>24. State Office</p>
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<p>25. Hours</p> <table style="width:100%;"> <tr><td style="border: 1px solid black; padding: 2px;">6.0</td><td>a. Permit Review</td></tr> <tr><td style="border: 1px solid black; padding: 2px;">2.0</td><td>b. Site Visit Time</td></tr> <tr><td style="border: 1px solid black; padding: 2px;">14.0</td><td>c. Travel Time</td></tr> <tr><td style="border: 1px solid black; padding: 2px;">6.0</td><td>d. Report Writing</td></tr> </table>	6.0	a. Permit Review	2.0	b. Site Visit Time	14.0	c. Travel Time	6.0	d. Report Writing	<p>26. Signature Block</p> <p>THOMAS MEDLIN <small>Digitally signed by THOMAS MEDLIN Date: 2019.11.20 07:39:58 -07'00'</small></p> <p align="center">Signature:</p> <p align="center">Thomas Medlin, ID#562</p> <p align="center">Inspector's Name:</p> <p>Date: 11/19/2019</p>	<p>27. Reviewing Official:</p> <p>HOWARD STRAND <small>Digitally signed by HOWARD STRAND Date: 2019.11.20 07:43:36 -07'00'</small></p> <p align="center">Signature:</p> <p align="center">Howard Strand</p> <p align="center">Reviewer's Name:</p> <p>Date: 11/20/2019</p>
6.0	a. Permit Review									
2.0	b. Site Visit Time									
14.0	c. Travel Time									
6.0	d. Report Writing									

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

<p>A Active: Coal mining activities occurring or permitted but not yet disturbed.</p> <p>IN Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit): Coal mining completed and reclamation activities initiated.</p> <p>BR Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release).</p>	<p>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).</p> <p>AB1 Bond Forfeiture: Bond forfeiture officially in process or completed and reclamation in progress or not yet commenced.</p> <p>AB2 Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.</p> <p>AB3 Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.</p> <p>NA Not Applicable: When site is unpermitted.</p>
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<p>Site Status - Item 15</p> <p>ND No Disturbance: No coal mining and reclamation operations have been started.</p> <p>EX Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.</p> <p>AP Active Coal Producing: Coal surface mining activities are occurring.</p> <p>AN Active Non-Producing: Active non-producing facility such as tippie or preparation plant.</p> <p>NM No Mining: The Permit Status is active, site is in Temporary Cessation, no surface coal mining activity, and site not regraded.</p>	<p>MC Mining Complete: No mining activity on site, site regraded and awaiting bond release.</p> <p>TC Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817:13(b).</p> <p>P1 Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.</p> <p>P2 Phase II Release: At least Phase II bond release for the entire permitted area.</p> <p>P3 Phase III Release: Reclamation completed and the RA has released all bond.</p>	<p>NS Non-Site Visit: Status of site not determined.</p> <p>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.</p> <p>FR Forfeited and Reclaimed: Forfeiture reclamation completed.</p> <p>FO Abandoned Site: Abandoned site that is permitted but there is no bond.</p> <p>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.</p>
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<p>Facility Type Codes - Item 16</p> <p>A....Surface</p> <p>B....Underground</p> <p>C....Preparation Plant</p>	<p>D....Ancillary (Haulroad, Conveyor, and/or Rails)</p> <p>E....Refuse and/or Impoundment</p> <p>F....Loading Facility and/or Tlpple</p> <p>G....Stockpiles</p>	<p>H....Exploration Permits</p> <p>I....Notice of Intent to Explore</p> <p>J....Exempt 16 and 2/3</p>	<p>K....Government Financed Construction Exemption</p> <p>L....Remining site permitted under 30 CFR 785.25</p>
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**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
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Permittee/ Person	CANYON FUEL COMPANY LLC	Permit Number	C/007/0016	Field Visit Date	10/31/2019	State Program Continuation Page
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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>A. Administrative</p> <ol style="list-style-type: none"> 1. <u> </u> Mining within Valid Permit 2. <u> </u> Mining within Bonded Area 3. <u> 1 </u> Terms & Conditions of Permit 4. <u> </u> Liability Insurance 5. <u> </u> Ownership and Control 6. <u> </u> Temporary Cessation 7. <u> </u> AML Rec. Fees - Non-Respondent 8. <u> </u> AML Rec. Fees - Failure to Pay <p>B. Hydrologic Balance</p> <ol style="list-style-type: none"> 1. <u> 1 </u> Drainage Control 2. <u> </u> Inspections & Certifications 3. <u> </u> Siltation Structures 4. <u> </u> Discharge Structures 5. <u> </u> Diversions 6. <u> </u> Effluent Limits 7. <u> </u> Ground Water Monitoring 8. <u> </u> Surface Water Monitoring 9. <u> </u> Drainage - Acid-Toxic Materials 10. <u> </u> Impoundments 11. <u> </u> Stream Buffer Zones <p>C. Topsoil & Subsoil</p> <ol style="list-style-type: none"> 1. <u> </u> Removal 2. <u> </u> Substitute Materials 3. <u> </u> Storage and Protection 4. <u> </u> Redistribution 	<p>D. Backfilling & Grading</p> <ol style="list-style-type: none"> 1. <u> 1 </u> Exposed Openings 2. <u> </u> Contemporaneous Reclamation 3. <u> 1 </u> Approximate Original Contour 4. <u> </u> Highwall Elimination 5. <u> </u> Steep Slopes (includes downslope) 6. <u> </u> Handling of Acid and Toxic Materials 7. <u> 1 </u> Stabilization (rills and gullies) <p>E. Excess Spoil Disposal</p> <ol style="list-style-type: none"> 1. <u> </u> Placement 2. <u> </u> Drainage Control 3. <u> </u> Surface Stabilization 4. <u> </u> Inspections & Certifications <p>F. Coal Mine Waste (Refuse Piles/Impoundments)</p> <ol style="list-style-type: none"> 1. <u> </u> Drainage Control 2. <u> </u> Surface Stabilization 3. <u> </u> Placement 4. <u> </u> Inspections & Certifications 5. <u> </u> Impounding Structures <p>G. Use of Explosives</p> <ol style="list-style-type: none"> 1. <u> </u> Blaster Certification 2. <u> </u> Distance Prohibitions 3. <u> </u> Blast Survey/Schedule 4. <u> </u> Warnings & Records 5. <u> </u> Control of Adverse Effects 	<p>H. <u> </u> Subsidence Control Plan</p> <p>I. Roads</p> <ol style="list-style-type: none"> 1. <u> </u> Road Construction 2. <u> </u> Certification 3. <u> </u> Drainage 4. <u> </u> Surfacing and Maintenance 5. <u> 1 </u> Reclamation <p>J. Signs & Markers</p> <ol style="list-style-type: none"> 1. <u> </u> Signs 2. <u> </u> Markers <p>K. <u> </u> Distance Prohibitions</p> <p>L. Revegetation</p> <ol style="list-style-type: none"> 1. <u> 1 </u> Vegetative Cover 2. <u> 1 </u> Timing <p>M. <u> 1 </u> Postmining Land Use</p> <p>N. Other</p> <p>General Performance Category</p> <p>_____</p> <p>_____</p> <p>_____</p>
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Performance Standard Categories 30 CFR Counterparts

<p>A. Administrative</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 §42.11(e) & §16/817.131 7. AML Rec. Fees - Non-Respondent §70.15(b) 8. AML Rec. Fees - Failure to Pay §70.15(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 §16/817.13, 14, 15, & §23.11 & 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 §3(a) 2. Surface Stabilization §3(b) 3. Placement §3(c) 4. Inspections and Certifications §3(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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Denver Field Branch Bond Release Evaluation Report

Permittee: Canyon Fuel Company, LLC
Site: Gordon Creek 2, 7 & 8 Mine
Permit No: C/007/0016
Date of Inspection: October 31, 2019
Inspection Type: Phase III bond release
Weather: Sunny and cold with light snow-covered ground conditions
Operator Representative(s): Chris Hansen, Vicky Miller, Ryan Wilson, and Greg Galecki
Landowner: Mark Jacob
State Official(s): Steve Christensen, Amanda Daniels, Todd Miller (Division of Oil, Gas and Mining)
OSMRE Official: Tom Medlin #562

Background

This was a Phase III / termination of jurisdiction bond release inspection at the 34.15 acre Gordon Creek 2, 7 & 8 Mine in Carbon County, Utah. Canyon Fuel Company, LLC (CFC) proposes Phase III bond release where it indicates all mining and reclamation activities—including backfilling and regrading to approximate original contour, re-establishment of natural drainage patterns, and revegetation in support of the livestock grazing post-mining land use—have been completed in accordance with the approved mining and reclamation plan. The Utah Division of Oil, Gas and Mining (DOGM) found CFC’s bond release application administratively complete on October 15, 2019.

The parcel proposed for release lies within N $\frac{1}{2}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 18, Township 13S, Range 8E, Great Salt Lake Base and Meridian.

Notification of the proposed bond release was published in the ETV News Progress for four consecutive weeks beginning October 16, 2019. CFC currently posts a reclamation bond in the amount of \$171,000 which covers the entire Gordon Creek 2, 7 & 8 Mine. With this application, CFC requests full and final reclamation liability release. Vegetation sampling was conducted by Mt. Nebo Scientific, Inc. in 2009 and 2010. Due to drainage channel repair in 2015, it was agreed to conduct sampling once again in 2019 to “refresh” and confirm or counter the nearly ten year old data. The 2019 sampling confirmed the findings from the 2009 and 2010 data, which indicate the reference standards for biomass production, vegetative cover, and species diversity were all surpassed.

Utah outlines the requirements for Phase III bond release at R645-301-880.330. For Phase III bond release, the operator “has completed successfully all surface coal mining and reclamation operations.”

Findings and observations

The morning of this inspection, the Team assembled along Consumer Road, introductions were made, and parameters for the inspection briefly discussed. Following this, the Team proceeded up Bryner Canyon to evaluate the 34.15 acres proposed for Phase III bond release. The site was

covered in light layer of snow, however, the Team was able to identify several species of dormant grasses, shrubs, and forbs including rubber rabbitbrush, Woods' rose, crested wheatgrass, Great Basin wildrye, sagebrush, alfalfa, and Kentucky bluegrass. Very limited quantities of whitetop, houndstongue, and cheatgrass were observed, however, not at levels that would constitute infestation.

All reclaimed surfaces were observed to be stable and restored to approximate original contour. Extensive surface pocking had been incorporated during reclamation to interrupt sheetflow during precipitation events and aid in vegetative germination, with apparent success. See Figures 1, 2, and 5. No remaining infrastructure, equipment, silt fence, stakes, or markers were observed. Segments of drainage channel SD-6—which was redesigned with larger riprap and reconstructed in 2015—were inspected and found to be stable with no evidence of erosion or further movement. See Figure 3. Jacobs Pond—permanently retained at the landowner's request and in support of the livestock grazing post-mining land use—was covered in snow and appeared frozen; no issues were noted. See Figure 4.

The inspection concluded with the Team hiking back through the canyon the same way it had come. No issues or objections were raised by any party and it was agreed Phase III bond release / termination of jurisdiction would be appropriate.

Conclusion and recommendations

The reclamation proposed for Phase III bond release at the Gordon Creek 2, 7 & 8 Mine comports with the approved Mining and Reclamation Plan and supports the livestock grazing post-mining land use. Bond release is recommended. No enforcement actions were taken as a result of this inspection, nor are any pending.

Photos



Figure 1. Entrance to Bryner Canyon.



Figure 2. Bryner Canyon, approximately halfway between entrance and Jacobs Pond.

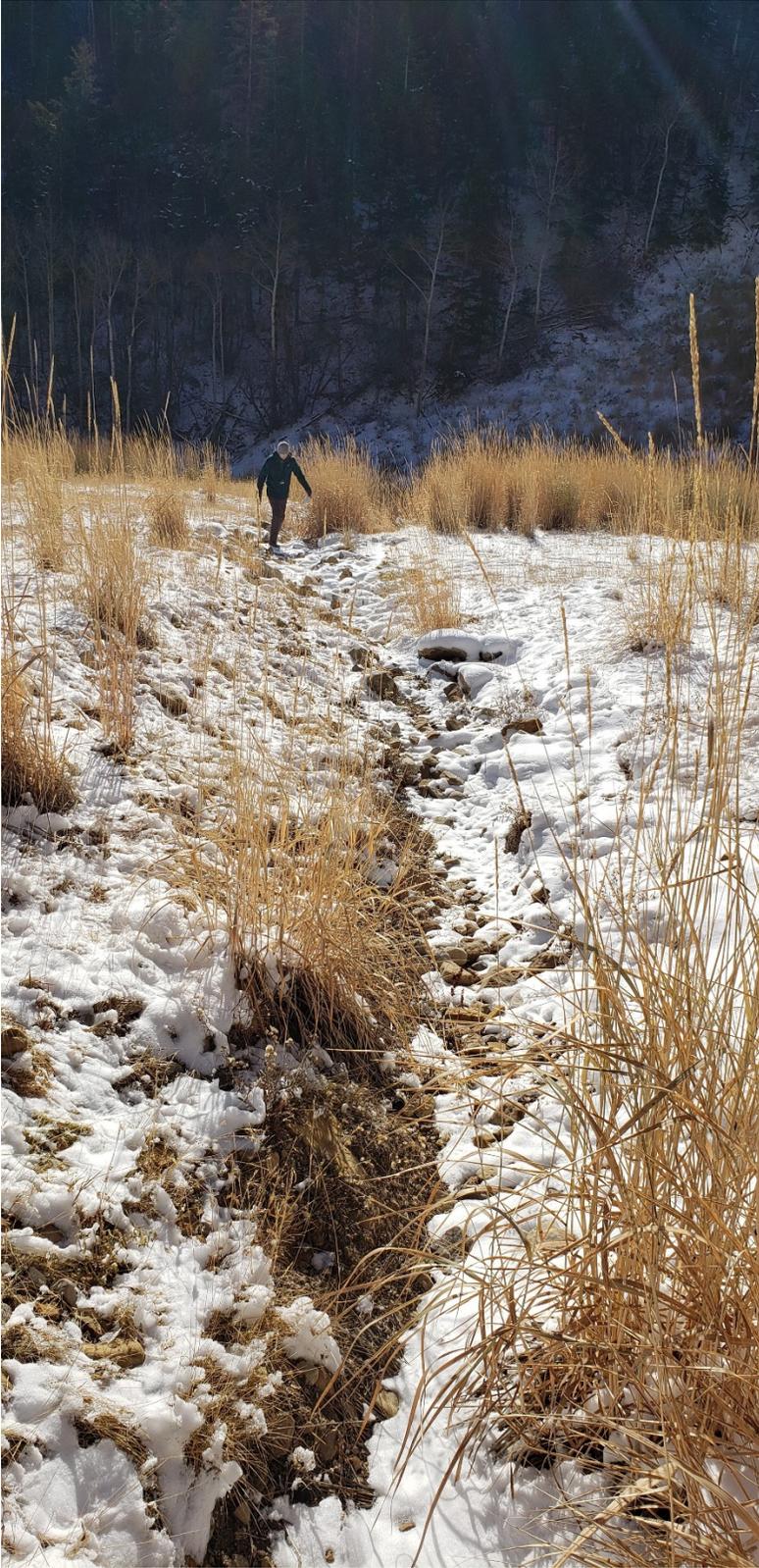


Figure 3. Upper segment of reconstructed surface drainage channel SD-6.



Figure 4. Jacobs Pond.



Figure 5. Site overview, looking down Bryner Canyon.