



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



C/007/018 Incoming

RECEIVED
 NOV 09 2010

<p>1. Permittee/Person <input type="text" value="CANYON FUEL CO"/></p> <p>2. Address <input type="text" value="225 NO 5TH ST, SUITE 900"/></p> <p>3. City <input type="text" value="Grand Junction"/></p> <p>4. State <input type="text" value="CO"/></p> <p>5. Zip Code <input type="text" value="81501"/></p> <p>6. Phone Number <input type="text" value="(970) 263-5130"/></p> <p>7. Operator Name, if Different than Permittee <input type="text"/></p> <p>8. Mine Name <input type="text" value="SOLDIER CANYON"/></p>	<p>9. Permit Number DIV. OF OIL, GAS & MINING <input type="text" value="UT-007-018"/></p> <p>10. Permit Type <input type="text" value="PP"/></p> <p>11. Field Visit Date <input type="text" value="10/19/2010"/> <small>mm - dd - yyyy</small></p> <p>12. Purpose <input type="text" value="O"/></p> <p>13. SRA Present <input type="text" value="Y"/></p> <p>14. Permit Status <input type="text" value="IN"/></p> <p>15. Site Status <input type="text" value="AN"/></p> <p>16. Facility Type <input type="text" value="B"/></p> <p>17. OSM Office # <input type="text" value="140"/></p> <p>18. CCID # <input type="text"/></p> <p>19. Land Code <input type="text" value="SF"/></p> <p>20. M.S.H.A ID # <input type="text" value="42-00077"/></p> <p>21. State Abrev. <input type="text" value="UT"/></p> <p>22. County Name <input type="text" value="CARBON"/></p> <p>23. AVS Permittee Entity ID Number <input type="text" value="089070"/></p> <p>24. State Office <input type="text"/></p>									
<p>25. Hours</p> <table style="width:100%;"> <tr> <td style="width:15%;"><input type="text" value="3.0"/></td> <td>a. Permit Review</td> </tr> <tr> <td><input type="text" value="2.3"/></td> <td>b. Site Visit Time</td> </tr> <tr> <td><input type="text" value="12.0"/></td> <td>c. Travel Time</td> </tr> <tr> <td><input type="text" value="3.0"/></td> <td>d. Report Writing</td> </tr> </table>	<input type="text" value="3.0"/>	a. Permit Review	<input type="text" value="2.3"/>	b. Site Visit Time	<input type="text" value="12.0"/>	c. Travel Time	<input type="text" value="3.0"/>	d. Report Writing	<p>26. Signature Block</p> <p align="center"><i>Christine Belka</i></p> <p align="center">Signature: Christine Belka ID # 182</p> <p align="center">Printed Name:</p> <p>Date: <input type="text" value="11/02/2010"/></p>	<p>27. Reviewing Official:</p> <p align="center"><i>J Fulka</i></p> <p align="center">Signature:</p> <p>Review Date: <input type="text" value="11/21/2010"/> <small>mm - dd - yyyy</small></p> <p>Is Supplemental MSE Page Used Y/N <input checked="" type="checkbox"/> Y</p>
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<input type="text" value="3.0"/>	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... 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

<p>A... Active: Coal mining and reclamation 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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Site Status Codes — Item 15

<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 tipple or preparation plant.</p> <p>NM... No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not graded.</p>	<p>MC... Mining Complete: No mining activity on site, site regraded and awaiting phase bond release.</p> <p>TC... Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817.131(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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Facility Type Codes — Item 16

<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 Tipple</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 OFFICE OF SURFACE MINING

Mine Site Evaluation

State Program

Permittee/Person CANYON FUEL CO

Permit Number UT-007-018

Field Visit Date 10/19/2010

Continuation Page

28. Performance Standard Categories

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

A. Administrative 1. ___ Mining within Valid Permit 2. ___ Mining within Bonded Area 3. 1 Terms & Conditions of Permit 4. 1 Liability Insurance 5. ___ Ownership and Control 6. 1 Temporary Cessation 7. ___ AML Rec. Fees -- Non-Respondent 8. ___ AML Rec. Fees -- Failure to Pay	D. Backfilling & Grading 1. 1 Exposed Openings 2. ___ Contemporaneous Reclamation 3. ___ Approximate Original Contour 4. ___ Highwall Elimination 5. ___ Steep Slopes (includes downslope) 6. ___ Handling of Acid & Toxic Materials 7. 1 Stabilization (rills and gullies)	H. ___ Subsidence Control Plan I. Roads 1. ___ Road Construction 2. ___ Certification 3. ___ Drainage 4. ___ Surfacing and Maintenance 5. ___ Reclamation J. Signs & Markers 1. 1 Signs 2. 1 Markers K. ___ Distance Prohibitions L. Revegetation 1. ___ Vegetative Cover 2. ___ Timing M. ___ Postmining Land Use N. Other General Performance Category ___ ___ 1) _____ ___ ___ 2) _____ ___ ___ 3) _____
B. Hydrologic Balance 1. 1 Drainage Control 2. 1 Inspections & Certifications 3. 1 Siltation Structures 4. 1 Discharge Structures 5. 1 Diversions 6. ___ Effluent Limits 7. ___ Ground Water Monitoring 8. ___ Surface Water Monitoring 9. ___ Drainage -- Acid-Toxic Materials 10. ___ Impoundments 11. 1 Stream Buffer Zones	E. Excess Spoil Disposal 1. ___ Placement 2. ___ Drainage Control 3. ___ Surface Stabilization 4. ___ Inspections & Certifications F. Coal Mine Waste (Refuse Piles/Impoundments) 1. ___ Drainage Control 2. ___ Surface Stabilization 3. ___ Placement 4. ___ Inspections and Certifications 5. ___ Impounding Structures	
C. Topsoil & Subsoil 1. ___ Removal 2. ___ Substitute Materials 3. 1 Storage and Protection 4. ___ Redistribution	G. Use Of Explosives 1. ___ Blaster Certification 2. ___ Distance Prohibitions 3. ___ Blast Survey/Schedule 4. ___ Warnings & Records 5. ___ Control of Adverse Effects	

Performance Standard Categories 30 CFR Counterpart

A. Administrative.....(816/817.71-74) 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)	E. Excess Spoil Disposal.....(816/817.71-74) 1. Placement.....71(e) 2. Drainage Control.....71(f) 3. Surface Stabilization.....71(g) 4. Inspections & Certifications.....71(h)
B. Hydrologic Balance.....(816/817.41-57) 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	F. Coal Mine Waste (Refuse Piles/Impoundments)(816/817.81-84) 1. Drainage Control.....83(a) 2. Surface Stabilization.....83(b) 3. Placement.....83(c) 4. Inspections and Certifications.....83(d) 5. Impounding Structures.....84
C. Topsoil & Subsoil.....(816/817.22) 1. Removal.....22(a) 2. Substitute Materials.....22(c) 3. Storage and Protection.....22(c) 4. Redistribution.....22(d)	G. Use of Explosives.....(816/817.61-68) 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
D. Backfilling & Grading.....(816/817.95-107) 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)	H. Subsidence Control Plan.....(817.121-122) I. Roads.....(816/817.150-151) 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)
	J. Signs & Markers(816/817.11) 1. Signs.....11(a),(b),&(c) 2. Markers.....11(a),(b),(d),(e),&(f)
	K. Distance Prohibitions.....(761.11) L. Revegetation.....(816/817.111-116) 1. Vegetative Cover.....111 & 116 2. Timing.....113
	M. Postmining Land Use.....(816/817.133)

Soldier Canyon Complete Oversight Inspection

Utah Division of Oil, Gas and Mining Permit ID # C/007/0018
Tuesday October 19, 2010 8:30 – 10:45

Participants:

Vicki Miller, Canyon Fuel Company (CFC)
Amanda Richard, CFC
Steve Demzack, Division of Oil, Gas and Mining (DOGM)
Christine Belka, Office of Surface Mining (OSM), Badge ID # 182

Weather conditions: clear, cool (40's), recent rain

Mine identification signs are in place at entrance points along the county road and contain all of the necessary information. Low areas in the pond contained a tiny amount of water, but embankments are not impounding water (no discharge). All five portals have been sealed and revegetated. Lightning ignited gas in the mine 12 – 15 years ago, blowing out portal closures and damaging the lower fan house. All openings have been properly resealed, but some evidence of the explosion remains at the lower fan house. The upper fan house remains intact, but the portal has been sealed.

Most salvageable material has been removed from the site. Materials and structures that remain are orderly. Remaining reclamation has not been scheduled (CFC retains the rights to coal reserves). Transformers containing copper have been stolen from the site, so electricity is not available. Perimeter and buffer zone markers are still in place around the disturbed area.

Concrete-lined diversion ditches and culverts are clean and well-maintained. The large undisturbed drainage culvert is clear.

Topsoil stockpiles are fenced, marked and vegetated. Soil from Dugout and Soldier Canyon is stockpiled in this area. Cheat grass has been controlled over the past three years by burning, spraying and digging.

No compliance issues were noted during this inspection.

Records check:

DOG M permit renewal expires 02/03/2012 (permit condition: submit water quality monitoring data electronically, being met)
Air Quality permit issued 4/25/1994
UPDES permit UT0023680 issued 3/24/2006, expires 3/31/2011 (no discharges in past 5 years)
SPCC Plan issued 4/3/2001, revised in 2004
Performance bond through St. Paul Fire and Marine for \$1,593,000
Liability insurance expires 7/31/2011
Monthly pond inspection reports on file through 10/14/2010

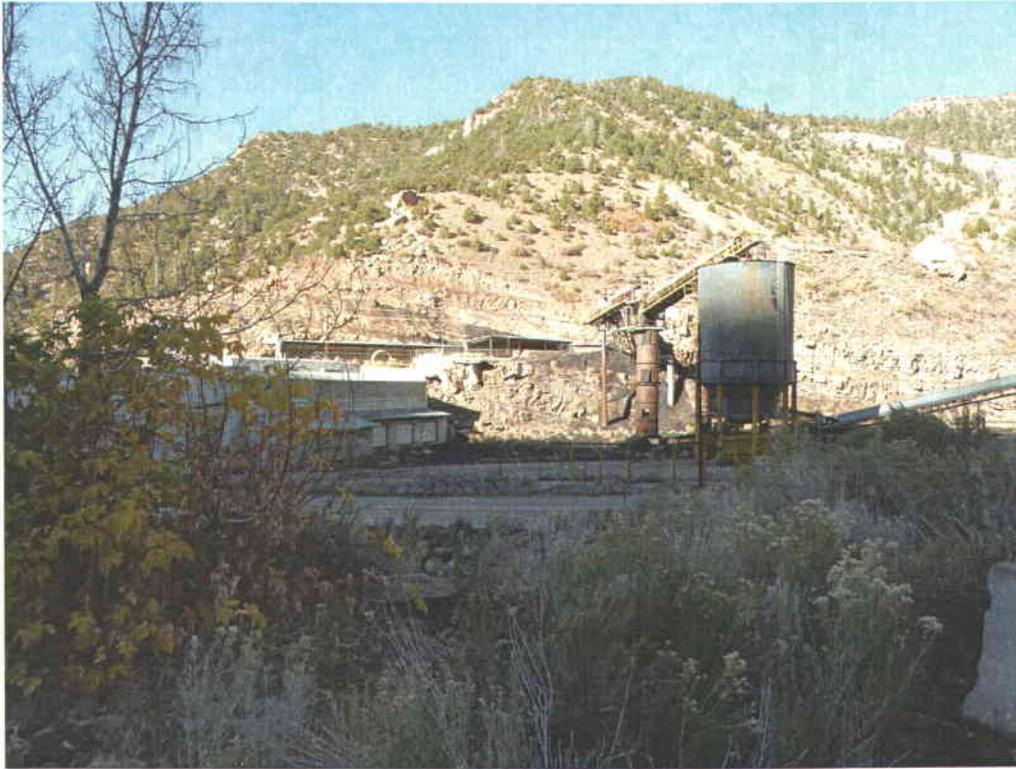
Photographs taken:



Pond with wet areas, not impounding water or discharging.



Sealed Portals 2 & 3



Facilities area



Lower fan portal area with Mine ID, perimeter and buffer zone markers