State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Inspection Report

Permit Number:	**C0070018**
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, November 22, 2011
Start Date/Time:	11/22/2011 10:00:00 AM
End Date/Time:	11/22/2011 1:00:00 PM
Last Inspection:	Monday, August 29, 2011

Inspector: Steve Demczak,

Weather: Sunny, 30's

InspectionID Report Number: 2936

Accepted by: jhelfric
12/8/2011

Representatives Present During the Inspection:	
Company	Vicky Miller
OGM	Steve Demczak

Permitee: **CANYON FUEL COMPANY**
Operator: **CANYON FUEL COMPANY**
Site: **SOLDIER CANYON MINE**
Address: **PO BOX 1029, WELLINGTON UT 84542**
County: **CARBON**
Permit Type: **PERMANENT COAL PROGRAM**
Permit Status: **ACTIVE**

Current Acreages

6,624.64	**Total Permitted**
24.32	**Total Disturbed**
	Phase I
	Phase II
	Phase III

Mineral Ownership

- [x] Federal
- [x] State
- [ ] County
- [ ] Fee
- [ ] Other

Types of Operations

- [x] Underground
- [ ] Surface
- [ ] Loadout
- [ ] Processing
- [ ] Reprocessing

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

Permit Condition: Canyon Fuel Company has just one permit condition for the Soldier Canyon Mine; to submit water quality data in an electronic format through the Electronic Data Input web site.

Permitting Actions: None

Inspector's Signature:

Steve Demczak,
Inspector ID Number: 39

Date Tuesday, November 29, 2011

Note: This inspection report does not constitute an official finding of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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UTAH DNR OIL, GAS & MINING

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 performace 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	☑	☐	☑	☐
2. Signs and Markers	☑	☐	☑	☐
3. Topsoil	☑	☐	☑	☐
4.a Hydrologic Balance: Diversions	☑	☐	☑	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☑	☐	☑	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☑	☐	☐	☐
4.d Hydrologic Balance: Water Monitoring	☑	☐	☑	☐
4.e Hydrologic Balance: Effluent Limitations	☑	☐	☑	☐
5. Explosives	☐	☑	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☐	☑	☐	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☐	☑	☐	☐
8. Noncoal Waste	☑	☐	☑	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☑	☐	☐	☐
10. Slides and Other Damage	☑	☐	☑	☐
11. Contemporaneous Reclamation	☐	☑	☐	☐
12. Backfilling And Grading	☐	☑	☐	☐
13. Revegetation	☐	☑	☐	☐
14. Subsidence Control	☑	☐	☑	☐
15. Cessation of Operations	☑	☐	☑	☐
16.a Roads: Construction, Maintenance, Surfacing	☑	☐	☑	☐
16.b Roads: Drainage Controls	☑	☐	☑	☐
17. Other Transportation Facilities	☐	☑	☐	☐
18. Support Facilities, Utility Installations	☑	☐	☑	☐
19. AVS Check	☑	☐	☑	☐
20. Air Quality Permit	☑	☐	☑	☐
21. Bonding and Insurance	☑	☐	☑	☐
22. Other	☐	☐	☐	☐

1. Permits, Change, Transfer, Renewal, Sale

No permitting action is currently being processed with the Division for Soldier Creek Mine. The permit will expire on Feb. 12, 2012. The SPCC plan was last inspected on December 3, 2007. The UPDES permit will expire on April 31, 2013.

2. Signs and Markers

The identification sign was on the side of the main road overlooking the sediment pond. The information addressed the requirements of the R645 Coal Rules.

3. Topsoil

The topsoil piles are located below the mine. There were no signs of wind or water erosion.

4.a Hydrologic Balance: Diversions

Diversions were opened and functioning as designed.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sediment pond contained a small amount of water. It is unlikely to discharge in the near future. I inspected the sediment pond and did not see any hazardous conditions. The permittee inspected the pond on Oct. 3, 2011. There were no hazardous conditions reported.

4.d Hydrologic Balance: Water Monitoring

The water data was submitted to the Division. The site had met requirements for taking water samples in high flow year.

4.e Hydrologic Balance: Effluent Limitations

No discharge for the third quarter.

8. Noncoal Waste

The site was clear of non-coal waste material.

10. Slides and Other Damage

No slides or orther damage was noticed during the inspection.

14. Subsidence Control

Information is in the Annual Report.

15. Cessation of Operations

No activity is taking place at mine site.

16.a Roads: Construction, Maintenance, Surfacing

It is still functioning but the concrete is breaking up.

16.b Roads: Drainage Controls

Diversions are functioning as designed.

18. Support Facilities, Utility Installations

There are no new facilities.

19. AVS Check

AVS checks are made in SLC.

20. Air Quality Permit

The Air Quality Permit is DAQE-334-94.

21. Bonding and Insurance

The insurance policy will expire on July 31, 2012. The bonding amount is $1,593,000.