



# 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:	<b>C0070034</b>
Inspection Type:	PARTIAL OVERSITE
Inspection Date:	Tuesday, October 29, 2013
Start Date/Time:	10/29/2013 2:50:00 PM
End Date/Time:	10/29/2013 5:10:00 PM
Last Inspection:	Monday, August 05, 2013

Representatives Present During the Inspection:	
OGM	Pete Hess
OSM	Flynn Dickinson
Company	David Spillman

Inspector: Pete Hess

Weather: Mostly sunny. Cold, 40's.

InspectionID Report Number: 3655

Accepted by: dhaddock

11/1/2013

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

#### Current Acreages

36.42	<b>Total Permitted</b>
21.60	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### 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:

A partial oversight inspection of the Banning site was conducted during the afternoon hours of October 29, 2013 with Mr. Flynn Dickinson, OSMRE/WRCC. The site is idle, but is used for equipment storage.

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*Pete Hess*

Inspector's Signature:

Pete Hess,

Inspector ID Number: 46

Date Wednesday, October 30, 2013



**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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## **1. Permits, Change, Transfer, Renewal, Sale**

A permit renewal for the Banning Loadout to Canyon Fuel Company, LLC was approved on October 24, 2013. The ARCH Coal Company Utah operations were sold to Bowie Resource Partners, LLC and an application to transfer the permit from ARCH to Bowie was submitted to the Division on October 17, 2013 (Task ID # 4440). Division review of that application is pending.

## **2. Signs and Markers**

Permittee identification signs for ARCH Coal International are in place at road gate just off of US 50 & 6. All required information is posted. It was observed that several of the disturbed area perimeter markers on the North perimeter (east to west run) were missing. Markers should be installed at least every 200 feet. The Permittee was instructed to install additional markers along the North boundary, and to check the perimeter around the remaining two sides of the property. The boundary along the East side is delineated by the chain link fence, as the railroad has issues with installing perimeter markers on or adjacent to the RR ROW.

### **4.a Hydrologic Balance: Diversions**

The ditch which parallels the west side of the truck loading loop has been redefined. All other diversions which were observed appeared capable of functioning as designed.

### **4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The sediment pond has had all of the tamarisk trees removed from the base of the inslopes. The pond has adequate sediment volume for the retention of the runoff from the 10 year 24 hour event. The principal spillway is clear and is capable of discharging to the un-named drainage on the west side of the disturbed area.

### **4.c Hydrologic Balance: Other Sediment Control Measures**

The silt fence at the discharge end of ASCA #5 (NW corner of disturbed area) had washed through at its base. The Permittee was instructed to repair the fence and to notify the Division in order to verify the repair.

### **4.d Hydrologic Balance: Water Monitoring**

The Division completed a review of the second quarter 2013 water monitoring data (Task ID # 4337) on October 13, 2013. This was reviewed prior to today's partial oversight inspection. Data was submitted for all sites, which were reported as either "dry" or "no flow" situations.

#### **4.e Hydrologic Balance: Effluent Limitations**

The Permittee has received a permit renewal for the UPDES requirements, effective September 1, 2013. The Permittee requested in the permit renewal application that UPDES outfall 001 (ground water quantity to the un-named tributary reporting to Grassy Trail Creek) be removed from the monitoring requirements. This was approved by the Utah Division of Water Quality. Outfall 002 (the sediment pond discharge ) remains in the permit, although it has never discharged.

#### **9. Protection of Fish, Wildlife and Related Environmental Issues**

There was no wildlife observed during todays partial oversight inspection.

#### **12. Backfilling And Grading**

No grading is occurring at this site.-

#### **15. Cessation of Operations**

The Banning site remains in temporary cessation status.

#### **19. AVS Check**

The current Permittee, Canyon Fuel Company, submitted "Revisions to General Chapter One" (Task ID # 4440) on October 17, 2013 for the purpose of updating the ownership and control information for the Canyon Fuel Company, LLC Utah properties. This information is considered as a stand alone binder which will be placed with each of the Utah properties mining and reclamation plans (Banning, C/007/034)..

#### **21. Bonding and Insurance**

The current amount of posted bond is \$ 350,000. It is ensured by Lexon Insurance Company, which has an A.M. Best rating of B++, effective August 30, 2013. The Division has sent Canyon Fuel Company, LLC, a letter requiring that the surety be upgraded to have an A.M. Best rating of A- or better by January 28, 2014 (120 days from date of notification letter). The general liability insurance Acord form lists Canyon Fuel Company, LLC as the Permittee and Bowie Resources as the operator. All of the R645 requirements for liability insurance are being met.

#### **22. Other**

The U.S. Department of the Interior, Bureau of Land Management sent the Permittee a "Notice of Right of Way Abandonment" on or about July 19, 2013. Mr. Spillman indicated that CFC has sent the BLM a response, but he did not elaborate on its content. The new owner of the ARCH properties is still developing the business plan for the Utah operations.