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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

Michael O. Leavitt
Governor

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Partial: XXX Complete:__ Exploration:__
Inspection Date & Time: 5/14&15/98 / 1:00p.m.-3:00p.m.
Date of Last Inspection: 4/1,2,3,10/98

Mine Name: Dugout Canyon County: Carbon Permit Number: **ACT/007/039**
Permittee and/or Operator's Name: Canyon Fuel Company
Business Address: P.O. Box 1029, Wellington, Utah 84542
Type of Mining Activity: Underground XXX Surface__ Prep. Plant__ Other__
Company Official(s): Dave Spillman
State Officials(s): Steve Demczak Federal Official(s): None
Weather Conditions: Cool, 50's
Existing Acreage: Permitted-___ Disturbed-__ Regraded-__ Seeded-__ Bonded-__
Increased/Decreased: Permitted-___ Disturbed-___ Regraded-___ Seeded-___ Bonded-___
Status: ___Exploration/ XXX Active/__Inactive/__Temporary Cessation/__Bond Forfeiture
Reclamation (__Phase I/__Phase II/__Final Bond Release/__Liability_____Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions
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 N/A.
   b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing 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, Division Orders, and amendments.

		EVALUATED	N/A	COMMENTS	NOV/ENF
1.	PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	[XX]	[ ]	[XX]	[ ]
2.	SIGNS AND MARKERS	[ ]	[ ]	[ ]	[ ]
3.	TOPSOIL	[ ]	[ ]	[ ]	[ ]
4.	HYDROLOGIC BALANCE:				
a.	DIVERSIONS	[ ]	[ ]	[ ]	[ ]
b.	SEDIMENT PONDS AND IMPOUNDMENTS	[ ]	[ ]	[ ]	[ ]
c.	OTHER SEDIMENT CONTROL MEASURES	[ ]	[ ]	[ ]	[ ]
d.	WATER MONITORING	[XX]	[ ]	[XX]	[ ]
e.	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 VALUES	[ ]	[ ]	[ ]	[ ]
10.	SLIDES AND OTHER DAMAGE	[ ]	[ ]	[ ]	[ ]
11.	CONTEMPORANEOUS RECLAMATION	[ ]	[ ]	[ ]	[ ]
12.	BACKFILLING AND GRADING	[ ]	[ ]	[ ]	[ ]
13.	REVEGETATION	[ ]	[ ]	[ ]	[ ]
14.	SUBSIDENCE CONTROL	[ ]	[ ]	[ ]	[ ]
15.	CESSATION OF OPERATIONS	[ ]	[ ]	[ ]	[ ]
16.	ROADS:				
a.	CONSTRUCTION/MAINTENANCE/SURFACING	[ ]	[ ]	[ ]	[ ]
b.	DRAINAGE CONTROLS	[ ]	[ ]	[ ]	[ ]
17.	OTHER TRANSPORTATION FACILITIES	[ ]	[ ]	[ ]	[ ]
18.	SUPPORT FACILITIES/UTILITY INSTALLATIONS	[XX]	[ ]	[XX]	[ ]
19.	AVS CHECK (4th Quarter-April, May, June)_____(date)	[ ]	[ ]	[ ]	[ ]
20.	AIR QUALITY PERMIT	[ ]	[ ]	[ ]	[ ]
21.	BONDING & INSURANCE	[ ]	[ ]	[ ]	[ ]

INSPECTION REPORT
(Continuation sheet)

PERMIT NUMBER: **ACT/007/039** DATE OF INSPECTION: 5/14&15/98

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMIT -

The permittee has submitted Phase II to the Mining and Reclamation Plan to the Division. The review process is expected to take three weeks from the time the complete documents are received.

Currently, no mining disturbance has occured on the mine site.

4d. WATER MONITIORING -

The permittee was taking water monitioring samples prior to the Division issuing the permit.

Permit was issued in mid-March and water sample for first quarter was taken at the end of the month.

The permittee notified the Division in Salt Lake City that the first quarter water samples in the operational plan were at the wrong locations. It was impossible to retake water samples because the quarter has ended.

The permittee has not broken ground at this point of time.

A decision between the permittee and the Division was made to sample twice in the second quarter of 1998.

The permittee has taken the first set of samples for second quarter on April 27, 1998.

18. FACILITIES -

The permittee is conducting geotechinical drilling in the future disturbed area to gather information for ground stability.

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

Copy of this Report:
Mailed to: Dave Spillman (Canyon Fuel) Henry Austin (OSM)
Given to: Joe Helfrich (DOGM) Filed to: Price Field Office
Date: May 15, 1998

Inspector's Signature: Stephen J. Demczak #39
Stephen J. Demczak