



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

PH

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

Michael O. Leavitt
Governor
Lowell P. Braxton
Division Director

Partial: Complete: XXX Exploration:
Inspection Date & Time: 11/17/99 / 10:00a.m.-3:30p.m.
Date of Last Inspection: 10/13/99

Mine Name: Dugout Canyon County: Carbon Permit Number: ACT/007/039 #5
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): Chris Hansen, Ken Payne, Dave Spillman
State Officials(s): Steve Demczak Federal Official(s): None
Weather Conditions: Clear, 40-50's
Existing Acreage: Permitted- 4035 Disturbed- 20.1 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

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - 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.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- 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	<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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4th Quarter-April, May, June) _____ (date)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT
(Continuation sheet)

Page 2 of 3

PERMIT NUMBER: ACT/007/039

DATE OF INSPECTION: 11/17/99

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMIT-

The permittee will be submitting a new surface facility map in the near future. Map has been field checked by the inspector prior to submittal.

The Mining and Reclamation Permit was issued by the Division on March 16, 1998. The expiration date is March 16, 2003. The midterm review will be in approximately September of the year 2000.

2. SIGNS AND MARKERS -

Identification signs meet the requirements of the R645 Coal Rules. The perimeter markers were spot-checked and are located around the perimeter of the disturbed areas.

4A. DIVERSIONS -

Several diversions have been upgraded. They have been concrete lined to prevent erosion due to the grade.

4B. SEDIMENT PONDS -

The sediment pond has been completed at the time of the inspection. The sediment pond does contain a considerable amount of water but will not likely discharge. No hazardous conditions were noticed during the inspection. The sediment pond was inspected September 8, 1999 for third quarter by a P.E.

4C. SEDIMENT CONTROL MEASURES-

The permittee has three alternate sediment control areas. The three locations are: silt fence to treat road drainage at the main gate, straw bales to treat the road to the water tanks, and gravel at the water tank turn-around.

4D. WATER MONITORING -

Water monitoring was taken for third quarter with all parameters being taken. This was a spot-check. The spring parameters consisted of a full parameter list.

The permit from DEQ is UTG040020 and was issued on May 1, 1998. This permit will expire on April 30, 2003.

INSPECTION REPORT

(Continuation sheet)

Page 3 of 3

PERMIT NUMBER: ACT/007/039

DATE OF INSPECTION: 11/17/99

(Comments are Numbered to Correspond with Topics Listed Above)

4E. EFFLUENT LIMITATIONS -

The UPDES permit has two discharge points being 001A Mine Water Discharge and 002A sediment pond.

The permittee at Dugout does not have a SPCC plan at this time, but is in the process of drafting a SPCC plan.

7. REFUSE -

There was no refuse being stacked or stored at Dugout mine.

8. NON-COAL WASTE -

The area was clear of non-coal waste material.

18. SUPPORT FACILITIES -

The permittee is in the process of installing the coal handling facilities. The trailers have not been installed at this time for the office and bathhouse.

21. BONDING AND INSURANCE -

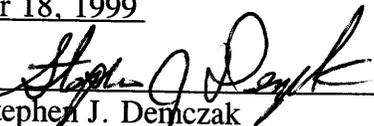
The bonding is set at \$3,682,000. The policy is a surety bond from Liberty Mutual Insurance.

Insurance policy is by J&H Marsh & McLeman Inc. This policy will expire on July 31, 2000. The acord form meets the R645 requirements.

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: Chris Hansen (Canyon Fuel) Henry Austin (OSM)
Given to: Pam Grubaugh-Littig (DOGM) Filed to: Price Field Office
Date: November 18, 1999

Inspector's Signature:  #39
Stephen J. Demczak