

0023



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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INSPECTION REPORT

PGL
by
LMO

Partial: _____ Complete: XXX Exploration: _____
Inspection Date & Time: _____ 10:00am-1:00pm
Date of Last Inspection: 11/30/2000

Mine Name: Dugout Canyon Mine County: Carbon Permit Number: _____
Permittee and/or Operator's Name: Canyon Fuel Company
Business Address: PO Box 1029, Wellington, Utah 84542
Type of Mining Activity: Underground XXX Surface _____ Prep. Plant _____ Other _____
Company Official(s): David Spillman, Chris Hansen
State Official(s): Stephen J. Demczak Federal Official(s): None
Weather Conditions: Cool, clear skies, 30's
Existing Acreage: Permitted 4035 Disturbed 20.1 Regraded _____ Seeded _____
Status: Active XXX

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

- 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.

	<u>EVALUATED</u>	<u>N/A</u>	<u>COMMENTS</u>	<u>NOV/ENF</u>
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 checked="" 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 ISSUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input type="checkbox"/>	<input checked="" 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 (4 th Quarter- April, May, June)	<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)

PERMIT NUMBER: C/007/039

DATE OF INSPECTION: 12/5/2000

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The Reclamation Agreement is being reviewed by the Division. The Division is in the process of verifying the total permit area in regards to permit maps and coal leases.

2. SIGNS AND MARKERS

All permittee 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.

3. TOPSOIL

The topsoil for Dugout mine is being stored at the topsoil site at Soldier Creek Mine. It is separated from the topsoil of Soldier Creek Mine.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The diversions appeared to be capable of functioning as designed. The majority of the diversions are concrete lined.

There were several areas that maintenance will be needed in the near future. Some sediment build-up has started in some ditches.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The sediment pond was functioning as designed. The sediment pond contains some water but will not likely discharge in the near future. No hazardous conditions were noticed during the inspection.

The upper end of the mine site sediment pond has air bubbles coming up. The permittee will gather an air sample to determine the chemical make-up.

The permittee has made a third quarter sediment pond inspection and the report is P.E. certified.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

The permittee has two alternate sediment control areas. These locations are: 1) straw bales to treat road runoff from the road going to the water tanks, and 2) the graveled area at the water tank turn around.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The second quarter water monitoring was sent to the Division. Required lab parameters, holding times, and water sites were reviewed. The information was found to comply with the requirements of the Mining and Reclamation Plan.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

There are two UPDES point sampling points: a) the sediment pond, and b) mine discharge and neither of them discharged during the quarter.

INSPECTION REPORT
(Continuation sheet)

PERMIT NUMBER: C/007/039

DATE OF INSPECTION: 12/5/2000

The UPDES permit number is UTG040020; same was issued on May 1, 1998. This permit will expire on April 30, 2003.

The SPCC Plan was update on February 1, 2000 and is P.E. certified.

5. EXPLOSIVES

Explosive are currently being stored at an equipment storage area by the road to substation.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

No coal mine waste pile is located at the Dugout Mine. Currently, all waste material is stored underground. There are plans in the future to submit an amendment to the Division for constructing a waste rock facility.

8. NONCOAL WASTE

The disturbed area was clear of non-coal waste material.

14. SUBSIDENCE CONTROL

The subsidence monitoring was taken for the year 2000. This information will be made available in the annual report. The permittee is compiling the information at this time.

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

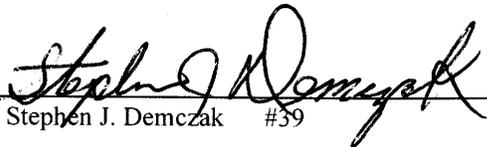
No new support facilities are being constructed.

21. BONDING AND INSURANCE

The bonding is set at \$3,682,000. The policy is a surety bond from Liberty Mutual Insurance. This bonding amount may change during the mid-tem review. An initial review reveals that the mine may be over bonded.

The insurance acord form was reviewed and was found to comply with the R645 Coal Rules. The insurance policy will expire on July 31, 2001.

Inspector's Signature: _____


Stephen J. Demczak #39

Date: December 27, 2000

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

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cc: James Fulton, OSM
Rick Olsen, Canyon Fuel
Chris Hansen, Canyon Fuel
Price Field office

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