



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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December 6, 2000

To: [REDACTED]

From: Daron R. Haddock, Permit Supervisor *DRH*

Re: Technical Field Visit as part of Midterm Review, Canyon Fuel Company, LLC,
Dugout Canyon Mine, [REDACTED]

Other Attendees: Steve Demczak, Gregg Galecki, (DOGM)
Ken Payne, Chris Hansen, Dave Spillman, (Canyon Fuel)

Date & Time: November 30, 2000 / 10:15 am to 1:00 pm

PURPOSE:

To document the status and effectiveness of operational, reclamation, and contemporaneous reclamation practices undertaken on the disturbed area..

OBSERVATIONS:

The site visit commenced with a short meeting in the mine office. The purpose and scope of the Midterm review was explained and several issues were discussed including the fact that this would be the first midterm review of the Dugout Canyon Mine. A major topic of discussion was the reclamation bond cost estimate. It is felt that the current bond is adequate, however, during the initial permitting of the mine the company opted to post additional bond in lieu of exact detail in the reclamation cost estimate. Now, Canyon Fuel is interested in providing the detail necessary to accurately reflect the cost of reclamation and hopefully reduce their required bond. A copy of a revised draft cost estimate was provided to Steve Demczak who will review it with Wayne Western and further evaluate their bonding situation. One item on the draft cost estimate raised some questions. The cost estimate identified a concrete non-coal waste storage area, but there is none on the maps or on the ground. This discrepancy needs to be resolved.

Water monitoring at the mine was discussed. The mine seems to be making pretty good progress in submitting water monitoring data electronically to the Division's water database. Chris Hansen, who is responsible for the data seems to think the system is improving. There was some concern that they are not monitoring any aquifer immediately below the coal seam they are mining. It was explained that due to the geology of the area, there is no significant water below

in this location and do not contain appreciable water above the Mancos shale which acts as a large aquaclude.

After the office discussion, the review team accompanied by Messrs. Payne, Hansen, and Spillman, walked through the surface facilities at the site, starting at the fan installation and portal area. The mine is currently using a temporary fan, but a new larger fan will soon be installed and used when ventilation needs increase. The group walked to the upper end of the disturbed property and inspected the inlets to the bypass culverts. Both were clear and functioning properly. There will probably be a request in the near future to beef up the inlet to the right fork culvert with gabion baskets.

Some concern was expressed about the temporary fuel storage area which is near the upper end of the disturbed area. The storage tank is bermed, but there appears to have been some diesel spilled into the bermed area. This should be cleaned up since it could seep into the ground and contaminate some of the fill material. This problem should be eliminated as soon as the mine starts to use the newly built fuel storage facilities. Concrete enclosures have been constructed, but have not been used since the fuel tank has not been installed yet. The enclosures appear to work since they are containing water and ice that has accumulated in them from recent storms.

Drainage from most of the disturbed area is routed through concrete lined ditches. Most of these appear to be functioning properly. One ditch near the fuel storage area was beginning to fill with sediment and requires maintenance. At the lower end of the site we looked at an alternate sediment control area which seemed to be fine. We also looked at the sediment pond and the downstream area. There was no evidence of any sediment leaving the site. The sediment pond contains some water but appeared to be far from discharging. Much of the water had an ice covering, but a small portion was free of ice. Looking more closely, it became apparent that there are a few spots where the water was bubbling (see Figure 1 page 4). It was unclear what was causing the bubbling action and none of the mine personnel seemed to know either. Dave Spillman suggested that it might be methane coming up from below the pond. There are no mineable coal seams or old working in this area so that seemed unlikely. The mine was encouraged to capture a sample of the bubbles and have them analyzed in order to better understand this phenomenon.

Between the pond and the office buildings (adjacent to the truck loadout), there is an area where a slope was cut to build some of the pad area. There appears to be a small amount of rilling on this slope(see Figure 2 page 4). The area has been seeded, but since this is new construction, vegetation has not completely stabilized the slope. It is felt that the slope will become stable as the vegetation grows in. The area should be watched during the next growing season to ensure it stabilizes.

The substation, powder magazine, and water storage tank areas were also inspected. No concerns were identified.

RECOMMENDATIONS/CONCLUSIONS:

The site is compact and tidy. A couple of issues were identified that require immediate maintenance. 1) The storage tank is bermed, but there appears to have been some diesel spilled into the bermed area. This should be cleaned up since it could seep into the ground and contaminate some of the fill material. 2) The ditch near the fuel storage area was beginning to fill with sediment and requires cleaning.

A few other issues were identified for follow up some of which are plan related and some are issues on the ground. The issues are as follows:

1. Canyon Fuel should provide the detail necessary in a revised reclamation cost estimate to more accurately reflect the cost of reclamation.
2. The cost estimate identified a concrete non-coal waste storage area, but there is none on the maps or on the ground. This discrepancy needs to be resolved
3. The mine is encouraged to capture a sample of the bubbles coming up in the sedimentation pond and have them analyzed in order to better understand this phenomenon
4. There appears to be a small amount of rilling on the cut slope between the sediment pond and the office building (adjacent to the truck loadout). The area should be watched during the next growing season to ensure it stabilizes.

sm
Attachment: (FV_113000A)
cc: Ken Payne, Canyon Fuel Co.
Dave Spillman, Canyon Fuel Co.
Chris Hansen, Canyon Fuel Co.
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ATTACHMENT(PHOTOGRAPHS)



Figure 1



Figure 2