



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

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INSPECTION REPORT

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Partial: XXX Complete: Exploration:
Inspection Date & Time: 5/22/2001 / 10:30am-2:30pm
Date of Last Inspection: 4/12/2001

Mine Name: Dugout Canyon Mine County: Carbon Permit Number: C/097/039
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): Chris Hansen
State Official(s): Stephen J. Demczak Federal Official(s): None
Weather Conditions: Warm 70's
Existing Acreage: Permitted 7210 Disturbed 22.65 Regraded Seeded
Status: Active XXX

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 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.

Table with 4 columns: EVALUATED, N/A, COMMENTS, NOV/ENF. Rows include categories like PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; EXPLOSIVES; DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES; COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS; PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES; SLIDES AND OTHER DAMAGE; CONTEMPORANEOUS RECLAMATION; BACKFILLING AND GRADING; REVEGETATION; SUBSIDENCE CONTROL; CESSATION OF OPERATIONS; ROADS; OTHER TRANSPORTATION FACILITIES; SUPPORT FACILITIES/UTILITY INSTALLATIONS; AVS CHECK; AIR QUALITY PERMIT; BONDING & INSURANCE.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/039

DATE OF INSPECTION: 05/29/2001

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permittee has submitted an amendment to build a leach field. The leach field will be located below the mine site and will be included into the disturbed and permit areas. The amendment has been reviewed by the Division and the deficiencies are being addressed by the permittee.

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.

4A. HYDROLOGIC BALANCE: DIVERSIONS

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

Several diversions will need to be cleaned out due to sediment built-up within the diversions.

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 permittee has plans to clean out the sediment this spring. The material may be stored at the Banning Loadout. This will require an amendment to the Banning permit.

4D. HYDROLOGIC BALANCE: WATER MONITORING

This was a partial inspection; therefore, a complete review of the water monitoring was not taken. A complete review of the fourth quarter's information was done during a complete inspection in the first quarter. However, a review of the water database system by the inspector prior to this inspection showed that no data was entered into the water database system for first quarter. The permittee stated the information will be entered into the water database system by the end of the second quarter. This will meet the requirements of the R645 Coal Rules.

The Permittee has not taken water samples for the second quarter and will finish water sampling by June 30, 2001. This will also satisfy the requirements of the Dugout Mining and Reclamation Plan and the R645 Coal Rules.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/039

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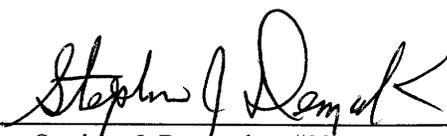
8. NONCOAL WASTE

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

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

No new support facilities are being constructed

Inspector's Signature: _____


Stephen J. Demczak #39

Date: May 30, 2001

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
Dave Spillman, Canyon Fuel
Chris Hansen, Canyon Fuel
Price Field office

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