



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

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**INSPECTION REPORT**

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Partial: \_\_\_\_\_ Complete: XXX Exploration: \_\_\_\_\_  
 Inspection Date & Time: 06/21/2001 / 2:00pm-4:00pm  
 Date of Last Inspection: 06/21/2001

Mine Name: Dugout Canyon Mine County: Carbon Permit Number: [REDACTED]  
 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, David Spillman  
 State Official(s): Stephen J. Demczak Federal Official(s): None  
 Weather Conditions: 80's, Clear Skies  
 Existing Acreage: Permitted 7083.71 Disturbed 20.1 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.

	<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 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 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 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 (4 <sup>th</sup> 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: 07/12/2001

( COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE )

### 1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permittee has submitted an amendment to install a leach field below the mine site. The Division is reviewing the second submittal which address a deficiency from the first submittal.

The permittee has received the weather station equipment at the mine site and plans to install the equipment in the near future.

### 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 storage site at Soldier Creek Mine. It is separated from the topsoil of Soldier Creek Mine. There were no signs of wind and water erosion on the topsoil pile.

### 4A. HYDROLOGIC BALANCE: DIVERSIONS

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

Some of the diversions will need cleaning due to some small rocks and sediment build-up from the recent rain storms. Several other diversions had been cleaned since the last inspection.

### 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 made a second quarter sediment pond inspection on May 25, 2001. The annual inspection was on December 11, 2000. The December report is P.E. certified and was used in the Annual Report and is located at the Division.

### 4D. HYDROLOGIC BALANCE: WATER MONITORING

The first quarter water monitoring was electronically sent to the Division. Required lab parameters, holding times, and water sites were reviewed. This information was reviewed prior to the inspection by using the Electronic Data System. The information was found to comply with the requirements of the Mining and Reclamation Plan. Several sites were not accessible in the first quarter due to snow cover.

Water samples were taken for second quarter, but, the permittee has not received the results from the lab at this time. This information will be electronically submitted to the Division by the end of the quarter. The third quarter water sampling will be taken by the end of the quarter.

**INSPECTION REPORT**

(Continuation sheet)

PERMIT NUMBER: C/007/039

DATE OF INSPECTION: 07/12/2001

**4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS**

There are two UPDES point sampling points: 1) the sediment pond and 2) mine discharge, and neither of them discharged during the quarter.

The SPCC Plan was updated on February 1, 2000.

**7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS**

The permittee plans on submitting an amendment in the future to have a refuse pile site.

**8. NONCOAL WASTE**

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

**14. SUBSIDENCE CONTROL**

No subsidence monitoring was taken because no second mining had occurred. The permittee has installed and is using longwall mining underground. Therefore, subsidence monitoring will start in the year 2001.

**18. SUPPORT FACILITIES/UTILITY INSTALLATIONS**

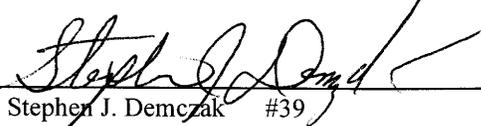
If the permittee receives approval from their headquarters, the mine will be building a new office on site at Dugout. This has been approved by the Division but was never implemented by the permittee due to cost.

**21. BONDING AND INSURANCE**

The bonding is set at \$3,682,000. The surety bond is from Liberty Mutual Insurance. This bonding amount may change during the mid-term 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: July 31, 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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