



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

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INSPECTION REPORT

Partial XXX Complete ___ Exploration ___
Inspection Date: 03/19/2002 / Time: 10:00am-2:30pm
Date of Last Inspection: 02/20/2002

Mine Name: Dugout Canyon Mine County: Carbon Permit Number: C/007/039
Permittee and/or Operator's Name: Canyon Fuel Company
Business Address: P.O. Box 1029, Wellington, Utah 84542
Company Official(s): Vicky Miller
State Official(s): Stephen J. Demczak Federal Official(s): None
Weather Conditions: Sunny, 30's
Type of Mining Activity: Underground ___ Surface ___ Prep Plant XXX Other ___
Existing Acreage: Permitted 7083.71 Disturbed 22.65 Regraded ___ Seeded ___
Status: Active

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 5 columns: EVALUATED, N/A, COMMENTS, NOV/ENF. Rows include categories like PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; DIVERSIONS; SEDIMENT PONDS AND IMPOUNDMENTS; etc.

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/039

DATE OF INSPECTION: 03/19/2002

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permittee has submitted two amendments to the Division. They are as follows: a) Surface Facilities map revision to relocate the temporary maintenance shop, and b) Storage of the riparian soil and rocks from the Gilson well project.

3. TOPSOIL

The topsoil pile for Dugout is located at Soldier Creek Mine. The permittee and I inspected the piles and reviewed the location of various types of topsoil. The topsoil piles are protected by berms. There were no signs of wind or water erosion to the topsoil piles.

The permittee has removed additional topsoil from the Soldier Creek topsoil storage. This is for storage of riparian soil from the Gilson well project. The project will not begin until the storage site amendment is approved.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The diversions were inspected and some of the diversions will need to be cleaned out in the near future. Sediment has started to build-up within the diversion.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The fourth quarter sediment pond was inspected on December 1, 2001. No hazardous conditions were reported. This pond is not likely to discharge in the near future. An independent inspection by DWQ personnel was conducted on February 6, 2002. The DWQ inspection concurred that no hazardous conditions exist.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The monitoring data was inspected on the Electronic Data System. The computer generated missing sample list showed DC-4 and DC-5 sampling points were not taken for the third and fourth quarter for 2001. Reviewing the Dugout Mining and Reclamation Plan these two points are not required until there is a wet or dry year. The year 2001 was not classified as a wet or dry year. Therefore, this information will need to be corrected in the computer program. The appropriate person in the Division in Salt Lake has been notified.

8. NONCOAL WASTE

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

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/039

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18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

The permittee is the process of finishing the pump house facility. The Division approved this action.

Inspector's Signature:  _____ Date: March 20, 2002
Stephen J. Demczak #39

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

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

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