



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

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PHL
by
AD

INSPECTION REPORT

Partial XXX Complete ___ Exploration ___
Inspection Date: 08/14/2002 Time: 10:15am-2:30pm
Date of Last Inspection: 07/25/2002

Mine Name: Dugout Canyon Mine County: Carbon Permit Number: C/007/039
Permittee and/or Operator's Name: Canyon Fuel Company, LLC.
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, 80'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; 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; CONSTRUCTION/MAINTENANCE/SURFACING; DRAINAGE CONTROLS; OTHER TRANSPORTATION FACILITIES; SUPPORT FACILITIES/UTILITY INSTALLATIONS; AVS CHECK (4th Quarter- April, May, June); AIR QUALITY PERMIT; BONDING & INSURANCE.

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/039

DATE OF INSPECTION: 08/14/2002

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permittee has one permitting action with the Division. This is the Reclamation Bond Revision.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The diversions were spot-checked throughout the property and would function as designed. The diversion leading into the sediment pond has started to have sediment build-up. The permittee will clean out the diversion by the next inspection.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The sediment pond did contain water. The permittee may discharge water from the sediment pond into the creek. Water samples would be taken first before discharge and a determination would be made on meeting UPDES effluent standards.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

The permittee is pumping water out of the old Gilson mine into the creek. Water samples are being taken to assure that the water meets the UPDES effluent standards for discharging water.

8. NONCOAL WASTE

The area was generally clean of non- coal waste materials.

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

The permittee is continuing in the construction of the new office/bathhouse/shop building. The permittee may begin drilling the approved Gilson well for water by next month.

Inspector's Signature: _____

Stephen J. Demczak
Stephen J. Demczak #39

Date: August 15, 2002

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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