

INSPECTION REPORT

Partial XXX Complete Exploration
 Inspection Date: 01/14/2003 / Time: 9-11 AM
 Date of Last Inspection: 12/05/2002

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): Peter Hess Federal Official(s): None
 Weather Conditions: Sunny, 20's Fahrenheit / High humidity, valley fog
 Type of Mining Activity: Underground Surface Prep Plant XXX Other
 Existing Acreage: Permitted 7083.71 Disturbed 22.88 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.

	EVALUATED	N/A	COMMENTS	NOV/ENF
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 checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input 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 th Quarter- April, May, June)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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(Continuation Sheet)

PERMIT NUMBER: C/007/039

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(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permittee submitted an amendment to the mining and reclamation plan this day that would allow the installation of a smaller secondary electrical substation. The proposed location is the small un-named side canyon that is located off of the ancillary road to the electrical substation where the storage of explosives as well as other mining related apparatus is currently occurring. The review of C/007/039-AM03A is pending in the Price Field Office. Ms. Priscilla Burton, Soils Scientist with the Salt lake Office will address the soils issue(s).

2. SIGNS AND MARKERS

The disturbed area at the site is well marked by the installation of forest green "T" posts with silver tops.

3. TOPSOIL

There are several small piles of subsoil being temporarily stored on the pad where the Gilson well pump houses are located, (i.e., along the access road to the water tanks). The permittee was asked to move these to the permanent storage location at the Soldier Canyon / Dugout topsoil storage area, or install a silt fence around the piles along with the proper topsoil storage identification sign.

The moving of the piles is the intended plan.

The submittal of "as-built" information for the Gilson well house / pump house is pending. This will involve revising Figure 7-9-1 of Appendix 7-9.

4A. HYDROLOGIC BALANCE: DIVERSIONS

Most of the site's drainage ditches were under frozen compacted snow; the culvert inlets that were inspected were open and appeared to be capable of functioning as designed.

The permittee has installed additional debris stops at several of the undisturbed bypass culvert inlets. These consist of six-inch pipes filled with concrete and embedded in a vertical position in the channel bottom. The culvert inlets also have trash racks constructed of heavy gauge welded pipe that are installed at an angle such that they would be self-cleaning.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The site has only one sediment pond. As observed this day, same is frozen over. The elevation of the ice is well below the primary discharge.

The discharge elevation of the primary spillway of the pond is 6964.0 feet. The elevation of the 60% cleanout level for the pond is 6952.2 feet. The pond does not have a sediment level marker, although it may be possible to measure the 12.3-foot difference from the top of the primary riser to the 60 % sediment elevation during the dry summer months. Page 35 of Appendix 7-8, Sediment Pond Design of the Dugout mining and reclamation plan indicates that, based upon engineered calculations, the sediment pond should be cleaned every 3.04 years. This will vary of course, depending on the amount of precipitation that the contributing watersheds receive.

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4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

A safety berm has been installed along the access road to the Gilson well / water tanks access road. The berm was covered with snow this day, with a few areas showing unvegetated earth. **The permittee may want to evaluate the need for sediment control on the Creek side of the berm** in order to “prevent to the extent possible additional contributions of sediment to stream flow or to runoff outside of the permit area,” (R645-301-742.111, -742.211).

The Dugout Mine site utilizes alternate sediment control treatments in four areas. A fifth area which utilizes these techniques is located at the Soldier Canyon / Dugout topsoil storage facility.

Three of the mine site’s ASCA’s are located within the disturbance created by the Gilson well / water tanks access road. ASCA #2 utilizes silt fences installed in ditches DD-12 and DD-13 to treat runoff prior to those flows leaving the disturbed area through the under-road culvert designated as DC-8. As observed this day, the silt fences appeared to be in good repair and capable of functioning as designed. The fences have been constructed with a spillway to prevent the bypassing of excessive flow onto the roadway.

ASCA #3 also uses (a) silt fence(s) to treat runoff carried by ditches DD-14, DD-15, DD-16 and DD-17. The silt fence is located immediately upslope of the inlet to the under road culvert designated as DC-9, which discharges to the Dugout Creek channel.

ASCA #4 consists of the area surrounding the water tanks, and includes the cut-bank constructed to create this pad. The runoff from the cutbank is collected in ditch DD-17, and is treated by the silt fence mentioned above. The majority of the sediment control in this area is provided by the gravel that has been placed as surfacing material for the pad. Three storage trailers are also located here, having been approved through proper DOGM permitting action.

ASCA #1 within the Mine site disturbance consists of an 82 foot by 28 foot (0.053 acres) section of the primary haul road located between the Mine site sediment pond and the rock gabions /energy dissipater surrounding the outlet of the undisturbed bypass culvert (UC-5). Sediment control has been provided by “paving the road”, as noted on page 7-73 of the mining and reclamation plan.

4D. HYDROLOGIC BALANCE: WATER MONITORING

Notice was received from Salt Lake Division headquarters on January 2, 2003 that numerous samples were missing for the third quarter 2002 surface and ground water monitoring regimes for the Dugout permit area. Ms. Vicki Miller informed me on 1/17/2003 that three samples had to be re-run due to problems with analytical results for some parameters. That revised information has since been uploaded into the Divisions database.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

The site has three permitted UPDES discharge points; 001A is the mine water discharge point to Dugout Creek and is located at the inlet of the undisturbed bypass culvert, UC-5 (this is the Main Canyon inlet). No Mine water was discharging when this outfall was inspected.

Outfall 002A is the Mine site sediment pond discharge to Dugout Creek. The pond was not discharging during today’s inspection.

Outfall 003A is the overflow from the 30,000 gallon water tanks to Dugout Creek. It was not flowing this day.

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5. EXPLOSIVES

The permittee's powder and detonator storage magazines are "field" located in the side canyon along the access road to the main electrical substation. The signs for same are located such that a bullet passing through the signs would not strike the magazine. The magazines have the outside construction made from steel plate.

8. NONCOAL WASTE

The permittee has placed two continuous miner conveyor chains and four CM cutter head / bit rings on the embankment NNW of the Shop/ Office/ Bathhouse/ Warehouse building. Although there are several storage containers / trailers in the immediate vicinity, the location where the material is stored is not a permitted storage area. The items should be scrapped or moved to a permitted storage location. Ms. Miller agreed to address the items.

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

It appears that the only support facility needing completion at this time is the parking area located inside the truck-loading loop.

Inspector's Signature: _____ Date: January 17, 2003
Peter Hess #46

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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