



# U. S. DEPT. OF THE INTERIOR

## OFFICE OF SURFACE MINING

### Mine Site Evaluation State Program

*Jacobs*  
1007/0039

NOV 22 2004



<p>1. Permittee/Person <i>Copy PRO (e-mail)</i> <b>CANYON FUEL COMPANY</b></p> <p>2. Address <b>P. O. BOX 1029</b></p> <p>3. City <b>Wellington</b> 4. State <b>UT</b></p> <p>5. Zip Code <b>84542</b> 6. Phone Number <b>(435) 636-2872</b></p> <p>7. Operator Name, if Different than Permittee</p> <p>8. Mine Name <b>DUGOUT CANYON MINE</b></p>	<p>9. Permit Number <b>UT-007-039</b></p> <p>10. Permit Type <b>PP</b></p> <p>11. Field Visit Date <b>10/20/2004</b> 12. Purpose <b>O</b> 13. SRA Present <b>Y</b> <small>mm - dd - yyyy</small></p> <p>14. Permit Status <b>A</b> 15. Site Status <b>AP</b> 16. Facility Type <b>BEG</b></p> <p>17. OSM Office # <b>140</b> 18. CCID # 19. Land Code <b>F</b></p> <p>20. M.S.H.A ID # <b>42-01</b> 21. State Abrev. <b>UT</b> 22. County Name <b>CARBON</b></p> <p>23. AVS Permittee Entity ID Number 24. State Office</p>
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<p>25. Hours</p> <p><b>8.0</b> a. Permit Review</p> <p><b>5.0</b> b. Site Visit Time</p> <p><b>9.0</b> c. Travel Time</p> <p><b>2.0</b> d. Report Writing</p>	<p>26. Signature Block</p> <p style="text-align: center;"><i>Henry Austin</i> Signature: <b>11/16/04</b></p> <p style="text-align: center;"><b>HENRY AUSTIN ID # 116</b></p> <p>Printed Name:</p> <p>Date: <b>11/16/2004</b></p>	<p>27. Reviewing Official:</p> <p style="text-align: center;"><i>J. Fulton</i> Signature:</p> <p>Review Date: <b>11/16/2004</b> <small>mm - dd - yyyy</small></p> <p>Is Supplemental MSE Page Used Y/N <b>Y</b></p>
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**Permit Type — Item 10** IP = Interim Program, PP = Permanent Program, NP = No Permit

**Purpose Type Codes Item 12**

Oxx.... Oversight	RFx.... Reclamation Fees	CCR.... Citizen Complaint Referral (non site visit)
Axx.... Assistance	Fxx.... Federal Actions	CC.... Citizen Complaint (initial site visit)
		CCF.... Citizen Complaint Follow-up

**Joint Inspection — Item 13** A joint inspection is when a state inspector accompanies an OSM inspector any time during the review of the mine site.

**Permit Status — Item 14**

<p>A.... Active: Coal mining and reclamation activities occurring or permitted but not yet disturbed.</p> <p>IN.... Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit) Coal mining completed and reclamation activities initiated.</p> <p>BR.... Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release.)</p>	<p>AB.... Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840.11(g)</p> <p>AB1.. Bond Forfeiture: Bond forfeiture officially in process or completed, and reclamation in progress or not yet commenced.</p> <p>AB2.. Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.</p> <p>AB3.. Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.</p> <p>NA.... Not Applicable: When site is unpermitted.</p>	
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**Site Status Codes — Item 15**

<p>ND... No Disturbance: No coal mining and reclamation operations have been started.</p> <p>EX... Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.</p> <p>AP... Active Coal Producing: Coal surface mining activities are occurring.</p> <p>AN... Active Non-Producing: Active non-producing facility such as tipple or preparation plant.</p> <p>NM... No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.</p>	<p>MC... Mining Complete: No mining activity on site, site regraded and awaiting phase bond release.</p> <p>TC... Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817.131(b).</p> <p>P1... Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.</p> <p>P2... Phase II Release: At least Phase II bond release for the entire permitted area.</p> <p>P3... Phase III Release: Reclamation completed and the RA has released all bond.</p>	<p>NS.. Non-Site Visit: Status of site not determined.</p> <p>FP.. Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress.</p> <p>FR.. Forfeited and Reclaimed: Forfeiture reclamation completed.</p> <p>FO.. Abandoned Site: Abandoned site that is permitted but there is no bond.</p> <p>WC.. Wildcat: Coal mining and reclamation operations have or are taking place and activity is not covered by the required permits from the RA.</p>
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**Facility Type Codes — Item 16**

<p>A... Surface</p> <p>B... Underground</p> <p>C... Preparation Plant</p>	<p>D... Ancillary (Haulroad, Conveyor, and/or Rails)</p> <p>E... Refuse and/or Impoundment</p> <p>F... Loading Facility and/or Tipple</p> <p>G... Stockpiles</p>	<p>H... Exploration Permits</p> <p>I... Notice of Intent to Explore</p> <p>J... Exempt 16 and 2/3</p> <p>K... Government Financed Construction Exemption</p> <p>L... Remaining site permitted under 30 CFR 785.25</p>
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### Small Business Regulatory Enforcement Fairness Act (SBREFA)

#### Your Comments Are Important

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247).

# U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING

## Mine Site Evaluation

State Program

Permittee/Person **CANYON FUEL COMPANY**

Permit Number **UT-007-039**

Field Visit Date **10/20/2004**

Continuation Page

### 28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited

<p><b>A. Administrative</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Mining within Valid Permit</li> <li>2. <u>1</u> Mining within Bonded Area</li> <li>3. <u>1</u> Terms &amp; Conditions of Permit</li> <li>4. <u>1</u> Liability Insurance</li> <li>5. <u>1</u> Ownership and Control</li> <li>6. <u>1</u> Temporary Cessation</li> <li>7. <u>1</u> AML Rec. Fees -- Non-Respondent</li> <li>8. <u>1</u> AML Rec. Fees -- Failure to Pay</li> </ol> <p><b>B. Hydrologic Balance</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Drainage Control</li> <li>2. <u>1</u> Inspections &amp; Certifications</li> <li>3. <u>1</u> Siltation Structures</li> <li>4. <u>1</u> Discharge Structures</li> <li>5. <u>1</u> Diversions</li> <li>6. <u>1</u> Effluent Limits</li> <li>7. <u>1</u> Ground Water Monitoring</li> <li>8. <u>1</u> Surface Water Monitoring</li> <li>9. <u>1</u> Drainage -- Acid-Toxic Materials</li> <li>10. <u>1</u> Impoundments</li> <li>11. <u>1</u> Stream Buffer Zones</li> </ol> <p><b>C. Topsoil &amp; Subsoil</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Removal</li> <li>2. <u>1</u> Substitute Materials</li> <li>3. <u>1</u> Storage and Protection</li> <li>4. <u>1</u> Redistribution</li> </ol>	<p><b>D. Backfilling &amp; Grading</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Exposed Openings</li> <li>2. <u>1</u> Contemporaneous Reclamation</li> <li>3. <u>1</u> Approximate Original Contour</li> <li>4. <u>1</u> Highwall Elimination</li> <li>5. <u>1</u> Steep Slopes (includes downslope)</li> <li>6. <u>1</u> Handling of Acid &amp; Toxic Materials</li> <li>7. <u>1</u> Stabilization (rills and gullies)</li> </ol> <p><b>E. Excess Spoil Disposal</b></p> <ol style="list-style-type: none"> <li>1. <u>3</u> Placement</li> <li>2. <u>3</u> Drainage Control</li> <li>3. <u>3</u> Surface Stabilization</li> <li>4. <u>3</u> Inspections &amp; Certifications</li> </ol> <p><b>F. Coal Mine Waste (Refuse Piles/Impoundments)</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Drainage Control</li> <li>2. <u>1</u> Surface Stabilization</li> <li>3. <u>1</u> Placement</li> <li>4. <u>1</u> Inspections and Certifications</li> <li>5. <u>1</u> Impounding Structures</li> </ol> <p><b>G. Use Of Explosives</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Blaster Certification</li> <li>2. <u>1</u> Distance Prohibitions</li> <li>3. <u>1</u> Blast Survey/Schedule</li> <li>4. <u>1</u> Warnings &amp; Records</li> <li>5. <u>1</u> Control of Adverse Effects</li> </ol>	<p><b>H. <u>1</u> Subsidence Control Plan</b></p> <p><b>I. Roads</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Road Construction</li> <li>2. <u>1</u> Certification</li> <li>3. <u>1</u> Drainage</li> <li>4. <u>1</u> Surfacing and Maintenance</li> <li>5. <u>1</u> Reclamation</li> </ol> <p><b>J. Signs &amp; Markers</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Signs</li> <li>2. <u>1</u> Markers</li> </ol> <p><b>K. <u>1</u> Distance Prohibitions</b></p> <p><b>L. Revegetation</b></p> <ol style="list-style-type: none"> <li>1. <u>1</u> Vegetative Cover</li> <li>2. <u>1</u> Timing</li> </ol> <p><b>M. <u>1</u> Postmining Land Use</b></p> <p><b>N. Other</b></p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: right;">General</td> <td style="width: 20px;">_____</td> </tr> <tr> <td style="text-align: right;">Performance</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td style="text-align: right;">Category</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> </table>	General	_____	_____	_____	_____	_____	_____	_____	_____	_____	Performance	_____	_____	_____	_____	_____	_____	_____	_____	_____	Category	_____	_____	_____	_____	_____	_____	_____	_____	_____
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Category	_____	_____	_____	_____	_____	_____	_____	_____	_____																							

### Performance Standard Categories 30 CFR Counterpart

<p><b>A. Administrative.....(816/817.11-15)</b></p> <ol style="list-style-type: none"> <li>1. Valid Permit.....773.11</li> <li>2. Mining within Bonded Area.....773.11</li> <li>3. Terms &amp; Conditions of Permit.....773.17</li> <li>4. Liability Insurance.....800.60</li> <li>5. Ownership and Control.....778.13</li> <li>6. Temporary Cessation.....842.11(e) &amp; 816/817.131</li> <li>7. AML Rec. Fees -- Non-Respondant.....870.15(b)</li> <li>8. AML Rec. Fees -- Failure to Pay.....870.15(a)</li> </ol> <p><b>B. Hydrologic Balance.....(816/817.41-57)</b></p> <ol style="list-style-type: none"> <li>1. Drainage Control.....45</li> <li>2. Inspections &amp; Certifications.....49(a)(10)</li> <li>3. Siltation Structures.....46</li> <li>4. Discharge Structures.....47</li> <li>5. Diversions.....43</li> <li>6. Effluent Limits.....42</li> <li>7. Ground Water Monitoring.....41(c)</li> <li>8. Surface Water Monitoring.....41(e)</li> <li>9. Drainage--Acid - Toxic Materials.....41(f)</li> <li>10. Impoundments.....49</li> <li>11. Stream Buffer Zones.....57</li> </ol> <p><b>2. Topsoil &amp; Subsoil.....(816/817.22)</b></p> <ol style="list-style-type: none"> <li>1. Removal.....22(a)</li> <li>2. Substitute Materials.....22(c)</li> <li>3. Storage and Protection.....22(c)</li> <li>4. Redistribution.....22(d)</li> </ol> <p><b>D. Backfilling &amp; Grading.....(816/817.95-107)</b></p> <ol style="list-style-type: none"> <li>1. Exposed Openings.....816/817.13, 14, 15, &amp; 823.11 &amp; 21</li> <li>2. Contemporaneous Reclamation.....100</li> <li>3. Approximate Original Contour.....102(a)(1)</li> <li>4. Highwall Elimination.....102(a)(2)</li> <li>5. Steep Slopes (includes downslope).....107</li> <li>6. Handling of Acid &amp; Toxic Materials.....102(c)</li> <li>7. Stabilization (rills and gullies).....95(b)</li> </ol>	<p><b>E. Excess Spoil Disposal.....(816/817.71-74)</b></p> <ol style="list-style-type: none"> <li>1. Placement.....71(e)</li> <li>2. Drainage Control.....71(f)</li> <li>3. Surface Stabilization.....71(g)</li> <li>4. Inspections &amp; Certifications.....71(h)</li> </ol> <p><b>F. Coal Mine Waste (Refuse Piles/Impoundments) ....(816/817.81-84)</b></p> <ol style="list-style-type: none"> <li>1. Drainage Control.....83(a)</li> <li>2. Surface Stabilization.....83(b)</li> <li>3. Placement.....83(c)</li> <li>4. Inspections and Certifications.....83(d)</li> <li>5. Impounding Structures.....84</li> </ol> <p><b>G. Use of Explosives.....(816/817.61-68)</b></p> <ol style="list-style-type: none"> <li>1. Blaster Certification.....61(c)</li> <li>2. Distance Prohibitions.....61(d)</li> <li>3. Blast Survey/Schedule.....62-64</li> <li>4. Warnings &amp; Records.....66 &amp; 68</li> <li>5. Control of Adverse Effects.....67</li> </ol> <p><b>H. Subsidence Control Plan.....(817.121-122)</b></p> <p><b>I. Roads.....(816/817.150-151)</b></p> <ol style="list-style-type: none"> <li>1. Road Construction.....150(c)</li> <li>2. Certification.....151(a)</li> <li>3. Drainage.....150(e)-151(d)</li> <li>4. Surfacing and Maintenance.....150(e)-151(d)</li> <li>5. Reclamation.....150(f)</li> </ol> <p><b>J. Signs &amp; Markers .....(816/817.11)</b></p> <ol style="list-style-type: none"> <li>1. Signs.....11(a),(b),&amp;(c)</li> <li>2. Markers.....11(a),(b),(d),(e),&amp;(f)</li> </ol> <p><b>K. Distance Prohibitions.....(761.11)</b></p> <p><b>L. Revegetation.....(816/817.111-116)</b></p> <ol style="list-style-type: none"> <li>1. Vegetative Cover.....111 &amp; 116</li> <li>2. Timing.....113</li> </ol> <p><b>M. Postmining Land Use.....(816/817.133)</b></p>
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November 5, 2004

Canyon Fuel Company  
PO Box 1029  
Wellington, UT 84542

Dugout Canyon Mine  
October 20, 2004  
Complete, oversight inspection

Participants:

Vicky Miller, Canyon Fuel Company (CFC)  
Pete Hess, Utah Division of Oil, Gas and Mining (OGM)  
Henry Austin, Office of Surface Mining (OSM)

I participated in a complete, oversight inspection of the Dugout Canyon mine on October 20, 2004, accompanied by the above participants. This mine was selected for routine inspection during the 2005 Evaluation Year by the OGM / OSM Evaluation Team. Weather conditions included localized rain showers the previous 48 hours; and ground conditions were wet to saturated, with considerable surface water runoff noted in stream channels and some armored runoff diversions. The primary focus of this oversight inspection was to evaluate offsite impacts. No offsite impacts were documented as a result of the inspection (see UPDES / TDS exceedence discussion below), and no enforcement actions were taken.

We began by inspecting all disturbed areas on the mine, including the coal waste pile and soil storage areas located off the mine site's main facilities / portal area. Stops and observations on the field inspection included the following: Coal waste pile was wet and surface runoff control was adequate. The 100 yr. / 24 hr. surface water runoff / perimeter diversion ditch is poorly defined on the pile and operators should avoid coal waste placement that will impede surface water runoff in the perimeter diversion areas. Ms. Miller was working with contract / heavy equipment operators this morning at the waste pile to ensure design compliance for grading and compaction of recent end dumped coal / development waste (there is no coal preparation plant on this mine). The sediment pond here is well defined and maintained.

The topsoil storage area adjacent to the Nine Mile Canyon road including both Dugout Canyon Mine & Soldier Canyon Mine soil stockpiles was basically saturated, and included standing water areas with surface water runoff control functioning well. Ephemeral drainages here were flowing heavily. Stockpiles have relatively sparse vegetative cover, particularly on south facing slopes, however, no serious erosion problems were evident on any of the stockpiles, no topsoil loss noted, and no runoff control problems were observed.

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Dugout Canyon Mine, pg. 3

The OGM / OSM Evaluation Team, and OGM / OSM technical specialists have been, and will continue to monitor these mine water discharges, changes to UPDES permit requirements including salinity mitigation measures, and will make written findings regarding possible offsite impacts related to these mine water discharges. Offsite impact findings relative to salinity exceedences can not be finalized as a result of this inspection, and will be discussed with the OGM / OSM Evaluation Team, and all involved parties as necessary.

SPCC plan is dated 11/26/03 and certified as required. 10/01/04 OGM acknowledgement that CFC water sampling data has been uploaded into OGM database (springs-streams-wells-in mine roof drippers, UPDES DMR's). Annual subsidence survey was completed August 27, 2004 (longwall face width of 1,050' and barrier pillar width of 491' eliminates most or all surface expression of subsidence). Third quarter certifications for the waste pile are dated 10/13/04 and are in order; and a May 29, 2003, aerial photo resulted in a certified as-built topo map of the waste pile. Quarterly sediment pond and leach field inspections are dated 7/26/04 and the facilities pond was recertified 8/24/04 with full sediment capacity restored. Air quality permit is dated July 9, 2003.

The permittee is commended for successfully working with the Utah Division of Wildlife (DOW) and OGM as evidenced by a August 10, 2004, letter from DOW expressing thanks to CFC and Ms. Miller on their successful mitigation for drilling degassing wells during the summers of 2004, (and to include the summers of 2005, and 2006). Mitigation involved construction and installation of 46 nest boxes to help increase cavity-nesting habitat that will be utilized by a variety of avian species. Tony Wright (DOW), Ms. Miller (CFC), and Jerriann Ernstsens (OGM) installed the nest boxes.

This concluded the inspection. Please address any questions to Henry Austin, Senior Reclamation specialist, at [haustin@osmre.gov](mailto:haustin@osmre.gov) or to (303) 844-1400 x1466.