



The State of Utah  
 Department of  
 Natural Resources  
 Division of  
 Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*  
 LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

Representatives Present During the Inspection:	
Company	Vicky S. Miller Environmental Specialist
OGM	Pete Hess Environmental Scientist III

# Inspection Report

Permit Number:	C0070039
Inspection Type:	PARTIAL
Inspection Date:	Tuesday, April 27, 2004
Start Date/Time:	04/27/2004 9:40:00 AM
End Date/Time:	04/27/2004 12:05:00 PM
Last Inspection:	Monday, March 22, 2004

Inspector: Pete Hess, Environmental Scientist III  
 Weather: Sunny, clear; 50's F.  
 InspectionID Report Number: 250

Accepted by: dhaddock  
 04/28/2004

Permittee: **CANYON FUEL COMPANY LLC**  
 Operator: **CANYON FUEL COMPANY LLC**  
 Site: **DUGOUT CANYON MINE**  
 Address: **PO BOX 1029, WELLINGTON UT 84542**  
 County: **CARBON**  
 Permit Type: **PERMANENT COAL PROGRAM**  
 Permit Status: **ACTIVE**

**Current Acreages**

7,083.71	<b>Total Permitted</b>
51.11	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

**Mineral Ownership**

- Federal
- State
- County
- Fee
- Other

**Types of Operations**

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

**Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:**

There are no compliance actions pending for the Dugout Canyon Mine permit area. The only permit condition which is in effect and included as part of Attachment "A" is that the permittee must submit all water monitoring information in an electronic format to the Division's web site. The permittee was in compliance with this permit condition prior to August 15, 2001, which is the issue date of the current State permit.

**Inspector's Signature:** \_\_\_\_\_ **Date** Tuesday, April 27, 2004

Pete Hess, Environmental Scientist III  
 Inspector ID Number: 46

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

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**REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENT**

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 Not Applicable.*
  - b. *For PARTIAL inspections check only the elements evaluated.*
2. *Document any noncompliance situation by reference 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, Divison Orders, and amendments.*

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: 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 type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<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 and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

#### **4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Both the mine site and refuse disposal area ponds contain water; the surface elevations of the respective volumes are well below the primary discharge elevations. There were no problems noted with either of the ponds.

#### **4.c Hydrologic Balance: Other Sediment Control Measures**

The permittee has installed a pre-cast concrete swale in the access road adjacent to the east corner of the office / shop / bath house building. This structure directs water through this highly traveled area to the concrete sediment trap which was permitted by the Division under TASK ID# 1749.

#### **4.d Hydrologic Balance: Water Monitoring**

The permittee indicated this day that the site received a heavy snowfall on April 22, 2004. The upper elevations also received the accumulation adding at least an additional ten inches to the approximate two feet of snow remaining. Ms. Miller indicated this day that the water volume reporting to the Dugout Creek drainage had reached the Grassy Trail Creek channel.

#### **4.e Hydrologic Balance: Effluent Limitations**

The status of the new UPDES permit for the Dugout Canyon Mine permit area is not known at this time. The Utah Division of Water Quality is sampling the mine water discharge from the Dugout Canyon Mine every six weeks. This is double the frequency for which the sampling is normally done, (i.e., quarterly).

### **13. Revegetation**

The leach field area was inspected this day. The area was seeded approximately two years ago. Portions of the field show a fair amount of vegetative growth; other areas remain bare. The area that was seeded by hand showed a marked difference in the percentage of new growth. The silt fence located on the southwest corner of the disturbance appears to be capable of functioning as designed. Some new sprouting is occurring at the waste rock site; the prevalent species is Russian thistle.

### **22. Other**

The permittee notified the Division on April 2, 2004 of their intent to drill the degasification well designated as G-2. The completion of that well was accomplished in approximately one week. Ms. Miller indicated this day that both wells G-3 and G-2 will be venting by May 4, 2004. The well sites have been fenced and gated. Intermediate reclamation remains to be completed at both wells; this has been delayed due to weather conditions.