



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

Table with 2 columns: Company, Name, Title. Rows include Vicky S. Miller (Environmental Specialist) and Pete Hess (Environmental Scientist III).

Inspection Report

Table with 2 columns: Field, Value. Fields include Permit Number (C0070039), Inspection Type (PARTIAL), Inspection Date (Tuesday, May 17, 2005), Start Date/Time (5/17/2005 9:00:00 AM), End Date/Time (5/17/2005 12:30:00 PM), Last Inspection (Tuesday, April 19, 2005).

Inspector: Pete Hess, Environmental Scientist III

Weather: Partly cloudy; cool. Low 40's F.

InspectionID Report Number: 608

Accepted by: whedberg
6/8/2005

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

Table with 2 columns: Value, Description. Rows include 7,083.71 Total Permitted, 51.11 Total Disturbed, and Phase I, II, III.

Mineral Ownership

- Checked: Federal, State, Fee
Unchecked: County, Other

Types of Operations

- Checked: Underground
Unchecked: Surface, Loadout, Processing, Reprocessing

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

The Permittee has met and continues to meet the Special Permit Condition included as Attachment "A" in the current State permit which is to submit all surface and ground water monitoring information in an electronic fashion to the Division EDI.

The Permittee has initiated construction activities at the Pace Canyon fan portal facility.

There are no compliance actions currently pending for the Dugout Mine permit area.

Inspector's Signature

Date Tuesday, May 17, 2005

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.

**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 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 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.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 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 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### **1. Permits, Change, Transfer, Renewal, Sale**

The Permittee's Pace Canyon fan portal application (Task ID#2193) was approved on May 6, 2005.

### **2. Signs and Markers**

The Permittee has installed permittee identification signs both above and below the area which will be disturbed to construct the fan portal facility. Disturbed area green "T" post perimeter markers have been installed about the perimeter of the construction area. Stream buffer zone markers have been installed along the edge of the Pace Creek drainage.

### **3. Topsoil**

The Permittee's contractor, Nielsen Construction Company, is recovering topsoil from various areas about the site such that the installation of the undisturbed bypass culverts can be initiated. The final soil storage locations cannot be developed until the undisturbed bypass culverts are placed in the channel, which will be beneath the soil pile locations. Ms. Miller indicated that extensive soil recovery will not be initiated until the week of May 23rd.

#### **4.a Hydrologic Balance: Diversions**

The Permittee submitted and received a Division approval for a modification to the surface drainage plan for the road swale adjacent to the mine site sediment pond on April 21 and April 27, 2005, respectively. The old design had several design flaws, one of which placed excessive stress on axles and truck/trailer frames traversing this diversion. The rework of the area was completed on May 12, 2005. The Permittee still needs to place conveyor belting in the diversion ditch which parallels the guard rail to minimize erosion of the road base. Ms. Miller is aware of this.

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

The mine site sediment pond contained a large volume of water. The surface elevation of the water appeared to be approximately thirty inches below the elevation of the primary spillway. There were no compliance issues or hazards noted with the mine site sediment pond.

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

The Permittee has installed extensive lengths of silt fence along the western edge of the Pace Creek channel to minimize any contribution of sediment to those waters.

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

Ms. Miller indicated this day that there continues to exist a "No Access" condition for surface water monitoring sites 100, 200, and 260. Same are located in the upper reaches of the Roan Cliffs, where snow remains.

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

As part of the Pace Canyon fan portal permitting process, the Division required the Permittee to apply for new discharge points to Pace Creek. This disturbed area will utilize a sediment trap and alternate sediment control methods to minimize sediment contributions to Pace Creek. Therefore, an additional permitted outfall is needed for the sediment trap. The Permittee also anticipates that it will be necessary to permit an outfall such that ground water intercepted in mine can be discharged to Pace Creek. The Permittee has applied to the Utah DEQ/Division of Water Quality for an amendment to the current UPDES which will permit these additional outfall(s). The Permittee has applied for and received a storm water discharge permit from the DWQ (UTR104262) to cover any discharge from the site during the construction activities.

#### **11. Contemporaneous Reclamation**

The Permittee anticipates reclaiming degasification well sites G-2, 3, 4, 5, and 6 during 2005. CFC management has indicated that these wells are no longer necessary for methane venting purposes. Ms. Miller indicated that the plugging of the wells will be initiated as soon as the Permittee can access the top of the mountain with concrete.

#### **16.a Roads: Construction, Maintenance, Surfacing**

Road base material was being placed on the Carbon County road which accesses Pace Canyon this day. The road is a County road up to the gate which has been installed on the NW tip of Section 30, T13S, R13E by the Thayn Trust (the surface landowner).

#### **18. Support Facilities, Utility Installations**

The Permittee anticipates submitting an amendment mid-june to permit gob degasification wells G-8, 9, 10, 1,1 and 12. Sites G-7, 11, and 12 were looked at this day. Several will be located on, or immediately adjacent to, existing roads.

#### **20. Air Quality Permit**

A water truck was observed operating on the Carbon County road accessing Pace Canyon. Opacity observations appeared to be less than the 20% requirement stipulated by DAQ regulations.