



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: Role and Name. Rows include OGM Pete Hess Environmental Scientist III and Company Vicky S. Miller Environmental Specialist.

Inspection Report

Table with 2 columns: Field and Value. Fields include Permit Number (C0070039), Inspection Type (PARTIAL), Inspection Date (Tuesday, August 16, 2005), Start Date/Time (8/16/2005 9:20:00 AM), End Date/Time (8/16/2005 12:25:00 PM), and Last Inspection (Wednesday, July 20, 2005).

Inspector: Pete Hess, Environmental Scientist III

Weather: Overcast, rained over night

InspectionID Report Number: 692

Accepted by: whedberg
9/1/2005

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 and Description. Rows include 7,083.71 Total Permitted, 51.11 Total Disturbed, and three rows for Phase I, Phase II, and Phase 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 continues to meet the Special Permit Condition included as Attachment "A" of the current State permit. That conditions requires that the Permittee submit all surface and ground water monitoring information in an electronic form to the Division EDI.

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

The site has received numerous rain fall events over the past several weeks.

Inspector's Signature

Date Tuesday, August 16, 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" 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 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.a Hydrologic Balance: Diversions**

Ms. Miller indicated this day that it has been a constant struggle to keep the site's diversions capable of functioning. The numerous rainfall events are washing sediment and gravel into the numerous ditches and culverts, reducing their level of function. Diversion maintenance is a daily issue, requiring effort from numerous surface personnel.

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

The Permittee has completed the water monitoring requirements for the third quarter of 2005. Lab analyses are pending.

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

The Permittee received an amended UPDES permit for the site, effective August 1, 2005. The amendment permitted two new outfalls for the Pace Canyon fan portal facility. UPDES point 005A is a mine water discharge point from the air shaft; 006A will be for the discharge from the sediment trap which remains to be completed for the Pace Canyon facility.

### **14. Subsidence Control**

A review of the Permittee's 2004 annual subsidence report was completed on August 12, 2005. The Permittee submitted monitoring data for 37 points, 16 of which reported settling of less than four feet. 17 monitoring points reported upheave of less than one foot. Four points showed no elevation change. The report and map was P.E. certified by Mr. Dave Spillman. Data collection was completed by Ware Surveying and Engineering on August 27, 2004.

### **16.b Roads: Drainage Controls**

The Carbon County road which accesses Pace Canyon showed several signs of uncontrolled drainage across its road surface. As noted elsewhere, the County has received numerous rainfall events over the past several weeks. The Permittee has requested that the road be graded, and the containment ditches addressed.

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

Construction activities in Pace Canyon continue. The intake portal and manway tunnel liners are installed to the point that only sixty more feet of liner remain to be installed. Backfilling of the installed liner plate has occurred. Sinking activities in the vertical air shaft continue; the hole has been developed to a depth of forty feet. The concrete foundation for the fan house is being constructed.

Permit Number: C0070039  
Inspection Type: PARTIAL  
Inspection Date: Tuesday, August 16, 2005

**22. Other**

The truck carrying explosives which overturned in Spanish Fork Canyon in the area of the Red Narrows on August 10, 2005 and exploded, causing severe damage to US Highway 6 and the D & RG tracks has caused a severe backlog to the scheduling of trains from the Savage Coal Terminal yard, as well as other coal loading points in Carbon County. The volume of coal in storage at the Dugout Mine is at capacity, and it appeared that trucks at the mine were having difficulty getting loaded.