



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:

Company Vicky S. Miller Environmental Specialist

OGM Steve Demczak Environmental Scientist III

# Inspection Report

Permit Number:	C0070039
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, October 21, 2008
Start Date/Time:	10/21/2008 10:00:00 AM
End Date/Time:	10/21/2008 2:00:00 PM
Last Inspection:	Tuesday, September 30, 2008

Inspector: Steve Demczak, Environmental Scientist III

Weather: Sunny, 50's

InspectionID Report Number: 1808

Accepted by: jhelfric

11/10/2008

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

9,471.00	Total Permitted
51.10	Total Disturbed
	Phase I
	Phase II
	Phase III

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 pending compliance actions for the Dugout Canyon Mine permit area.  
 The Permittee is current relative to the required electronic quarterly water monitoring submittals for 2008.

Inspector's Signature:

*Steve Demczak*  
 Steve Demczak, Environmental Scientist III

Date

Monday, October 27, 2008

Inspector ID Number: 39

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 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" 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 checked="" 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

DOG M Permit will expire on March 17, 2013. This permit was renewed on October 10, 2008. The permit was signed by the Director of DOGM. The UPDES Permit will expire on Nov. 30, 2009.

**2. Signs and Markers**

The permittee has identification signs next to the road to the refuse pile by the county road. The information on the sign meets the R645 Coal Rule requirements.

**3. Topsoil**

The topsoil pile at the refuse pile site was inspected. There were no signs of wind or water erosion. The permittee will be moving the topsoil and sub-soil piles to a new location next to the haul road to the site. This was approved by the Division.

**4.a Hydrologic Balance: Diversions**

The diversions were spot inspected and were functioning as designed.

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

The sediment pond was recently cleaned out. The clean out was taken to the coal pile since it contained mostly coal and coal fines. The permittee has inspected the sediment ponds for the third quarter of 2008 on September 21, 2008. The report was P.E. certified. There was no hazardous conditions reported.

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

Silt fences were inspected along the road to the water tanks. The fences were in good conditions and would function as designed.

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

Water monitoring was taken for the fourth quarter of 2008. The samples are being process at the lab. The permittee has received from the Division water monitoring reports today for the 4th quarter of 2007 and the first quarter of 2008. No problems were noted. The third quarter water data is in the process of being enter in the Division water data system.

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

The permittee was in compliance with the UPDES permit for the August and September of 2008.

**7. Coal Mine Waste, Refuse Piles, Impoundments**

The refuse pile was inspected by the permittee on September 21, 2008 by a P.E. The third quarter inspection was on September 21, 2008. No hazardous conditions were reported. This information will be given to the Division in the annual report.

**8. Noncoal Waste**

The mine site was clear of non-coal waste materials.

**10. Slides and Other Damage**

No slides or other damage was noticed during the inspection.

**14. Subsidence Control**

The information was in the annual report.

**18. Support Facilities, Utility Installations**

No new construction was occurring during the inspection.

**20. Air Quality Permit**

The Air Quality Permit is DAQE- AN0116340009-07

**21. Bonding and Insurance**

The insurance policy will expire on July 31, 2009. The accord form was reviewed and meets the requirements of the R645 Coal Rules. The bonding amount is \$3,550,000.

**22. Other**

The SPPC Plan was certified on March 14, 2008. Water Quality was taking a grab sample today.