



0052

# U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING & Mine Site Evaluation State Program



C/007/039 Incompleting  
cc: Steve

1. Permittee/Person <b>CANYON FUEL COMPANY LLC</b>		9. Permit Number <b>UT-007-039</b>	10. Permit Type <b>PP</b>
2. Address <b>12 MILE N CANYON</b>		11. Field Visit Date <b>09/24/2009</b> mm - dd - yyyy	12. Purpose <b>O</b>
3. City <b>Wellington</b>	4. State <b>UT</b>	13. SRA Present <b>Y</b>	14. Permit Status <b>A</b>
5. Zip Code <b>84542</b>	6. Phone Number <b>(435) 637-6360</b>	15. Site Status <b>AP</b>	16. Facility Type <b>BEFG</b>
7. Operator Name, if Different than Permittee <b>ARCH WESTERN BITUMINOUS GROUP</b>		17. OSM Office # <b>140</b>	18. CCID # <b>[ ]</b>
8. Mine Name <b>DUGOUT CANYON MINE</b>		19. Land Code <b>SF</b>	20. M.S.H.A ID # <b>[ ]</b>
		21. State Abrev. <b>UT</b>	22. County Name <b>CARBON</b>
		23. AVS Permittee Entity ID Number <b>[ ]</b>	24. State Office <b>[ ]</b>

25. Hours	26. Signature Block	27. Reviewing Official:
<b>4.0</b> a. Permit Review	<i>Christine Belka</i>	<i>James Fultz</i>
<b>3.7</b> b. Site Visit Time	Signature: <b>Christine Belka ID # 182</b>	Signature:
<b>12.0</b> c. Travel Time	Printed Name:	Review Date: <b>11/17/2009</b> mm - dd - yyyy
<b>4.0</b> d. Report Writing	Date: <b>11/05/2009</b>	Is Supplemental MSE Page Used Y/N <b>Y</b>

**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**  
A... Active: Coal mining and reclamation activities occurring or permitted but not yet disturbed.  
IN... Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit) Coal mining completed and reclamation activities initiated.  
BR... Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release.)  
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).  
AB1... Bond Forfeiture: Bond forfeiture officially in process or completed, and reclamation in progress or not yet commenced.  
AB2... Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.  
AB3... Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.  
NA... Not Applicable: When site is unpermitted.

**Site Status Codes — Item 15**  
ND... No Disturbance: No coal mining and reclamation operations have been started.  
EX... Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.  
AP... Active Coal Producing: Coal surface mining activities are occurring.  
AN... Active Non-Producing: Active non-producing facility such as tipple or preparation plant.  
NM... No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.  
MC... Mining Complete: No mining activity on site, site regraded and awaiting phase bond release.  
TC... Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817.131(b).  
P1... Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.  
P2... Phase II Release: At least Phase II bond release for the entire permitted area.  
P3... Phase III Release: Reclamation completed and the RA has released all bond.  
NS... Non-Site Visit: Status of site not determined.  
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.  
FR... Forfeited and Reclaimed: Forfeiture reclamation completed.  
FO... Abandoned Site: Abandoned site that is permitted but there is no bond.  
WC... Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.

<b>Facility Type Codes — Item 16</b>		H... Exploration Permits	L... Remaining site permitted under 30 CFR 856.6
A... Surface	D... Ancillary (Haulroad, Conveyor, and/or Rails)	I... Notice of Intent to Explore	<b>RECEIVED</b>
B... Underground	E... Refuse and/or Impoundment	J... Exempt 16 and 2/3	
C... Preparation Plant	F... Loading Facility and/or Tipple	K... Government Financed Construction Exemption	
	G... Stockpiles		

## 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).

NOV 19 2009

DIV. OF OIL, GAS & MINING

# 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 **09/24/2009**

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. ___ Exposed Openings</li> <li>2. ___ Contemporaneous Reclamation</li> <li>3. ___ Approximate Original Contour</li> <li>4. ___ Highwall Elimination</li> <li>5. ___ Steep Slopes (includes downslope)</li> <li>6. ___ Handling of Acid &amp; Toxic Materials</li> <li>7. ___ Stabilization (rills and gullies)</li> </ol> <p><b>E. Excess Spoil Disposal</b></p> <ol style="list-style-type: none"> <li>1. ___ Placement</li> <li>2. ___ Drainage Control</li> <li>3. ___ Surface Stabilization</li> <li>4. ___ 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. ___ Blaster Certification</li> <li>2. ___ Distance Prohibitions</li> <li>3. ___ Blast Survey/Schedule</li> <li>4. ___ Warnings &amp; Records</li> <li>5. ___ Control of Adverse Effects</li> </ol>	<p><b>H. ___ 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. ___ Certification</li> <li>3. <u>1</u> Drainage</li> <li>4. <u>1</u> Surfacing and Maintenance</li> <li>5. ___ 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. ___ Distance Prohibitions</b></p> <p><b>L. Revegetation</b></p> <ol style="list-style-type: none"> <li>1. ___ Vegetative Cover</li> <li>2. ___ Timing</li> </ol> <p><b>M. ___ Postmining Land Use</b></p> <p><b>N. Other</b></p> <p style="margin-left: 20px;">General _____</p> <p style="margin-left: 20px;">Performance _____</p> <p style="margin-left: 20px;">Category _____</p> <p style="margin-left: 20px;">1) _____</p> <p style="margin-left: 20px;">2) _____</p> <p style="margin-left: 20px;">3) _____</p>
---	--	--

### Performance Standard Categories 30 CFR Counterpart

<b>A. Administrative.....</b>	
1. Valid Permit.....	773.11
2. Mining within Bonded Area.....	773.11
3. Terms & Conditions of Permit.....	773.17
4. Liability Insurance.....	800.60
5. Ownership and Control.....	778.13
6. Temporary Cessation.....	842.11(e) & 816/817.131
7. AML Rec. Fees -- Non-Respondant.....	870.15(b)
8. AML Rec. Fees -- Failure to Pay.....	870.15(a)
<b>B. Hydrologic Balance.....(816/817.41-57)</b>	
1. Drainage Control.....	45
2. Inspections & Certifications.....	49(a)(10)
3. Siltation Structures.....	46
4. Discharge Structures.....	47
5. Diversions.....	43
6. Effluent Limits.....	42
7. Ground Water Monitoring.....	41(c)
8. Surface Water Monitoring.....	41(e)
9. Drainage--Acid - Toxic Materials.....	41(f)
10. Impoundments.....	49
11. Stream Buffer Zones.....	57
<b>C. Topsoil &amp; Subsoil.....(816/817.22)</b>	
1. Removal.....	22(a)
2. Substitute Materials.....	22(c)
3. Storage and Protection.....	22(c)
4. Redistribution.....	22(d)
<b>D. Backfilling &amp; Grading.....(816/817.95-107)</b>	
1. Exposed Openings.....	816/817.13, 14, 15, & 823.11 & 21
2. Contemporaneous Reclamation.....	100
3. Approximate Original Contour.....	102(a)(1)
4. Highwall Elimination.....	102(a)(2)
5. Steep Slopes (includes downslope).....	107
6. Handling of Acid & Toxic Materials.....	102(c)
7. Stabilization (rills and gullies).....	95(b)

<b>E. Excess Spoil Disposal.....(816/817.71-74)</b>	
1. Placement.....	71(e)
2. Drainage Control.....	71(f)
3. Surface Stabilization.....	71(g)
4. Inspections & Certifications.....	71(h)
<b>F. Coal Mine Waste (Refuse Piles/Impoundments) .....(816/817.81-84)</b>	
1. Drainage Control.....	83(a)
2. Surface Stabilization.....	83(b)
3. Placement.....	83(c)
4. Inspections and Certifications.....	83(d)
5. Impounding Structures.....	84
<b>G. Use of Explosives.....(816/817.61-68)</b>	
1. Blaster Certification.....	61(c)
2. Distance Prohibitions.....	61(d)
3. Blast Survey/Schedule.....	62-64
4. Warnings & Records.....	66 & 68
5. Control of Adverse Effects.....	67
<b>H. Subsidence Control Plan.....(817.121-122)</b>	
<b>I. Roads.....(816/817.150-151)</b>	
1. Road Construction.....	150(c)
2. Certification.....	151(a)
3. Drainage.....	150(b)-151(d)
4. Surfacing and Maintenance.....	150(e)-151(d)
5. Reclamation.....	150(f)
<b>J. Signs &amp; Markers .....(816/817.11)</b>	
1. Signs.....	11(a),(b),&(c)
2. Markers.....	11(a),(b),(d),(e),&(f)
<b>K. Distance Prohibitions.....(761.11)</b>	
<b>L. Revegetation.....(816/817.111-116)</b>	
1. Vegetative Cover.....	111 & 116
2. Timing.....	113
<b>M. Postmining Land Use.....(816/817.133)</b>	

Dugout Complete Joint Inspection

Utah Permit #C-007-0039

September 24, 2009 8:15 - 12:00

Weather conditions: clear, sunny, warm (low 70's)

Participants:

Steve Demczak, Division of Oil Gas and Mining (DOGM)

Vicky Miller, Arch Western

Christine Belka, Office of Surface Mining (OSMRE Badge #182)

This was a complete inspection of the Dugout mine.

**Records review:** The current DOGM permit was renewed on September 18, 2008 and expires on March 17, 2013. Current Air Quality permit DAQE-AN0116340009-07 was last amended on August 17, 2007. Current UPDES permit #UT0025593 was issued July 12, 2005 and expires November 30, 2009.

Current surety bond through St. Paul Fire and Marine Insurance Company (Bond #4005A1917) was increased from \$3,300,000 to \$3,550,000 effective July 31, 2007. Liability insurance policy #GL093-61-11 through Acord issued July 30, 2009 provides the required \$300,000 each occurrence, \$500,000 aggregate, and explosives (XCU) coverage.

Recent refuse pile quarterly inspection was certified by David Spillman, P.E. on August 12, 2009. Sedimentation pond inspection reports were also certified by David Spillman, P.E. on August 12, 2009. Sedimentation ponds were inspected on June 30, 2009 and had been recently cleaned (June 23<sup>rd</sup> - 30<sup>th</sup>). Current Spill Prevention, Control and Countermeasure (SPCC) plan revised in March 2008 was certified by David Spillman, P.E. on March 14, 2008.

**Field Inspection:** Oil containers stored in shed comply with current SPCC plan. Upper sediment trap in diversion system is relatively clear and appears well-maintained. Lower sediment trap contained more sediment at the time of inspection and should be cleaned soon (see Figure 1). Ms. Miller informed me these traps are cleaned once or twice per week. All drainage passing through these sediment traps reports to the sedimentation pond. The sediment pond was containing water but not discharging at the time of inspection. The primary and emergency discharge structures appear intact and functional.

Discharge outlet #001 was not discharging at the time of inspection (see Figure 2). Drainage was flowing in the channel this outlet would contribute to, largely as a result of discharge outlet #003 contributions. Outlet #003 was discharging clear water from the dust suppression water tank (see Figure 3).

Inlets to the mine by-pass culvert (undisturbed drainage) were guarded with metal bars / rebar grates. Large storm events wash trees, boulders, etc. down the canyon. Debris collects on these grates, occasionally damaging them. Grates were intact and functional at the time of inspection. The substation inlet to the by-pass culvert runs underground ~40 feet then the culvert emerges and runs above ground down an undisturbed slope. This culvert is broken near the top of the hill and requires maintenance (see figure 4).

The waste rock site was inspected. This mine has a cleaning facility, so the waste rock pile has a low coal content. Topsoil piles in the area are fenced and marked. The sedimentation pond serving this area was dry at the time of inspection. The rock-lined spillway was intact.

The fan house, topsoil stockpile, and sediment trap are fenced and properly marked. The fan was running at the time of inspection. The road servicing this area was built using large boulders as a construction base. It survived the recent 300-year rainstorm event while surrounding roads were washed out. The sediment trap was dry and outfall #005 was not discharging at the time of inspection (see Figure 5).

Photographs taken:

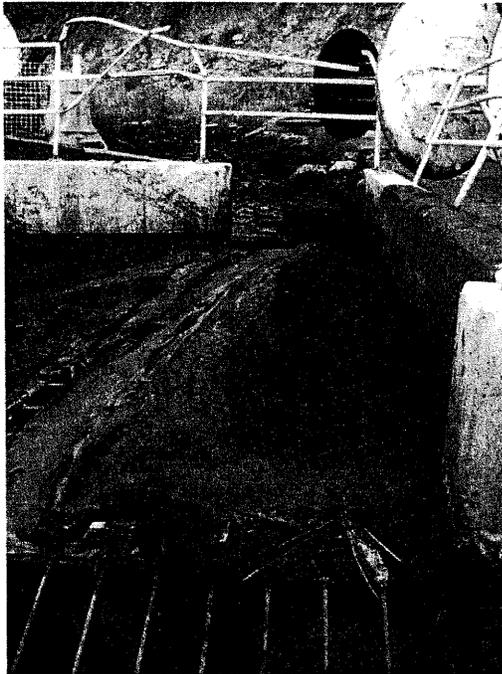


Figure 1: Lower sediment trap



Figure 2: Outfall 001 not discharging

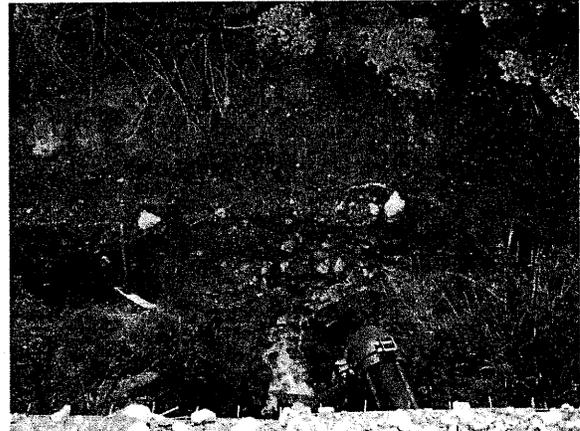


Figure 3: Outfall 003 discharging

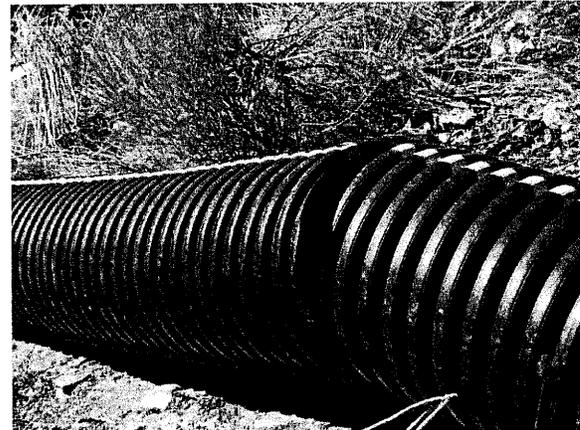


Figure 4: Drainage culvert in need of maintenance

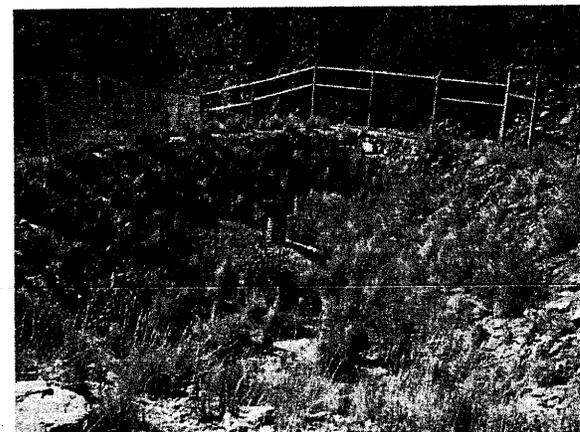


Figure 5: Dry sediment trap by fan