



**State of Utah**  
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

**Division of Oil, Gas and Mining**

JOHN R. BAZA  
Division Director

**Inspection Report**

|                  |                            |
|------------------|----------------------------|
| Permit Number:   | <b>C0070039</b>            |
| Inspection Type: | IND PART OVERSITE          |
| Inspection Date: | Tuesday, March 06, 2012    |
| Start Date/Time: | 3/6/2012 2:00:00 PM        |
| End Date/Time:   | 3/6/2012 4:00:00 PM        |
| Last Inspection: | Tuesday, February 14, 2012 |

| Representatives Present During the Inspection: |                   |
|--|-------------------|
| OSM  | ElizabethShaeffer |
| Company  | VelinaMiller      |
| OGM  | Steve Demczak     |

Inspector: Steve Demczak

Weather: Sunny, 40's, Small amount of snow at mine site

InspectionID Report Number: 3056

Accepted by: jhelfric  
4/2/2012

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

**Current Acreages**

|          |                        |
|----------|------------------------|
| 9,751.00 | <b>Total Permitted</b> |
| 108.70   | <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 pending compliance actions for the Dugout Canyon Mine permit area.  
The Permittee is current relative to the required electronic quarterly water monitoring submittals for 2011.

*Stephen J. Demczak*

**Inspector's Signature:**

Steve Demczak,  
Inspector ID Number: 39

**Date** Wednesday, March 08, 2012



**Note:** This inspection report is not a substitute for an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.  
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

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**Inspection Continuation Sheet**

**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 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 type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 4.d Hydrologic Balance: Water Monitoring                         | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 4.e Hydrologic Balance: Effluent Limitations                     | <input type="checkbox"/>            | <input type="checkbox"/> | <input 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 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 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 type="checkbox"/>            | <input type="checkbox"/> | <input 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 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 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 type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |

**2. Signs and Markers**

The permit sign is located at the gate to the property. Information meets the minimum requirements of the R645 Coal Rules.

**3. Topsoil**

There was no signs of wind or water erosion to the topsoil piles.

**4.a Hydrologic Balance: Diversions**

Diversions were opened and functioning as designed.

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

We inspected the sediment pond with no hazardous conditions noticed. The sediment pond was not discharging during the inspection. The pond did contain water.

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

The refuse pile was inspected and hazardous conditions were noticed.

**8. Noncoal Waste**

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

**16.b Roads: Drainage Controls**

Road drainage was working as designed.