



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:	C0070039
Inspection Type:	PARTIAL
Inspection Date:	Thursday, November 29, 2012
Start Date/Time:	11/29/2012 7:00:00 AM
End Date/Time:	11/29/2012 12:30:00 PM
Last Inspection:	Thursday, November 15, 2012

Representatives Present During the Inspection:	
OGM	Steve Christensen
OGM	Anna Daniel
OGM	Priscilla Burton
Company	Chris Hansen
Company	Gregg Galecki
Company	David Spillman
Company	Vicky Miller

Inspector: Steve Christensen
 Weather: 0-5 mph winds, Partly cloudy, 40 degrees F.
 InspectionID Report Number: 3323
 Accepted by: jhelfric
 12/17/2012

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

9,801.00	Total Permitted
108.70	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:

On November 29th, 2012, Division of Oil, Gas and Mining (the Division) staff conducted a field inspection of recently conducted reclamation work on gob gas vent holes and associated access roads at the Dugout Canyon Mine.

The purpose of the inspection was to evaluate reclamation work completed during the 2012 construction season as well as determine if adequate sediment control measures were in place prior to the onset of winter. Thayn was the contractor who completed the work.

The previous inspection of the gob gas vent holes was on August 1st, 2012. As of this inspection date, a total of fourteen degas pads have been reclaimed with 8 pads remaining. According to Dugout representatives, all of the degas well casings have been properly sealed/plugged.

The Division was represented by Priscilla Burton, Amanda Daniels and Steve Christensen. Dugout Canyon Mine representatives Gregg Galecki, Chris Hansen, Dave Spillman and Vicky Miller were on hand as well. Landowner David Thayn was also in attendance during the inspection.

Inspector's Signature:

Steve Christensen,
Inspector ID Number: 54

Date Wednesday, December 12, 2012



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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

Refer to MRP Degas Volume 1 Table 1-2 for disturbed acres, Table 2-1 and Attachment 2-2 for topsoil volumes, Table 2-3 for expected topsoil redistribution depths; Volume 3 Attachment 5-4, Plate 4 for site locations, and Attachment 5-4, Plate 1 (dated 2009) for AMV topsoil stockpile and culvert locations and AMV road distance, and Attachment 5-4 Plate 2 for reclaimed AMV road cross sections 1+00 through 13+00.

3. Topsoil

DG-9, 1,574 cu yds. stored in two stockpiles was replaced over the 2.2 graded site, with the exception of the road. The replacement depth over the entire site calculates to approximately 6 inches (less than the twelve inches expected in Table 2-3). The replacement looks thin on the north side of the road (see attached images). Approximately one cubic yard of topsoil remains to be scattered and should be placed on the slope on the north side of the road. This was brought to the operator's attention and Vicky Miller and David Thayn will see that this is accomplished this season.

DG - 10. Most of the 2,344 cu yds stored for this site was replaced in 2011 during reclamation of the 1.7 acre pad. In the fall 2012, Thayn dispersed the small topsoil stockpile that remained on the former access road to DG 10. The topsoil was poked and seeded.

DG 31. Topsoil piles T-8 and T-9, containing 4,624 cu yds were replaced over 1.75 acres of site G-31. Replacement depth calculates to 19 inches, but was not replaced over the topsoil stockpile area. Estimated replacement depth in Table 2-3 is 15 inches over the site.

DG-18. This site had been graded in 2011. The 2,195 cu yd topsoil pile T-10 replacement over the 1.4 acre site was completed in 2012. Topsoil replacement depth calculates to approximately one foot. Placement markers were used to achieve a foot replacement .

AMV road from G 31 to G 18. Topsoil pile STP-7 containing 4,305 cu yd (yardage specified in Attachment 2-2) was replaced on the 1300 ft. length of AMV road reclaimed in 2012. The area of replacement was calculated to be 110,000 sq ft from Plate 1, Attachment 5-4. This calculates to a one foot replacement depth in agreement with Table 2-3.

4.c Hydrologic Balance: Other Sediment Control Measures

The purpose of the inspection was to evaluate reclamation work completed during the 2012 construction season as well as determine if adequate sediment control measures were in place prior to the onset of winter.

Site G-9: Reclamation work was being conducted the last time this site was inspected (08/01/2012) At the time of this inspection, reclamation work had been completed. The site has been pocked, seeded and mulched. A disturbed drainage ditch located directly adjacent to the main access road has been fitted with silt fence and excelsior log sediment controls to prevent sediment from leaving the site.

Site G-10: The site has been reclaimed. The approximate original contour has been re-established. In addition, the site has been seeded and pocked. A short diversion ditch (approximately 50' in length) is located adjacent to the site. The diversion conveys runoff from the pad site to the main access road ditch. The diversion has been lined with rip rap with a silt-fence installed at the outlet. The short access/spur road to the site has been reclaimed.

12. Backfilling And Grading

Site DG-9, 2.2 acres, fenced. The site was pocked, hand seeded and hydromulched. The road was retained through the site and ends in a pad. The pad is supported by a constructed rock wall. Below the road, the slope was planted with a dozen or more evergreens and numerous tree stumps were placed vertically to serve as bird roosts.

DG-12, 2 acres. The site was reclaimed with a turnout and rock wall to support the fill. The fill was pocked and seeded and hydromulched. Thayne crews were installing a fence around G 12 to secure a log cabin that will be placed inside the fence.

DG-18, 2.3 acres, fenced. The site was pocked, hand seeded and surface mulched with certified, weed free alfalfa hay. Fifty, 50 lb bales were scattered over the 2.3 acre area. (See correspondence folder for hay certification.) The application rate (1/2 T/ac) was randomly scattered and appeared to provide between 5 and 20% cover (see image).

DG-31, 1.75 acres, fenced. Site 31 graded and is relatively level. The site and associated topsoil stockpiles were surface roughened, hand seeded and hydromulched. The center of the site was not hydrosprayed (mulched) as it was retained for hydrotruck access and was reclaimed after mulching. Mulch coverage looks thin at the center of the site and is heavier at the outer edges of the site. The spur road access off of the AMV road was surface roughened, hand seeded, but not mulched.

AMV access road between DG 31 and DG-18, 1300 ft. (0.24 miles), has been reclaimed to approximate original contour. An elevation change of 70 ft. v./100 ft h. (70% or 1.5v:1h) is illustrated for cross section 5+00. An elevation change of 50 ft vertical /100 ft horizontal (50% or 2v:1h) is illustrated for cross section 7+00. The slope length narrows to 30 ft. at each end of the reclaimed roadway. The reclaimed surface was not pocked, but was left smooth. The reclaimed road was hand seeded and covered with an excelsior blanket. The excelsior blanket was held down with stakes and rocks. One small 3 ft. section near G 18 had blown off from the surface. Other sections near G 18 were seen to be anchored to shrubs and so elevated will likely catch wind. Three drainages were constructed approximately 300 ft apart along the 1300 ft. length (see images) An as-built for the drainages and surface treatments on the reclaimed AMV road will be provided to the Division.

13. Revegetation

The seed tag was requested for the Division records and will be sent electronically.

16.a Roads: Construction, Maintenance, Surfacing

The entire length of the remaining AMV access road was inspected. In order to prevent additional contributions of sediment outside the disturbed area, the Permittee utilizes silt fence and excelsior logs installed at the toe of the out-slope. A berm is located on the outside edge of the road. In addition, the road is graded towards the in-slope of the road prism at an approximately 2% grade in order to prevent storm water runoff from running over the out-slope. Water bars have been installed at increments along the entire length of the AMV access road.

During the last inspection of the road (08/01/2012), numerous areas were noted where the sediment control was in need of repair. The Permittee was directed to perform mandatory maintenance on the AMV road prior to the onset of winter. At the time of this inspection, sediment control had been re-established at the toe of the out-slope along the entire length of the road. In areas where the previously installed silt-fence had blown out, rows of excelsior logs have been installed. In addition, the road has been re-graded, the in-slope ditch cleaned out and the water-bars had been re-established with excelsior logs installed at both the inlets and outlets. The Division finds that the sediment controls have been adequately repaired on the AMV access road.

The timing as to when to reclaim the AMV access road was discussed. Landowner David Thayne indicated that he would like to see the AMV road remain for at least two years until such time as vegetation has been re-established on the reclaimed access road to degas pad G-18. The Division acknowledges that the AMV road would make re-vegetation efforts more efficient. In addition, until vegetation has been re-established on the steep slopes leading up to degas pad G-18, the potential for slope failure is a possibility. In that event, heavy equipment may need to be mobilized to the site to repair any damage that could occur. For these reasons, the Division is amenable to the option of leaving the AMV road in place until such time as the reclaimed slopes have stabilized and adequate vegetation has been re-established.

16.b Roads: Drainage Controls

A large depression at the end of the reclaimed AMV road remains to funnel water to C-6. This depression will pool water before it flows into the culvert (see attached image).



Degas Pad G-9



Degas Pad G-9



Degas Pad G-9



Degas Pad G-9



Degas Pad G-10



AMV Access Road and
Reclaimed Slope/Access Road
Between Degas Pads G-18 and
G-31



AMV Access Road-
Sediment Controls



AMV Access Road- Typical
Water Bar Sediment Control



AMV Access Road-
Sediment Controls



Culvert C6- AMV
Access Road



AMV Access Road and
Reclaimed Slope Between
Degas pads G-18 and G-31



1st Diversion-
Reclaimed slope
between degas
pad G-18 and G-31



2nd Diversion-
Reclaimed slope
between degas
pad G-18 and G-31



3rd Diversion-
Reclaimed slope
between degas
pad G-18 and G-31



Degas pad G-31-
Reclaimed Topsoil
Pile



Topsoil Pile T7-
AMV Access Road



CF
CANYON FUEL CO
DUGOUT CANYON
223 North 300 Street
Grand Junction, Colo
Tel. No. 970-241-2600
MSHA DUGOUT CANYON
C 007 03

Degas Pad G-31



Degas Pad G-18