



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:	COMPLETE
Inspection Date:	Thursday, February 21, 2013
Start Date/Time:	2/21/2013 12:00:00 PM
End Date/Time:	2/21/2013 4:00:00 PM
Last Inspection:	Tuesday, January 22, 2013

Representatives Present During the Inspection:	
Company	David Spillman
OGM	Steve Demczak

Inspector: Steve Demczak

Weather: Sunny, upper 20's, Snow Covered

InspectionID Report Number: 3397

Accepted by: dhaddock
3/5/2013

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:

Dugout has started up one miner section underground. It will mainly be used for blending coal from other Arch Coal mines.

Dugout has people from other Arch mines inspect the property throughout the month for violations.

The underground portion to the mine is shutdown due to leaking seals. The permittee is taking grab samples of the gas by the seal. MSHA will determine when and how the mine will start production again.

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

Inspector's Signature:

Steve Demczak,
Inspector ID Number: 39

Date Tuesday, February 26, 2013



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 type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 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 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 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 checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The DOGM permit expires on March 16, 2018. Air Quality permit number is DAQUE-AN0116340009-07. UPDES permit number is UT0025593 and expire on Nov. 30, 2014. The SPCC Plan was reviewed on October 25, 2010.

2. Signs and Markers

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

3. Topsoil

The topsoil piles were inspected and there were no signs of wind or water erosion. Some of the topsoil piles were still snow covered.

4.a Hydrologic Balance: Diversions

I spot checked the diversions. The upper diversion of the site could not be inspected safely due to ice and snow. The diversions were open with no water flow of any significance. The permittee had stated that the cleaning of the diversions will begin this month.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sediment ponds at the mine site and refuse pile were inspected for the fourth quarter of 2012 on December 4, 2012. No hazardous conditions were reported. The mine site sediment pond did contain water but was not discharging at the time of the inspection. The refuse pile contain a little amount of frozen water. No hazardous conditions were noticed at this site.

4.e Hydrologic Balance: Effluent Limitations

I inspected the DMR's for the fourth quarter of 2012. October, November, and December DMR's reported no discharge.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse pile for the fourth quarter was inspected by a P.E. on November 30, 2012. No hazardous conditions were reported. I inspected the refuse pile and did not see any hazardous conditions. The refuse pile appear to be stable. This pile has not been used this winter. It maybe used in the spring for washed coal from Savage.

8. Noncoal Waste

The site was clear of non-coal waste materials. There was some wood debris within a snow storage area in the parking lot. This material will be moved once the snow has melted.

10. Slides and Other Damage

I did not see any slides or other damage. A diversion ditch on a cut slope did have some fallen rocks within. The permittee plans on removing the fallen rocks from the diversion.

14. Subsidence Control

Subsidence information for 2012 will be in the annual report submitted to the Division in 2013.

18. Support Facilities, Utility Installations

No new construction has occurred since the last inspection.

19. AVS Check

The ownership and control information is updated in the annual report each year. This information is reviewed in Salt Lake City.

20. Air Quality Permit

Permit is DAQE-AN116340009-07

21. Bonding and Insurance

The insurance policy will expire on July 31, 2013. The accord form was reviewed and meets the requirements of the R645 Coal Rules. The bonding amount is \$3,550,000. The Reclamation Agreement was inspected and is signed by the Division. The total disturbed area is 104.70 acres.