



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:	Tuesday, May 28, 2013
Start Date/Time:	5/28/2013 9:00:00 AM
End Date/Time:	5/28/2013 2:00:00 PM
Last Inspection:	Tuesday, April 09, 2013

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

Inspector: Steve Demczak

Weather: Cloudy, 60's

InspectionID Report Number: 3487

Accepted by: jhelfric

5/29/2013

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 mine is producing coal with one miner section , two shifts per day, five days per week.

Dugout has plans to reclaim several de-gas pads and roads this year.

Dave Spillman and I had discussions about several de-gas pad that have been reclaimed. I suggested start going through the Bond release process. I suggest starting with phase II bond release.

No coal was being shipped from Dugout during the inspection.

Steve Demczak

Digitally signed by Steve Demczak
 DN: cn=Steve Demczak, o, ou,
 email=stevedemczak@utah.gov, c=US
 Date: 2013.06.11 12:21:34 -06'00'

Inspector's Signature:

Steve Demczak,
 Inspector ID Number: 39

Date Tuesday, May 28, 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 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 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 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 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 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

I reviewed the identification signs at the mine, the information on the sign meeting the minimum requirements of the R645 Coal Rules. It is next to the gate entering the mine site. There are also identification signs at the refuse pile and topsoil pile. The information is the same on all signs.

3. Topsoil

The topsoil piles were inspected. They were stable and there were no signs of wind or water erosion.

4.a Hydrologic Balance: Diversions

I inspected the diversions throughout the property. They were in excellent conditions. They have been recently cleaned out. All culverts were opened. These culverts would function in a storm event.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sediment ponds were inspected by the permittee on January 15, 2013 (Refuse Pond) and March 4, 2013 (mine Pond). No hazardous conditions were reported. I inspected both sediment ponds and they appear to be stable with no hazardous conditions noticed. Both sediment ponds are incised. The sediment ponds were not discharging water. The refuse pond was completely dry. The permittee plans to clean out the mine site sediment pond within the next couple of weeks.

4.d Hydrologic Balance: Water Monitoring

The permittee send water information to DOGM in Salt Lake City. This information is reviewed by the Salt Lake staff.

4.e Hydrologic Balance: Effluent Limitations

I inspected UPDES first quarter water data. The permittee was in compliance with the UPDES permit.

7. Coal Mine Waste, Refuse Piles, Impoundments

The permittee conducted a refuse pile inspection on January 15, 2013. This document was P.E. certified. No hazardous conditions were reported. The refuse pile has been idle for the first quarter of 2013. It is anticipated that the pile will be active in June for two weeks. I inspected the refuse pile and did not see any hazardous conditions. The slopes appeared to be stable.

8. Noncoal Waste

The site was clear of non-coal waste materials.

10. Slides and Other Damage

No slides were noticed where there are road cuts.

14. Subsidence Control

Subsidence monitoring information is in the annual report.

16.a Roads: Construction, Maintenance, Surfacing

The asphalt road needs some patch work. The road has several potholes.

16.b Roads: Drainage Controls

Road diversions were functioning as designed.

18. Support Facilities, Utility Installations

No new support facilities since the last inspection.

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.