



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, February 25, 2014
Start Date/Time:	2/25/2014 10:00:00 AM
End Date/Time:	2/25/2014 1:00:00 PM
Last Inspection:	Wednesday, January 22, 2014

Representatives Present During the Inspection:
OGM Steve Demczak

Inspector: Steve Demczak

Weather: Slightly snow covered, 40's, sunny

InspectionID Report Number: 3764

Accepted by: jhelfric

3/13/2014

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:

I was on inspection with Mike Kelly.

Dugout has one continuous miner section. Its main function at this time is to blend there coal with other sister mines. The mine is projected to mine 500,000 in a year with one miner section. There is a possibility of a second miner section at the Dugout out mine. This may not happen quickly. The permittee maybe working seven days per week.

The reclamation of the de-gas pads have stopped due to winter weather.

I did not see any coal trucks loading coal during the inspection.

Stephen J. Demczak

Digitally signed by Stephen J. Demczak
 DN: cn=Stephen J. Demczak, o, ou,
 email=stevedemczak@utah.gov, c=US
 Date: 2014.04.02 08:32:31 -06'00'

Inspector's Signature:

Steve Demczak,
Inspector ID Number: 39

Date Wednesday, February 19, 2014



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 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 checked="" 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 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 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 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

I inspected the topsoil piles at the refuse pile and at the main road to Soldier Creek Mine. The topsoil piles were stable with no signs of wind or water erosion.

4.a Hydrologic Balance: Diversions

The diversions were opened and functioning as designed. Some maintenance will be needed this spring. Sediment has started to build up within the diversions.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sediment ponds were inspected on December 19, 2013. This document is P.E. certified. No hazardous conditions were reported. The mine site pond contained water but was not discharging during the inspection. The refuse pile was basically dry. Deer were drinking the water during the inspection.

4.d Hydrologic Balance: Water Monitoring

The water monitoring information is submitted to the Division. This information is reviewed and a report is written.

4.e Hydrologic Balance: Effluent Limitations

The permittee was in compliance with the UPDES permit for the 4th quarter of 2013.

7. Coal Mine Waste, Refuse Piles, Impoundments

The permittee inspected the refuse pile on December 19, 2013. No hazardous conditions were reported. I inspected the refuse pile and no hazardous conditions were noticed. The refuse pill was idled.

8. Noncoal Waste

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

9. Protection of Fish, Wildlife and Related Environmental Issues

Deer were drinking water from the sediment pond at the refuse pile site.

10. Slides and Other Damage

No slides or other damages were noticed during the inspection.

16.b Roads: Drainage Controls

Road drainage was function as designed. A small amount of water was flowing in several road drainages.

18. Support Facilities, Utility Installations

No new construction has taken place since the last inspection.

21. Bonding and Insurance

The insurance policy will expire on 02/01/2015. 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.