



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, June 19, 2014
Start Date/Time:	6/19/2014 2:00:00 PM
End Date/Time:	6/19/2014 4:00:00 PM
Last Inspection:	Wednesday, May 14, 2014

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

Inspector: Steve Demczak

Weather: Sunny, 80's

InspectionID Report Number: 3883

Accepted by: JHELFRIC

7/9/2014

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:

The mine was active and mining coal. The mine is still running one miner section. There may be an increase in production in the near future. There is also talk about reinstalling a longwall.

No coal was being shipped during the inspection. Coal is ship durning the late afternoon.

There are plans to continue reclaiming the De-gas pads. The permittee is short handed to oversite the reclamation of the DE-gas pads and roads.

Stephen J. Demczak

Digitally signed by Stephen J. Demczak
 DN: cn=Stephen J. Demczak, o, ou,
 email=stevedemczak@utah.gov, c=US
 Date: 2014.07.15 11:11:47 -06'00'

Inspector's Signature:

Steve Demczak,
Inspector ID Number: 39

Date Monday, June 23, 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 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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

Several diversions need to be clean out. The diversion along the road to the water tanks need to be clean out and regarding to the diversion around the refuse pile in some areas need grading. Sediment has started to build-up in these diversions. These diversions will function as design.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

I inspected the mine site sediment pond and it contained water but was not discharging during the inspection. The refuse sediment pond was completely dry. I did not see any hazardous conditions. The embankments were stable. The permittee inspected the sediment ponds on April 16, 2014. No hazardous conditions were reported.

4.d Hydrologic Balance: Water Monitoring

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

4.e Hydrologic Balance: Effluent Limitations

There was no discharge for the first quarter of 2014.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse pile was inspected by the permittee on April 16, 2014. No hazardous conditions were reported. I inspected the refuse pile and the permittee will need to do minor maintenance to the diversion at the toe of the refuse pile. Sediment has started to fill the diversion. The diversion will function as design but maintenance will be needed.

8. Noncoal Waste

The site was clear of non-coal waste materials.

10. Slides and Other Damage

No slides or Other damage was noticed during the inspection.

16.a Roads: Construction, Maintenance, Surfacing

Roads are well maintained.

18. Support Facilities, Utility Installations

No new surface facilities 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.