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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 1, 2014

Dave Spillman
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542

Subject: 2013 Annual Report Review Completion, Dugout Canyon Mine, C/007/0039, Task ID #4553

Dear Mr. Spillman:

The Division staff has completed the review of the 2013 Annual Report. Enclosed is a copy of the review with each reviewer's comments completed on July 1, 2014.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs
Enclosure
O:\007039.DUG\WG4553\ReviewCompletionLetter.doc



Print Form

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Annual Report

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by the date specified in the cover letter. During a complete inspection an inspector will check and verify the information.

GENERAL INFORMATION			
Company Name	Canyon Fuel Company, LLC	Mine Name	Dugout Mine
Permit Number	C/007/0039	Permit expiration Date	March 17, 2018
Operator Name	Same	Phone Number	+1 (435) 637-6360
Mailing Address	PO Box 1029	Email	dsplillman@bowieresources.com
City	Wellington		
State	UT	Zip Code	84542

DOGM File Location or Annual Report Location

Excess Spoil Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	
Refuse Piles	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	Attached
Impoundments	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	Attached
Other:		

OPERATOR COMMENTS

REVIEWER COMMENTS Met Requirements Did Not meet Requirements

Refuse piles inspections were submitted and all inspections are P.E. Certified. No hazardous conditions were reported. (SJD)
Sediment pond inspections were made for all quarters of 2013. No hazardous conditions were reported. (SJD)

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the Mining and Reclamation Plan and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If additional written response is required, it should be filed as an attachment to this report.

Title: ANNUAL RAPTOR SURVEYS

Objective: To obtain baseline data prior to mining disturbances including subsidence of cliff habitat and any surface disturbances (construction, reclamation, or exploration). Conduct follow-up surveys within one year if nests were observed during the baseline surveys and if the nest or raptors could be impacted from mining (subsidence or proximity to surface facilities).

Frequency: Annually

Status: Ongoing

Reports: Annual

Citation: MRP, Volume 2, Chapter 3, Section 322, Page 3-13

Operator Comments

See Appendix D - Confidential.

Reviewer Comments Met Requirements Did Not Meet Requirements

A comprehensive ground raptor survey was completed in May of 2013 no active nests were noted.

Title: SUBSIDENCE MONITORING VISUAL INSPECTIONS

Objective: To check for surface subsidence features.

Frequency: Annually

Status: Ongoing

Reports: Annual

Citation: MRP, Volume 3, Chapter 5, Section 525.100, page 5-29

Operator Comments

See Appendix C.

Reviewer Comments Met Requirements Did Not Meet Requirements

A subsidence report was included as part of the annual report. A subsidence map was also included. The map included details of subsidence monitoring locations as well as elevation monitoring. The maximum subsidence observed as less than .8 feet. The report is adequate to meet requirements. (JCO)

Title: WASTE ROCK SAMPLING

Objective: To protect ground and surface water and potentially substantiate lesser cover at the waste rock site.
Frequency: One sample per 5,000 cubic yards taken to the waste rock site. Acid/toxic material to be buried within 30 days and should be compacted, and isolated from water infiltration.
Status: Ongoing. **Please indicate the volumes or tonnage placed during the year into the refuse pile and the remaining capacity in the pile.**
Reports: Annual report, and to be included in RA attachment 5-4.
Citation: MRP, Chapter 5, Section 513.400, Section 528.300, Section 536 and Refuse Pile Amendment Volume, Section 536.200

Operator Comments

See Appendix C.

Reviewer Comments Met Requirements Did Not Meet Requirements

Appendix C begins on electronic page 48 of the 2013 annual report. According to the certified engineer's report there was 6,829 cu yds placed at the site (density of 112 lbs/cu ft). The remaining capacity is equivalent to 97,506 cu yds. One composite sample was analyzed by Intermountain labs/Sheridan. The sample was loamy sand, slightly alkaline and saline, but did not have boron or selenium toxicity and was not acid forming. The sample was lacking in nitrogen and phosphorus and would need adequate supplementation for vegetation growth.

Title: SEALING OF WELLS

Objective: Permanent casing and sealing of wells when no longer in use.
Frequency: Once upon termination of use.
Status: N/A
Reports: Report on status of wells
Citation: Chp. 6, Section 631, Chp. 7, Section 765

Operator Comments

Degas wells G-2 thru G-7 , G-9 thru G-14, G-16, G-18, G-19, G-22, G-25, G-26, G-30, and G-31 are sealed.

Reviewer Comments Did Not Meet Requirements Met Requirements

The above noted degas well listed as "sealed" by the operator, is consistent with an inspection of the well in August 2013. Reclamation work of the pads and access roads is ongoing. (ad)



FUTURE COMMITMENTS AND CONDITIONS

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the "status" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

Title: OVERBURDEN SAMPLING AND ANALYSIS

Objective: Generate quality substitute topsoil

Frequency: At Final Reclamation

Status: long term

Reports: at final reclamation

Citation: MRP, Chapter 2, Section 224, Section 233.100, .300, and .400.

Title: NUTRIENTS AND AMENDMENTS

Objective: Establishment of vegetation

Frequency: At final reclamation

Status: Long term

Reports: At final reclamation

Citation: MRP, Chapter 2, Section 243; Refuse Pile Amendment Volume, Section 243.

OPERATOR COMMENTS (OPTIONAL)

REVIEWER COMMENTS

REPORTING OF OTHER TECHNICAL DATA

Please list other technical data or information that was not included in the form above, but is required under the approved plan, which must be periodically submitted to the Division.

Please list attachments:

N/A

Reviewer Comments

MAPS

Copies of mine maps, current and up-to-date, are to be provided to the Division as an attachment to this report in accordance with the requirements of R645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

Map Name	Map Number	Included		Confidential	
		Yes	No	Yes	No
Annual subsidence map	Appendix C	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mine Map - Gilson Seam	Appendix B	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mine Map - Rock Canyon Seam	Appendix B	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reviewer Comments Met Requirements Did Not Meet Requirements

Please note that mine maps are not considered confidential as specified by R645-300-124.300.

The required maps were included as indicated by the operator (JCO).