



# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

June 14, 2019

Kirt Tatton, General Manager  
Canyon Fuel Company, LLC  
P.O. Box 1029  
Wellington, Utah 84542

Subject: 2018 Annual Report Review Completion, Canyon Fuel Company, LLC, Dugout Mine, Task ID #5880, C/007/0039

Dear Mr. Tatton:

The Division of Oil, Gas and Mining (the Division) has completed the review of the 2018 Annual Report. Upon review of the submitted annual report, the Division has determined that additional information is required.

Please provide the Waste Rock Analyses for inclusion into the Mining and Reclamation Plan (MRP). The information has historically been provided with an executed C1/C2 form for insertion into the Refuse Amendment portion of the MRP.

Please submit the additional information to the Division July 19, 2019. If you have any questions, please call me at (801) 538-5350 or Priscilla Burton (435) 613-3733.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Christensen".

Steve Christensen  
Coal Program Manager

SKC/sqs



# 2018 ANNUAL REPORT

Submit the completed document and any additional information identified to the Division by March 31, 2019.

## GENERAL INFORMATION

Company Name	Canyon Fuel Company, LLC	Mine Name	Dugout Canyon Mine
Permit Number	C/007/0039	Permit expiration Date	March 16, 2023
Operator Name	SAME	Phone Number	+1 (435) 637-6360
Mailing Address	P.O. Box 1029	Email	rmarshall@wolverinefuels.com
City	Wellington		
State	Utah	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	
Impoundments	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	
Other:		

## OPERATOR COMMENTS

**REVIEWER COMMENTS**     Met Requirements     Did Not Meet Requirements

The Permittee provided the certified inspection reports for the refuse piles and impoundments in Appendix A of the Annual Report.

The 1st quarter inspection report for the primary sedimentation pond at the Dugout Mine (dated 3/21/2018) indicates that Nielson Construction was contracted to clean the accumulated sediment from the impoundment and that the work was scheduled for the Spring of 2018. The Divisions June 5th, 2018 inspection report (#6158) indicated that cleaning of the primary sediment pond at the Dugout Mine site was initiated, but postponed after determining that there was little accumulated sediment.

# 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:** Chapter 3, Page 3-20

**OPERATOR COMMENTS**

**REVIEWER COMMENTS**     Met Requirements                       Did Not Meet Requirements

Raptor surveys for 2018 were completed and submitted. There was no activity observed at the known eagle nest. The last observed activity at that nest was in 2009. The red-tailed hawk and raven nests could not be located from 2009 to 2011 and have not been surveyed since. No new raptor nests were discovered in 2018. TM

**Title: SUBSIDENCE MONITORING VISUAL INSPECTIONS**

**Objective:** To check for surface subsidence features.

**Frequency:** Annually

**Status:** Ongoing

**Reports:** Annual

**Citation:** Chapter 5, Section 525.100

**OPERATOR COMMENTS**

**REVIEWER COMMENTS**     Met Requirements                       Did Not Meet Requirements

The Dugout Mine inspects the surface above mined out longwall panels during annual water monitoring activities. A PE certified statement from R. Jay Marshall asserts that during 2018 water monitoring activities throughout the months of March, May, September, and November no surface irregularities or surface cracks were observed. (JE - 6/5/2019)

**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:** Chapter 5, Section 513.400, Section 528.300, Section 536 and Refuse Pile Amendment Volume, Section 536.200

**OPERATOR COMMENTS**

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

**REVIEWER COMMENTS**  Met Requirements  Did Not Meet Requirements

4/1/2019, PB. The requisite waste rock data was provided; however, the Permittee has historically submitted the waste rock data for inclusion into the approved MRP. The Permittee must submit the data with an executed C1/C2 in order to insert it into the MRP. The fourth quarter 2018 refuse inspection report dated 10/16/2018, states that 307,805.4 tons (207,380.90 CY at 110 lbs/CF) were hauled to the site (2018 Annual Rpt, e-pg 56). Mr. Marshall explained that this was a cumulative total hauled to the site since its construction (personal communication 4/2/2019). The 2018 Annual Assessment (e-pg. 61) states that the 2018 year to date total delivered tonnage was 43,565.56 tons (29,192 CY at 105.7 lbs/CF). The refuse was sampled on 2/21/2018 and 6/26/2018 and 9/24/2018 (refuse inspection reports dated 2/28/2018, 5/18/2018, 10/16/2018). Six refuse analyses were provided with the annual report ( e-pp. 63 - 103). This sampling rate is appropriate for 29,192 CY. No acid/toxic issues were noted with the analyses provided.

**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:** Chapter 6, Section 631, Chapter 7, Section 765

**OPERATOR COMMENTS**

**REVIEWER COMMENTS**  Met Requirements  Did Not Meet Requirements

In 2015, Phases 1 and 2 bond release have been achieved on sites G-2 through G-7, G-10, G-12, G-13, G-14, G-18 and G-31. Phase 1 bond release was also achieved on G-9, G-16 (and access road), G-19, G-22 (and access road), G-25, G-26, G-30, G-31 (and access road), and about 1350 feet of the AMV road (Task ID #4711). Information for these wells is located in the Methane Degassing Amendment.

In 2016, Phase III bond release was approved for sites G-3 and G-4 (Task #5192). The Permittee has not applied for additional bond releases since that time.

# 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:** 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:** Chapter 2, Section 243; Refuse Pile Amendment Volume, Section 243

## **Title: VEGETATION MITIGATION PROJECT FOR BATS**

**Objective:** Permittee will plant additional willows along the channel where sufficient space allows.

**Frequency:** At final reclamation

**Status:**

**Reports:** At final reclamation

**Citation:** Chapter 3, Section 322, pages 3-19 through 3-20

# 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:

**REVIEWER COMMENTS**

Met Requirements

Did Not Meet Requirements

NA

