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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

Michael O. Leavitt
Governor
Tod Stewart
Executive Director
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Division Director

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Partial: Complete: XXX Exploration:

Inspection Date & Time: 2/17/98 / 10:30a.m.-5:00p.m.

Date of Last Inspection: 1/8/98

Mine Name: SUFCO Mine County: Sevier Permit Number: ACT/041/002

Permittee and/or Operator's Name: Canyon Fuel Company

Business Address: 397 South 800 West, Salina, Utah 84564

Type of Mining Activity: Underground XXX Surface Prep. Plant Other

Company Official(s): Mike Davis

State Officials(s): Peter Hess Federal Official(s): None

Weather Conditions: Cold, Overcast, Snow Flurries

Existing Acreage: Permitted-17308.25 Disturbed-67.8 Regraded-0.5 Seeded-0.5 Bonded-67.8

Increased/Decreased: Permitted- Disturbed- Regraded- Seeded- Bonded-

Status: Exploration/ XXX Active/ Inactive/ Temporary Cessation/ Bond Forfeiture

Reclamation (Phase I/ Phase II/ Final Bond Release/ Liability Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. SIGNS AND MARKERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. 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 type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4th Quarter-April, May, June)_____ (date)	<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 & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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(Comments are Numbered to Correspond with Topics Listed Above)

4b. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

A copy of the 1997 annual impoundment/waste rock inspections/certifications for the SUFCO Mine was received in the Price Field Office on 1/22/98. An examination of the submitted report was not made until 2/17/98 during this inspection. Upon reviewing the quarterly inspection report form and its associated P.E. certification, a few questions arose which required clarification by Mr. Wes Sorensen, the SUFCO Technical Services Manager and P.E. certifying the report. The wording on Mr. Sorensen's certification for the mine site sediment pond indicates that "The sediment level in the pond was at 7409.61, which is above the 60% sediment level (7408.9 ft). A total of 0.081 acre-ft of sediment storage volume is available between the 7409.61 ft level and the maximum sediment level of 7411.4."

The fourth quarter and annual certification inspection was conducted on 12/17/97. The pond's surface was noted as being frozen. According to Mr. Sorensen, a measurement to record sediment level is taken approximately five feet away from the oil skimmer/standpipe which supports the inby end of the catwalk. When the pond is cleaned, the people are very hesitant about getting too close to the standpipe with the muck bucket, for fear of damaging the foundation of same. Considering this, it is possible that they did not get close enough to the island (i.e., less than the five feet mentioned above) for an accurate sediment level measurement to be taken. Also, the sketch on the back of the inspection form creates confusion when compared with the verbiage in the certification. Mr. Sorensen was able to clarify the sketch; some numbers had been inadvertently run together, making the sketch unclear. It should be noted that no reference was made by Mr. Sorensen in the inspection report indicating that the pond is in need of cleaning; this is what is indicated by his certification, (i.e., "which is above the 60 % level").

In consideration of the effects created by "El Nino", the SUFCO site received unusually high rainfall amounts during the fall of 1997. It is possible that the sediment volume increased much more quickly than has ever been seen in the past. The weather conditions at this time would create an extreme hazard to those individuals who would be involved in the cleaning of this pond. SUFCO has committed to re-evaluating the sediment level in this pond as soon as weather conditions permit. If cleanout is necessary, it will be initiated.

It was suggested by this inspector during this discussion that one of two alternatives be looked at, (1) that the annual impoundment certification inspection/evaluation of sediment levels be conducted when several months of decent weather remain, i.e., say during the second quarter so that cleanout can be achieved if necessary prior to the following spring runoff, or (2) that merely elevations be checked more than once a year to be certain sediment levels are not accelerating too rapidly, (due to unprecedented rainfall amounts).

Pond 002A (mine site pond) was decanted in October without any exceedances; it discharged on 1/28/98 due to snowmelt runoff without exceedances. There was no discharge on 1/29/98.

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4d. WATER MONITORING

The review of discharge monitoring reports for the months of October, November, and December 1997, and January 1998 did not reveal any problems or exceedances. All submittals are timely. The fourth quarter bio-monitoring testing was conducted during the month of October using effluent from 003A, which is the mine water discharge point in Quitchupah Creek. All test dilutions successfully passed using pimephalas promelas as the test species,

The fourth quarter 1997 water monitoring report for the SUFCO site was submitted to the SLC-DOG M on 2/6/98 by Mr. Gary Taylor.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The waste rock site is under approximately nine inches of snow as measured on the County Road storage pad immediately west of this site. Fresh piles of mine development waste have been recently placed, and the temporary storage area at the mine site contains a large volume of fresh material. Construction on the new disposal lift appears to have stopped until weather conditions improve.

The fourth quarter waste rock inspection/certification was conducted by Mr. Wes Sorensen on 12/17 & 18/97. No problems were observed as noted by the inspection report.

The fourth quarter waste rock pond/decant pond inspection was conducted, once again on 12/17/97 by Mr. Sorensen. No problems were reported.

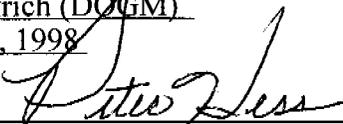
14. SUBSIDENCE CONTROL

A completed copy of the 1997 annual subsidence report for the SUFCO site, as prepared by Mr. John Black, Chief Surveyor, was reviewed. It will be submitted with the 1997 annual report.

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas, and Mining.

Copy of this Report:

Mailed to: Mike Davis (Canyon Fuel) Henry Austin (OSM)
Given to: Joe Helfrich (DOG M) Filed to: Price Field Office
Date: February 20, 1998

Inspector's Signature:  #46
Peter Hess