



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

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Partial: XXX Complete: Exploration:
Inspection Date & Time: 7/8/98 / 7:30a.m.-3:30p.m.
Date of Last Inspection: 6/15/98

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: Sunny, Warm, 70's
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

- 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 N/A.
b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing 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, Division Orders, and amendments.

Table with 4 columns: EVALUATED, N/A, COMMENTS, NOV/ENF. Rows include: PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; DIVERSIONS; SEDIMENT PONDS AND IMPOUNDMENTS; OTHER SEDIMENT CONTROL MEASURES; WATER MONITORING; EFFLUENT LIMITATIONS; EXPLOSIVES; DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES; COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS; NONCOAL WASTE; PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES; SLIDES AND OTHER DAMAGE; CONTEMPORANEOUS RECLAMATION; BACKFILLING AND GRADING; REVEGETATION; SUBSIDENCE CONTROL; CESSATION OF OPERATIONS; ROADS; CONSTRUCTION/MAINTENANCE/SURFACING; DRAINAGE CONTROLS; OTHER TRANSPORTATION FACILITIES; SUPPORT FACILITIES/UTILITY INSTALLATIONS; AVS CHECK (4th Quarter-April, May, June) (date); AIR QUALITY PERMIT; BONDING & INSURANCE.

INSPECTION REPORT
(Continuation sheet)

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PERMIT NUMBER: ACT/041/002

DATE OF INSPECTION: 7/8/98

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The ownership of the Canyon Fuel Company, LLC Mines is now held by ARCH Minerals of St. Louis, Mo. According to Mr. Davis, the revision of the Chapter 1 information (legal and financial update) remains to be completed.

According to Ms. Pamela Grubaugh-Littig of the DOGM SLO, the document is in the process of being prepared. The Division has given the permittee some extra time to prepare this.

2. SIGNS AND MARKERS

Mr. Davis indicated that, to the best of his knowledge, none of the current information as posted on the permittee identification signs needs to be changed with respect to the ARCH purchase.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

Today's inspection of the road side waste rock disposal area has revealed that the current lift is at the maximum elevation for waste storage. The placement of topsoil should be initiated shortly.

No problems were noted at the waste rock site.

9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES

As noted in the June 15, 1998 inspection report, an incident occurred at the mine which caused environmental damage outside of the permit area on June 8. A mixture of coal fines and water was accidentally discharged into the undisturbed drainage bypass culvert, whence it flowed to the East Spring Canyon ephemeral drainage to a distance of one hundred and fifty feet off of the mine permit area.

On June 15, notice of violation N98-46-1-1 was issued to the permittee for the above. The permittee responded with a mitigation plan on June 18; the requirements of same were completed on July 7. During today's inspection, the cleanup of the fines was examined. The permittee has cleaned up the damage to the extent which is practical using manual labor. The first thunderstorm which puts flow in this drainage should scour the remnants. N98-46-1-1 was terminated at 10:25 A.M.

16b. ROADS: DRAINAGE CONTROLS

The permittee needs to re-establish the water bars and the drainage ditch along the mine site sediment pond access road. These controls were removed during the cleaning of the pond.

20. AIR QUALITY PERMIT

The Mine received an inspection from the Utah Dept. Of Environmental Quality, Division of Air Quality on June 23, 1998.

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 (DOGM) Filed to: Price Field Office
Date: July 10, 1998

Inspector's Signature: _____ #46

Peter Hess