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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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INSPECTION REPORT

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Partial: _____ Complete: XXX Exploration: _____
Inspection Date & Time: 5/22/2001 / 10:00am-3:00pm
Date of Last Inspection: 4/15/2001

Mine Name: SUFCO Mine County: Sevier Permit Number: 0211/002
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 Official(s): Stephen J. Demczak Federal Official(s): None
Weather Conditions: Warm 60's
Existing Acreage: Permitted 24,632.95 Disturbed 46.003 Regraded _____ Seeded _____
Status: Active XXX

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

- 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 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. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" 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 checked="" 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 checked="" type="checkbox"/>	<input 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input checked="" type="checkbox"/>	<input 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 th Quarter- April, May, June)	<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 checked="" type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/041/002

DATE OF INSPECTION: 5/22/2001

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The Permittee will be submitting two amendments by the end of the third quarter. The new proposals are the expansion of the leach field and a culinary water system. These projects will be located below the mine site.

During the review of the Mining and Reclamation plan with Mike Davis we found that the permit area is 24,632.95 acres and the disturbed area is 27.364 acres. This information came from the new reclamation agreement.

2. SIGNS AND MARKERS

The disturbed area markers were spot-checked and meet the requirements of the Coal Rules.

3. TOPSOIL

The topsoil pile at the waste rock site was inspected with no signs of erosion. Vegetation has begun to grow on the topsoil pile.

4A. HYDROPONIC BALANCE: DIVERSIONS

Several diversions were spot-checked throughout the SUFCO property. The diversions were functioning as designed. No problems were noted. No water was flowing at the time of the inspection.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The mine site sediment pond was inspected with no hazardous conditions being noticed. The mine site pond did contain water and was discharging.

The first quarter sediment pond inspection was reviewed with no hazardous conditions being reported. This report was P.E. certified. The report was dated March 22, 2001.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

The Permittee uses silt fences as the main treatment for alternate sediment control areas. The silt fences were functioning as designed and were treating the water.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/041/002

DATE OF INSPECTION: 5/22/2001

4D. HYDROLOGIC BALANCE: WATER MONITORING

The fourth quarter water monitoring report was inspected during a complete inspection in March. The inspection consisted of reviewing the requirements in the Mining and Reclamation Plans and comparing it with the fourth quarter report. Parameters, site sampling locations, and time frames for lab analysis were all in compliance for fourth quarter. This information was electronically submitted to the Division by the end of the March. This information was accepted by the Division. Prior to the inspection in May, the water database showed that no new information had been entered into the system. The Permittee plans to submit the first quarter information by the end of the June. This will meet the requirements of SUFCO's Mining and Reclamation Plan and the R645 Coal Rules.

SUFCO has not taken water monitoring for second quarter. The water samples will be taken by the end of the second quarter. This meets the requirements of SUFCO's Mining and Reclamation Plan and the R645 Coal Rules.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

The UPDES Permit for SUFCO is UT0022918 and will expire on April 30, 2001. A review of the fourth quarter report showed compliance with the permit. There are three outfalls within the mine site for discharge of water and are listed below:

001 - Discharge of mine water from six inch pipe.

002 - Twelve inch discharge pipe outlet of the sediment pond (mine site).

003 - Twelve and six inch discharge pipe at a mine breakout going to Quitchupah Creek.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The refuse pile was inspected and no hazardous conditions were noted. The waste rock site was covered. A first quarter inspection was made of the site on March 22, 2001. There was no report of any hazardous conditions. This document was P.E. certified.

8. NONCOAL WASTE

There was some noncoal waste material within the material storage yard. The Permittee has committed to clean up the debris.

14. SUBSIDENCE CONTROL

The subsidence monitoring is in the Annual Report 2000.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/041/002

DATE OF INSPECTION: 5/22/2001

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

No construction was occurring at the SUFCO mine.

20. AIR QUALITY PERMIT

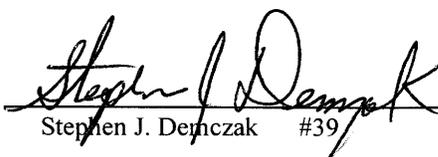
The Air Quality Permit number is DAQE-154-98. The Permittee can mine 8,000,000 tons of coal in a twelve-month interval.

21. BONDING AND INSURANCE

The insurance acord form was inspected and meets the requirements of the R645 Coal Rules. The policy will expire on July 31, 2001. The insurance company is Federal Insurance Company.

The Reclamation Agreement has been reviewed by the Division. The Permittee has updated the disturbed and permit areas within the agreement. The mine is bonded for \$4,439,000.

Inspector's Signature: _____


Stephen J. Demczak #39

Date: May 30, 2001

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

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cc: James Fulton, OSM
Ken May, Canyon Fuel
Price Field office

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