



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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INSPECTION REPORT

PHL
by
[Signature]

Partial: _____ Complete: XXX Exploration: _____
Inspection Date & Time: 11/14/2001 / 9:30am-1:30pm
Date of Last Inspection: 10/24/2001

Mine Name: SUFCO Mine County: Sevier Permit Number: C/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, Wess Sorensen
State Official(s): Stephen J. Demczak Federal Official(s): None
Weather Conditions: Sunny 40's
Existing Acreage: Permitted 24,632.95 Disturbed 27.617 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 RELATE ENVIRONMENTAL ISSUESD	<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 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 checked="" 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 (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: 11/14/2001

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The actual disturbed area has changed at the SUFCO mine since the approval of the 300,000 gallon water tank amendment.

The permittee will be meeting with the Division in the near future to discuss the opening of a pre-law mine at Link Canyon. There are two portals which are planned to be opened. The intent is to be able to have additional escape ways and to have access to the Link Canyon substation from underground. The surface owner is the U.S. Forest Service. A pre-meeting with the inspector has taken place discussing some of the requirements needing to be addressed in an amendment and what discipline(s) might be required in the review process.

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.

The topsoil pile at Link Canyon was inspected with no signs of wind and water erosion. This topsoil pile is protected by a berm.

4A. HYDROLOGIC BALANCE: DIVERSIONS

Several diversions were spot-checked. 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 has just been cleaned. It contained water and was discharging. The third quarter sediment pond inspection was reviewed with no hazardous conditions being reported. The report was P.E. certified. The report was dated September 27, 2001.

The rock waste pond was cleaned at the same time as the mine site pond. The third quarter sediment pond inspection was reviewed with no hazardous conditions being reported. The report was P.E. certified. The report was dated September 27, 2001.

INSPECTION REPORT

(Continuation sheet)

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4C. HYDROLOGIC BALANCES: 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.

4D. HYDROLOGIC BALANCE: WATER MONITORING

Prior to the inspection, the water monitoring was reviewed by using the Water Database System. The permittee has submitted second quarter water information to the Division. The second quarter information complied with the requirements in the Mining and Reclamation Plan and the R645 Coal Rules. The third quarter water monitoring is in the process of being submitted electronically. This information will be completely submitted by the end of the quarter. The fourth quarter water samples are in the process of being taken and will be finished by the end of the quarter.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

The UPDES Permit for SUFCO is UT0022918. The permit is effective May 1, 2001 and will expire on April 30, 2006.

There are three outfalls on this permit, they are listed below:

- 001 - Discharge of mine water from six-inch pipe.
- 002 - 12" discharge pipe outlet of the sediment pond (mine site).
- 003 - 12" and 6" discharge pipe at a mine breakout going to Quitchupah Creek.

All DMR's reports complied with the permit.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The refuse pile was inspected and no hazardous conditions were noted. The waste rock site was covered. The third quarter inspection was done on September 27, 2001. This inspection was P.E. certified with no report of any hazardous conditions.

8. NONCOAL WASTE

The area was basically free of noncoal waste material on the mine site.

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

The permittee has graded the road to the leach field. The expansion of the leach field should begin this week. This action has been approved by the Division.

INSPECTION REPORT

(Continuation sheet)

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20. AIR QUALITY PERMIT

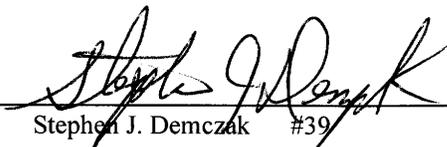
The Air Quality Permit number is DAQE-714-98, issued October 28, 1998. This permit allows the permittee to mine 8,000,000 tons of coal in a twelve-month interval. The entire mine site area is covered in coal dust. The coal loading and processing areas have been watered to keep the dust down.

21. BONDING AND INSURANCE

The insurance accord form was inspected and meets the requirements of the R645 Coal Rules. The policy will expire on July 31, 2002. The insurance company is Federal Insurance Company.

The Reclamation Agreement (#4005A1915) is through St. Paul Fire and Marine Insurance Company. This 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: November 15, 2001

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

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

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