

0001



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

INSPECTION REPORT

OK
Paul
but
SO

Partial: _____ Complete: XXX Exploration: _____
Inspection Date & Time: 01/24/2002 / 10:00am-2:00pm
Date of Last Inspection: 12/18/2002

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
State Official(s): Stephen J. Demczak Federal Official(s): None
Weather Conditions: Cooled, 5 inches Snow cover, 15 degrees
Existing Acreage: Permitted 24,632.95 Disturbed 27.364 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 checked="" 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 checked="" 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 checked="" 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: 01/24/2002

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The Division is reviewing the request for permit renewal of the SUFCO mine. The permit will expire on May 20, 2002.

The permittee has also submitted to the Division an amendment to update the ownership and control information and five year mine projections. This information is necessary for renewing SUFCO mine permit.

The permittee has two SPCC Plans for the SUFCO property. The mine site SPCC Plan was updated on February 9, 2000 and the Link Canyon SPCC Plan was signed on September 25, 2000. Both plans were P.E. certified.

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. The area was partially covered with snow.

4A. HYDROLOGIC BALANCE: DIVERSIONS

Several diversions were spot-checked. No problems were noted. No water was flowing at the time of the inspection.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

The mine site sediment pond was inspected with no hazardous conditions being noticed. The fourth quarter sediment pond inspection was reviewed with no hazardous conditions being reported. The report was P.E. certified. The report was dated December 18, 2001.

The rock waste pond was cleaned at the same time as the mine site pond. The fourth quarter sediment pond inspection was reviewed with no hazardous conditions being reported. The report was P.E. certified. The report was dated December 18, 2001.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/041/002

DATE OF INSPECTION: 01/24/2002

4D. HYDROLOGIC BALANCE: WATER MONITORING

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

The permittee is having difficulties entering zero when the sample location is dry. This is being worked on by the Division.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

The UPDES monthly reports were reviewed for the fourth quarter. The mine site 003A TDS water samples average 1220 mg/l for the month of December. The maximum allowable limit is 1200 mg/L. The mostly likely cause for exceeding the TDS requirement was road salt.

October and November sampling reports did comply with the permit.

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 Quitcupah 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. The fourth quarter inspection was done on December 18, 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.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/041/002

DATE OF INSPECTION: 01/24/2002

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

The permittee expanded the leach field in the fourth quarter. This action was approved by the Division. The permittee plans to construct the water tanks next to the leach field and seed the leach field area in the spring. The permittee could not finish the project due to the snowfall. This area is presently snow covered.

19. AVS CHECK

AVS information has been submitted to the Division for the renewal of the mining permit.

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: January 29, 2002

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

O:\041002.CON\Compliance\2002\c_0124.wpd