

0005



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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041/002

INSPECTION REPORT

Partial XXX Complete Exploration
Inspection Date: 02/18/2003 / Time: 11:20-12:30 PM
Date of Last Inspection: 01/09/2003

Mine Name: SUFECO Mine County: Sevier Permit Number: C/041/002
Permittee and/or Operator's Name: Canyon Fuel Company, LLC.
Business Address: 397 South 800 West, Salina, Utah 84564
Company Official(s): Mike Davis
State Official(s): Peter Hess Federal Official(s): None
Weather Conditions: Clear, cold; wind chill in teens Fahrenheit
Type of Mining Activity: Underground XXX Surface Prep Plant Other
Existing Acreage: Permitted 24632.95 Disturbed 27.364 Regraded Seeded
Status: Active

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

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.

| | EVALUATED | N/A | COMMENTS | NOV/ENF |
|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| 1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE | <input type="checkbox"/> | <input type="checkbox"/> | <input 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 type="checkbox"/> | <input type="checkbox"/> |
| b. SEDIMENT PONDS AND IMPOUNDMENTS | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input 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 type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. EXPLOSIVES | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS | <input type="checkbox"/> | <input type="checkbox"/> | <input 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 ISSUES | <input 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 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 type="checkbox"/> | <input type="checkbox"/> | <input 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 checked="" 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 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 type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. AIR QUALITY PERMIT | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. BONDING & INSURANCE | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/041/002

DATE OF INSPECTION: 02/18/2003

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

Note: Construction activities at the Link Canyon portal / substation were inspected this day. That action was approved through proper permitting action on January 21, 2003 via C/041/002-02E.

2. SIGNS AND MARKERS

The disturbed area perimeter is well delineated with forest green "T" posts accented by fluorescent orange tops. A permittee identification sign has been installed at the fork of the Link Canyon Mine portal access road / USFS road. That sign will be moved and re-installed on the gate barring access to the disturbance after installation of same.

3. TOPSOIL

As observed this day, the permittee was installing a three-strand barbwire fence around the topsoil storage pile, per the approved plan. The topsoil storage pile sign had been knocked over; Mr. Davis had the sign re-installed during today's inspection.

There were no problems noted with the topsoil pile located on the south end of the electrical substation disturbed area.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

The permittee was fully aware that there are two silt fences that need attention at the site. The first is located down gradient from the substation access road fork. Earth materials have filled in behind the fence from the process of establishing a road berm here. The second fence is located at the substation access road on the inside ditch. This fence had been run over by machinery.

The permittee has installed a silt fence in both of the disturbed area ditches which discharge up gradient of the inlet to the dual thirty-six inch culverts (undisturbed bypass). This is in accordance with the approved plan.

The silt fence that provides the sediment control for the down gradient side of the disturbed area appeared to be capable of functioning as designed. The permittee intends to leave this control in place until any exposed soils are re-vegetated.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The permittee has received the results of the water samples taken on the day the west portal was opened. This is the same water that has discharged from this mine for at least forty years; it is not required to meet UPDES effluent parameters.

13. REVEGETATION

The permittee intended to hand broadcast the areas that needed re-establishment of the vegetation this day. The approved interim mix from the mining and reclamation plan is to be used.

16A. ROADS: CONSTRUCTION/MAINTENANCE/SURFACING

The area had recently received snow and the FS road (main Link Canyon road) was soft. All of the water bar diversions were in good repair and appeared to be capable of functioning as designed.

INSPECTION REPORT
(Continuation Sheet)

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It was observed that the Link Canyon portal area access was in need of more gravel, as this is the primary treatment to prevent erosion and provide sediment control for this alternate sediment control area. Mr. Davis indicated that additional gravel will be hauled through the mine and placed when the underground access becomes operational. The permittee did not want to run heavy trucks on the Forest Service road to haul gravel at the present time.

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

The permittee installed seven power poles between the Link Canyon substation and the old Link Canyon Mine west portal to carry the insulated high voltage power feed lines. As observed this day, the power feeders were still in the process of being raised to the insulator locations. Then the feeders will be suspended from a messenger cable between the poles.

The permittee has evaluated the condition of the Link Canyon Mine entries. At present, a plan is being developed to drive new entries from the underground workings in the SUFCO Mine to intersect the Link Canyon Mine, so that it is not necessary to widen at least one of the Link Canyon entries by slabbing via continuous miner. Rehabilitation of the old mine would be costly, and the permittee is evaluating the cost benefit of driving new entries to intercept the Link Canyon breakout.

As observed this day, the permittee has installed thirty-six feet of tunnel liner in the west portal of the Link Canyon Mine. Same has been installed on concrete footers. The liner will help support the unconsolidated material in the highwall. The permittee has placed backfill over the tunnel liner.

Items that remain to be completed are the installation of the access road gate, as noted above, and the gates at the mine portal to prevent unauthorized access. "As-Built" drawings of this utility installation will be submitted to update the MRP shortly thereafter.

Inspector's Signature: _____


Peter Hess #46

Date: February 20, 2003

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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