



0033 U. S. DEPT. OF THE INTERIOR
 OFFICE OF SURFACE MINING
 Mine Site Evaluation
 State Program



2/24/02
Jeaning FAX PFO

RECEIVED

JUN 21 2004

DIV. OF OIL, GAS & MINING

1. Permittee/Person
 SOUTHERN UTAH FUEL CO.

2. Address
 397 SOUTH 800 WEST

3. City
 SALINA

4. State
 UT

5. Zip Code
 84654

6. Phone Number
 (435) 529-7428

7. Operator Name, if Different than Permittee

8. Mine Name
 CONVULSION CANYON /

9. Permit Number
 UT-041-002

10. Permit Type
 PP

11. Field Visit Date
 06/03/2004
 mm - dd - yyyy

12. Purpose
 O

13. SRA Present
 Y

14. Permit Status
 A

15. Site Status
 AP

16. Facility Type
 BDEG

17. OSM Office #
 140

18. CCID #

19. Land Code
 F

20. M.S.H.A ID #
 42-00089

21. State Abrev.
 UT

22. County Name
 SEVIER

23. AVS Permittee Entity ID Number
 060111

24. State Office

25. Hours

a. Permit Review: 0.4

b. Site Visit Time: 14.0

c. Travel Time: 8.0

d. Report Writing: 2.0

26. Signature Block

Henry Austin
 Signature: 6/15/04
 HENRY AUSTIN ID # 116

Printed Name:

Date: 06/15/2004

27. Reviewing Official:

Active Joseph W. Delooy
 Signature:

Review Date: 06 15 2004
 mm - dd - yyyy

Is Supplemental MSE Page Used Y/N

Permit Type — Item 10 IP = Interim Program, PP = Permanent Program, NP = No Permit

Purpose Type Codes Item 12

Oxx.... Oversight
 Axx.... Assistance

RFx.... Reclamation Fees
 Fxx.... Federal Actions

CCR.... Citizen Complaint Referral (non site visit)
 CC.... Citizen Complaint (initial site visit)
 CCF.... Citizen Complaint Follow-up

Joint Inspection — Item 13 A joint inspection is when a state inspector accompanies an OSM inspector any time during the review of the mine site.

Permit Status — Item 14

A.... Active: Coal mining and reclamation activities occurring or permitted but not yet disturbed.
 IN.... Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit) Coal mining completed and reclamation activities initiated.
 BR.... Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release.)

AB.... Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840.11(g)
 AB1... Bond Forfeiture: Bond forfeiture officially in process or completed, and reclamation in progress or not yet commenced.
 AB2... Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.
 AB3... Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.
 NA.... Not Applicable: When site is unpermitted.

Site Status Codes — Item 15

ND... No Disturbance: No coal mining and reclamation operations have been started.
 EX... Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.
 AP... Active Coal Producing: Coal surface mining activities are occurring.
 AN... Active Non-Producing: Active non-producing facility such as tippie or preparation plant.
 NM... No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.

MC... Mining Complete: No mining activity on site, site regraded and awaiting phase bond release.
 TC... Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817.131(b).
 P1... Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.
 P2... Phase II Release: At least Phase II bond release for the entire permitted area.
 P3... Phase III Release: Reclamation completed and the RA has released all bond.

NS.. Non-Site Visit: Status of site not determined.
 FP.. Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress.
 FR.. Forfeited and Reclaimed: Forfeiture reclamation completed.
 FO.. Abandoned Site: Abandoned site that is permitted but there is no bond.
 WC.. Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.

Facility Type Codes — Item 16

A... Surface
 B... Underground
 C... Preparation Plant

D... Ancillary (Haulroad, Conveyor, and/or Rails)
 E... Refuse and/or Impoundment
 F... Loading Facility and/or Tippie
 G... Stockpiles

H... Exploration Permits
 I... Notice of Intent to Explore
 J... Exempt 16 and 2/3
 K... Government Financed Construction Exemption

L... Remining site permitted under 30 CFR 785.25

Small Business Regulatory Enforcement Fairness Act (SBREFA)
Your Comments Are Important

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247).

U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING

Mine Site Evaluation

State Program

Permittee/Person **SOUTHERN UTAH FUEL**

Permit Number **UT-041-002**

Field Visit Date **06/03/2004**

Continuation Page

28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited

- | | | | | | | | | | | | | | | |
|---|--|--|----------|-------|-------|----------|-------------|-------|-------|----------|----------|-------|-------|----------|
| <p>A. Administrative</p> <ol style="list-style-type: none"> 1. <u>1</u> Mining within Valid Permit 2. <u>1</u> Mining within Bonded Area 3. <u>1</u> Terms & Conditions of Permit 4. <u>1</u> Liability Insurance 5. <u>1</u> Ownership and Control 6. <u>1</u> Temporary Cessation 7. <u>1</u> AML Rec. Fees -- Non-Respondent 8. <u>1</u> AML Rec. Fees -- Failure to Pay <p>B. Hydrologic Balance</p> <ol style="list-style-type: none"> 1. <u>1</u> Drainage Control 2. <u>1</u> Inspections & Certifications 3. <u>1</u> Siltation Structures 4. <u>1</u> Discharge Structures 5. <u>1</u> Diversions 6. <u>1</u> Effluent Limits 7. <u>1</u> Ground Water Monitoring 8. <u>1</u> Surface Water Monitoring 9. <u>3</u> Drainage -- Acid-Toxic Materials 10. <u>1</u> Impoundments 11. <u>1</u> Stream Buffer Zones <p>C. Topsoil & Subsoil</p> <ol style="list-style-type: none"> 1. <u>1</u> Removal 2. <u>1</u> Substitute Materials 3. <u>1</u> Storage and Protection 4. <u>1</u> Redistribution | <p>D. Backfilling & Grading</p> <ol style="list-style-type: none"> 1. <u>1</u> Exposed Openings 2. <u>1</u> Contemporaneous Reclamation 3. <u>1</u> Approximate Original Contour 4. <u>1</u> Highwall Elimination 5. <u>3</u> Steep Slopes (includes downslope) 6. <u>3</u> Handling of Acid & Toxic Materials 7. <u>1</u> Stabilization (rills and gullies) <p>E. Excess Spoil Disposal</p> <ol style="list-style-type: none"> 1. <u>3</u> Placement 2. <u>3</u> Drainage Control 3. <u>3</u> Surface Stabilization 4. <u>3</u> Inspections & Certifications <p>F. Coal Mine Waste (Refuse Piles/Impoundments)</p> <ol style="list-style-type: none"> 1. <u>1</u> Drainage Control 2. <u>1</u> Surface Stabilization 3. <u>1</u> Placement 4. <u>1</u> Inspections and Certifications 5. <u>1</u> Impounding Structures <p>G. Use Of Explosives</p> <ol style="list-style-type: none"> 1. <u>1</u> Blaster Certification 2. <u>1</u> Distance Prohibitions 3. <u>1</u> Blast Survey/Schedule 4. <u>1</u> Warnings & Records 5. <u>1</u> Control of Adverse Effects | <p>H. <u>1</u> Subsidence Control Plan</p> <p>I. Roads</p> <ol style="list-style-type: none"> 1. <u>1</u> Road Construction 2. <u>1</u> Certification 3. <u>1</u> Drainage 4. <u>1</u> Surfacing and Maintenance 5. <u>1</u> Reclamation <p>J. Signs & Markers</p> <ol style="list-style-type: none"> 1. <u>1</u> Signs 2. <u>1</u> Markers <p>K. <u>1</u> Distance Prohibitions</p> <p>L. Revegetation</p> <ol style="list-style-type: none"> 1. <u>1</u> Vegetative Cover 2. <u>1</u> Timing <p>M. <u>1</u> Postmining Land Use</p> <p>N. Other</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">General</td> <td style="width: 5%;">_____</td> <td style="width: 5%;">_____</td> <td style="width: 5%;">1) _____</td> </tr> <tr> <td>Performance</td> <td>_____</td> <td>_____</td> <td>2) _____</td> </tr> <tr> <td>Category</td> <td>_____</td> <td>_____</td> <td>3) _____</td> </tr> </table> | General | _____ | _____ | 1) _____ | Performance | _____ | _____ | 2) _____ | Category | _____ | _____ | 3) _____ |
| General | _____ | _____ | 1) _____ | | | | | | | | | | | |
| Performance | _____ | _____ | 2) _____ | | | | | | | | | | | |
| Category | _____ | _____ | 3) _____ | | | | | | | | | | | |

Performance Standard Categories 30 CFR Counterpart

<p>A. Administrative.....(816/817.41-57)</p> <ol style="list-style-type: none"> 1. Valid Permit.....773.11 2. Mining within Bonded Area.....773.11 3. Terms & Conditions of Permit.....773.17 4. Liability Insurance.....800.60 5. Ownership and Control.....778.13 6. Temporary Cessation.....842.11(e) & 816/817.131 7. AML Rec. Fees -- Non-Respondant.....870.15(b) 8. AML Rec. Fees -- Failure to Pay.....870.15(a) <p>B. Hydrologic Balance.....(816/817.41-57)</p> <ol style="list-style-type: none"> 1. Drainage Control.....45 2. Inspections & Certifications.....49(a)(10) 3. Siltation Structures.....46 4. Discharge Structures.....47 5. Diversions.....43 6. Effluent Limits.....42 7. Ground Water Monitoring.....41(c) 8. Surface Water Monitoring.....41(e) 9. Drainage--Acid - Toxic Materials.....41(f) 10. Impoundments.....49 11. Stream Buffer Zones.....57 <p>C. Topsoil & Subsoil.....(816/817.22)</p> <ol style="list-style-type: none"> 1. Removal.....22(a) 2. Substitute Materials.....22(c) 3. Storage and Protection.....22(c) 4. Redistribution.....22(d) <p>D. Backfilling & Grading.....(816/817.95-107)</p> <ol style="list-style-type: none"> 1. Exposed Openings.....816/817.13, 14, 15, & 823.11 & 21 2. Contemporaneous Reclamation.....100 3. Approximate Original Contour.....102(a)(1) 4. Highwall Elimination.....102(a)(2) 5. Steep Slopes (includes downslope).....107 6. Handling of Acid & Toxic Materials.....102(c) 7. Stabilization (rills and gullies).....95(b) 	<p>E. Excess Spoil Disposal.....(816/817.71-74)</p> <ol style="list-style-type: none"> 1. Placement.....71(e) 2. Drainage Control.....71(f) 3. Surface Stabilization.....71(g) 4. Inspections & Certifications.....71(h) <p>F. Coal Mine Waste (Refuse Piles/Impoundments)(816/817.81-84)</p> <ol style="list-style-type: none"> 1. Drainage Control.....83(a) 2. Surface Stabilization.....83(b) 3. Placement.....83(c) 4. Inspections and Certifications.....83(d) 5. Impounding Structures.....84 <p>G. Use of Explosives.....(816/817.61-68)</p> <ol style="list-style-type: none"> 1. Blaster Certification.....61(c) 2. Distance Prohibitions.....61(d) 3. Blast Survey/Schedule.....62-64 4. Warnings & Records.....66 & 68 5. Control of Adverse Effects.....67 <p>H. Subsidence Control Plan.....(817.121-122)</p> <p>I. Roads.....(816/817.150-151)</p> <ol style="list-style-type: none"> 1. Road Construction.....150(c) 2. Certification.....151(a) 3. Drainage.....150(b)-151(d) 4. Surfacing and Maintenance.....150(e)-151(d) 5. Reclamation.....150(f) <p>J. Signs & Markers(816/817.11)</p> <ol style="list-style-type: none"> 1. Signs.....11(a),(b),&(c) 2. Markers.....11(a),(b),(d),(e),&(f) <p>K. Distance Prohibitions.....(761.11)</p> <p>L. Revegetation.....(816/817.111-116)</p> <ol style="list-style-type: none"> 1. Vegetative Cover.....111 & 116 2. Timing.....113 <p>M. Postmining Land Use.....(816/817.133)</p>
---	---

June 14, 2004

Canyon Fuel, LLC
3907 South 800 West
Salina, UT 84654

SUFSCO Mine
Complete, oversight inspection
June 2 & 3, 2004

Participants:

Mike Davis, Canyon Fuel, LLC (CFL)
Pete Hess, Utah Division of Oil, Gas & Mining (DOGGM)
Henry Austin, Office of Surface Mining (OSM)

I participated in a complete, oversight inspection of the SUFCO Mine with the above. This mine was selected by the joint DOGM / OSM Evaluation Team for a complete inspection during Evaluation Year (EY) 2004. Weather conditions were hot and dry, and ground conditions were dry throughout the areas inspected. This inspection focused on offsite impacts, and no offsite impacts were identified during the inspection.

We began the inspection with a review of permitting and environmental monitoring records at the mine offices. Mr. Hess conducted a thorough review of the office records, which we found to be in compliance. Our review included the following: surface & ground water monitoring records were in compliance and results uploaded into the DOGM water quality data base on 02/25/04 and 05/30/04 (DMR's also); UPDES / monthly DMR's are current through May from the two active discharge areas and no reported exceedences were noted for the period reviewed; liability insurance is current and expires July 31, 2004; reviewed the active USFS Special Use permits; all water impoundments and the waste rock pile itself had quarterly inspections on March 25, 2004; the 5/30/02 DOGM mining permit expires 05/20/2007 and contains one stipulation (DOGM water quality database requirements); current surety bond amount reviewed was \$4,439,000.00 held by St. Paul Fire and Marine Insurance Company; the mine ASCA (alternative sediment control) locations were reviewed on Plate 5-2B primarily for my information; and blasting records were not applicable. This concluded our records review.

We inspected the mine's surface facilities disturbances, and no offsite impacts were identified. Areas inspected included: water tank area (underground tank) and undisturbed area runoff ditch / culvert in the same area; shop & warehouse areas were well maintained and orderly; auxiliary fan / ASCA for the fan / and the undisturbed area inlet here, and one inlet in the storage yard area were well maintained; and the storage yard was inspected where Mr. Hess requested that stored belt rollers be removed from a drop drain to the sediment pond (Mr. Davis had this done during the inspection).

SUFACO Mine; pg. 2

We noted one haulroad culvert that needed inlet maintenance (this culvert is just off the permit area at the mine site entrance); we inspected the facilities sediment pond and the road to the pond.

This pond was cleaned out Fall 2003 and Mr. Hess asked that additional defining / protection work be completed for the ditch on the pond's access roadway. The roadway is currently stable. There is a topsoil pile and associated ASCA below the sediment pond embankment that appeared to be stable. The pond was completely full and discharging during the inspection, water samples were not taken. The pond was receiving facilities area runoff.

We next drove down the haulroad to the waste rock / coal waste disposal pile which was stable. The topsoil & subsoil piles, and the sediment pond associated with the waste rock storage area were stable and protected. The sediment pond was completely dry.

We next inspected the spring collection system and the leach field which are stable and well vegetated. This concluded the inspection for June 2nd.

We continued the inspection on June 3rd spending the day inspecting the East Fork of Box Canyon area for surface subsidence features, and the breakout area facilities (air intake) in Link Canyon. Several additional staff from CFL and DOGM accompanied us June 3rd including Chris Hansen, Wes Sorenson, and Craig Hilton from CFL; and Susan White, Daron Haddock, Steve Fluke, and Justin Eatchel from DOGM.

We began the inspection with a brief stop at the reclaimed substation # 1 facility in Link Canyon which is well vegetated and stable. We next hiked down into the East Fork of Box Canyon, hiking downstream from monitoring point EFB 7 (East of the panel gate roads) and making general observations. Flow at EFB 7 was estimated at 5gpm. We did not collect any required, routine monitoring data (flow, distances, subsidence features, etc.) during this inspection. The permittee has exceeded their required monitoring frequency here, and collected the required monitoring data approximately 3 weeks prior to this inspection. Inspection participants that conducted the monitoring here 3 weeks ago reported that approximately 90% of the East Fork upstream flow amount measured at EFB 7 was measured downstream below all known subsidence effects including the angle of draw area.

We walked downstream past the Elusive Peacock Shelter and to the point where subsidence effects are estimated to end past the longwall panel development and angle of draw. The East Fork stream channel flow appears to enter the alluvium and is not visible for approximately 300 to 400 feet between EFB 7 and the downstream end of subsidence effects / angle of draw. East Fork channel flow does reappear in a few locations within the 300 to 400 foot reach noted above as the channel intercepts exposed bedrock units and the units show in the channel surface. Previously identified seeps and springs that are being monitored were noted to be flowing.

SUFCO Mine; pg. 3

We noted subsidence cracks both parallel and perpendicular to the stream channel, and intercepting the channel in several locations in both sandstone and shale beds. We noted some iron precipitate in one location in the stream channel below organic shale beds intercepted by the stream channel downstream of EFB 11. We noted large surface cracks also uphill from the Peacock Shelter in deep soils. We discussed possible ways to repair and close these cracks (small explosives charges, small track hoe, etc.). OGM summer intern Justine Eatchel is documenting the locations of surface subsidence effects throughout this area. Inspection participants pointed out one small area in the stream channel where bentonite pellets had been applied attempting to seal the channel.

The Peacock Shelter itself has spalled farther back into the hillside than we observed during my November 19 inspection here. A meeting is scheduled here on site during the week of June 14 to discuss damages to the shelter. This concluded the inspection in the East Fork of Box Canyon.

We concluded the inspection at the surface facilities in Link Canyon including the air intake portal, topsoil storage pile, and associated disturbed area here. No water was noted at the portal area, and surface water runoff from this ASCA does not appear to be a problem.

Please address any questions concerning this inspection report to Henry Austin, Senior Reclamation Specialist, at haustin@osmre.gov or to (303) 844-1400 x1466.