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State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Inspection Report

Permit Number:	C0410002
Inspection Type:	TECHNICAL
Inspection Date:	Thursday, May 11, 2006
Start Date/Time:	5/11/2006 10:30:00 AM
End Date/Time:	5/11/2006 3:00:00 PM
Last Inspection:	

Inspector: Steven Fluke, Environmental Scientist II

Weather: partly cloudy, calm, cool ~60-75 F

InspectionID Report Number: 951

Accepted by: whedberg
6/12/2006

Representatives Present During the Inspection:	
OGM	Steven Fluke Environmental Scientist II
OGM	Pete Hess Environmental Scientist III
Company	Chris D. Hansen Environmental Manager
Company	Mike Davis
Federal	Tom Lloyd Ferron-Price District Geologist
Federal	Dale Harber Forest Geologist
Federal	Steve Rigby Mining Engineer
Federal	Steve Falk
Company	Erik Petersen

Permitee: **CANYON FUEL COMPANY LLC**
Operator: **CANYON FUEL COMPANY LLC**
Site: **SUFCO MINE**
Address: **397 S 800 W, SALINA UT 84654**
County: **SEVIER**
Permit Type: **PERMANENT COAL PROGRAM**
Permit Status: **ACTIVE**

Current Acreages

26,766.95	**Total Permitted**
27.36	**Total Disturbed**
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☑ **Federal**
- ☑ **State**
- ☐ **County**
- ☐ **Fee**
- ☐ **Other**

Types of Operations

- ☑ **Underground**
- ☐ **Surface**
- ☐ **Loadout**
- ☐ **Processing**
- ☐ **Reprocessing**

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

A group gathered to see the damage caused by undermining the North Water Spring area (Pines 105) in December. Present was Chris Hansen and Mike Davis (SUFCO); Eric Petersen (Petersen Hydrologic); Russ Jensen (Cattle Association); Don Wilcox, Lance Sedweeks, Dale Harbor, Tom Lloyd, and Jeff Alexander (Forest Service); and Steve Falk, Steve Rigby, and Zach ? (BLM). Surface fractures caused by subsidence were noted in the area that need to be repaired. In addition, the North Water spring is dry, when historically it flowed between 5 and 10 gpm this time of year. This is a developed spring with a solar-powered pump capable of pumping ~5 gpm to two troughs for cattle when needed. Also, a spring/seep feeding Joe's Mill Pond (EFB-1) is just damp this spring even though standing water has been observed at this location in the past. SUFCO personnel have verbally committed to providing a proposal for crack repair and a plan for temporary water replacement (one to two years) until a permanent solution can be devised.

Inspector's Signature: /S/ **Date** Friday, May 12, 2006

Steven Fluke, Environmental Scientist II
Inspector ID Number: 53

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

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 Not Applicable.
b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	☐	☑	☐	☐
2. Signs and Markers	☑	☐	☑	☐
3. Topsoil	☐	☑	☐	☐
4.a Hydrologic Balance: Diversions	☐	☑	☐	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☐	☑	☐	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☐	☑	☐	☐
4.d Hydrologic Balance: Water Monitoring	☑	☐	☑	☐
4.e Hydrologic Balance: Effluent Limitations	☐	☑	☐	☐
5. Explosives	☐	☑	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☐	☑	☐	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☐	☑	☐	☐
8. Noncoal Waste	☐	☑	☐	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☑	☐	☑	☐
10. Slides and Other Damage	☑	☐	☑	☐
11. Contemporaneous Reclamation	☐	☑	☐	☐
12. Backfilling And Grading	☐	☑	☐	☐
13. Revegetation	☐	☑	☐	☐
14. Subsidence Control	☐	☑	☐	☐
15. Cessation of Operations	☐	☑	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☐	☑	☐	☐
16.b Roads: Drainage Controls	☐	☑	☐	☐
17. Other Transportation Facilities	☐	☑	☐	☐
18. Support Facilities, Utility Installations	☐	☑	☐	☐
19. AVS Check	☐	☑	☐	☐
20. Air Quality Permit	☐	☑	☐	☐
21. Bonding and Insurance	☐	☑	☐	☐
22. Other	☐	☐	☐	☐

2. Signs and Markers

SUFCO has signs that they will install at the road near the North Water Spring to warn the public of the danger of fractures in the area.

4.d Hydrologic Balance: Water Monitoring

The North Water spring is part of the SUFCO operational water monitoring plan as spring Pines 105. Quarterly data for the spring since 1997 is in the Division EDI database. Based on this monitoring data, the minimum and maximum flow is reported as 2.6 and 12 gpm, respectively, with an average flow rate of 6.5 gpm. The Emery County Water District also monitors flow with a flow meter and telemetry.

9. Protection of Fish, Wildlife and Related Environmental Issues

The forest service will allow the cattlemen to start grazing 1,300 head of cattle in the Pines area at the first of June. North Water and Joe's Mill Pond are both used as a water source for the cattle. North Water spring is especially important as up to 5 gpm is pumped up to troughs from the spring. In addition, riparian vegetation is supported at both spring areas. Although North Water is dry at the spring box, standing water is still in the area that will probably maintain the riparian vegetation.

10. Slides and Other Damage

Damage was noted in the form of subsidence-caused fractures in the North Water spring area and the diversion/drying of the North Water spring (Pines 105) and the spring/seep at Joe's Mill Pond (EFB-1). The area was undermined in December and January this winter and the damage was first recognized at the beginning of May when the area could be accessed following winter snow melt.