



**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*

|  |                                       |
|--|---------------------------------------|
| Representatives Present During the Inspection: |                                       |
| OGM  | Pete Hess Environmental Scientist III |
| Company  | Mike Davis                            |

**Inspection Report**

|                  |                         |
|------------------|-------------------------|
| Permit Number:   | C0410002                |
| Inspection Type: | PARTIAL                 |
| Inspection Date: | Wednesday, May 21, 2008 |
| Start Date/Time: | 5/21/2008 10:13:00 AM   |
| End Date/Time:   | 5/21/2008 2:00:00 PM    |
| Last Inspection: | Tuesday, April 22, 2008 |

Inspector: Pete Hess, Environmental Scientist III  
 Weather: Cold; rain and snow. Spring snow storm.  
 InspectionID Report Number: 1647

*OK* Accepted by: jhelfric  
 6/2/2008

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

**Current Acreages**

|           |                        |
|-----------|------------------------|
| 26,766.95 | <b>Total Permitted</b> |
| 27.36     | <b>Total Disturbed</b> |
|           | <b>Phase I</b>         |
|           | <b>Phase II</b>        |
|           | <b>Phase III</b>       |

**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:**

Today's storm is delivering heavy moisture to the SUFCO Mine permit area. Salina Creek is near the top of its banks.

Inspector's Signature: *Pete Hess*

Date Thursday, May 22, 2008

Pete Hess, Environmental Scientist III  
 Inspector ID Number: 46

**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 performance 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                      | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 2. Signs and Markers   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 3. Topsoil   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 4.a Hydrologic Balance: Diversions                               | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 4.b Hydrologic Balance: Sediment Ponds and Impoundments          | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 4.c Hydrologic Balance: Other Sediment Control Measures          | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 4.d Hydrologic Balance: Water Monitoring                         | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.e Hydrologic Balance: Effluent Limitations                     | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 5. Explosives  | <input type="checkbox"/>            | <input 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 checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" 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 checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" 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 type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 13. Revegetation   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 14. Subsidence Control   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 15. Cessation of Operations                                      | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 16.a Roads: Construction, Maintenance, Surfacing                 | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 16.b Roads: 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  | <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 and Insurance  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 22. Other  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |

**4.d Hydrologic Balance: Water Monitoring**

The DOGM electronic data base has been uploaded with surface and ground water monitoring data for the fourth quarter 2007 for the SUFCO Mine permit area. The Permittee is current relative to this Special Condition of the State issued permit.

**7. Coal Mine Waste, Refuse Piles, Impoundments**

The active lift at the waste rock disposal area is near capacity. After spreading and compacting the waste, the area will be re-topsoiled. To date, the construction of the next disposal lift has not been initiated. Today's storm will delay project initiation due to the increase in soil moisture.

**9. Protection of Fish, Wildlife and Related Environmental Issues**

The Permittee is preparing environmental impact statements for the west lease modification and the Greens Hollow tracts.

**14. Subsidence Control**

Mr. Davis is preparing the annual Report for 2007 for the SUFCO Mine; this is due for submittal to the Division by June 30, 2008.

**18. Support Facilities, Utility Installations**

The modification and refitting of the main electrical substation has been completed. The Permittee has received Division approval (April 28, 2008, Task ID # 2963) to initiate horizontal exploratory drilling from the upper pad area of the East Spring Canyon disturbed area to the west to determine the extent of coal burn at the outcrop. This information is critical to develop new portals which will be used to access new reserves to the west. The drillers are still in the set up process. Five additional directional bores will be implemented in addition to the main core. At this time, Tensar and a steel canopy have been installed on the highwall and mine pad to afford some protection for the drillers. The old ambulance garage has been disassembled and removed; concrete footers remain. This are pending disposal.