



State of Utah

Department of
Natural ResourcesMICHAEL R. STYLER
Executive DirectorDivision of
Oil, Gas & MiningJOHN R. BAZA
Division DirectorJON M. HUNTSMAN, JR.
GovernorGARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

Company	Mike Davis
OGM	Pete Hess Environmental Scientist III

Inspection Report

Permit Number:	C0410002
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, June 11, 2008
Start Date/Time:	6/11/2008 8:47:00 AM
End Date/Time:	6/11/2008 1:35:00 PM
Last Inspection:	Wednesday, May 21, 2008

Inspector: Pete Hess, Environmental Scientist IIIWeather: Sunny, mostly clear; blustery and cool.InspectionID Report Number: 1671Accepted by: jhelfric
7/7/2008

Permittee: **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:

The Permittee notified the Division on May 26, 2008 that the first quarter of 2008 surface and ground water monitoring information for the SUFCO Mine permit area had been successfully uploaded to the DOGM EDI site. The Permittee continues to meet this condition of the State permit issued by the DOGM.

There are no pending compliance actions at this site.

The Permittee will submit the annual report for 2007 by June 30, 2008.

Inspector's Signature: _____

Date

Thursday, June 12, 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 checked="" 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" 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 checked="" 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 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 type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Topsoil

The Permittee has placed some additional material on the subsoil pile located on the south end of the Salina County road department pad.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The Permittee conducted the first quarter of 2008 impoundment inspections for the mine site sediment pond and the waste rock site pond and decant pond on March 31, 2008. All were reported as snow covered. There were no signs of instability or other types of hazards noted. As observed this day, the waste rock and decant ponds were dry; the mine site pond was discharging. There were no compliance issues identified at any of the impoundments. The water bars on the mine site pond access road have been armored with 3 inch rock to minimize erosion.

4.c Hydrologic Balance: Other Sediment Control Measures

The silt fences installed in the Link Canyon portal, electrical substation and reclaimed area appeared capable of functioning as designed. The rock placed on the Link portal access road continues to minimize erosion on this area.

4.d Hydrologic Balance: Water Monitoring

There was no flow observed in Link Canyon Creek. Some spring flow was observed in the drainage below the lower Canyon pump house. Quitchupah Creek at the Utah Route 10 road crossing appeared normal in flow volume and quality.

4.e Hydrologic Balance: Effluent Limitations

5. Explosives

No surface blasting has been conducted at the site.

7. Coal Mine Waste, Refuse Piles, Impoundments

Mr. Davis inspected the coal waste disposal site for the first quarter of 2008 on March 31. There were no hazardous conditions noted. The material was too moist to allow spreading and compacting by heavy equipments. As observed this day, soil moisture has improved but more time is needed to allow for additional drying. Mr. John Byers, Utah P.E., certified the 3/31 inspection report on April 1, 2008. This information has been forwarded to the DOGM, Salt Lake headquarters.

9. Protection of Fish, Wildlife and Related Environmental Issues

The Permittee has completed the raptor survey for 2008; four nests were identified.

11. Contemporaneous Reclamation

The concrete footers associated with the old ambulance garage have been removed. Disposal of that material occurred at the active waste rock site.

14. Subsidence Control

The submittal of the 2007 annual subsidence monitoring is pending (2007 annual report due on June 30, 2008).

18. Support Facilities, Utility Installations

The Permittee has installed a new collection box on the spring collection field system connection pipe to the pumphouse; contractors were installing a locking lid type access on the pump house end of this pipe today. The Permittee hopes that these system modifications will allow for more efficient root cleanout from this pipe and prevent unauthorized access to this system.

19. AVS Check

Ms. Vicky Miller recently submitted a revised General Chapter One ownership and control information amendment for all of the Utah Canyon Fuel Company operations. Task ID # 2988 was received at the DOGM on June 9, 2008; review is pending.

21. Bonding and Insurance

The Permittees current general liability insurance remains in effect through July 31, 2008.