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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0410002
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, December 07, 2011
Start Date/Time:	12/07/2011 9:30:00 AM
End Date/Time:	12/07/2011 1:00:00 PM
Last Inspection:	Wednesday, October 26, 2011

Representatives Present During the Inspection:

Company	Mike Davis
OGM	Joe Helfrich

Inspector: Joe Helfrich

Weather: Sunny 25

InspectionID Report Number: 2955

Accepted by: jhelfric

12/08/2011

Permitee: **CANYON FUEL COMPANY**
 Operator: **CANYON FUEL COMPANY**
 Site: **SUFCO MINE**
 Address: **597 SOUTH SR24, SALINA UT 84654**
 County: **SEVIER**
 Permit Type: **PERMANENT COAL PROGRAM**
 Permit Status: **ACTIVE**

Current Acreages

720.48	Total Permitted
48.43	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 purpose of this site visit was to conduct a complete inspection at the convultion canyon mine. Required documrnts were available for inspection at the mine. Appropriate sediment controls were in place and functioning adequately, although some were snow covered from a recent storm.

Inspector's Signature:

Joe Helfrich,

Inspector ID Number: 1

Date Thursday, December 8, 2011



Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining. telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

OIL, GAS & 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, Division Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The current DOGM permit C/041/0002 was issued effective 05/21/2007 and expires 05/21/2012. The mine has submitted an amendment for the south fork of Quitchuph. It is currently under review and due on Dec 22nd. An amendment to expand the topsoil stock pile to an area on the opposite side of the road of the waste rock site is in the works.

2. Signs and Markers

A sign with the required information was posted at the entrance to the mine.

3. Topsoil

As noted in the permit section an amendment to expand the topsoil stock pile to an area on the opposite side of the road of the waste rock site is in the works. This will provide additional space for waste rock. Topsoil from the development of the west lease portals has been placed in the topsoil storage area and needs to be seeded.

4.a Hydrologic Balance: Diversions

Diversions for the surface facilities and associated support facilities were functioning adequately at the time of the inspection.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sed ponds 001a, 002a and 003 were inspected for the third quarter on 09/30 and 10/20 and 12/21 for the fourth quarter. There were no hazards or signs of structural weaknesses. Annual pond certifications were also completed by John Byars on 10/06/2011.

4.d Hydrologic Balance: Water Monitoring

Water monitoring data has been completed for the third quarter of 2011 and sent to the Division on December 3rd. It has not been entered into the data base as of the date of this inspection.

4.e Hydrologic Balance: Effluent Limitations

DMR's were available for September no discharge from 001a and no exceedences from 002a and 003, October, no discharge from 001a and 002a and no exceedences from 003 and November, no discharge from 001a and no exceedences from 002a and 003.

7. Coal Mine Waste, Refuse Piles, Impoundments

The waste rock site and complete containment pond were inspected on 09/30/2011. The annual certification was completed on 10/06/2011.

8. Noncoal Waste

Non coal waste for the surface facilities was stored in receptacles in a designated storage area.

9. Protection of Fish, Wildlife and Related Environmental Issues

According to the most recent "E" mail from Debbie Pappas on 11/03/2011 the eagle had not fully learned to catch it's own food.

10. Slides and Other Damage

No slides or damage were noted at the site

20. Air Quality Permit

The air quality permit is in effect as of may 2006 and renewed 03/30/2011 to include the west lease conveyor. The permit is listed as appendix 4-4 in the MRP.

21. Bonding and Insurance

The bond was reduced during the mid-term review to 2,874,000. Insurance is current through 07/31/2012.

22. Other

Five holes were drilled into the old workings to identify areas that could be sealed off to reduce detected levels of carbon monoxide and methane. Once the "K" order from MSHA is lifted SUFCO plans to horizontal drill and pump foam into the old workings. As of December 7th SUFCO was still waiting for MSHA to lift the order.