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GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

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 12, 2012
Start Date/Time:	12/12/2012 10:00:00 AM
End Date/Time:	12/12/2012 1:30:00 PM
Last Inspection:	Tuesday, November 27, 2012

Representatives Present During the Inspection:	
Company	Amanda Richard
Company	Vicky Miller
Company	Mike Davis
OGM	Joe Helfrich

Inspector: Joe Helfrich

Weather: overcast cold windy

InspectionID Report Number: 3328

Accepted by: jhelfric

12/17/2012

Permittee: **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 convulsion canyon mine. The mine is currently active and mining is ongoing in the west lease area. More wasterock than was anticipated was removed from the old workings in developing the west lease area. SUFCO has applied for a lease modification to extend the federal Lease # UTSL062583 an additional 20 acres. Notice of the modification was published in the Richfield Reaper on December 5th and will run for 30 days.

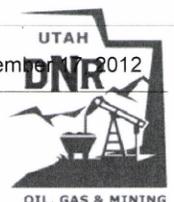
Inspector's Signature:

Joe Helfrich,

Inspector ID Number: 1

Date

Monday, December 17, 2012



Permit Number: C0410002
 Inspection Type: COMPLETE
 Inspection Date: Wednesday, December 12, 2012

Inspection Continuation Sheet

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 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 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The permit was issued on 5/21/2007 and renewed effective 5/21/2012 for five years. Regarding the South Fork of Quitcupah amendment, (current task # 4200), the Division sent a deficiency response on December 6th requesting that water right #94-113 be included in with the six springs noted in the PHC and that monitoring point 006D needs to be added to fig 7-9 and be included in the gain/loss survey. The Northwater mitigation plan task # 4202 was conditionally approved on November 16th, requiring verification of temporary change in use for the water right associated with the mitigation project. Mark Muir, Hydrologist from the FS regional office in Ogden forwarded the temporary & permanent change in use applications to Mark Stilson at the Division of water rights in Price on December 13th. Mr. Stilson indicated that they should be able to process the temporary application by the 31st of December.

2. Signs and Markers

Signs containing the required information were posted at the entrance to the mine site.

3. Topsoil

The final configuration of the subsoil pile is nearly complete. The top of the pile needs to be roughened, seeded and bermed and there are two small areas on the outslope that need additional armoring. These areas were pointed out to Amanda, Vicky and Mr. Mecham the equipment operator.

4.a Hydrologic Balance: Diversions

The diversions associated with the subsoil storage area need to be sized to adequately handle the runoff from the outslopes of the subsoil pile and meet effluent limitations in accordance with the regulations, described in the MRP and shown on the as bulit drawing along with a typical cross section.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The primary, overflow and waste rock sediment ponds were inspected on Sept. 29th showing no hazzards or structural weaknesses. The measurements varied but they were all below the 60% cleanout level.

4.d Hydrologic Balance: Water Monitoring

DMR's and monitoring data were available for the 3rd quarter of 2012. The data for the third quarter has been uploaded into the Division's database.

4.e Hydrologic Balance: Effluent Limitations

There were no discharges from point 001A and no exceedances fromm points 002A and 003A.

7. Coal Mine Waste, Refuse Piles, Impoundments

The removal of wasterock from the old workings in the west lease area is near completion. Plans for expanding the waste rock site should be submitted to the Division in the next month or so.

13. Revegetation

The outsoles of the subsoil stokpile have been reseeded and mulched.

14. Subsidence Control

Subsidence data will be submitted to the Division for review by the end of march with the annual report information.

16.a Roads: Construction, Maintenance, Surfacing

There are currently no roads under the jurisdiction of the regulations associated with this operation, however road drainage within the disturbed area is adequate.

19. AVS Check

The ownership and control information was updated during the permit renewal process and will be evaluated again as part of the midterm review scheduled for 11/21/2009.

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 in appendix 4-4 of the MRP.

21. Bonding and Insurance

The bond was reduced during the mid-term review to 2,874,000. Insurance is current through 07/31/2013.