



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, November 12, 2014
Start Date/Time:	11/12/2014 7:00:00 AM
End Date/Time:	11/12/2014 3:00:00 PM
Last Inspection:	Tuesday, October 28, 2014

Representatives Present During the Inspection:	
Company	Vicky Miller
OGM	Karl Houskeeper

Inspector: Karl Houskeeper

Weather: Clear Skies, Temp. 29 Deg. F.

InspectionID Report Number: 4017

Accepted by: JHELFRIC
12/1/2014

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

Current Acreages

720.48	Total Permitted
49.66	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:

Karl R. Houskeeper

Inspector's Signature:

Karl Houskeeper,
Inspector ID Number: 49

Date Thursday, November 13, 2014



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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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 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 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 type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" 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 checked="" type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input 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 checked="" 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 checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The current DOGM Permit for the SUFCO Mine C/041/0002 became effective on May 21, 2012 and expires on May 21, 2017.

The current insurance Policy is through National Union and Fire Insurance Co. Effective date is 02/01/14 and expires on 02/01/15.

Reclamation agreement is dated 14 July 2010 and is signed by both parties.

SPCC plan is dated November 2011 and is signed, dated and stamped by a Utah P.E. on 11-9-11.

UPDES Permit UT0022918 became effective on October 1, 2011 and expires at midnight on September 30, 2016. There are three authorized outfalls.

Air Quality Permit N10665-0014 was issued on 1-28-13 and is still effective for the mine site.

General Chapter 1, Page 1-6 and Appendix 1-2 of the approved MRP on file with the Division was found not to be updated during the inspection. The exhibit located in Appendix is of and expired insurance form. The mine site has a current insurance form on site ,but failed to follow the amendment process to keep their approved MRP with the Division up to date.. NOV 13156 was issued. The NOV was mailed certified return receipt mail number 7008 0150 0002 0896 5298 to the resident agent on file. The abatement due date is December 12, 2014.

2. Signs and Markers

The mine identification signs observed at points of access into the mining permit area were checked and the information was found to be current and accurate with the information found in the general chapter 1 legal and financial section of the approved MRP. The information on the signs was also found to met the requirements set forth in the Utah R645 Coal rules pertaining to mine identification signs.

The public access entrance into the Overflow Sediment Pond area did not exhibit a Mine Identification sign as required under R645301-521.242. Notice of Violation (NOV) # 13158 was issued. The notice was sent certified return receipt number 7008 0150 0002 0896 5281 to the resident agent on file. The abatement date to install a mine identification sign is December 12, 2014.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The 2014 annual sediment pond inspection was done on 9/23/14. This report serves as the annual and third quarter 2014 report. The first quarter 2014 sediment pond inspection was done on 3/31/14. The second quarter 2014 inspection report was done on 6/26/2014.

4.e Hydrologic Balance: Effluent Limitations

The discharge monitoring reports for July, August and September 2014 were reviewed during the complete inspection. No problems were noted.

7. Coal Mine Waste, Refuse Piles, Impoundments

The third quarter 2014 and annual refuse pile inspection was conducted on 9/18/14. The second quarter 2014 refuse pile inspection was done on 6/30/14. The first quarter 2014 refuse pile inspection was done on 3/31/14.. No problems were noted for any of the referenced months.

8. Noncoal Waste

Noncoal waste items (Bottles, Paper and Cigarette butts were observed in the parking lot, Office area, and along the access road inside of the mining permit area. NOV #13157 was issued for failure to control noncoal waste. The NOV was sent certified return receipt mail number 7008 0150 0002 0896 5274 to the resident agent on file. The abatement deadline is December 12, 2014.

18. Support Facilities, Utility Installations

Observed the Coal Storage/Loadout facility at the junction of SR-24 and SR-10. This facility is not permitted. Observations show that coal trucks are found entering the facility dumping their coal. Other trucks were found to be loaded and existing the facility. Point of delivery from the facility goes to at least two sites. The sites observed was the Hunter Power Plant and the Savage coal yard. Requested information during the inspection relative to point of sale. The question is whether the point of sale occurs at the mine site or if occasionally the point of sale is from the Storage/Loadout facility at the junction of SR-24 and SR-10. Information was not able to be provided during the site visit. A phone call was made to John Byars and Chris Hansen on 11/13/2014 via a conference call to try and obtain answers. Definitive information was not given, but it was indicated that the it was possible that the point of sale does occur from this facility. This information was discussed during the Division Staff Meeting with Program Manager Daron Haddock to determine the Divisions position if this facility needs to be regulated and how that should occur. Options being as follows: Violation, Division Order or Division Lawyer investigation. Mr. Haddock indicated that it might be good to have the lawyers look at it. It appears that this site is being used as a coal storage surge pile with loadout capabilities. Action was not taken by the inspector during the inspection.

20. Air Quality Permit

N10665-0014 issued 1/28/13.

21. Bonding and Insurance

Bond is through Argonaut Insurance Co. effective May 24, 2010.

Canyon Fuel Company LLC

Storage/Loadout Facility

SUFCO MINE
597 So. SR-24
Salina, Utah 84654

In Case of Emergency Call:

435-286-4407

435-253-2310

435-340-0365

435-286-4456

Identification sign Coal Storage/Loadout
Junction SR-24 and SR-10



SUFCO MINE

PERMITTEE / OPERATOR:

Canyon Fuel Company, LLC

225 North Fifth Street
Suite 900
Grand Junction, CO 81501
Tel: (970) 263-5130

MINESITE:

Canyon Fuel Company, LLC

597 South SR 24
Salina, Utah 84654
TEL: (435) 529-7428 (Salina)
(435) 286-4880 (Mine)

Serving The People Of Utah

In Accordance With The Following Permits:

DOGM/OSM	ACT/041/002
MSHA	42-00089 (MINE)
MSHA	1211-UT-09-00089-01 (WRDS)
DEQ	UPDES UT-0022918
DEQ	21020
OSFS	4078-02

On The Following Coal Leases:

SL-062583	U-28297
U-062453	U-47080
U-0149084	U-63214
And Property in Fee	UTU-7619
	ML-49443-OBA

Identification Sign Main Facility



Noncoal Waste Office Area



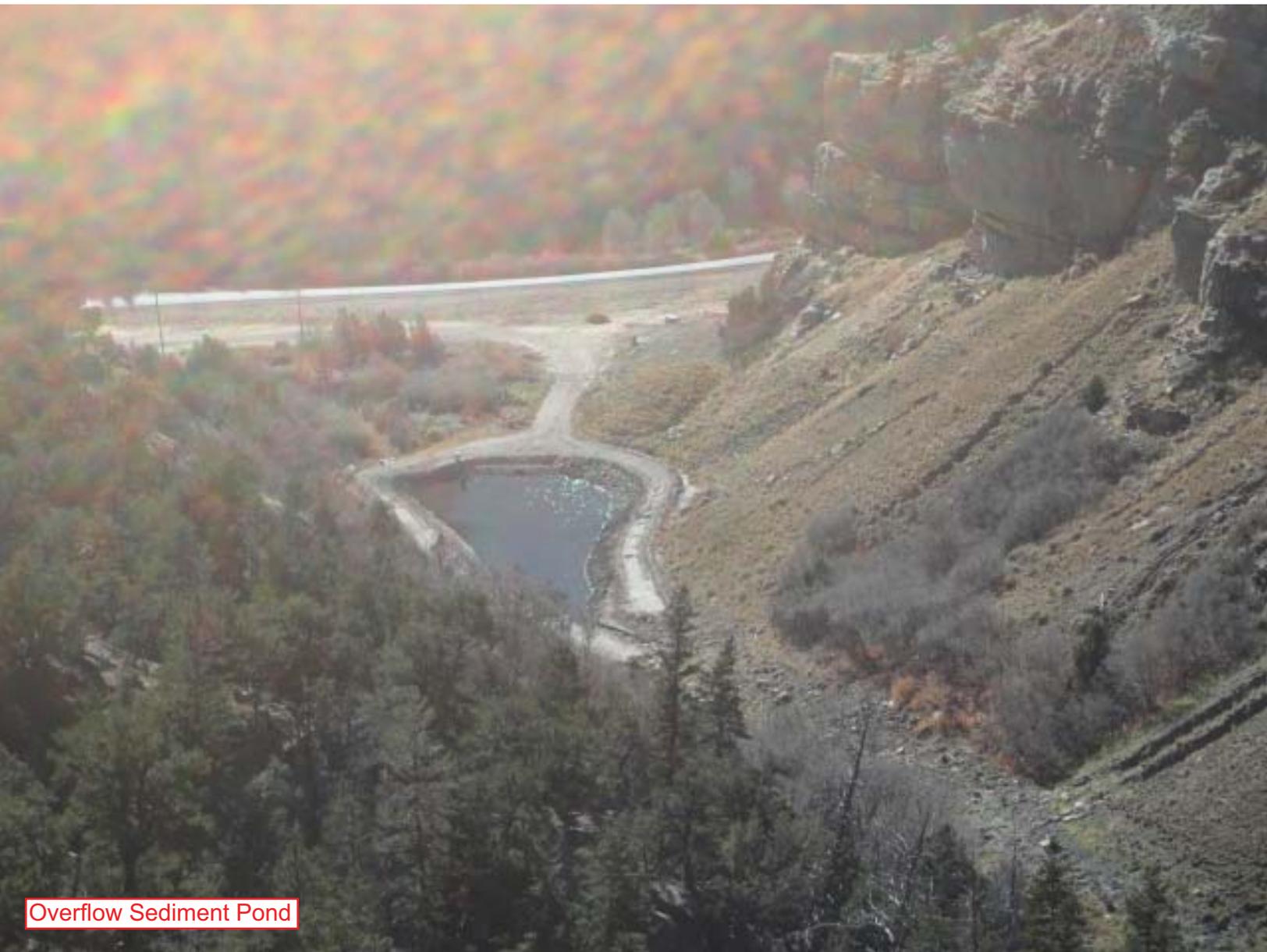
Noncoal Waste Office Area



Noncoal Waste Parking Lot



Main Sediment Pond



Overflow Sediment Pond



Public Access Entrance into Overflow Sediment Pond, No ID Sign



Coal Storage/Loadout Junction SR-24 and SR-10