



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, August 03, 2016
Start Date/Time:	8/3/2016 8:00:00 AM
End Date/Time:	8/3/2016 2:30:00 PM
Last Inspection:	Wednesday, July 06, 2016

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

Inspector: Karl Houskeeper
 Weather: Clear Skies, Temp.80 Deg. F.
 InspectionID Report Number: 5597
 Accepted by: JHELFRIC
 8/4/2016

Permittee: **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:

The Division Inspector checked in at the SUFCO main office at the beginning of the complete inspection. Required paperwork was reviewed prior to the field inspection. Vicky Miller, SUFCO, was present for the paperwork and field inspection.

Main Primary sediment pond is being prepared for cleaning. The refuse expansion area of the refuse pile has a lift completed. Compaction tests have been done and the information will be submitted to the Division once it is completed.

Inspector's Signature:

Karl Houskeeper,
 Inspector ID Number: 49

Date Wednesday, August 03, 2016



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

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 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 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 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 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 checked="" 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 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

A review of the required paper work for a complete inspection was conducted prior to the field inspection. The paper work review provided the following information:

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 GL6576428 is through National Union and Fire Insurance Co. Effective date is 02/01/16 and expires on 02/01/17. All required parameters have been met.

Reclamation agreement is dated 1 July 2016 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. Plans are good for five years. Reminded the operator that the SPCC plan will need review and certification by November 2016.

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.

2. Signs and Markers

Mine identification signs were observed at the leach field, pump house area, Main Facilities, and the refuse pile area. The law requires that the identification signs contain the name, address, phone number and mining permit number of the operator. All signs observed and inspected met these requirements and are in compliance with the law.

Identification signs delineating the topsoil and soil piles were in place and visible.

3. Topsoil

Straw has been crimped into the topsoil and subsoil piles along with the areas reclaimed on the refuse pile cell #5 and old recalimed sediment pond area.

4.a Hydrologic Balance: Diversions

Diversions at the waste rock site are constructed in accordance with the approved designs. They are open and functional.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The waste rock sediment pond was inspected on 6/1/16 for the Second quarter 2016. The mine site primary sediment pond and the mine site over flow sediment pond were inspected on 6/23/16 for the second quarter 2016.

4.e Hydrologic Balance: Effluent Limitations

The discharge monitoring reports that are required to be filled out and submitted to the Division of Environmental Quality were reviewed for April, May and June 2016. No problems were noted.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse placed into the refuse pile expansion area was viewed during the complete inspection. The material has been compacted and tested for compaction. Once the results are compiled into a report they will be submitted to the Division. The area looked stable with no visible hazards being observed.

The refuse pile was inspected for the second quarter 2015 on June 1, 2016. The report is P.E. certified.

8. Noncoal Waste

All areas of the mine site that were visited were free of noncoal waste items outside of an approved containment facility.

16.a Roads: Construction, Maintenance, Surfacing

The main access road into the mine facility had been and was being watered for dust suppression.

20. Air Quality Permit

Approval Order #N10665-0014 from the Division of Air Quality was issued on 01/28/2013.

21. Bonding and Insurance

Bond is through Iron shore Indemnity Inc. Insurance Co. effective August 15, 2013. The bond was revised 08/19/2015 adding a rider to the original bond bringing the bond to \$3,944,000. The bond was revised again on 06/28/16 for the rock chute reconstruction. The current bond amount is \$4,362,000.



SUFSCO MINE

PERMITTEE / OPERATOR:

Canyon Fuel Company, LLC

1225 North Fifth Street
Suite 900
Grand Junction, CO 81501
Tel: (970) 253-5186

MINESITE:

Canyon Fuel Company, LLC

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

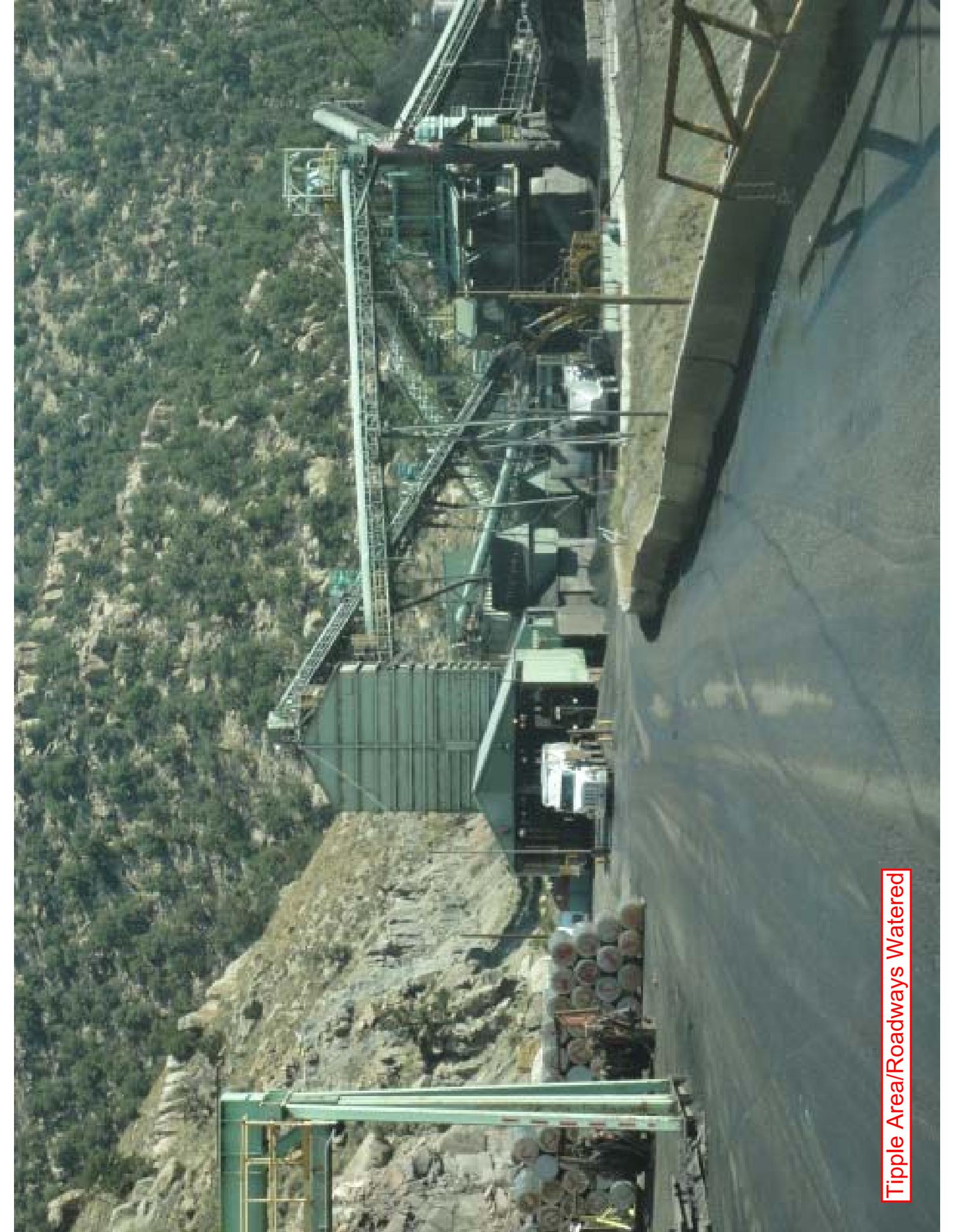
Serving The People Of Utah

In Accordance With The Following Permits:

DOGMIOSM	ACT041002
MSHA	42-00089 (MINE)
MSHA	1211-LIT-09-00089-01 (WRDS)
DEQ	LIPDES UT-0022916
DEQ	21020
OSFS	4078-02

On The Following Coal Leases:

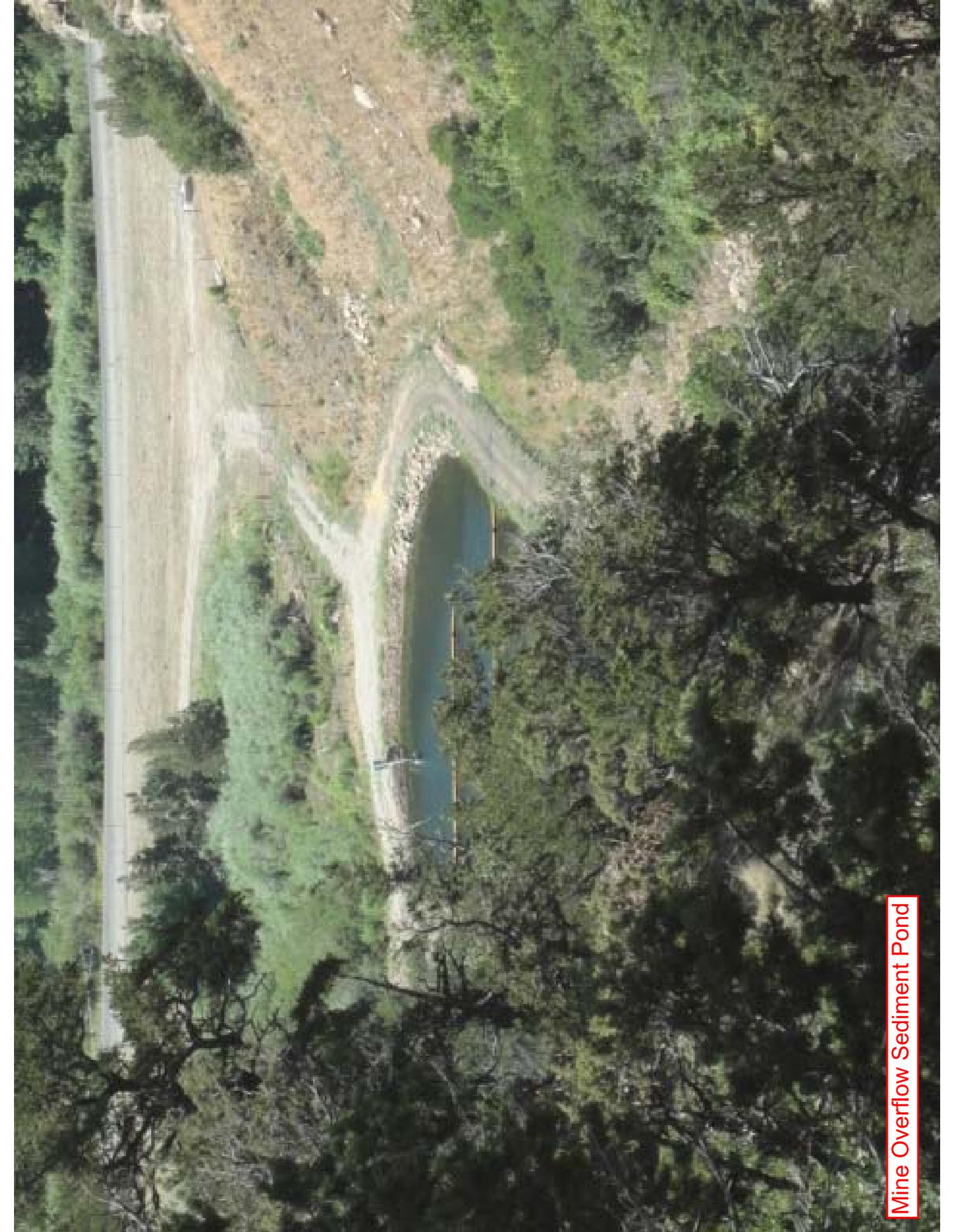
SL-062583	U-28297
U-062453	U-47080
U-0149084	U-63214
And Property in Fee	UTU-76190
	ML-48443-03A1



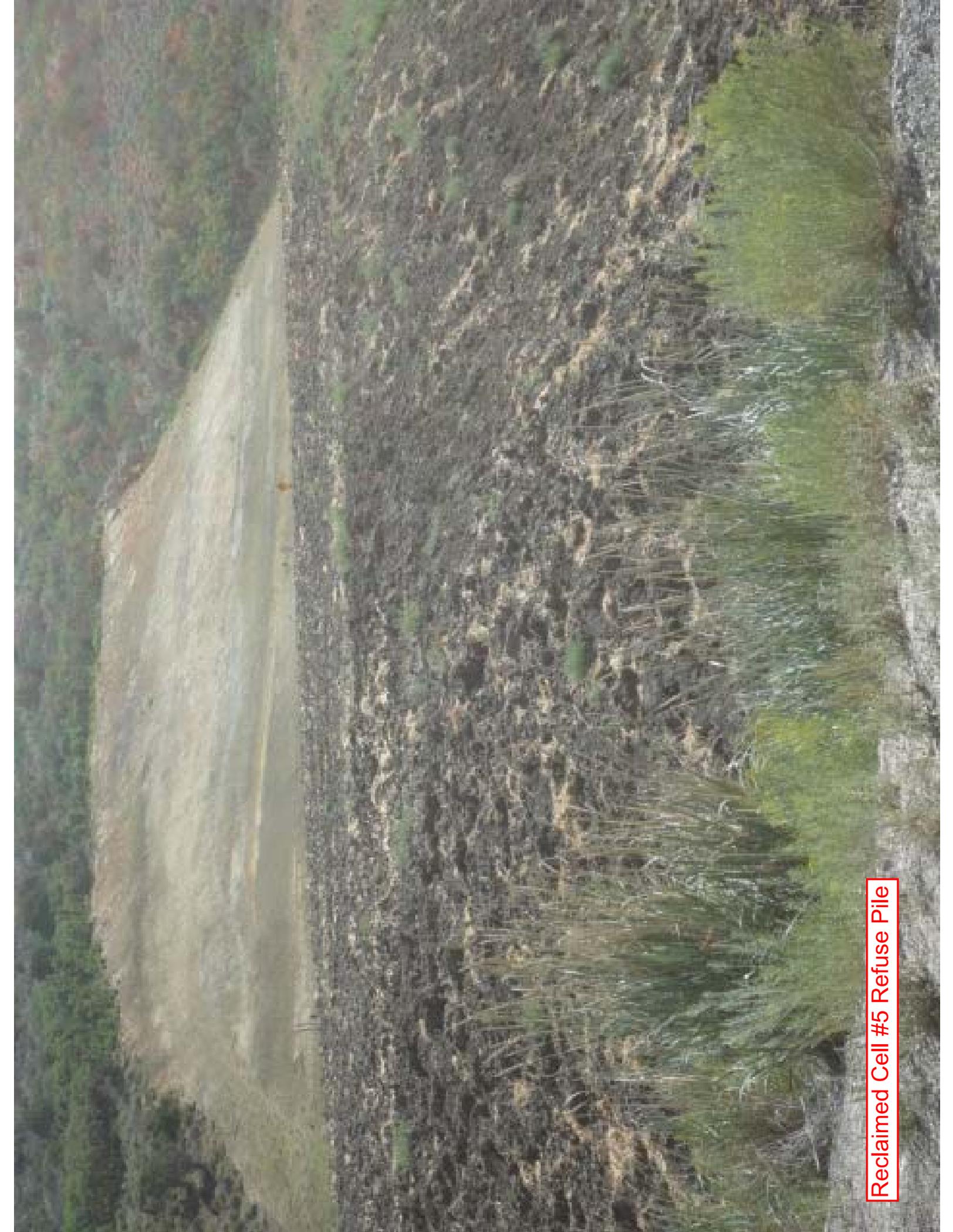
Tipple Area/Roadways Watered



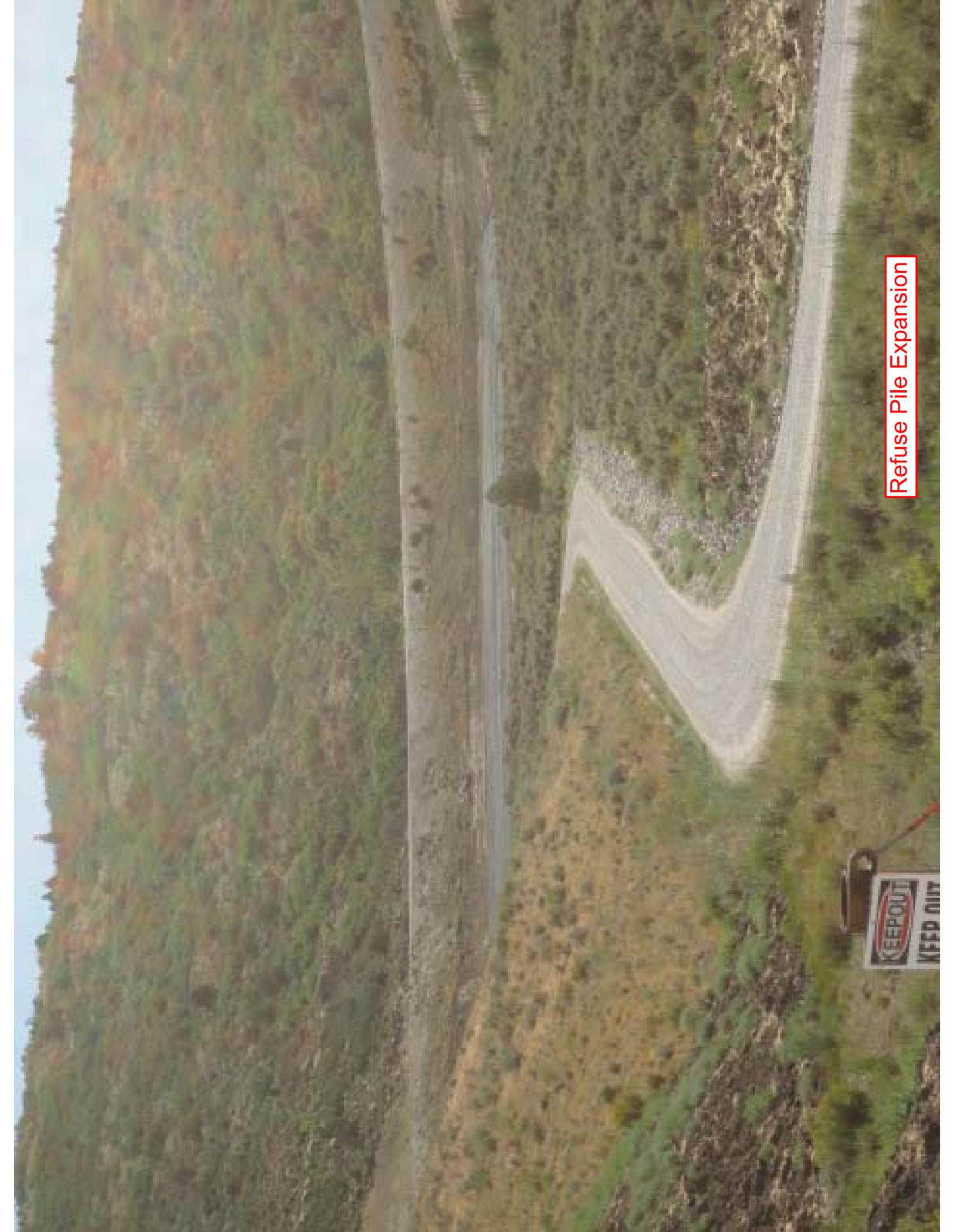
Mine Primary Sediment Pond Drained & Drying To Be Cleaned



Mine Overflow Sediment Pond



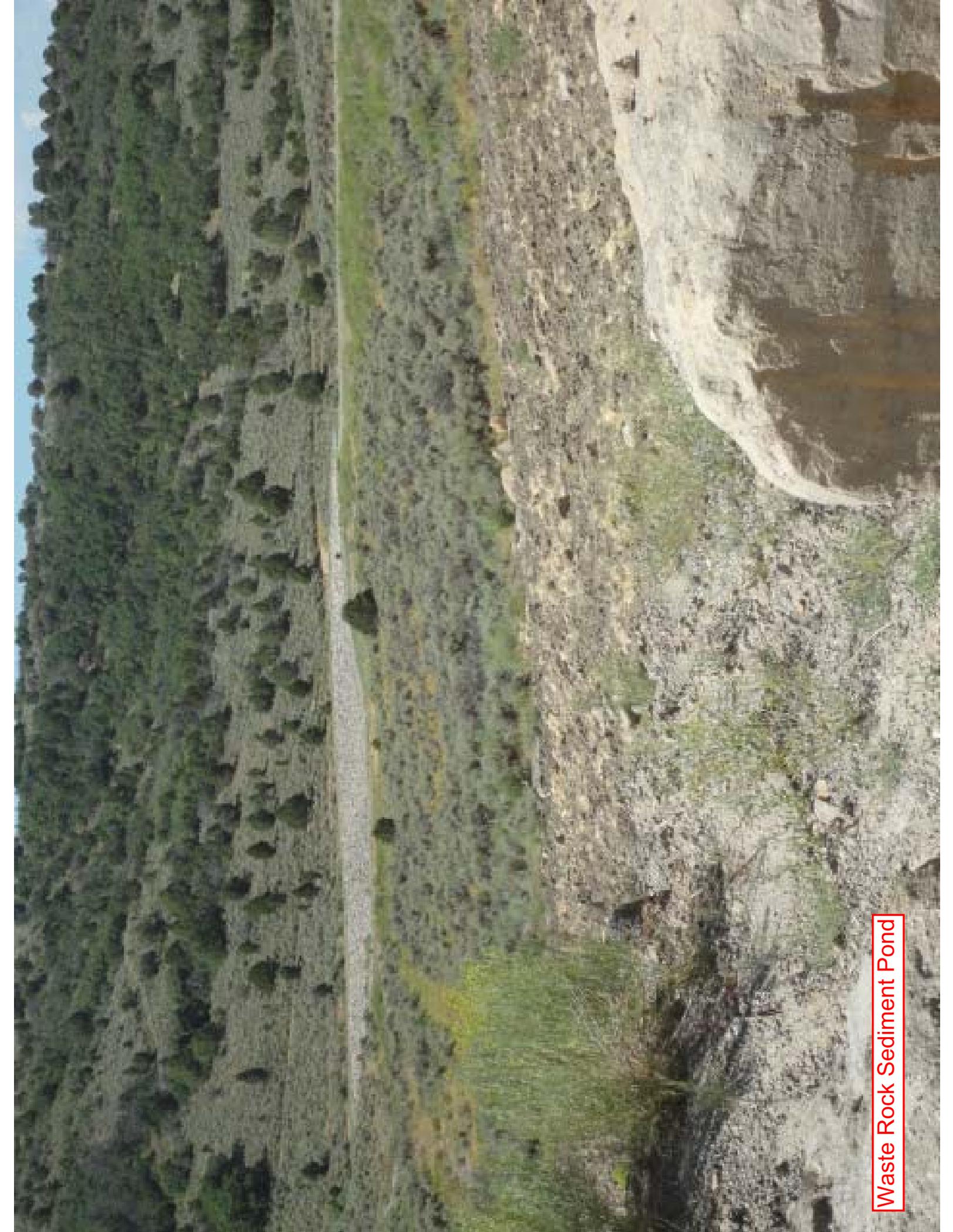
Reclaimed Cell #5 Refuse Pile



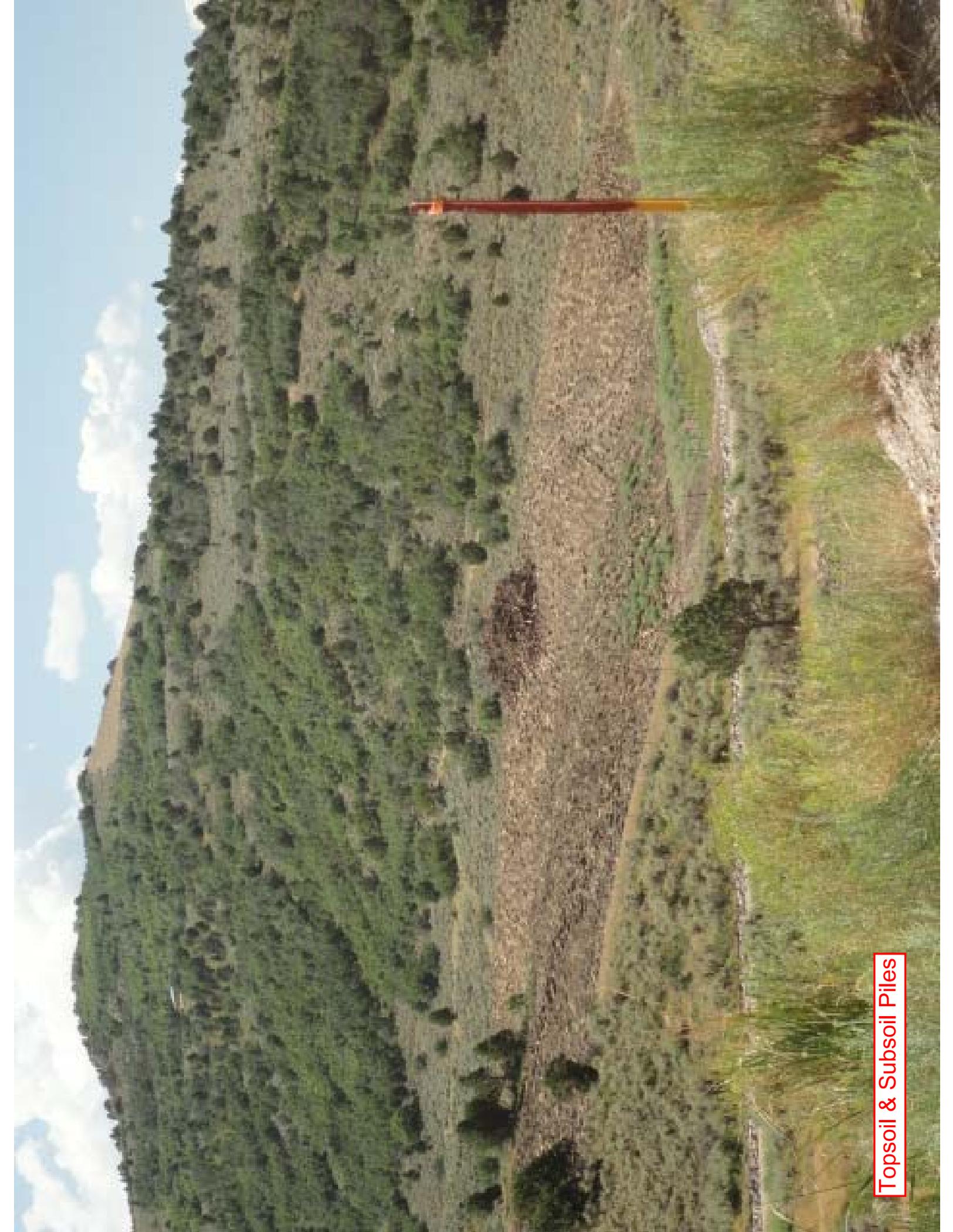
Refuse Pile Expansion



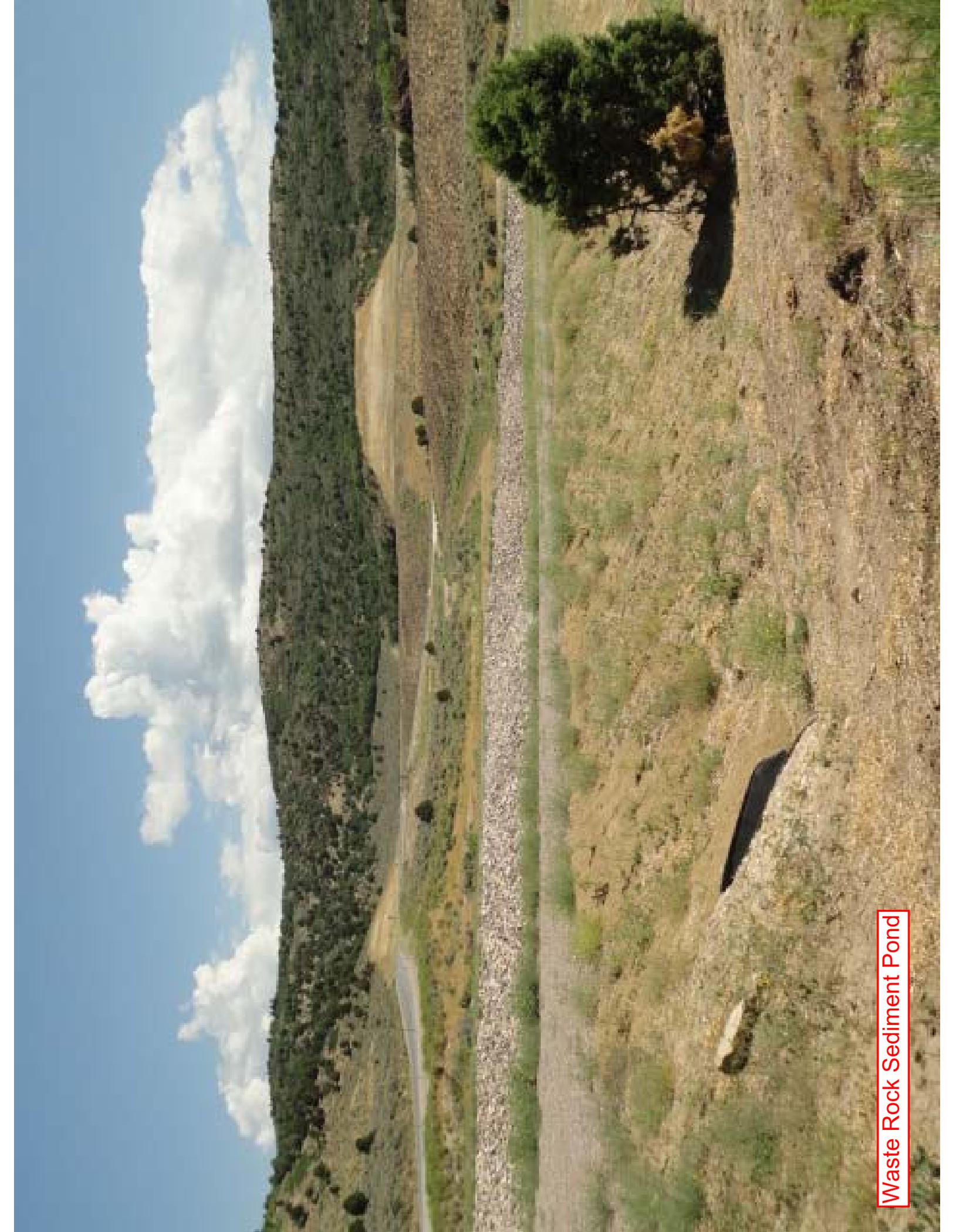
Refuse Pile Expansion (Compacted)



Waste Rock Sediment Pond



Topsoil & Subsoil Piles



Waste Rock Sediment Pond