



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 09, 2016
Start Date/Time:	11/9/2016 7:30:00 AM
End Date/Time:	11/9/2016 1:30:00 PM
Last Inspection:	Wednesday, October 19, 2016

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

Inspector: Karl Houskeeper
 Weather: Clear Skies, Temp, 47 Deg. F.
 InspectionID Report Number: 5693
 Accepted by: DHADDOCK
 11/22/2016

Permittee: **CANYON FUEL COMPANY**
 Operator: **CANYON FUEL COMPANY**
 Site: **SUFECO 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 SUFECO main office at the beginning of the complete inspection. Required paperwork was reviewed prior to the field inspection. Vicky Miller, SUFECO, was present for the paperwork and field inspection.

Pictures were taking during the field inspection and are attached to the PDF version of this inspection report.

Karl R. Houskeeper

Inspector's Signature:

Karl Houskeeper,
 Inspector ID Number: 49

Date Wednesday, November 09, 2016



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 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 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 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 2016 and is signed, dated and stamped by a Utah P.E. Plans are good for five years.

UPDES Permit UT0022918 became effective on October 1, 2011 and expires at midnight on September 30, 2016. There are three authorized outfalls. Current permit is extended until a new one is issued.

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 listed in the Utah R645 Coal Rules.

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

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The waste rock sediment pond was inspected on 09/20/2016 for the Third quarter and Annual 2016. The mine site primary sediment pond and the mine site over flow sediment pond were inspected on 09/20/2016 for the third 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 July, August and September 2016. No problems were noted.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse pile expansion area was viewed during the complete inspection. Waste material is being compacted. The area looked stable with no visible hazards being observed. The refuse pile inspection for third quarter 2016 was done on 09/20/2016.

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

8. Noncoal Waste

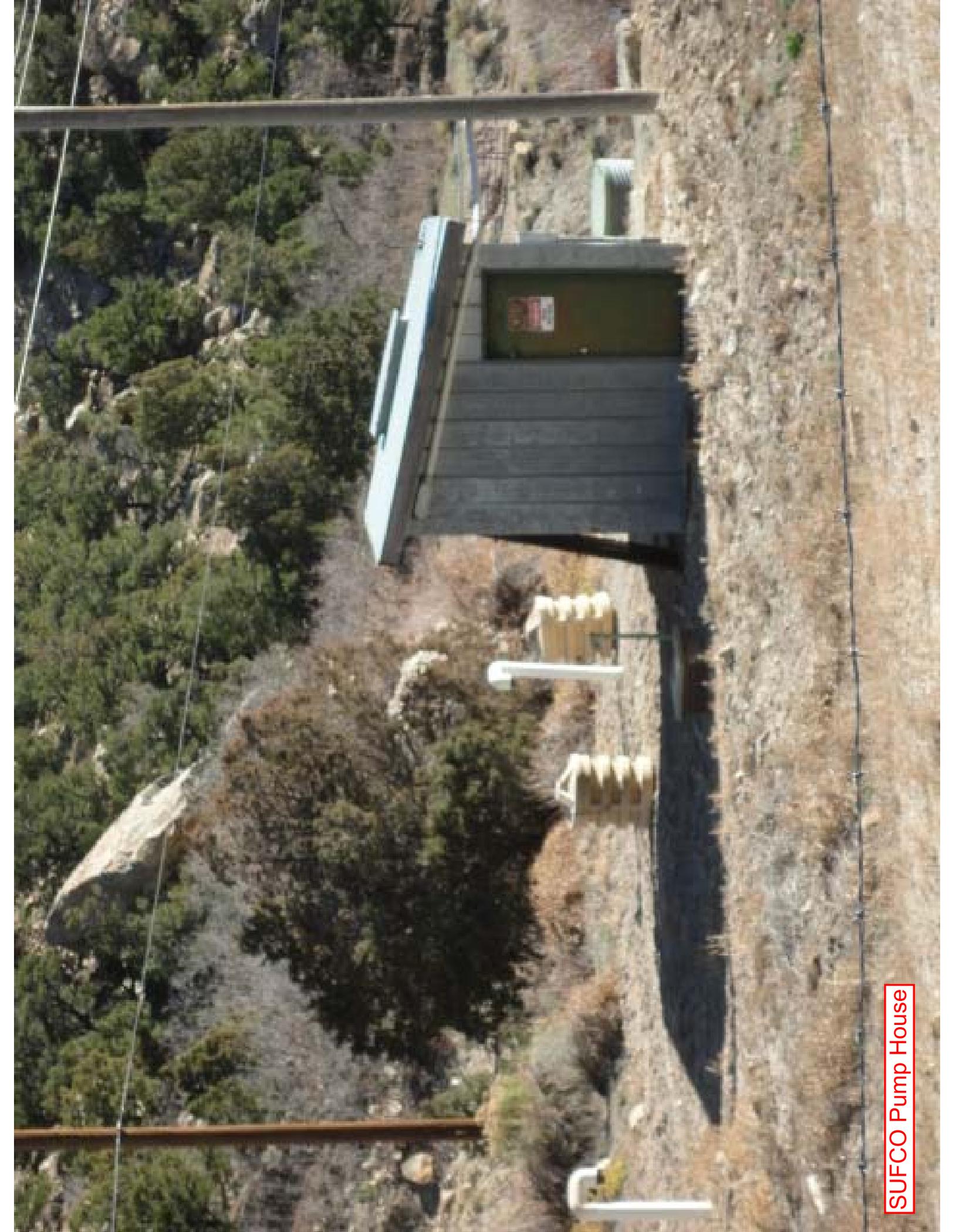
All areas of the mine site that were visited were free of noncoal waste items outside of an approved containment facility.

20. Air Quality Permit

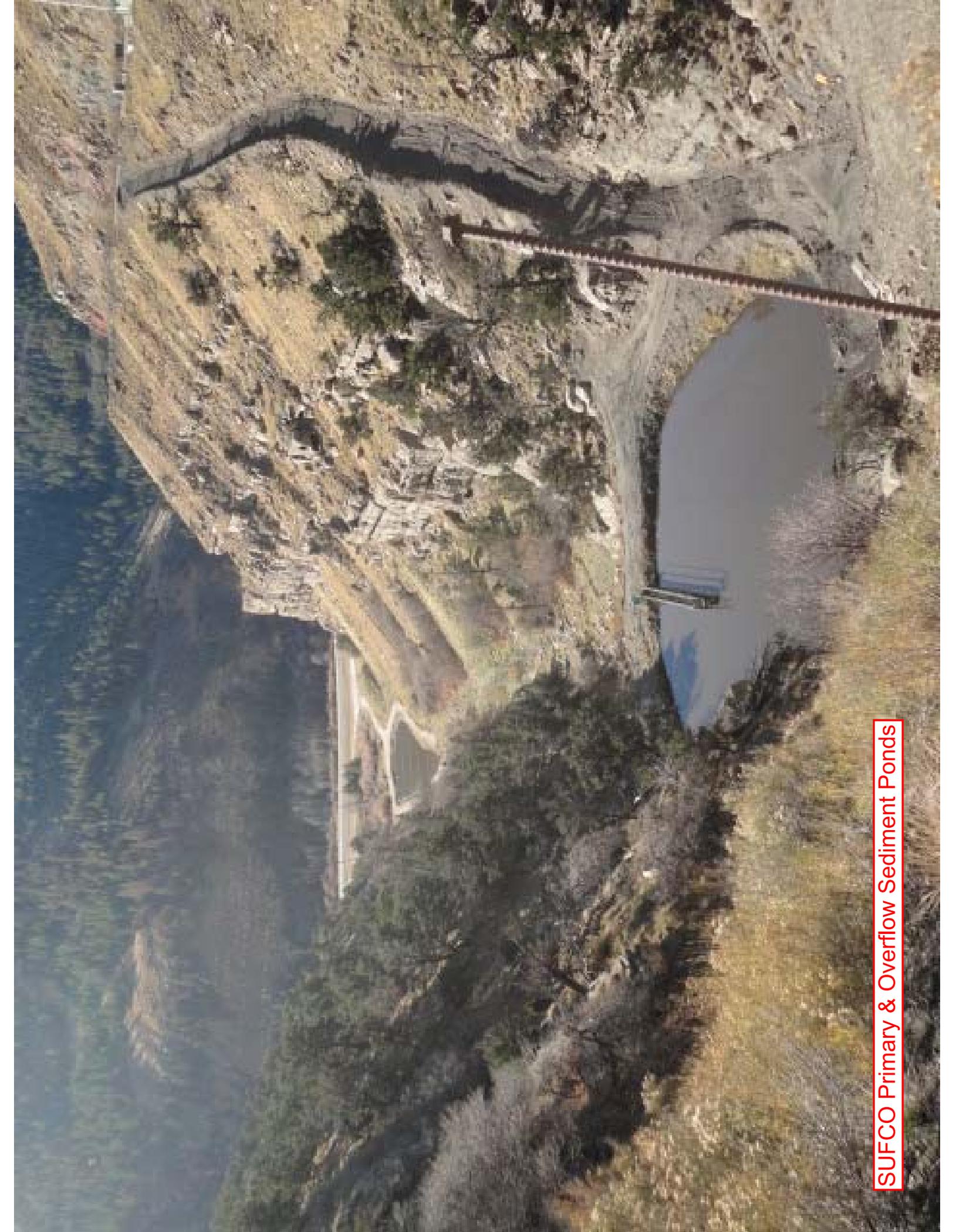
Approval Order #N10665-0014 from the Division of Air Quality was issued on 01/28/2013.

21. Bonding and Insurance

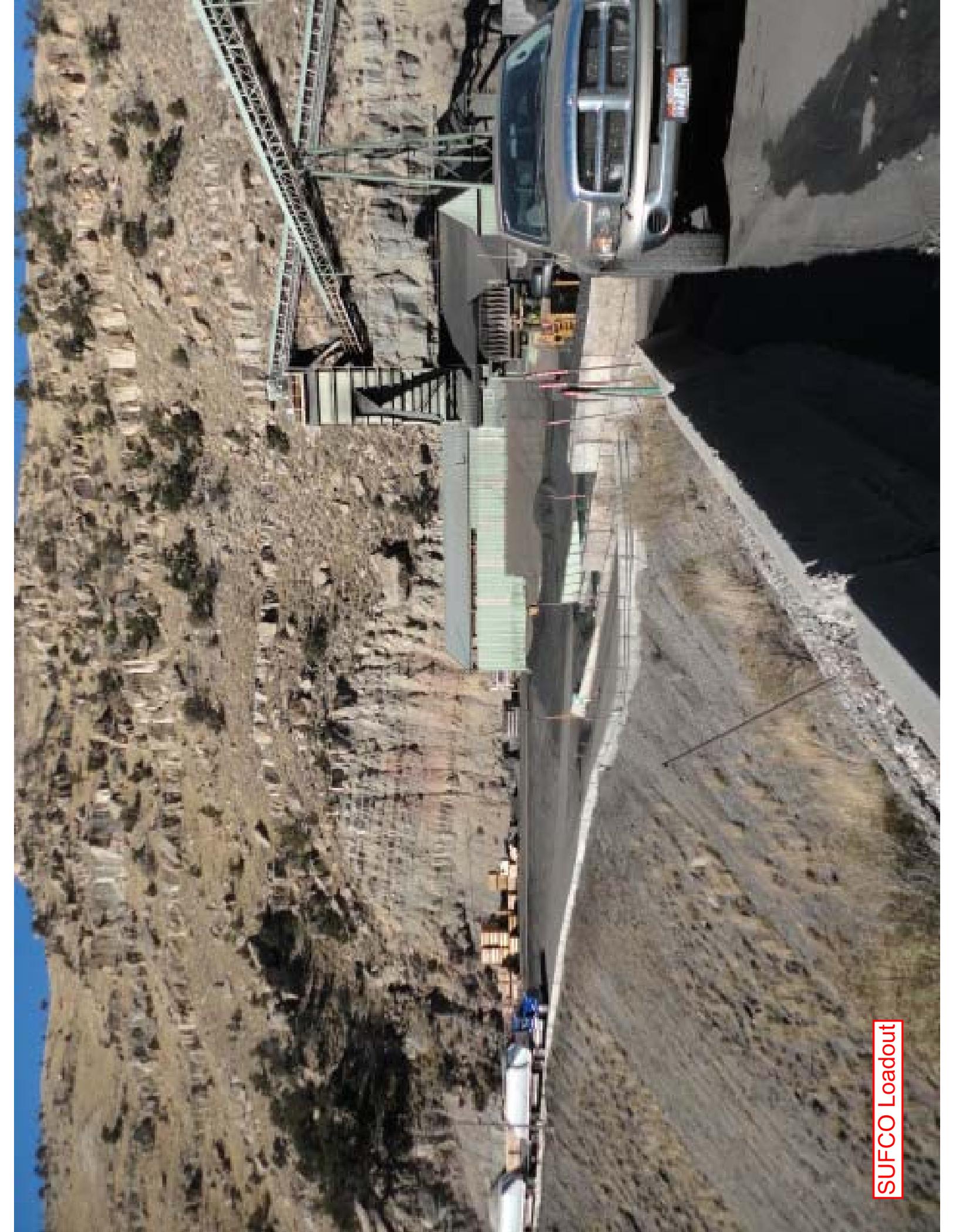
Bond is through Iron shore Indemnity Inc. Insurance Co. effective August 15, 2013. The bond was revised 08/19/2015 adding a rider to the original bond bringing the bond to \$3,944,000. The bond was revised again on 06/28/16 for the rock chute reconstruction. The current bond amount is \$4,362,000.



SUFECO Pump House



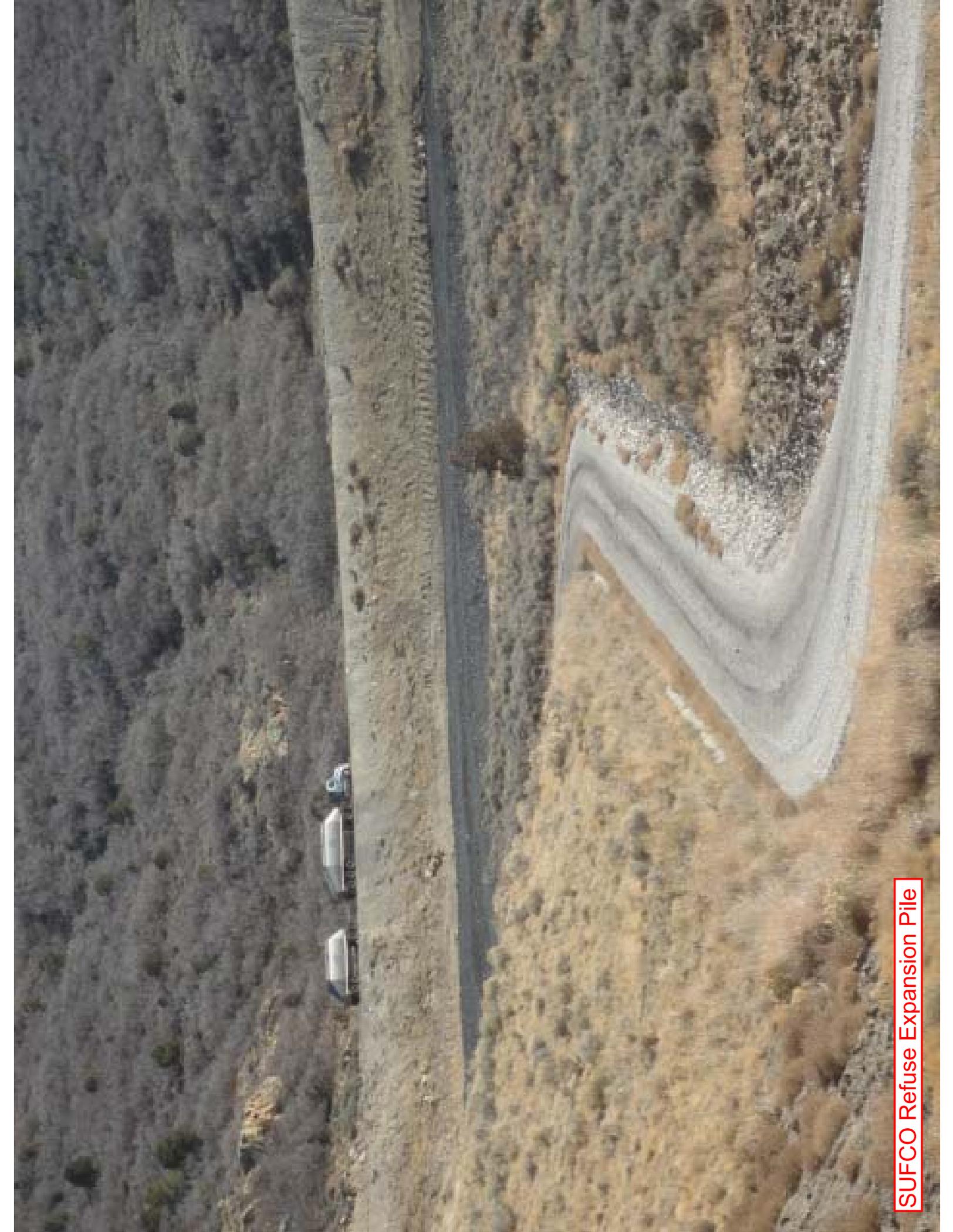
SUFCO Primary & Overflow Sediment Ponds



SUFCO Loadout



SUFCO Reclaimed Refuse Pile



SUFCO Refuse Expansion Pile



SUFCO Waste Rock Expansion Topsoil Pile