



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 OVERSITE
Inspection Date:	Wednesday, May 24, 2017
Start Date/Time:	5/24/2017 9:00:00 AM
End Date/Time:	5/24/2017 3:30:00 PM
Last Inspection:	Tuesday, April 4, 2017

Representatives Present During the Inspection:	
Company	Vicky Miller
Company	Amanda Richard
Company	Bryant Bunnell
OGM	Karl Houskeeper
OSM	Tom Medlin

Inspector: Karl Houskeeper.

Weather: Clear Skies, Temp. 70 Deg.

InspectionID Report Number: 5857

Accepted by: DHADDOCK
5/26/2017

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

691.73	Total Permitted
96.42	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, Karl Houskeeper and OSM Inspector, Tom Medlin, 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, Amanda Richard and Bryant Bunnell of SUFCO were 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.

Inspector's Signature:

Karl Houskeeper,
Inspector ID Number: 49

Date Wednesday, May 24, 2017



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 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 checked="" 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 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, 2017 and expires on May 21, 2022.

The current insurance Policy GL6576428 is through National Union and Fire Insurance Co. Effective date is 02/01/17 and expires on 02/01/18. All required parameters have been met.

Reclamation agreement is dated 28 June 2016 and is signed by both parties.

SPCC plan is dated November 2016 and is signed, dated and stamped by a Utah P.E on 11/30/16. 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 with the exception of the topsoil pile sign adjacent to the mine overflow sediment pond. The sign could not be found. A new sign was installed prior to the close of the inspection. Pictures are attached to the PDF version of this inspection report.

3. Topsoil

See item 2.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The first quarter 2017 sediment pond inspection were done as follows:

Waste Rock North Sediment Pond on 03/28/2017.
Waste Rock South Sediment Pond on 03/28/2017.
Mine Site Primary Sediment Pond on 03/23/2017.
Mine Site Overflow Sediment Pond on 03/13/2017.

4.e Hydrologic Balance: Effluent Limitations

The discharge monitoring reports for March and April 2017 were reviewed. No problems were noted.

7. Coal Mine Waste, Refuse Piles, Impoundments

The first quarter 2017 refuse pile inspection was done on 03/28/2017 and Utah P.E. dated, stamped and signed on 03/31/2017. No problems were noted.

8. Noncoal Waste

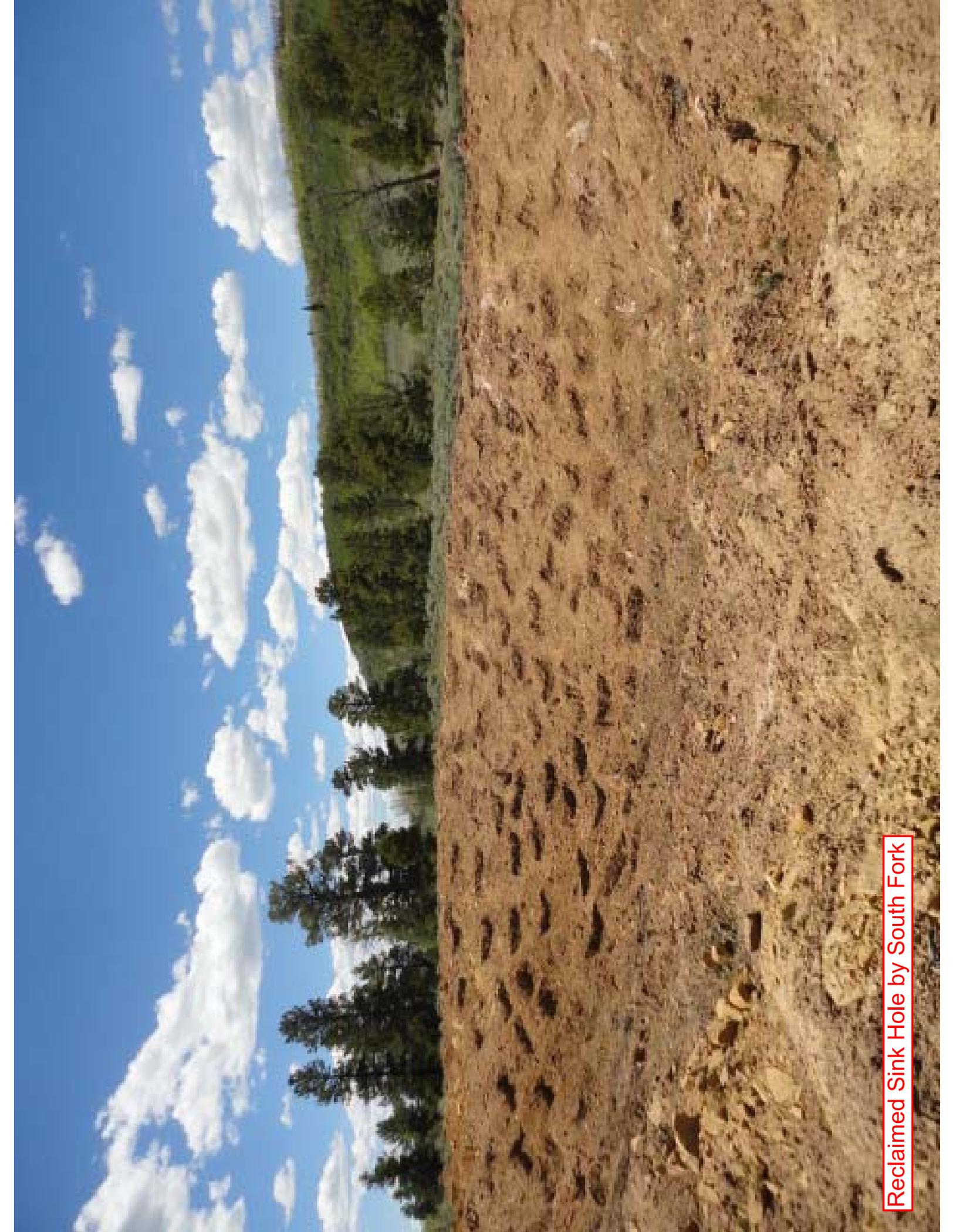
The main mine site and ancillary areas were free of noncoal mine waste.

14. Subsidence Control

The sink hole toward south fork was visited as part of the complete inspection. Repair work was done the fall of 2016. Growth of grass is noticeable in the pocked areas of the reclamation. See photos in PDF version of this report.

21. Bonding and Insurance

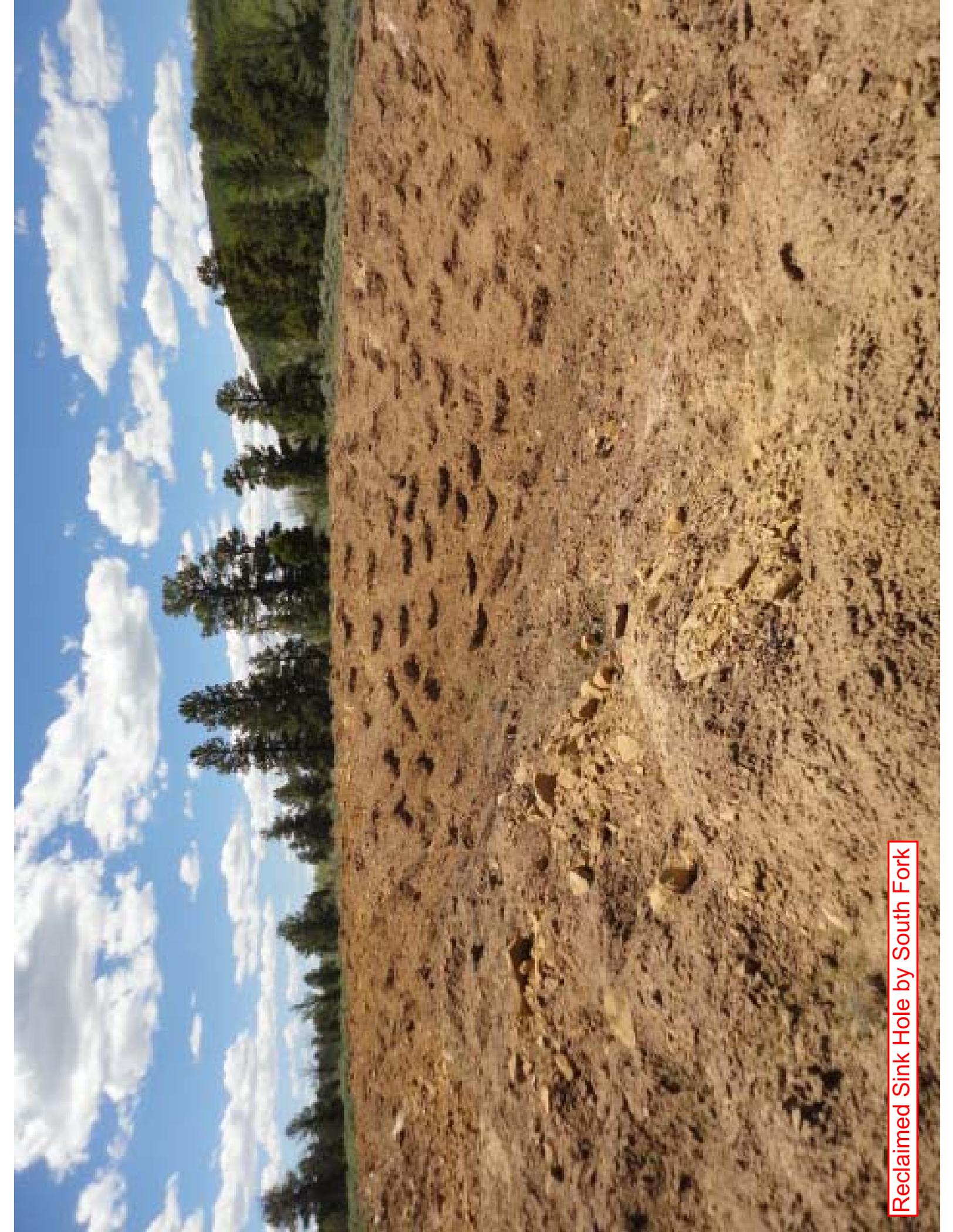
Bond is through Iron shore Indemnity Inc. Insurance Co. effective August 15, 2013. The bond was revised 08/19/2015 adding a rider to the original bond bringing the bond to \$3,944,000. The bond was revised again on 06/28/16 for the rock chute reconstruction. The current bond amount is \$4,362,000.



Reclaimed Sink Hole by South Fork

Grasses in Pock of Reclaimed Sink Hole

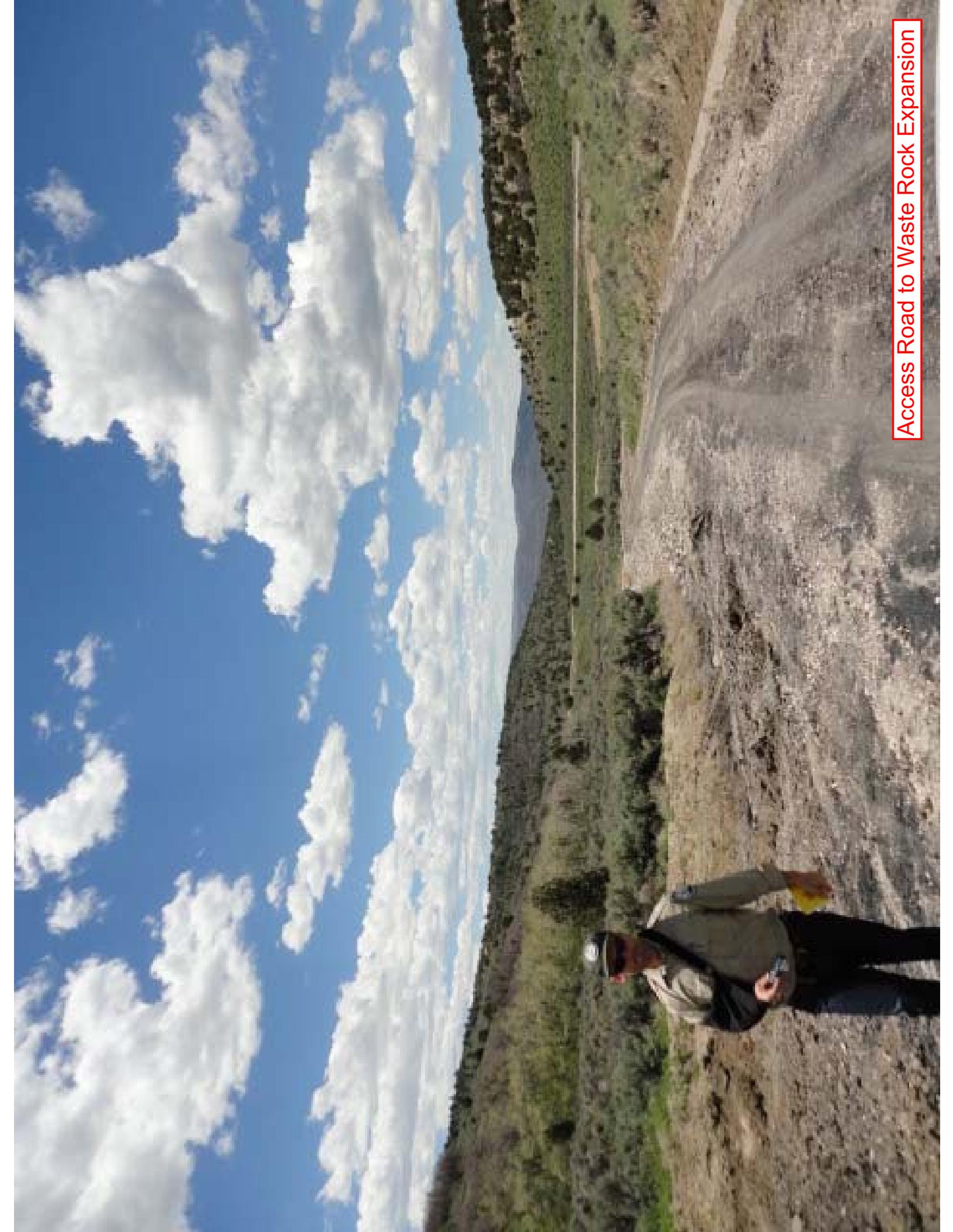




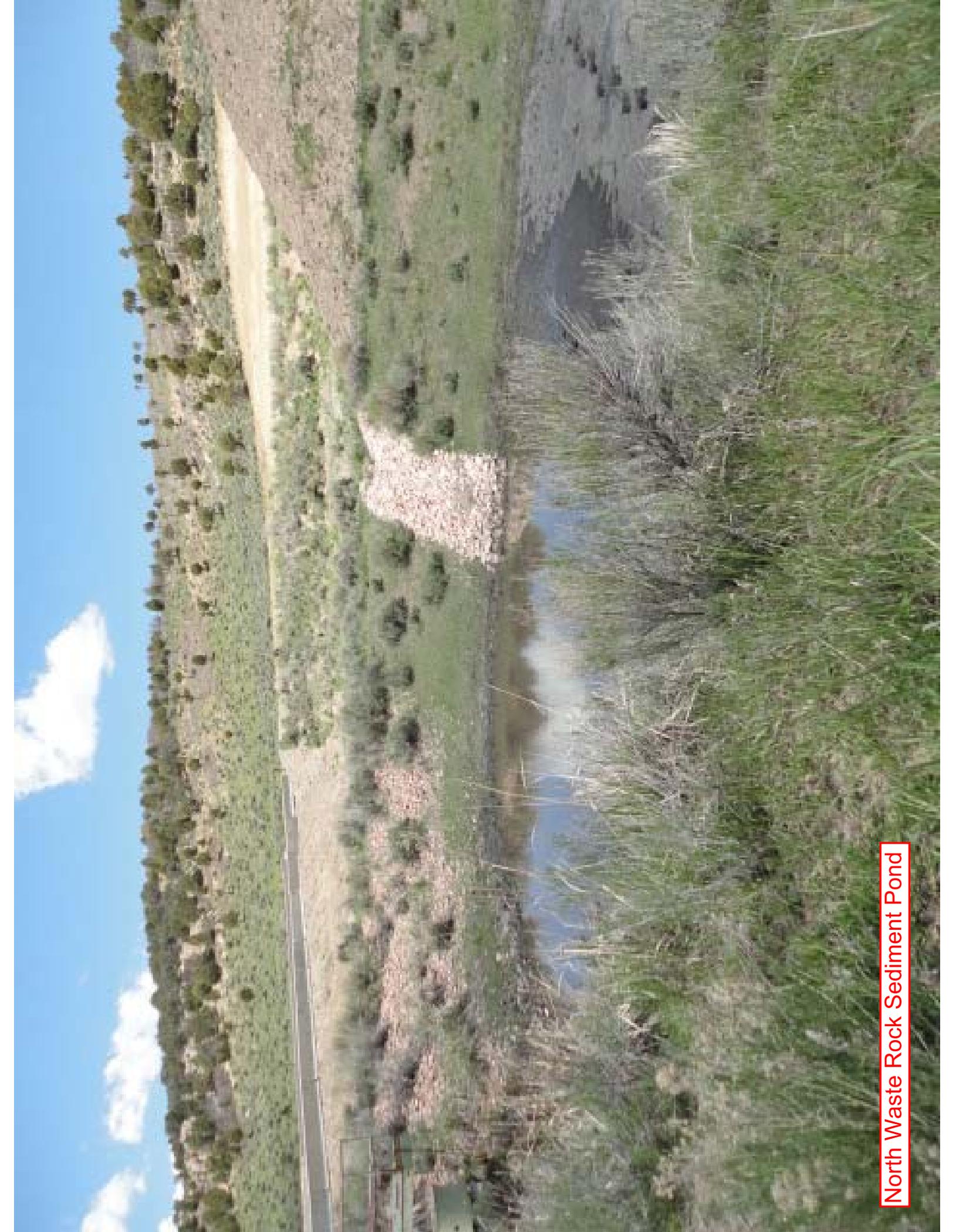
Reclaimed Sink Hole by South Fork



Refuse Expansion Area, Waste Rock Site



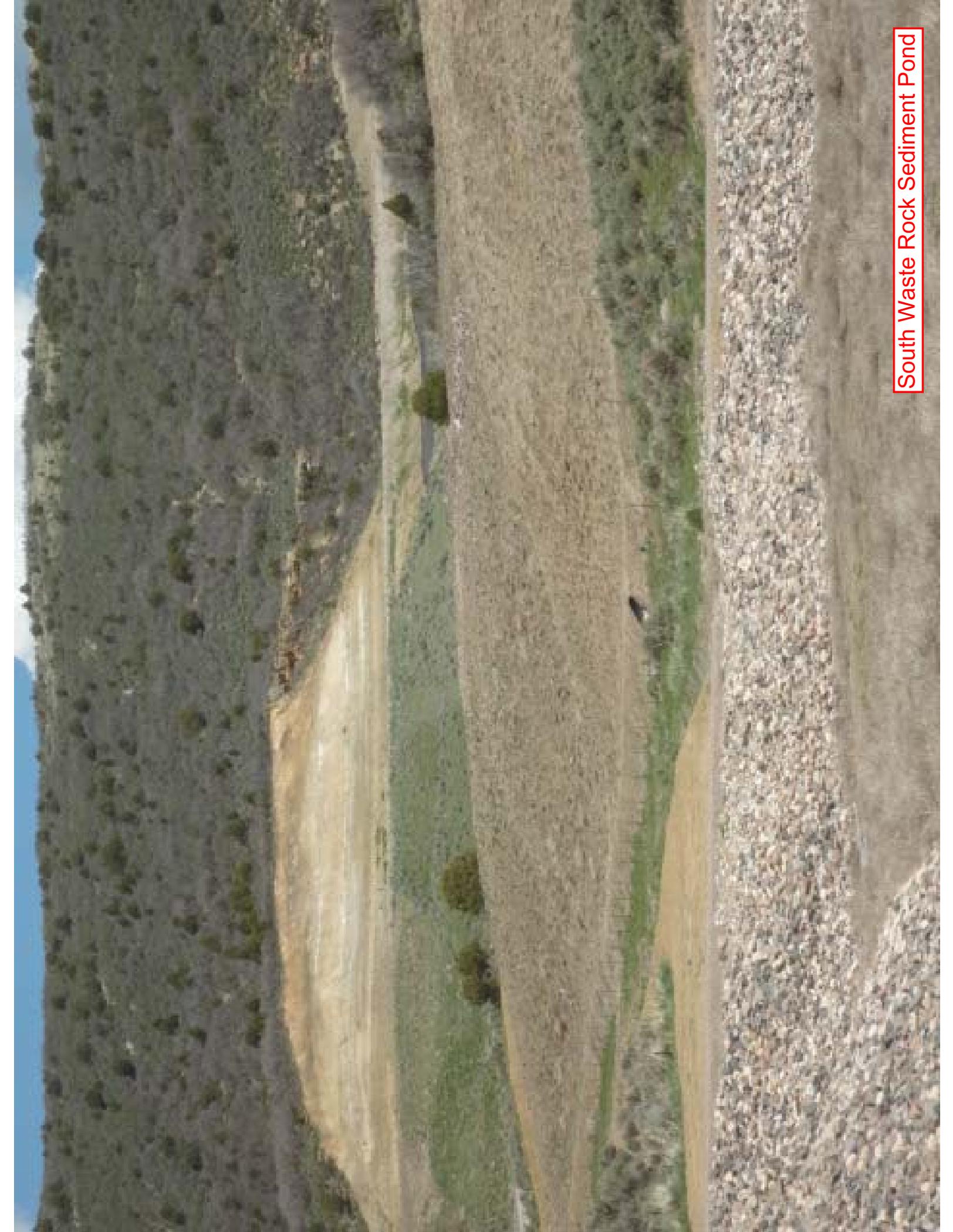
Access Road to Waste Rock Expansion



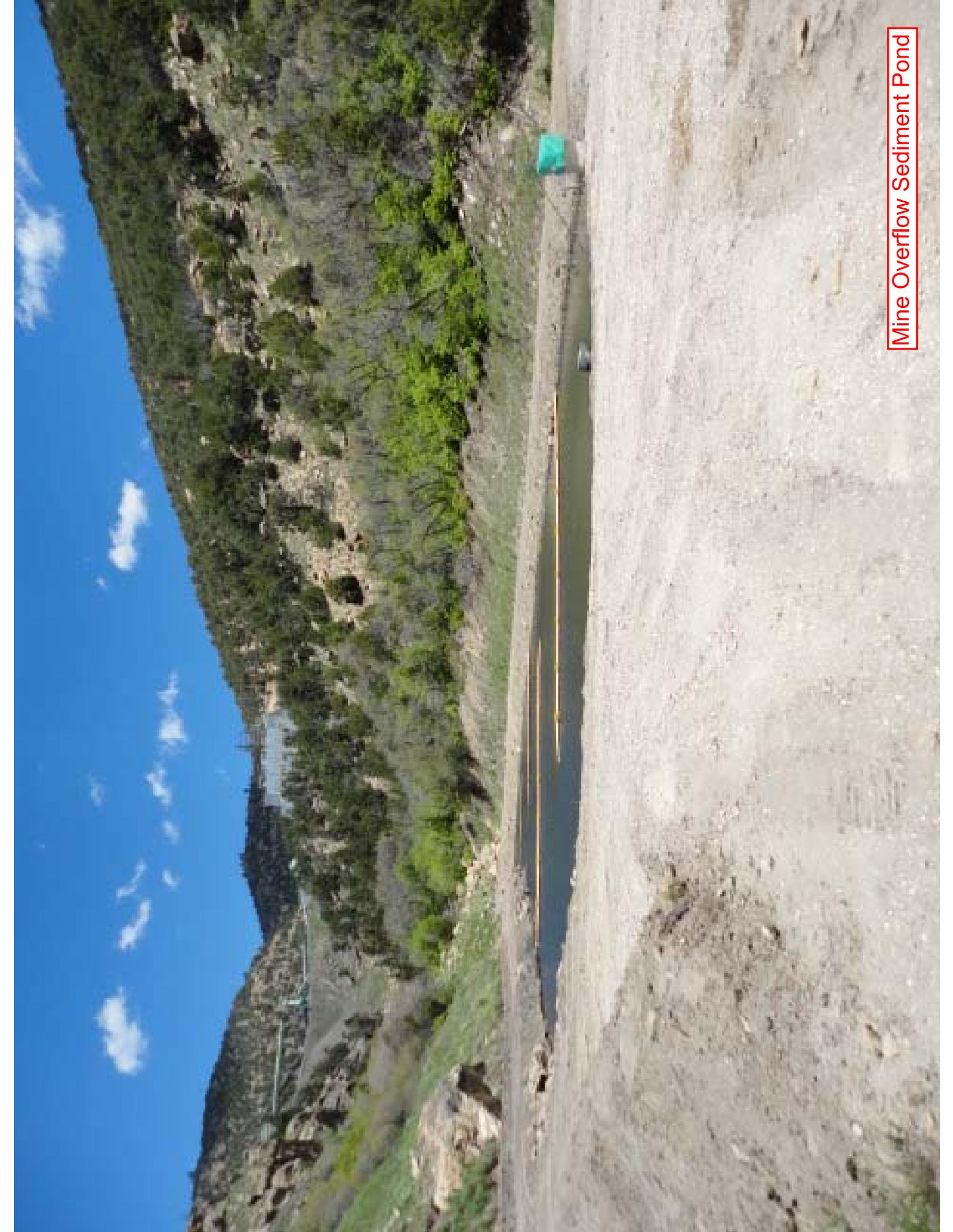
North Waste Rock Sediment Pond



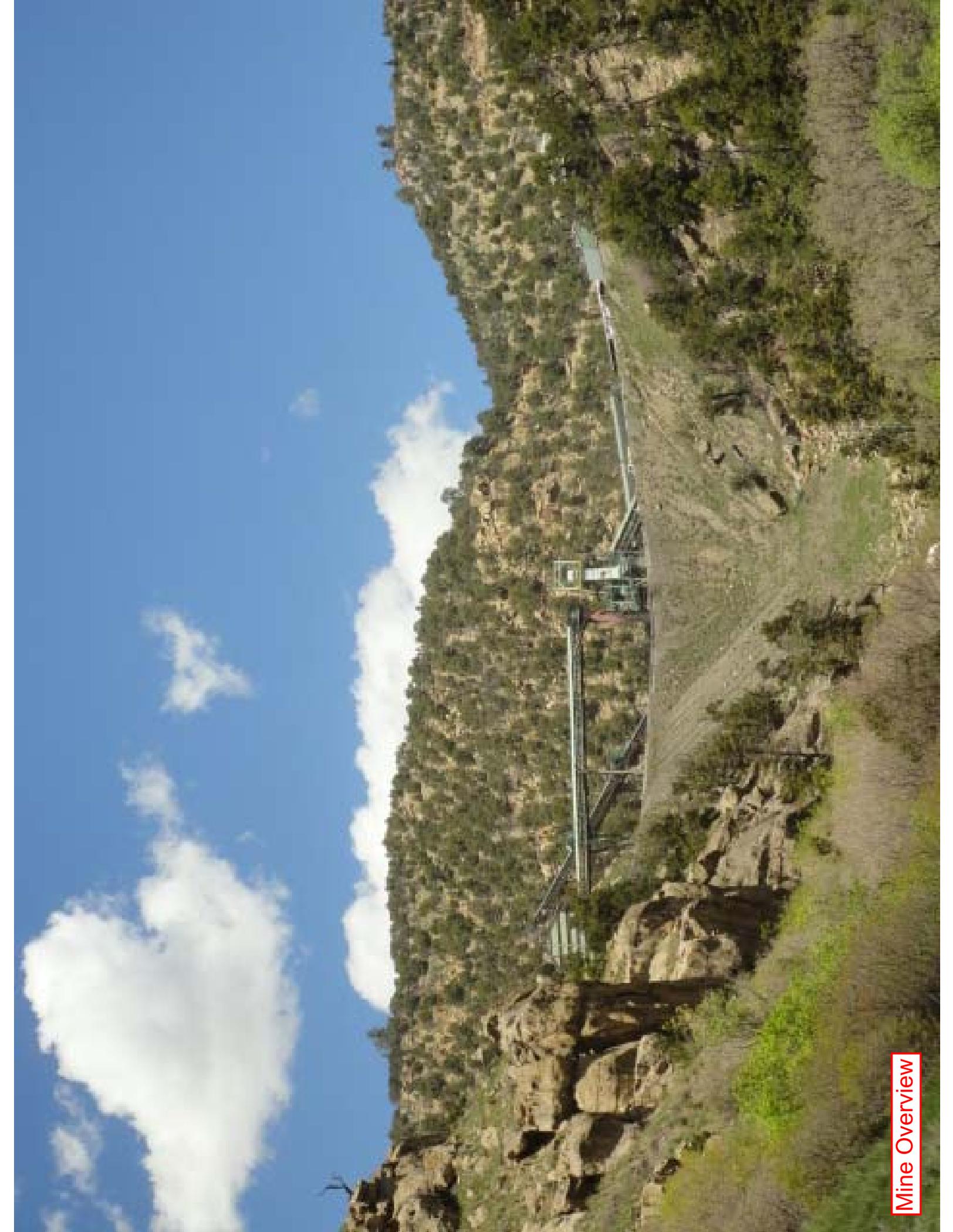
South Waste Rock Sediment Pond



South Waste Rock Sediment Pond



Mine Overflow Sediment Pond





Mine Overflow Sediment Pond



Sediment Ponds

Topsoil



