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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

INSPECTION REPORT

Partial:__ Complete: XXX Exploration:__
Inspection Date & Time: 7/28/99 / 9:00a.m.-5:30p.m.
Date of Last Inspection: 6/11/99

Mine Name: Star Point Mine County: Carbon Permit Number: **ACT/007/006**
Permittee and/or Operator's Name: RAG American Coal Holding Inc. et al
Business Address: 847 Northwest Highway 191, Helper, Utah 84526
Type of Mining Activity: Underground XXX Surface__ Prep. Plant__ Other__
Company Official(s): Johnny Pappas, Bob Fox
State Officials(s): Bill Malencik Federal Official(s): None
Weather Conditions: Clear, Upper 80's
Existing Acreage: Permitted- 9,060 Disturbed- 220 Regraded-_ Seeded-_ Bonded- 220
Increased/Decreased: Permitted-___ Disturbed-___ Regraded-___ Seeded-___ Bonded-___
Status: _Exploration/ XXX Active/___Inactive/__Temporary Cessation/__Bond Forfeiture
Reclamation (__Phase I/__Phase II/__Final Bond Release/__Liability_____Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions
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 N/A.
   b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing 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	N/A	COMMENTS	NOV/ENF
1.	PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	[XX]	[ ]	[XX]	[ ]
2.	SIGNS AND MARKERS	[XX]	[ ]	[XX]	[ ]
3.	TOPSOIL	[XX]	[ ]	[ ]	[ ]
4.	HYDROLOGIC BALANCE:				
a.	DIVERSIONS	[XX]	[ ]	[XX]	[ ]
b.	SEDIMENT PONDS AND IMPOUNDMENTS	[XX]	[ ]	[XX]	[ ]
c.	OTHER SEDIMENT CONTROL MEASURES	[XX]	[ ]	[XX]	[ ]
d.	WATER MONITORING	[XX]	[ ]	[XX]	[ ]
e.	EFFLUENT LIMITATIONS	[XX]	[ ]	[XX]	[ ]
5.	EXPLOSIVES	[XX]	[ ]	[ ]	[ ]
6.	DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	[XX]	[ ]	[ ]	[ ]
7.	COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	[XX]	[ ]	[XX]	[ ]
8.	NONCOAL WASTE	[XX]	[ ]	[ ]	[ ]
9.	PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	[XX]	[ ]	[ ]	[ ]
10.	SLIDES AND OTHER DAMAGE	[XX]	[ ]	[ ]	[ ]
11.	CONTEMPORANEOUS RECLAMATION	[XX]	[ ]	[ ]	[ ]
12.	BACKFILLING AND GRADING	[XX]	[ ]	[ ]	[ ]
13.	REVEGETATION	[XX]	[ ]	[ ]	[ ]
14.	SUBSIDENCE CONTROL	[XX]	[ ]	[XX]	[ ]
15.	CESSATION OF OPERATIONS	[XX]	[ ]	[ ]	[ ]
16.	ROADS:				
a.	CONSTRUCTION/MAINTENANCE/SURFACING	[XX]	[ ]	[XX]	[ ]
b.	DRAINAGE CONTROLS	[XX]	[ ]	[ ]	[ ]
17.	OTHER TRANSPORTATION FACILITIES	[XX]	[ ]	[ ]	[ ]
18.	SUPPORT FACILITIES/UTILITY INSTALLATIONS	[XX]	[ ]	[ ]	[ ]
19.	AVS CHECK (4th Quarter-April, May, June)_____(date)	[ ]	[XX]	[ ]	[ ]
20.	AIR QUALITY PERMIT	[XX]	[ ]	[XX]	[ ]
21.	BONDING & INSURANCE	[XX]	[ ]	[XX]	[ ]
22	OTHER: ANNUAL REPORT	[XX]	[ ]	[XX]	[ ]

PERMIT NUMBER: **ACT/007/006** DATE OF INSPECTION: 7/28/99

(Comments are Numbered to Correspond with Topics Listed Above)

GENERAL COMMENTS

A complete inspection was performed by the undersigned. The field and record portions were completed on 7/28/99. Highlights of the inspection are as follows:

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

Permits and other authorizations held by RAG American include:

-DOGM Mining and Reclamation Permit issued 1/28/97, expires 1/29/2002.
-Federal coal lease and interagency lead roles are covered in lease stipulation 15 among BLM, USFS, and others.
-USFS Special Use Permit.
-BLM ROW.
-Lease of Fee Land.

2. SIGNS AND MARKERS

Identification signs are in place where public roads interface with the permit boundary. Also, other signs include topsoil and refuse pile signs. Stream buffer zone sign marks the encroachment approved areas on adjacent to streams. The disturbed boundary is marked. The permittee has marked each fuel and fluid tank as to content.

4A. HYDROLOGIC BALANCE: DIVERSIONS

There are approximately sixteen miles of constructed diversions within the disturbed and interfacing undisturbed area. This includes water conveyance systems of over 80 ditches and 32 culverts and berms that control and direct runoff. The diversions are designed and discussed in Section 742.300. In the prior inspection, all diversions were functional and maintenance was suggested on several diversions. This was completed as validated today.

Today only one area on the upper pad next to the shop needs to be regraded. Mine Manager, Mr. Fox, accompanied Mr. Pappas and the undersigned to the area in question. Mr. Fox instructed employees to regrade the area.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

There are nine sediment ponds and three water impoundments. The sediment ponds provide sediment control for the majority of the disturbed areas. There are four BTCA's. The runoff from these areas are treated and controlled by alternative sediment control measures. The water impoundments are associated with the coal wash plant.

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None of the sediment ponds were discharging during the inspection. Ponds 1,2,4,5,8, and 9 contained runoff; the remainder were dry. Pond inspections for the second quarter were on file at the mine site, including last year's annual inspection. The reports was dated 6/29/99.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

Silt fences provide the sediment control on the BTCA areas. The mine has installed redundant sediment control measures including straw bales, silt fences, sumps, and check dams to retain sediment near the source. All were functional.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The water monitoring schedule remains unchanged as a result of the updated reclamation plan approved in 1999. This includes both the ground water and surface water.

The water monitoring results have been submitted to the Division for the first quarter of 1999.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

The discharge reports for the month of June were submitted to responsible agencies.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The coal mine waste, as approved by the Division, covers an area of approximately 69 acres. The refuse pile approved design includes outslopes NTE 2:1, a MSHA berm, a sloping pile with positive drainage, diversions designed to meet 6 hr 100 year storm event, and commitment on restricting non-coal waste and combustible materials being stored in the refuse pile.

The second quarter inspection report was prepared by the permittee and a copy was submitted to the Division. The report was dated 6/29/99 and a certified report dates 6/6/99.

14. SUBSIDENCE CONTROL

The subsidence survey results for CY 1998 were reported in the annual report. The 1998 survey results were to be submitted with the 1998 annual report submitted 5/14/99.

INSPECTION REPORT
(Continuation sheet)

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16A. ROADS: CONSTRUCTION/MAINTENANCE/SURFACING

All roads, both ancillary and primary, are designed and discussed in the MRP. During the inspection, the Lion Deck County Road was in a good state of repair. The other county road to sediment pond 3 and to the TV tower is accessible for the public to gain access to Gentry Mountain. The latter road will be maintained as part of the #1 mine. Reclamation agreements made with the county.

20. AIR QUALITY PERMIT

Air quality order is on file at the mine site.

21. BONDING AND INSURANCE

Bonding and insurance documents are on file. The insurance covers the period 7/1/98 to 7/1/99; 9/1/98 to 9/1/99.

A surety bond is on file and has recently been updated by the Division.

22. OTHER - ANNUAL REPORT

-The Division granted the mine an extension to submit the annual report. The report was submitted on 5/15/99.

-Mr. Pappas stated that Division Order 99A has not been addressed by the company at this point in time. He expects the company to respond shortly.

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas, and Mining.

Copy of this Report:

Mailed to: Johnny Pappas (RAG American) Henry Austin (OSM)
Given to: Joe Helfrich (DOGM) Filed to: Price Field Office
Date: July 30, 1999

Inspector's Signature: Wm. J. Malencik #26
Wm. J. Malencik