



The State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

Representatives Present During the Inspection:	
Company	Johnny Pappas Sr. Environmental Engineer
OGM	Karl Houskeeper Environmental Scientist III

Inspection Report

Permit Number:	C0070006
Inspection Type:	COMPLETE
Inspection Date:	Thursday, September 02, 2004
Start Date/Time:	9/2/2004 8:00:00 AM
End Date/Time:	9/2/2004 1:00:00 PM
Last Inspection:	Wednesday, August 04, 2004

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Hazy/Partly Cloudy, Temp 85 Deg F

InspectionID Report Number: 390

Accepted by: pgrubaug
9/21/2004 *OK*

Permittee: **PLATEAU MINING CORP**
 Operator: **PLATEAU MINING CORP**
 Site: **STAR POINT MINE**
 Address: **847 NW HWY 191, HELPER UT 84526**
 County: **CARBON**
 Permit Type: **PERMANENT COAL PROGRAM**
 Permit Status: **ACTIVE**

Current Acreages

8,925.55	Total Permitted
95.30	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:

There are no pending compliance actions. The only permit condition currently in place is that the permittee must submit all water monitoring data in an electronic format to the Division's web site. The permittee is complying with this stipulation.

A new bond has been issued to replace the three (3) previous bonds (see item #21).

The insurance policy number has changed (see item #21).

Inspector's Signature

Karl Houskeeper
Karl Houskeeper, Environmental Scientist III

Date Thursday, September 02, 2004

Inspector ID Number: 49

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

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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The DOGM Permit was effective on 12/29/2003 and expires on 01/27/2007. Other documents include the following:

- Certificate of Insurance issued 07/30/04 and terminates 07/30/05.
- Reclamation Agreement is dated July 1999.
- UPDES Permit UT0023736 effective 01/01/2002 and expires midnight 12/31/2006.
- Air Quality Permit DAQE-886-96 issued 09/20/1996.

A revised permit was issued December 29, 2003. The permit area has been reduced do to the approval of a Phase III bond release and the issuance of the Star Point Waste Fuel (refuse) permit C/007/042. The revised permit reduced the bond from \$10,581,000 to \$7,796,000 and reduced the permit area from 9,084 acres to approximately 8,900 acres.

2. Signs and Markers

The ID sign is located at the public access to the permit boundary. Other markers observed during the inspection were in place as required by the coal rules.

4.d Hydrologic Balance: Water Monitoring

A review of the EDI website prior to the complete inspection showed that the second quarter 2004 water monitoring information is in the EDI website and is uploaded. Third quarter 2004 water monitoring is in progress.

4.e Hydrologic Balance: Effluent Limitations

Reviewed the July 2004 Discharge Monitoring Reports sent to Environmental Quality (State of Utah). No flow or discharge occurred from any of the listed outfalls. The outfalls that still require reports have been reclaimed for some time and are non existent, therefore a discharge is physically impossible.

20. Air Quality Permit

The Air Quality Permit DAQE-886-96 was issued on 09/20/1996 and remains in effect.

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Inspection Continuation Sheet

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21. Bonding and Insurance

A new bond has been issued by Travelers Casualty and Surety Company of America, Bond No. 104329368 for \$7,796,000.00. The bond replaces the three (3) bonds that were previously in place for the same bonded amount.

The previous bonds were as follows:

- Bond #KA2990-096 for \$3,527,000.
- Bond #210067-096 for \$3,527,000.
- Bond #103198931-096 for \$742,000.

The total bonded amount is \$7,796,000. The reclamation agreement is in effect.

The insurance has been updated. The previous policy was provided by Policy # ICH GL 137-04 from AON Risk Services. The new insurance is provided by AON Risk Services of Texas, Inc Policy BOG 5086545-00. The insurance meets the minimum requirements and includes explosion coverage. The certificate holder is listed as the State of Utah and the cancellation clause is acceptable. The new policy expires on 07/30/2005.