

INSPECTION REPORT

DATE OF INSPECTION: April 19-28, 1993

MINE: Sunnyside Mine

PERMIT NO.: ACT\007\007

COMPANY: Sunnyside Coal Company
P. O. Box 99
State Highway 123
Sunnyside, Utah 84539
801-888-4421

INDIVIDUALS PRESENT DURING THE INSPECTION:

Gary Gray, Sunnyside Coal Company (SCC)
Peter Hess, SCC
Henry Sauer, Division of Oil, Gas and Mining (DOGM)
Hugh Kline, DOGM
Edzel Pugh, Office of Surface Mining (OSM)
Russ Porter, OSM

This was a complete, random sample, oversight inspection of the Sunnyside Mine.

Weather: Mostly sunny and mild with periods of wind. The soil conditions were dry.

RECORDS REVIEW

Permit Term: The current permit runs from January 20, 1991 to January 20, 1996.

Certificate of Insurance: Policy number ML14823, provided by Old Republic Insurance Co. with an effective date of 12/22/92 and an expiration date of 12/22/93, was reviewed for liability coverage of the Sunnyside Mine operated by Sunnyside Coal Company. The general aggregate amount of coverage is \$2,000,000.00. There is also excess liability coverage in the amount of \$5,000,000.00 provided by policy number 2L232.

Ownership and Control: The owners and/or controllers of the mine was reviewed in the mine plan. This information had been updated during the latter part of 1992. Although the officers and directors for Sunnyside Coal Company are listed, the officers and directors of the parent company, Sunnyside Mines, Inc. are not shown. A Ten-Day Notice (TDN) was issued for failure to identify all owners and/or controllers of the mining operations as required under R645-301-112.

Bond: There have been concerns voiced by OSM and DOGM as to the adequacy of the bond at the mine. During the morning of April 20, 1993 DOGM issued a Cessation Order for inadequate bond on the mine. All operations were required to be ceased until a proper bond was in place. Mining operations were ceased, however a train load of coal was allowed to be removed from the mine the evening after the Cessation Order was issued. The company says this was allowed by the DOGM Associate Director. The Cessation Order was modified to allow an additional 30 days for the company to post adequate bond. Operations at the mine were allowed to resume during the 30 day period.

Blasting: No surface blasting is conducted on this site.

UPDES or Discharge Permit: The Utah Department of Water Quality has issued discharge permit UT0022942 which has a total of 10 discharge points into Grassy Trail Creek. The permit was issued on 09/1/92 and expires 07/31/97. Monitoring point 001 exceeded the limits for oil and grease on March 22, 1993. The company did not report this exceedance as required by the permit. As a result of the failure to comply with the conditions of the discharge permit DOGM issued a Notice of Violation (NOV).

Water Monitoring: A review of the surface and ground water monitoring program at the mine determined that the surface water monitoring was not being conducted in accordance with the approved plan. Some of the surface water monitoring sites were not monitored as required during January, February and March of 1993. DOGM issued a NOV for failure to conduct water monitoring as required in the approved plan.

Air Quality Monitoring: Air quality is not required to be monitored at the mine. Instead, an air quality permit issued on 09/30/87, places a limit on the amount of coal which can be mined during the year. Water is approved as a means of controlling dust from the operations.

SPCC Plan: A recent NOV issued by DOGM has resulted in an update to the Spill Prevention Control and Countermeasures plan. The current plan was revised March 30, 1993 and has been certified.

Pond Inspections: The 18 ponds which exist at the mine were found to have been inspected during the first quarter of 1993. No unusual problems were noted during the inspection.

Certifications:

Impoundments--The annual certification and inspection of all impoundments was done during the last quarter of 1992.

Roads--The drawings for the location and cross sections of the primary roads on the mine were not certified. DOGM issued a NOV addressing this noncompliance.

Coal Mine Waste--The refuse pile at the mine was certified on 02/25/93.

Permit Maps--Drainage maps, facilities maps, road maps and cross sections were not certified. Practically all maps with the exception of the drawings for the ponds were not certified. DOGM issued a NOV to address this concern.

In addition to the above it was found that all the maps which were used in the field during the inspection had inaccuracies and did not match or depict actual ground conditions. A Ten-Day Notice was issued to the Division for the above.

Subsidence Monitoring: There are no surface owners above the mine that do not have an interest in or have not received royalty payments from the mining of the coal. Therefore, there were no other notifications sent to inform these owners of the intent to mine and possible subsidence, other than the operating plan for the mine.

The annual subsidence monitoring report indicates the most subsidence to date is at monitoring station S-3 which has subsided a total of 3.25 feet. The maximum subsidence for 1992 occurred at station S-6 with a total of 1.75 feet.

None of the monitoring stations were checked in the field during this inspection.

Pending Permitting Actions: A new mine plan has been submitted but has not been determined complete. There are also amendments to the current plan which are pending. Some of these amendments are;

1. Coal haulage road.
2. Permit area change.
3. Bond revision.
4. Fan and Water Canyon reclamation plan.
5. Removal of Water Canyon Refuse pile from the disturbed area.

FIELD REVIEW

Signs and Markers:

Mine Identification--These signs were posted at various access points to the mine.

Perimeter Markers--The markers were hard to see in some of the surface disturbance areas. The markers were repainted during the inspection.

Two areas were identified which were posted with disturbed area boundary but were not shown on the mine maps. These areas were the refuse area in Water Canyon and an area across the creek from the fan in Fan Canyon. Another area was identified on the mine map but was not posted as being within the disturbed area boundary. This was the Twin Shaft mine water discharge line. A Ten-Day Notice was issued to the Division on the above.

Topsoil Markers--These were found to be posted in areas where topsoil was stored.

Stream Course Buffer Signs--These signs were not posted in all areas where disturbance has occurred up to and within 100 feet of Grassy Trail Creek, which is the protected stream channel. Where signs were posted along the stream they were not of a quantity to identify it as protected. A TDN was issued for failure to comply with R645-521-260 and 261.

HYDROLOGIC SYSTEM

Drainage Control: The drainage control system at the mine was not functional in several areas nor had it been maintained as

designed. There were ditches in areas not approved but no ditches in areas that were approved for a ditch. The same was found for culverts. As a result DOGM issued a NOV for failure to design and construct drainage controls.

There were three areas identified where erosion had caused gullies. These were the south embankment of the East Slurry Cell, the Railcut Pond embankment and the bank immediately behind the Whitmore Fan substation. DOGM issued a NOV for the erosion.

Impoundments: All 18 of the impoundments at the mine were inspected. Those with problems are discussed below.

Pond 002A, Old Whitmore--Embankment not constructed as designed. Hole located in the embankment on the side next to the road.

Pond 010, Lower #2 Canyon--Sediment level has exceeded the elevation of the decant pipe. The inlet of the pipe is buried.

Pond 006, Manshaft--The western embankment inslope and emergency spillway pipe were not maintained as designed.

Pond 011, Upper #2 Canyon--The inlet and emergency spillway outlet not maintained to design.

Pond 014, Sunnyside Surface Facilities--Erosion on the southern embankment.

Pond 009, Pasture Pond--The inlet, the primary and emergency spillway were not maintained.

Pond 008, Old Course Refuse--The decant pipe is bent toward the bottom of the pond reducing the design capacity.

Pond 012, New Course Refuse--No sediment clean out markers, no grouted inlet, splash pad covered and sediment level too high.

East Slurry Cell--The pond was enlarged without approval.

Pond 004, Clearwater--The inlet and diversion running into this pond was not approved.

DOGM addressed the above problems in three different NOV's.

Siltation Structures: Silt fences are used in locations

throughout the mine. Several fences were found that were not functioning. Some of these were repaired before the end of the inspection. Others in the #2 Canyon, below the coarse refuse pile and the road side substation were addressed in an NOV issued by DOGM.

There were also two areas identified as not having any sediment treatment for runoff during precipitation events. These areas were the #3 mine substation which drains, via a culvert, underneath the Hoist House sedimentation pond and into the discharge pipe of the Hoist House pond which then flows into the #2 Canyon. The other area was a disturbance adjacent to the Roadside substation which did not have any sediment control. DOGM addressed these areas in a NOV.

In addition to the above there were other areas discovered which were not identified in the mine plan as having treatment for runoff. One was the topsoil pile beside the Twinshaft Mine Water pond, the runoff did not go where planned. The topsoil pile runoff was supposed to go to the pond but could not flow in that direction due to a berm which directed the flow toward Grassy Trail Creek. The topsoil pile is well vegetated and there is now a functional silt fence the water must flow through. Two other areas not identified in the mine plan as having sediment control are the substation identified as, "central metering" and an area on the south side of Fan Canyon across from the fan house. The area at Fan Canyon is marked on the ground as being within the disturbed area and has good vegetation. The above areas have been addressed in a Ten-Day Notice to the Division.

The Rock Dust Bin is approved to have sediment control under the Best Technology Currently Available (BTCA) scenario but the area had been disturbed and the vegetation removed or covered with soil. This removed any treatment for the runoff. DOGM issued a NOV for this noncompliance.

The berm at the SSF spoil pile had breached and caused an erosion gully to run off of the disturbed area. DOGM also addressed this area with a NOV.

Surface Water Monitoring: There is no automated equipment located at any of the surface water monitoring stations so these locations were not checked.

Ground Water Monitoring: All the ground watering monitoring locations are located within the mine. These were not checked.

Protected Stream Channels: Grassy Trail Creek is a protected stream channel which runs through different areas of the mining operations. During a previous inspection DOGM determined that coal dust from the belt line was falling into the #2 Canyon channel which flows directly into Grassy Trail Creek when there is flow. DOGM issued a NOV requiring that archways be installed over the #2 Canyon channel underneath the beltline. The abatement date for the NOV had passed without the completion of the work or an extension of time for the abatement. As a result DOGM issued a Failure to Abate Cessation Order which required the work to be finished immediately. Completion of the work was ongoing during the last day of the inspection.

PRIMARY-ANCILLARY ROADS

Surfacing: The surfacing of the haul roads was satisfactory. There was no surfacing on several of the ancillary roads.

Maintenance: The Refuse road, Water Canyon road, #2 Canyon road and the Fan Canyon road were not maintained as designed. DOGM issued a NOV addressing these roads.

Ditches and Culverts: The ditches along several of the roads were not built as designed. Some culverts also need maintenance to allow the design event to pass. These items were covered in the NOV mentioned above.

TOPSOIL

Removal: There was no topsoil being removed during the inspection.

Placement: There was no topsoil being placed during the inspection. Material was being removed from the barrow area in the vicinity of the slurry ponds and was being used to complete the construction of the archways over #2 Canyon.

Storage: With the exception of the drainage problem mentioned at the topsoil pile by the Twin Shaft pond, the only other problem noted with storage was at the topsoil pile from the Test Plot. The berm around this pile had been washed out from water running off of a disturbed area and coal waste was entering the pile. DOGM issued a NOV for this noncompliance.

BACKFILLING AND GRADING

Contemporaneous Reclamation: The reclamation of those areas

of the mine no longer in use are not progressing in a contemporaneous manner. A revised reclamation plan for Fan, Water and the #2 Canyon is currently being reviewed by the Division. Reclamation is expected to begin in the near future.

Highwall Elimination: Although the revised reclamation plan was not reviewed, the current plan does not propose to eliminate highwalls. This practice may or may not be allowed depending on the circumstances surrounding the creation of the highwalls.

Stabilization: Water Canyon has had some interim reclamation accomplished and will be completed once the revised reclamation plan is approved. The current reclamation does not appear to have a stabilization problem, however all of the highwall in the area has not been eliminated.

Surface erosion was found on the outside of the south embankment of the East Slurry Cell, the Rail Cut pond embankment and in an area behind the Whitmore fan substation. DOGM issued a NOV for the erosion.

REVEGETATION

Seeding: No seeding was being done at the time of the inspection.

Success: Those areas which have received stabilization seeding indicate acceptable success of the revegetation.

COAL MINE WASTE

Drainage Control: The face of the refuse pile was being worked on to replace the diversions which had been removed while extinguishing a fire in the pile.

Surface Stabilization: The refuse pile is also under permit by Sunnyside Cogeneration and the plan is to eventually burn the refuse as a fuel in the power plant. Therefore the faces of the pile will not be reclaimed.

Placement: The refuse was being end dumped on the top of the pile and no effort was being made to place it in lifts as required in the plan. The elevation of the pile has exceeded the elevation of the west embankment of the West Slurry Cell, which was prohibited in the plan. There was no drainage from the top of the pile. DOGM issued a NOV addressing this noncompliance.

DISTANCE PROHIBITIONS

Roads: There is a county road which runs up Grassy Trail Creek and some of the mine disturbance is within 100 feet of this road.

There are no dwellings, public buildings, churches, schools, cemeteries or protected public lands within the permit area.

OTHER

The dry coal fines from the East Slurry Cell were not being placed in the designated area. DOGM issued a NOV for this noncompliance.

Coal was being stored in several areas which was not designated as a coal storage area. These areas were the #2 Canyon in the equipment yard and north of the archway, south end of the tunnel at the unit train loadout, the tipple area and along the beltline. A Ten-Day Notice was issued to the Division for the above.

The power lines running into the mine were excluded from the disturbed area boundary. At first it was thought this was because they were owned by the electric utility, however it was later discovered that the power lines are owned by and were installed by the coal company operating the mine several years back. Since the lines were installed to facilitate the mining they must be included in the disturbed area. A Ten-Day Notice was issued to the Division.

Noncoal waste is scattered throughout the mine site. The temporary storage area for noncoal waste has exceeded its capacity and material from the waste pile is being scattered by the wind. DOGM has issued a NOV requiring the company to clean up the noncoal waste and provide measures for removal.

EXISTING ENFORCEMENT ACTIONS

NOV 92-32-14-1, failure to comply with the terms and agreements of the approved mining and reclamation permit. Failure to treat the water emanating from the bottom of the wash below the course refuse pile. Abatement extended to May 12, 1993.

NOV 92-32-8-1, failure to prevent to the extent possible additional contributions of sediment to stream flow or runoff outside the permit area. The abatement date for this NOV was

April 29, 1992. The NOV was terminated with the condition that the company implement plans which were subsequently approved within 30 days after the approval. This was not done and Failure to Abate Cessation Order #93-32-1-1 was issued.

ENFORCEMENT ACTIONS FROM THIS INSPECTION

Notices of Violation:

- 93-40-2-2 1 of 2, Not conducting mining and reclamation activities in accordance with the approved plan. Not complying with the terms and conditions of the permit and all applicable performance standards and requirements of the Program.
- 2 of 2, Failure to conduct mining activities in accordance with the approved plan. Failure to place dry coal fines from the East Slurry Cell on the west side of the West Slurry Cell.
- 93-40-3-3 1 of 3, Failure to prevent, to the extent possible, runoff outside the permit area.
- 2 of 3, Failure to design, locate and use a sediment pond (inlet) diversion and its appurtenant structures so as to be stable.
- 3 of 3, Failure to construct and/or maintain sediment ponds as specified in the approved plan.
- 93-32-2-5 1 of 5, Failure to comply with the terms and agreements of the approved plan. Failure to comply with the terms and agreements of UPDES permit No. UT0022942. Failure to notify, in writing, within 5 days, the Division of Water Quality of a violation of a maximum discharge limitation.
- 2 of 5, Failure to certify by a qualified, registered, professional engineer or land surveyor, permit maps.
- 3 of 5, Failure to comply with the terms and agreements of the approved permit. Failure to conduct water monitoring as required in the approved plan.
- 4 of 5, Failure to provide periodic sediment removal sufficient to maintain adequate volume for the design event.

5 of 5, Failure to place and store noncoal mine waste in a controlled manner in a designated portion of the permit area.

93-32-3-8

1 of 8, Failure to maintain sediment control structures using the best technology currently available.

2 of 8, Failure to pass disturbed area drainage through a sediment control/treatment structure.

3 of 8, Failure to protect topsoil stockpiles from contaminants. Failure to prevent coal refuse from entering a topsoil stockpile.

4 of 8, Failure to minimize erosion to the extent possible.

5 of 8, Failure to comply with the terms and agreements of the approved permit. Failure to maintain sediment control structure for a B.T.C.A. as approved.

6 of 8, Failure to comply with the terms and agreements of the approved permit. Failure to place coal refuse in a controlled manner as approved. Coal refuse has been placed above the elevation of the west embankment of the West Slurry Cell.

7 of 8, Failure to maintain roads in accordance with the approved designs.

8 of 8, Failure to design and construct drainage controls to meet the requirements of the R645 coal mining rules.

CESSATION ORDERS

C93-20-1-1 Failure to have adequate bond coverage in effect at all times, which is a condition of the permit.

The Cessation Order was subsequently modified to allow an additional 30 days to provide adequate bond, however the DOGM Associate Director lined out the 30 day period leaving the requirement open. It should be noted that OSM will require the 30 day limit to be met or operations at the mine will be suspended. The 30 days will expire as of May 21, 1993.

C93-32-1-1 Failure to prevent to the extent possible additional contributions of sediment to stream flow or to runoff outside the permit area.

No cessation of operations was required by this order.

TEN-DAY NOTICE

X-93-02-352-005 TV7

1 of 7, Failure to identify all owners and/or controllers of Sunnyside Coal Company under permit ACT/007/007.

2 of 7, Failure to post and/or maintain stream buffer markers along the buffer zone on Grassy Trail Creek.

3 of 7, Failure to identify in the plan, measures to control runoff from a disturbed area. Areas are; Twin Shaft mine water pond topsoil pile, substation identified as Central Metering and the area on the south side of Fan Canyon.

4 of 7, Storing coal in an area not approved in the plan. Areas are; #2 Canyon, #2 Canyon north of the archway, south end of the unit train loadout tunnel and tipple area.

5 of 7, Failure to include power lines within the disturbed area boundary. Power lines running onto and providing electric to the mine. Lines were originally installed by the coal company.

6 of 7, Failure to identify all disturbed areas on mine maps. Areas are; Fan Canyon south of creek, refuse area at Water Canyon and Twin Shaft mine water discharge line.

7 of 7, Failure to provide accurate maps. Numerous mine maps were found to be inaccurate when compared to on ground conditions.

MSEIR: Those items in block 24 marked with a "2" have been discussed above. Those items marked with a "3" were not applicable for the purposes of this inspection. Those items

marked with a "4" indicate requirements not yet started on the site. Those items marked with a "5" identify a noncompliance addressed in a space marked with a "2".