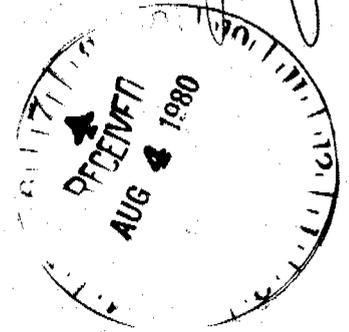




United States Department of the Interior
 OFFICE OF SURFACE MINING
 Reclamation and Enforcement
 BROOKS TOWERS
 1020 15TH STREET
 DENVER, COLORADO 80202

July 30, 1980

Mr. Ron Daniels
 Coordinator of Mined Land Development
 Department of Natural Resources
 1588 West North Temple
 Salt Lake City, Utah 84116



ACT/007/009

Dear Mr. Daniels;

Enclosed please find a copy(s) of on-site inspection report. The inspection was conducted within Sagepoint Mine during the period of June 25, 1980.

If you have any questions or problems, please contact this office.

Sincerely,

Thomas E. Ehmett
 Acting Assistant Regional Director
 Division of Inspection & Enforcement

REGION V ON-SITE INSPECTION REPORT

EUREKA ENERGY COMPANY
SAGEPOINT MINE
P.O. Box 1506
Price, Utah 84501

DATE: June 25, 1980
TIME: 8:30 a.m.
WEATHER: Sunny, warm, and clear
COUNTY AND STATE: Carbon, Utah
COMPANY OFFICIALS: Bob Goudge and Paul Anderson
OSM OFFICIAL: Eileen Doherty
PROPOSED FILE NUMBER: ACT/007/009
MSHA NUMBER: 42-01590

GENERAL COMMENTS

The exploration operation began in 1975 in the form of drilling. There are two canyons in which exploration is taking place, Dugout Canyon and Fish Creek Canyon. Fee and Federal properties would be involved with this mine. Eureka Energy Company is a subsidiary of PG&E in San Francisco, California. Exploration approval was last received by the United State Geological Survey (USGS) on August 31, 1979, in a letter which states that exploration is subject to USGS stipulations and Federal, State and Bureau of Land Management (BLM) regulations. In a June 6, 1980 letter, Mr. Goudge requested approval from the USGS to drill another hole on Federal property. The request includes approval for a 100 by 16 foot minimal access road. The request references topsoil handling for this disturbance by stating that no salvagable topsoil material exist in the area.

Drill pits must be backfilled and seeded upon completion. Mr. Anderson and Mr. Goudge informed me that several holes have been reclaimed, as stipulated in the USGS approval.

Recent activity has been limited to surveying and research data gathering. Three seams are being explored, the Sunnyside Seam, Rock Canyon Seam, and the Gilson Seam. In the summer of 1978, two trenches were excavated to locate any available outcrops. None were found, and no activity has taken place since then. One of the trenches is tentatively planned to be used as a faceup site at the time of mine development. The other trench is planned to be a part of surface facilities bench.

The operator hopes to have a mine plan application ready for submission to OSM by the fall of 1980.

The status of all disturbances at this operation is presently temporary and nonsupportive of any mining activities. No coal has been exposed. Any upgrading of exploratory disturbances to a degree which could be construed as supportive of permanent operations will be considered mining.

SAGEPOINT MINE

GENERAL COMMENTS (cont'd)

During this inspection, Fish Creek was crossing the access road to the Canyon in two places. Soldier Creek also crosses the road at one point. These are stream fords and must be either culverted or crossed in some manner environmentally acceptable to the DOGM and OSM. This needs to be addressed before any additional activity takes place up Fish Creek Canyon. This will be considered a formal notification to the Eureka Energy Company of the need to address these stream fords.


EILEEN DOHERTY
RECLAMATION SPECIALIST