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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

REVISED
INSPECTION REPORT

Handwritten initials/signature

Norman H. Bangarter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

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3 Triad Center, Suite 350
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Partial: Complete: XX Exploration
Inspection Date/Time: June 29-30, 1993/08:30am-03:00pm
Date of Last Inspection: May 28, 1993

Mine Name: Hiawatha County: Carbon Permit Number: ACT/007/011
Permittee and/or Operator's Name: U.S. Fuel Company
Business Address: P. O. Box 887, Price, UT 84501
Type of Mining Activity: Underground XX Surface Prep. Plant Other
Officials(s): State: Stephen J. Demczak Company: Mike Baum
Federal Official(s): Weather Conditions: Warm 80's
Existing Acreage: Permitted-12000 Disturbed-290 Regraded-Seeded-Bonded-290
Increased/Decreased: Permitted-Disturbed-Regraded-Seeded-Bonded
Status: Exploration/Active/Inactive/Temp 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.

Table with 4 columns: EVALUATED, N/A, COMMENTS, NOV/ENF. Rows include: PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE (DIVERSIONS, SEDIMENT PONDS AND IMPOUNDMENTS, OTHER SEDIMENT CONTROL MEASURES, WATER MONITORING, EFFLUENT LIMITATIONS); EXPLOSIVES; DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES; COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS; NONCOAL WASTE; PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES; SLIDES AND OTHER DAMAGE; CONTEMPORANEOUS RECLAMATION; BACKFILLING AND GRADING; REVEGETATION; SUBSIDENCE CONTROL; CESSATION OF OPERATIONS; ROADS (CONSTRUCTION/MAINTENANCE/SURFACING, DRAINAGE CONTROLS); OTHER TRANSPORTATION FACILITIES; SUPPORT FACILITIES/UTILITY INSTALLATIONS; AVS CHECK (4th Quarter-April, May, June); AIR QUALITY PERMIT; BONDING & INSURANCE.

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(Continuation sheet)

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PERMIT NUMBER: ACT/007/011 DATE OF INSPECTION: June 29-30, 1993

(Comments are Numbered to Correspond with Topics Listed Above)

1. Permit -

- a) The insurance accord form was examined and found to comply with the regulations. The policy (N6A 1498686-03) will expire April 1, 1994.
- b) The reclamation agreement was signed by the permittee and the Division director on March 25, 1992. The bond is set for \$3,779,000. U. S. Fuel has a bond for \$1,450,000 by a bonding company and is self bonded by \$2,329,000.
- c) The sediment pond was inspected on June 30, 1993 and no problems were noted. No ponds were discharging during the inspection. The inspection revealed no erosion taking place with the inlets, outlets or slopes.
- d) Refuse piles were inspected on June 30, 1993 and P.E. Certified. Slurry pond #4 is in the process of being reclaimed and will be scheduled for completion in the fall. Slurry pond #5, 5A is in the process of being emptied and the coal fines are being sold to Co-Op Mining Company.
- e) Division Order 92-A was due on June 18, 1993 and has been submitted and under review.
- f) There was no discharge during the first quarter from the NPDES monitoring program of sediment ponds. Permit expires June 30, 1994.
- g) The springs were sampled June 16, 1993 at locations: Sp-2, Sp-4, Sp-5, Sp-11, Sp-12 and Sp-13. The results have not been completed by the lab. The ground water was sampled May 25, 1993 and June 23, 1993 for locations: St-1, St-2, St-2b, St-3, St-3a, St-3b, St-4, St-4a and St-4b.

3. Topsoil -

Topsoil pile located below the #4 slurry pond had been planted and there was new vegetation growing on the pile. U. S. Fuel will be submitting area changes of their barrow pits. The proposed sites will be closer to the mine site and will reduce transportation costs. Test holes have been dug to determine soil horizons and composition.

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4a. Diversions -

All diversions have been inspected and cleaned out by the operator. During the time of the inspection, the culverts were found to be unplugged and free of material.

12. Backfilling and Grading -

The King #6 and #4 portal holes will be backfilled by the end of the summer. Presently all equipment has been retrieved from the mines. All ventilation fans have been removed or are non-operational.

18. Support Facilities/Utility Installations -

The bulk heads located at King #2 mine are being drained and inspections will continue. The operator will eliminate inspections after the bulk heads are completely drained with DOGM approval.

19. AVS Check -

An AVS check has been taken at the mine site with no new changes in ownership and control.

Copy of this Report:

Mailed to: U.S. Fuel Company, Mike Baum

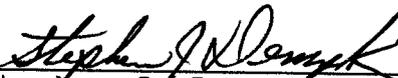
Mailed to: Bernie Freeman (OSM)

Given to: Joe Helfrich (DOGM)

Filed to: Price Field Office

Date: July 19, 1993

Inspector's Signature and Number:


Stephen J. Demczak

#39