

0030

PERMIT CHANGE TRACKING FORM

| | | | |
|--------------------|--|-----------------|-------------|
| DATE RECEIVED | 9/1/93 | PERMIT NUMBER | ACT/007/011 |
| Title of Proposal: | Coal + Waste Salvage | PERMIT CHANGE # | 93A |
| Description: | portable screening, crushing + blending facility | PERMITTEE | U.C. Fuel |
| | | MINE NAME | Hawatha |

| | | | | |
|--|----------|-----------|--|-----------------------------------|
| <input type="checkbox"/> 15 DAY INITIAL RESPONSE TO PERMIT CHANGE APPLICATION <input type="checkbox"/> Notice of Review Status of proposed permit change sent to the Permittee. <input type="checkbox"/> Request additional review copies prior to Division/Other Agency review. <input type="checkbox"/> Notice of Approval of Publication. (If change is a Significant Revision.) <input type="checkbox"/> Notice of request to modify proposed permit change prior to approval. | DATE DUE | DATE DONE | RESULT | |
| | | | <input checked="" type="checkbox"/> ACCEPTED | <input type="checkbox"/> REJECTED |
| | | | Permit Change Classification | |
| | | | <input type="checkbox"/> Significant Permit Revision | |
| | | | <input type="checkbox"/> Permit Amendment | |
| | | | <input type="checkbox"/> Incidental Boundary Change | |

| REVIEW TRACKING | INITIAL REVIEW | | MODIFIED REVIEW | | FINAL REVIEW AND FINDINGS | |
|---|----------------|--------|-----------------|------|---------------------------|------|
| DOGM REVIEWER | DUE | DONE | DUE | DONE | DUE | DONE |
| <input type="checkbox"/> Administrative <i>DBT</i> | | 9/2/93 | | | | |
| <input type="checkbox"/> Biology | | | | | | |
| <input type="checkbox"/> Engineering <i>Wayne Randy</i> | | 9/2/93 | | | | |
| <input type="checkbox"/> Geology | | | | | | |
| <input type="checkbox"/> Soils | | | | | | |
| <input type="checkbox"/> Hydrology | | | | | | |
| <input type="checkbox"/> Bonding | | | | | | |
| <input type="checkbox"/> AVS Check | | | | | | |

| COORDINATED REVIEWS | DUE | DONE | DUE | DONE | DUE | DONE |
|---|-----|------|-----|------|-----|------|
| <input type="checkbox"/> OSMRE <i>NA</i> | | | | | | |
| <input type="checkbox"/> US Forest Service | | | | | | |
| <input type="checkbox"/> Bureau of Land Management | | | | | | |
| <input type="checkbox"/> US Fish and Wildlife Service | | | | | | |
| <input type="checkbox"/> US National Parks Service | | | | | | |
| <input type="checkbox"/> UT Environmental Quality | | | | | | |
| <input type="checkbox"/> UT Water Resources | | | | | | |
| <input type="checkbox"/> UT Water Rights | | | | | | |
| <input type="checkbox"/> UT Wildlife Resources | | | | | | |
| <input type="checkbox"/> UT State History | | | | | | |
| <input type="checkbox"/> Other | | | | | | |

| | |
|--|---|
| <input type="checkbox"/> Public Notice/Comment/Hearing Complete (If the permit change is a Significant Revision) <i>NA</i> | <input checked="" type="checkbox"/> Permit Change Approval Form signed and approved effective as of this date. <input type="checkbox"/> Permit Change Denied. |
| <input checked="" type="checkbox"/> Copies of permit change marked and ready for MRP. | <input checked="" type="checkbox"/> Notice of <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Denial to Permittee. |
| <input type="checkbox"/> Special Conditions/Stipulations written for approval <i>NA</i> | <input checked="" type="checkbox"/> Copy of Approved Permit Change to File. |
| <input type="checkbox"/> TA and CHIA modified as required. <i>NA</i> | <input type="checkbox"/> Copy of Approved Permit Change to Permittee. |
| <input checked="" type="checkbox"/> Permit Change Approval Form ready for approval <i>#</i> | <input checked="" type="checkbox"/> Copies to Other Agencies and Price Field Office. |

PERMIT AMENDMENT APPROVAL

| | |
|---|-----------------------------------|
| Title: <u>Portable Screen, Crush, Blend, Facility</u> | PERMIT NUMBER: <u>ACT/007/011</u> |
| Description: | PERMIT CHANGE #: <u>93A</u> |
| | MINE: <u>Hjawatha</u> |
| | PERMITTEE: <u>M.S. Fuel</u> |

| WRITTEN FINDINGS FOR PERMIT APPLICATION APPROVAL | YES, NO or N/A |
|---|----------------|
| 1. The application is complete and accurate and the applicant has complied with all the requirements of the State Program. | Y |
| 2. The proposed permit area is not within an area under study or administrative proceedings under a petition, filed pursuant to R645-103-400 or 30 CFR 769, to have an area designated as unsuitable for coal mining and reclamation operations, unless: | Y |
| A. The applicant has demonstrated that before January 4, 1977, substantial legal and financial commitments were made in relation to the operation covered by the permit application, or | Y |
| B. The applicant has demonstrated that the proposed permit area is not within an area designated as unsuitable for mining pursuant to R645-103-300 and R645-103-400 or 30 CFR 769 or subject to the prohibitions or limitations of R645-103-230. | Y |
| 3. For coal mining and reclamation operations where the private mineral estate to be mined has been severed from the private surface estate, the applicant has submitted to the Division the documentation required under R645-301-114.200. | Y NA |
| 4. The Division has made an assessment of the probable cumulative impacts of all anticipated coal mining and reclamation operations on the hydrologic balance in the cumulative impact area and has determined that the proposed operation has been designed to prevent material damage to the hydrologic balance outside the permit area. | Y |
| 5. The operation would not affect the continued existence of endangered or threatened species or result in destruction or adverse modification of their critical habitats, as determined under the Endangered Species Act of 1973 (16 U.S.C. 1531 et.seq.). | Y |
| 6. The Division has taken into account the effect of the proposed permitting action on properties listed on and eligible for listing on the National Register of Historic Places. This finding may be supported in part by inclusion of appropriate permit conditions or changes in the operation plan protecting historic resources, or a documented decision that the Division has determined that no additional protection measures are necessary. | Y |
| 7. The Applicant has demonstrated that reclamation as required by the State Program can be accomplished according to information given in the permit application. | Y |
| 8. The Applicant has demonstrated that any existing structure will comply with the applicable performance standards of R645-301 and R645-302. | Y |
| 9. The Applicant has paid all reclamation fees from previous and existing coal mining and reclamation operations as required by 30 CFR Part 870. | Y |
| 10. The Applicant has satisfied the applicable requirements of R645-302. | Y |
| 11. The Applicant has, if applicable, satisfied the requirements for approval of a long-term, intensive agricultural postmining land use, in accordance with the requirements of R645-301-353.400. | NA |

| SPECIAL CONDITIONS OR STIPULATIONS TO THE PERMIT AMENDMENT APPROVAL | YES | NO |
|---|-----|----|
| 1. Are there any variances associated with this permit amendment approval? If yes, attach. | | ✓ |
| 2. Are there any special conditions associated with this permit amendment approval? If yes, attach. | | ✓ |
| 3. Are there any stipulations associated with this permit amendment approval? If yes, attach. | | ✓ |

The Division hereby grants approval for Permit Amendment to the Existing Permit by incorporation of the proposed changes described herein and effective the date signed below. All other terms and conditions of the Existing Permit shall be maintained and in effect except as superseded by this Permit Amendment.

Signed Naron R. Haddock
 Director, Division of Oil, Gas and Mining

8/2/93
 EFFECTIVE DATE

APPLICATION FOR PERMIT CHANGE

Title of Change: *INSTALLATION OF A PORTABLE SCREENING, CRUSHING AND BLENDING FACILITY*

Permit Number: *ACT 10071011*

Mine: *KING MINES*

Permittee: *U.S. FUEL CO.*

Description, include reason for change and timing required to implement:

SEE ENCLOSED REQUEST FOR PERMIT AMENDMENT

- | | | |
|------------------------------|--|--|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 2. Change in the size of the Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 3. Will permit change include operations outside the Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 4. Will permit change include operations in hydrologic basins other than currently approved? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 5. Does permit change result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 6. Does permit change require or include public notice publication? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 7. Permit change as a result of a Violation? Violation # _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 8. Permit change as a result of a Division Order? D.O.# _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 9. Permit change as a result of other laws or regulations? Explain: _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 10. Does permit change require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 11. Does the permit change affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 12. Does permit change require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 13. Could the permit change have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 14. Does permit change require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 15. Does permit change require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 16. Does permit change require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 17. Does permit change require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 18. Does permit change require or include certified designs, maps, or calculations? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 19. Does permit change require or include underground design or mine sequence and timing? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 20. Does permit change require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided or revised for any change in the reclamation plan? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 22. Is permit change within 100 feet of a public road or perennial stream or 500 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 23. Is this permit change coal exploration activity <input type="checkbox"/> inside <input type="checkbox"/> outside of the permit area? |

Attach 3 complete copies of proposed permit change as it would be incorporated into the Mining and Reclamation Plan.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

[Signature] **PRESIDENT** *9/1/93*
Signed - Name - Position - Date

Subscribed and sworn to before me this 1 day of Sept 1993 **DIANA B. HOUGHTON**
Diana Houghton
Notary Public
My Commission Expires: 8/14/97
Attest: STATE OF Ut
COUNTY OF Carbon



NOTARY PUBLIC - STATE OF UTAH
1401 WEST 2060 NORTH
HELPER, UTAH 84526
COMM. EXP. 8-14-97

RECEIVED

SEP 01 1993

DIVISION OF
OIL, GAS & MINING

ASSIGNED PERMIT CHANGE NUMBER



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

gjk

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

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

INSPECTION REPORT

Partial: XX Complete: Exploration
Inspection Date/Time: December 27, 1993/08:00am-10:00am
Date of Last Inspection: November 30, 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: Steve Demczak Company:
Federal Official(s): Weather Conditions:
Existing Acreage: Permitted-12707 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

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - 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.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- 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 | [] | [] | [] | [] |
| 2. SIGNS AND MARKERS | [XX] | [] | [XX] | [] |
| 3. TOPSOIL | [] | [] | [] | [] |
| 4. HYDROLOGIC BALANCE: | | | | |
| a. DIVERSIONS | [] | [] | [] | [] |
| b. SEDIMENT PONDS AND IMPOUNDMENTS | [XX] | [] | [XX] | [] |
| c. OTHER SEDIMENT CONTROL MEASURES | [] | [] | [] | [] |
| d. WATER MONITORING | [] | [] | [] | [] |
| e. EFFLUENT LIMITATIONS | [] | [] | [] | [] |
| 5. EXPLOSIVES | [] | [] | [] | [] |
| 6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES | [] | [] | [] | [] |
| 7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS | [] | [] | [] | [] |
| 8. NONCOAL WASTE | [] | [] | [] | [] |
| 9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES | [] | [] | [] | [] |
| 10. SLIDES AND OTHER DAMAGE | [] | [] | [] | [] |
| 11. CONTEMPORANEOUS RECLAMATION | [] | [] | [] | [] |
| 12. BACKFILLING AND GRADING | [] | [] | [] | [] |
| 13. REVEGETATION | [] | [] | [] | [] |
| 14. SUBSIDENCE CONTROL | [] | [] | [] | [] |
| 15. CESSATION OF OPERATIONS | [] | [] | [] | [] |
| 16. ROADS: | | | | |
| a. CONSTRUCTION/MAINTENANCE/SURFACING | [] | [] | [] | [] |
| b. DRAINAGE CONTROLS | [] | [] | [] | [] |
| 17. OTHER TRANSPORTATION FACILITIES | [] | [] | [] | [] |
| 18. SUPPORT FACILITIES/UTILITY INSTALLATIONS | [XX] | [] | [XX] | [] |
| 19. AVS CHECK (4th Quarter-April, May, June) <u> </u> date | [] | [] | [] | [] |
| 20. AIR QUALITY PERMIT | [] | [] | [] | [] |
| 21. BONDING & INSURANCE | [] | [] | [] | [] |

INSPECTION REPORT
(Continuation sheet)

Page 2 of 2

PERMIT NUMBER: ACT/007/011 DATE OF INSPECTION: December 27, 1993

(Comments are Numbered to Correspond with Topics Listed Above)

2. Signs and Markers -

The identification signs were inspected and contained the address, phone number, permit holders name, and the state identification number.

4b. Sediment Ponds and Impoundments -

The slurry pond #5 has continued to be reclaimed since the last inspection. The pond slurry fines have been moved together for loading into coal trucks. The projection for the reclamation of the pond #5 is in the summer of 1994.

18. Support Facilities -

Hiawatha has removed several support facilities in 1993 and additional ones will be eliminated in 1994. A few installations, such as, the #6 beltline, Mine #4, #5, and #6 fans, portal reclamation at all mines, #4 pond regraded, prep plant removal, and the main beltline at #4 mine were all removed.

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: U.S. Fuel Company, Mike Baum

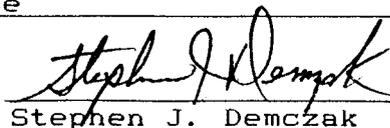
Mailed to: Bernie Freeman (OSM)

Given to: Joe Helfrich (DOGM)

Filed to: Price Field Office

Date: January 4, 1994

Inspector's Signature and Number:


Stephen J. Demczak

#39



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

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

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

Partial: Complete: XX Exploration

Inspection Date/Time: November 30, 1993/08:00am-02:00pm

Date of Last Inspection: October 25, 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: Steve Demczak Company:
Federal Official(s): Weather Conditions: 6" Snow/Cold
Existing Acreage: Permitted-12707 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

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- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- 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] | [] | [] | [] |
| 3. TOPSOIL | [XX] | [] | [] | [] |
| 4. HYDROLOGIC BALANCE: | | | | |
| a. DIVERSIONS | [XX] | [] | [XX] | [] |
| b. SEDIMENT PONDS AND IMPOUNDMENTS | [XX] | [] | [XX] | [] |
| c. OTHER SEDIMENT CONTROL MEASURES | [XX] | [] | [] | [] |
| d. WATER MONITORING | [XX] | [] | [] | [] |
| e. EFFLUENT LIMITATIONS | [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] | [] | [] | [] |
| 15. CESSATION OF OPERATIONS | [XX] | [] | [] | [] |
| 16. ROADS: | | | | |
| a. CONSTRUCTION/MAINTENANCE/SURFACING | [XX] | [] | [] | [] |
| b. DRAINAGE CONTROLS | [XX] | [] | [] | [] |
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| 18. SUPPORT FACILITIES/UTILITY INSTALLATIONS | [XX] | [] | [] | [] |
| 19. AVS CHECK (4th Quarter-April, May, June) _____ date | [XX] | [] | [] | [] |
| 20. AIR QUALITY PERMIT | [XX] | [] | [] | [] |
| 21. BONDING & INSURANCE | [XX] | [] | [] | [] |

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OK

INSPECTION REPORT
(Continuation sheet)

Page 2 of 3

PERMIT NUMBER: ACT/007/011 DATE OF INSPECTION: November 30, 1993

(Comments are Numbered to Correspond with Topics Listed Above)

1. Permit -

- a) The weekly inspection of the refuse piles performed as required by MSHA and the R645 regulations. There were no reports of hazardous conditions existing with any of the piles.

A quarterly inspection requirement by R645 regulations was also performed with no hazardous conditions existing on October 8, 1993. The report was P. E. certified.

- b) The sediment ponds were inspected on October 8, 1993. The report showed that water had not discharged and no hazardous conditions existed. The report was P. E. certified.
- c) The NPDES permit (UT-0023094) will expire on May 31, 1994. Sediment ponds had not discharged any water, but, D001 (Moreland) porthole discharged water and was in compliance.
- d) The liability insurance (GLN6A1498686-03) will expire on April 1, 1994. The acord form is complete and meets the R645 regulations.
- e) The MRP will expire on March 14, 1997. The permitted area is 12,707 acres. The permit was signed on March 25, 1992 by the operator and the Division.
- f) The water monitoring was taken on September 22, 1992 and the parameter requirements were met.

4a. Diversions -

The diversions were snow filled. It was difficult to determine functionability. The ditches did not appear to be filled with sediment. Culverts were open but some inlets were covered. Snow was not melting at the time of inspection.

INSPECTION REPORT
(Continuation sheet)

Page 3 of 3

PERMIT NUMBER: ACT/007/011 DATE OF INSPECTION: November 30, 1993

(Comments are Numbered to Correspond with Topics Listed Above)

4b. Sediment Pond -

The sediment ponds were not discharging at the time of inspection. The ponds contained either a small amount of water or were dry. There were no signs of erosion with embankments, inlets or outlets of the ponds.

7. Impoundments -

Slurry pond #5 is presently being reclaimed and is to be finished by summer of 1994. There is approximately 10,000 tons left in the pond and will be removed during the reclamation of the pond. U.S. Fuel is waiting for Division approval for substitute topsoil area for the covering and seeding of the slurry ponds.

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: U.S. Fuel Company, Mike Baum

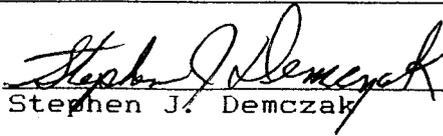
Mailed to: Bernie Freeman (OSM)

Given to: Joe Helfrich (DOGM)

Filed to: Price Field Office

Date: December 8, 1993

Inspector's Signature and Number:


Stephen J. Demczak

#39



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

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

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

Partial: XX Complete: Exploration

Inspection Date/Time: October 26, 1993/08:00am-10:00am

Date of Last Inspection: September 30, 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: Steve Demczak Company: Mike Baum
Federal Official(s): Weather Conditions: Warm 60'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)

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| 2. SIGNS AND MARKERS | [] | [] | [] | [] |
| 3. TOPSOIL | [] | [] | [] | [] |
| 4. HYDROLOGIC BALANCE: | | | | |
| a. DIVERSIONS | [XX] | [] | [XX] | [] |
| b. SEDIMENT PONDS AND IMPOUNDMENTS | [XX] | [] | [XX] | [] |
| c. OTHER SEDIMENT CONTROL MEASURES | [] | [] | [] | [] |
| d. WATER MONITORING | [] | [] | [] | [] |
| e. EFFLUENT LIMITATIONS | [] | [] | [] | [] |
| 5. EXPLOSIVES | [] | [] | [] | [] |
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| 14. SUBSIDENCE CONTROL | [] | [] | [] | [] |
| 15. CESSATION OF OPERATIONS | [] | [] | [] | [] |
| 16. ROADS: | | | | |
| a. CONSTRUCTION/MAINTENANCE/SURFACING | [] | [] | [] | [] |
| b. DRAINAGE CONTROLS | [] | [] | [] | [] |
| 17. OTHER TRANSPORTATION FACILITIES | [] | [] | [] | [] |
| 18. SUPPORT FACILITIES/UTILITY INSTALLATIONS | [XX] | [] | [XX] | [] |
| 19. AVS CHECK (4th Quarter-April, May, June) _____ date | [] | [] | [] | [] |
| 20. AIR QUALITY PERMIT | [] | [] | [] | [] |
| 21. BONDING & INSURANCE | [] | [] | [] | [] |

DA 7

INSPECTION REPORT
(Continuation sheet)

PERMIT NUMBER: ACT/007/011 DATE OF INSPECTION: October 26, 1993

(Comments are Numbered to Correspond with Topics Listed Above)

4a. Diversions -

The diversions were regraded and cleaned along the roadways. Other diversions were functioning with no performance standards violated.

4b. Sediment Pond and Impoundments -

The ponds were not discharging during the inspection. There were no signs of inlets, outlets or embankment erosion.

18. Support Facilities -

The outsided conveyor line has been eliminated since the last inspection. The upper tipple area is being cleaned of non-coal waste and subsoil is being hauled in for cover.

Later this year, the #5 slurry pond will start to be reclaimed and should be finished in 1994. Topsoil and seeding is the only major need on #4 slurry pond. Presently, plans are being reviewed by the Division for an approved barrow area.

With each inspection, there is less equipment and materials on U.S. Fuel property.

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: U.S. Fuel Company, Mike Baum

Mailed to: Bernie Freeman (OSM)

Given to: Joe Helfrich (DOGM)

Filed to: Price Field Office

Date: October 28, 1993

Inspector's Signature and Number:


Stephen J. Demczak

#39



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

gh
DR74

Norman H. Bangarter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

Partial: XX Complete: Exploration

Inspection Date/Time: September 30, 1993/09:00am-11:00am

Date of Last Inspection: August 30, 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: Steve Demczak Company: Mike Baum
Federal Official(s): Weather Conditions: Warm 70'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

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 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- 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 | [] | [] | [] | [] |
| 2. SIGNS AND MARKERS | [] | [] | [] | [] |
| 3. TOPSOIL | [] | [] | [] | [] |
| 4. HYDROLOGIC BALANCE: | | | | |
| a. DIVERSIONS | [XX] | [] | [] | [] |
| b. SEDIMENT PONDS AND IMPOUNDMENTS | [XX] | [] | [XX] | [] |
| c. OTHER SEDIMENT CONTROL MEASURES | [] | [] | [] | [] |
| d. WATER MONITORING | [] | [] | [] | [] |
| e. EFFLUENT LIMITATIONS | [] | [] | [] | [] |
| 5. EXPLOSIVES | [] | [] | [] | [] |
| 6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES | [] | [] | [] | [] |
| 7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS | [XX] | [] | [] | [] |
| 8. NONCOAL WASTE | [] | [] | [] | [] |
| 9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES | [] | [] | [] | [] |
| 10. SLIDES AND OTHER DAMAGE | [] | [] | [] | [] |
| 11. CONTEMPORANEOUS RECLAMATION | [] | [] | [] | [] |
| 12. BACKFILLING AND GRADING | [] | [] | [] | [] |
| 13. REVEGETATION | [] | [] | [] | [] |
| 14. SUBSIDENCE CONTROL | [] | [] | [] | [] |
| 15. CESSATION OF OPERATIONS | [] | [] | [] | [] |
| 16. ROADS: | | | | |
| a. CONSTRUCTION/MAINTENANCE/SURFACING | [] | [] | [] | [] |
| b. DRAINAGE CONTROLS | [] | [] | [] | [] |
| 17. OTHER TRANSPORTATION FACILITIES | [] | [] | [] | [] |
| 18. SUPPORT FACILITIES/UTILITY INSTALLATIONS | [XX] | [] | [XX] | [] |
| 19. AVS CHECK (4th Quarter-April, May, June) <u> </u> date | [] | [] | [] | [] |
| 20. AIR QUALITY PERMIT | [] | [] | [] | [] |
| 21. BONDING & INSURANCE | [] | [] | [] | [] |

INSPECTION REPORT
(Continuation sheet)

Page 2 of 2

PERMIT NUMBER: ACT/007/011 DATE OF INSPECTION: September 30, 1993

(Comments are Numbered to Correspond with Topics Listed Above)

4b. Sediment Ponds and Impoundments -

The #4 slurry pond has been completely regraded and is waiting on approval to cover with topsoil and sub-soil. A new borrow area is under Division review for this area.

The #5 slurry pond is planned for regrading this fall and is planned to be covered with topsoil next year. The slurry pond has approximately 30,000 tons of slurry which is planned to be sold this year.

18. Support Facilities -

- a) The King #6 belt line was being removed during the inspection. The bath house, shop building and sub-station may be removed this fall.
- b) All portals are sealed at King #4 and King #6.
- c) Equipment is being transported off the property once buyers are found.

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: U.S. Fuel Company, Mike Baum

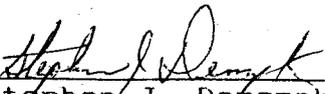
Mailed to: Bernie Freeman (OSM)

Given to: Joe Helfrich (DOGM)

Filed to: Price Field Office

Date: October 1, 1993

Inspector's Signature and Number:


Stephen J. Demczak

#39



State of Utah

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

9/10/93

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

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

Partial: Complete: XX Exploration
Inspection Date/Time: August 30, 1993/08:00am-02:30pm
Date of Last Inspection: July 15, 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: Raining 70'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

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - 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.
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- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- 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] | [] | [] | [] |
| 3. TOPSOIL | [XX] | [] | [XX] | [] |
| 4. HYDROLOGIC BALANCE: | | | | |
| a. DIVERSIONS | [XX] | [] | [XX] | [] |
| b. SEDIMENT PONDS AND IMPOUNDMENTS | [XX] | [] | [] | [] |
| c. OTHER SEDIMENT CONTROL MEASURES | [XX] | [] | [] | [] |
| d. WATER MONITORING | [XX] | [] | [] | [] |
| e. EFFLUENT LIMITATIONS | [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] | [] | [] | [] |
| 15. CESSATION OF OPERATIONS | [XX] | [] | [] | [] |
| 16. ROADS: | | | | |
| a. CONSTRUCTION/MAINTENANCE/SURFACING | [XX] | [] | [] | [] |
| b. DRAINAGE CONTROLS | [XX] | [] | [] | [] |
| 17. OTHER TRANSPORTATION FACILITIES | [XX] | [] | [] | [] |
| 18. SUPPORT FACILITIES/UTILITY INSTALLATIONS | [XX] | [] | [XX] | [] |
| 19. AVS CHECK (4th Quarter-April, May, June) <u> </u> date | [XX] | [] | [] | [] |
| 20. AIR QUALITY PERMIT | [XX] | [] | [] | [] |
| 21. BONDING & INSURANCE | [XX] | [] | [] | [] |

INSPECTION REPORT
(Continuation sheet)

Page 2 of 3

PERMIT NUMBER: ACT/007/011

DATE OF INSPECTION: August 30, 1993

(Comments are Numbered to Correspond with Topics Listed Above)

1. Permit -

- a) Hiawatha is still under Division Order to correct the MRP deficiency from the five year permit renewal decision document. The operator has submitted information and also in the process of re-submitting other information.
- b) Refuse pile inspections were taken weekly and the quarterly reports were examined on June 30, 1993. The quarterly report was P.E. certified. The piles were addressed as stable, with no fines and no apparent safety problems were noticed.
- c) UNPDES had discharged at O10A (mine discharge) and O01A (mine discharge) and sample fell within the required limits of the permit.
- d) U. S. Fuel has included the crushing and screening facilities for the Andy King operations in their disturbed area.

3. Topsoil -

The Division is in the process of approving additional borrow areas of soil for the reclamation of the U. S. Fuel properties.

4a. Diversions -

Several diversion ditches will require maintenance. This is due to the last rain storm. These ditches have started to deposit sediment within them. The operator has committed to clean them out.

INSPECTION REPORT
(Continuation sheet)

Page 3 of 3

PERMIT NUMBER: ACT/007/011

DATE OF INSPECTION: August 30, 1993

(Comments are Numbered to Correspond with Topics Listed Above)

7. Refuse Piles -

The #4 refuse pile is in the final process of grading. U. S. Fuel is in the position to add topsoil once the Division gives approval. The next project is to reclaim the #5 slurry pond this winter. The coal slurry in this pond should be sold and loaded out within the next few months.

18. Support Facilities -

The portholes at the King #6 is sealed and backfilled. The bathhouse and shop building will be removed this fall and the conveyor system is also expected to be eliminated.

The old prep plant facility is completely eliminated except for some concrete foundation. Other buildings within this area may be removed within the next several months.

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: U. S. Fuel Company, Mike Baum

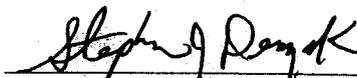
Mailed to: Bernie Freeman (OSM)

Given to: Joe Helfrich (DOGM)

Filed to: Price Field Office

Date: September 9, 1993

Inspector's Signature and Number:


Stephen J. Demczak

#39



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

Handwritten initials/signature

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

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

INSPECTION REPORT

Partial: XX Complete: Exploration
Inspection Date/Time: July 15, 1993/09:00am-12:00pm
Date of Last Inspection: June 29 & 30, 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: Steve Demczak Company: Mike Baum
Federal Official(s): Weather Conditions: 80's Warm
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

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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 | [] | [] | [] | [] |
| 2. SIGNS AND MARKERS | [XX] | [] | [XX] | [] |
| 3. TOPSOIL | [XX] | [] | [XX] | [] |
| 4. HYDROLOGIC BALANCE: | | | | |
| a. DIVERSIONS | [XX] | [] | [XX] | [] |
| b. SEDIMENT PONDS AND IMPOUNDMENTS | [XX] | [] | [XX] | [] |
| c. OTHER SEDIMENT CONTROL MEASURES | [] | [] | [] | [] |
| d. WATER MONITORING | [] | [] | [] | [] |
| e. EFFLUENT LIMITATIONS | [] | [] | [] | [] |
| 5. EXPLOSIVES | [] | [] | [] | [] |
| 6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES | [] | [] | [] | [] |
| 7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS | [XX] | [] | [] | [] |
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| 9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES | [] | [] | [] | [] |
| 10. SLIDES AND OTHER DAMAGE | [] | [] | [] | [] |
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| 13. REVEGETATION | [XX] | [] | [] | [] |
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| 15. CESSATION OF OPERATIONS | [] | [] | [] | [] |
| 16. ROADS: | | | | |
| a. CONSTRUCTION/MAINTENANCE/SURFACING | [] | [] | [] | [] |
| b. DRAINAGE CONTROLS | [] | [] | [] | [] |
| 17. OTHER TRANSPORTATION FACILITIES | [] | [] | [] | [] |
| 18. SUPPORT FACILITIES/UTILITY INSTALLATIONS | [] | [] | [] | [] |
| 19. AVS CHECK (4th Quarter-April, May, June) _____ date | [] | [] | [] | [] |
| 20. AIR QUALITY PERMIT | [] | [] | [] | [] |
| 21. BONDING & INSURANCE | [] | [] | [] | [] |

INSPECTION REPORT
(Continuation sheet)

Page 2 of 2

PERMIT NUMBER: ACT/007/011 DATE OF INSPECTION: July 15, 1993

(Comments are Numbered to Correspond with Topics Listed Above)

2. Signs and Markers -

The signs and markers were checked with new DOGM employee. This was done in different segments of the disturbed area.

3. Topsoil -

The topsoil piles have growth and show no signs of wind and water erosion. Grasses are the basic growth vegetation cover on the pile.

U.S. Fuel has plans in the fall to start using sub-soil on the #4 slurry pond and will start seeding a portion of the pile.

4a. Diversions -

The diversions were in compliance since there has not been any precipitation since last inspection. The diversion may need to be maintained if the August thunderstorms take place.

4b. Sediment Ponds and Impoundments -

No ponds were discharging during the inspections. The ponds were dry and showed no signs of erosion of inlets, outlets or slopes.

It will be approximately three months before topsoil placement can take place on #4 slurry pond.

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: U.S. Fuel Company, Mike Baum

Mailed to: Bernie Freeman (OSM)

Given to: Joe Helfrich (DOGM)

Filed to: Price Field Office

Date: August 2, 1993

Inspector's Signature and Number: Stephen J. Dwyer



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

REVISED
INSPECTION REPORT

Handwritten initials/signature

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

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

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

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|--|-----------|-----|----------|---------|
| 1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE | [XX] | [] | [XX] | [] |
| 2. SIGNS AND MARKERS | [XX] | [] | [] | [] |
| 3. TOPSOIL | [XX] | [] | [] | [] |
| 4. HYDROLOGIC BALANCE: | | | | |
| a. DIVERSIONS | [XX] | [] | [XX] | [] |
| b. SEDIMENT PONDS AND IMPOUNDMENTS | [XX] | [] | [XX] | [] |
| c. OTHER SEDIMENT CONTROL MEASURES | [XX] | [] | [] | [] |
| d. WATER MONITORING | [XX] | [] | [] | [] |
| e. EFFLUENT LIMITATIONS | [XX] | [] | [] | [] |
| 5. EXPLOSIVES | [XX] | [] | [] | [] |
| 6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES | [XX] | [] | [] | [] |
| 7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS | [XX] | [] | [XX] | [] |
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| 10. SLIDES AND OTHER DAMAGE | [XX] | [] | [] | [] |
| 11. CONTEMPORANEOUS RECLAMATION | [XX] | [] | [] | [] |
| 12. BACKFILLING AND GRADING | [XX] | [] | [] | [] |
| 13. REVEGETATION | [XX] | [] | [] | [] |
| 14. SUBSIDENCE CONTROL | [XX] | [] | [] | [] |
| 15. CESSATION OF OPERATIONS | [XX] | [] | [] | [] |
| 16. ROADS: | | | | |
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| b. DRAINAGE CONTROLS | [XX] | [] | [] | [] |
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| 18. SUPPORT FACILITIES/UTILITY INSTALLATIONS | [XX] | [] | [] | [] |
| 19. AVS CHECK (4th Quarter-April, May, June) | [XX] | [] | [XX] | [] |
| 20. AIR QUALITY PERMIT | [XX] | [] | [] | [] |
| 21. BONDING & INSURANCE | [XX] | [] | [] | [] |

INSPECTION REPORT
(Continuation sheet)

Page 2 of 3

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.

INSPECTION REPORT
(Continuation sheet)

Page 3 of 3

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

(Comments are Numbered to Correspond with Topics Listed Above)

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
Stephen J. Demczak

#39

INSPECTION REPORT
(Continuation sheet)

Page 2 of 2

PERMIT NUMBER: ACT/007/011 DATE OF INSPECTION: May 28, 1993

(Comments are Numbered to Correspond with Topics Listed Above)

1. Permit -

The operator has terminated NOV 92-39-3-2 part 2 of 2 by removing the conveyor belt out of the undisturbed area prior to the required abatement time.

4a. Diversion -

The NOV 92-39-3-2 part 1 of 2 was written for not maintaining diversions and culverts at the King #4 and #6 mine sites. Diversions and culverts were inspected and were clear from obstruction thus the NOV has been terminated.

7. Coal Mine Waste -

The slurry pond #4 was in the process of being reclaimed and was viewed during the inspection. The operator explained methodology to prevent erosion and water drainage patterns at final pile configuration when seeding and topsoil are laid in place.

19. AVS Check -

An AVS Check has been taken at the mine site with not new changes in ownership and control.

Copy of this Report:

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

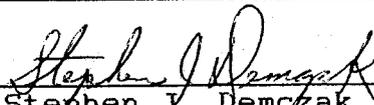
Mailed to: Bernie Freeman (OSM)

Given to: Joe Helfrich (DOGM)

Filed to: Price Field Office

Date: June 3, 1993

Inspector's Signature and Number: _____


Stephen J. Demczak



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

John [Signature]

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

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

Partial: XX Complete: Exploration

Inspection Date/Time: April 27, 1993/10:00am-12:00pm

Date of Last Inspection: March 11, 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:
Federal Official(s): Weather Conditions: 60's, Sunny
Existing Acreage: Permitted-20700 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

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - 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.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- 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] | [XX] |
| 2. SIGNS AND MARKERS | [] | [] | [] | [] |
| 3. TOPSOIL | [] | [] | [] | [] |
| 4. HYDROLOGIC BALANCE: | | | | |
| a. DIVERSIONS | [XX] | [] | [XX] | [XX] |
| b. SEDIMENT PONDS AND IMPOUNDMENTS | [] | [] | [] | [] |
| c. OTHER SEDIMENT CONTROL MEASURES | [] | [] | [] | [] |
| d. WATER MONITORING | [] | [] | [] | [] |
| e. EFFLUENT LIMITATIONS | [] | [] | [] | [] |
| 5. EXPLOSIVES | [] | [] | [] | [] |
| 6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES | [] | [] | [] | [] |
| 7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS | [] | [] | [] | [] |
| 8. NONCOAL WASTE | [] | [] | [] | [] |
| 9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES | [] | [] | [] | [] |
| 10. SLIDES AND OTHER DAMAGE | [] | [] | [] | [] |
| 11. CONTEMPORANEOUS RECLAMATION | [] | [] | [] | [] |
| 12. BACKFILLING AND GRADING | [] | [] | [] | [] |
| 13. REVEGETATION | [] | [] | [] | [] |
| 14. SUBSIDENCE CONTROL | [] | [] | [] | [] |
| 15. CESSATION OF OPERATIONS | [] | [] | [] | [] |
| 16. ROADS: | | | | |
| a. CONSTRUCTION/MAINTENANCE/SURFACING | [] | [] | [] | [] |
| b. DRAINAGE CONTROLS | [] | [] | [] | [] |
| 17. OTHER TRANSPORTATION FACILITIES | [] | [] | [] | [] |
| 18. SUPPORT FACILITIES/UTILITY INSTALLATIONS | [] | [] | [] | [] |
| 19. AVS CHECK (4th Quarter-April, May, June) | [] | [] | [] | [] |
| 20. AIR QUALITY PERMIT | [] | [] | [] | [] |
| 21. BONDING & INSURANCE | [] | [] | [] | [] |

INSPECTION REPORT
(Continuation sheet)

Page 2 of 2

PERMIT NUMBER: ACT/007/011 DATE OF INSPECTION: April 27, 1993

(Comments are Numbered to Correspond with Topics Listed Above)

1. Permit -

U.S. Fuel is presently reclaiming the mine site by removing structures at King #4 mine, Prep Plant facility and backfilling portals at King #5. Earth work is taking place on slurry pond #4 by sloping, filling and grading.

The operator/permittee is in the process of removing equipment from the underground working and mine property. The permittee has removed belting from the underground mine and a small section of belt was placed off the disturbed area; therefore, NOV was written for conducting mining activities outside the disturbed area. No environmental damage will occur if belting is removed promptly. 93-39-3-2, 282

If U.S. Fuel needs fill dirt to backfill portals, it should take material which is presently disturbed and which the topsoil has been removed. All topsoil needs to be saved even if it is within the disturbed area and placed in a topsoil storage area.

4a. Diversions -

Since all the snow has melted, this is the first time this year that the diversions could be examined. Several diversions and culverts were filled with sediment and the diversions at King #4 main road had mining equipment. A NOV was issued for not maintaining and having equipment within the diversion.

93-39-3-2, 182

Copy of this Report:

Mailed to: U.S. Fuel Company

Mailed to: Bernie Freeman (OSM)

Given to: Joe Helfrich (DOGM)

Filed to: Price Field Office

Date: May 4, 1993

Inspector's Signature and Number:

Stephen J. Demczak
Stephen J. Demczak



State of Utah

INSPECTION REPORT

Opt *027*

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

Partial: X Complete: Exploration:
Inspection Date & Time: 3/11/93, 10:30 - 13:30
Date of Last Inspection: 2/24/93

Mine Name: Hiawatha County: Carbon Permit Number: ACT /007/011
Permittee and/or Operator's Name: U.S. Fuel Co.
Business Address: P.O. Box 887, Price Utah 84501
Type of Mining Activity: Underground X Surface Prep. Plant Other
State Official(s): Priscilla Burton
Company Official(s): none
Federal Official(s): none present

Weather Conditions: sunshine, cool, 12 - 18" of snowpack
Existing Acreage: Permitted-12,707 Disturbed-290 Regraded- Seeded- Bonded-290
Increased/Decreased: Permitted-427 Disturbed- Regraded- Seeded- Bonded-
Status: Exploration/ X 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

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - 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.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- 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 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. SIGNS AND MARKERS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. TOPSOIL | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. HYDROLOGIC BALANCE: | | | | |
| a. DIVERSIONS | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. SEDIMENT PONDS AND IMPOUNDMENTS | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. OTHER SEDIMENT CONTROL MEASURES | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. WATER MONITORING | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. EFFLUENT LIMITATIONS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. EXPLOSIVES | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. NONCOAL WASTE | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. SLIDES AND OTHER DAMAGE | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. CONTEMPORANEOUS RECLAMATION | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. BACKFILLING AND GRADING | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. REVEGETATION | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. SUBSIDENCE CONTROL | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. CESSATION OF OPERATIONS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. ROADS: | | | | |
| a. CONSTRUCTION/MAINTENANCE/SURFACING | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. DRAINAGE CONTROLS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. OTHER TRANSPORTATION FACILITIES | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. SUPPORT FACILITIES/UTILITY INSTALLATIONS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. AVS CHECK (4th Quarter-April, May, June)_____ (date) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. AIR QUALITY PERMIT | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. BONDING & INSURANCE | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

INSPECTION REPORT

(Continuation sheet)

Page 2 of 3

PERMIT NUMBER: ACT /007/011

DATE OF INSPECTION: 3/11/93

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE:

The Permittee's obligations with regard to notification of the Division were reviewed with Mr. Michael Baum and Mr. Michael Watson of U.S. Fuel Co. (i.e., R645-301-515.320 *et seq* and R645-301-541 *et seq.*, R645-303-232.500, and R645-400-130 *et seq.*)

I was unaccompanied on the field inspection.

4. HYDROLOGIC BALANCE:

a. DIVERSIONS:

Although most of Middle Fork was snow covered, the path of melting snow was followed to accessible diversions and down drains (see Plate V-5). Of these, Mr. Baum was advised to clear ice and accumulated mud from the culvert which receives flow from DD17, the drop drain receiving flow from DD19, and the drop drain receiving flow from DD23 and DD56. Additionally, no flow could be observed from one of two 24" culverts entering the sediment pond 008, due to a frozen plastic spout. It was recommended that this spout be removed or slit to allow passage of water, since water was evidently flowing above the culvert. All water was reporting to the pond, a large portion of it was entering by way of DD21 and an open channel.

At the preparation plant, a large amount of water enters slurry pond 5a, primarily from snow melt. The drainage design of this flow should be evaluated prior to regrading the site for final reclamation. In light of a recent memo to file (3/4/93), I note the following information (see Plate V-9).

Sheet flow of water was accumulating at DD12 and entering the down drain in this location. Water is conveyed from the preparation plant DD 12 and from undisturbed ditch UD12 to DD1 and slurry pond 5A, where it is impounded. (The site was very muddy. Access to the slurry ponds was limited due to the mud.) The regulations covering the use of coal mine waste for impounding water are found under R645-301-746.

The requirements of R645-301-746.310 require a demonstration that the seepage from the impounded water in the waste will not deteriorate downstream water quality. A single sample of coal mine waste was supplied to the Division on 2/1/93. The material has a pyritic sulfur content of 0.05% sulfur which equates to an acid forming potential of 1.56 Tons/1000 Tons of slurry. The non-sulfate sulfur content of the slurry has an acid forming potential of 14.37 Tons/1000 tons of slurry. The neutralizing content of the slurry is 5 Tons/1000 tons of slurry (calcium carbonate content is 0.7%). Based upon non-sulfate sulfur, this slurry is acid-forming. (The analysis of this sample is attached.)

R645-301-746.340 indicates that the impounding structure should be designed to lose 90% of the water retained within a 10 day period after the event.

No violation was issued as the Permittee is in compliance with their Mining and Reclamation Plan.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: ACT /007/011

Page 3 of 3

DATE OF INSPECTION: 3/11/93

b. SEDIMENT PONDS

The water level in Pond 008 at Middle Fork was low. The pond was receiving water from one culvert and an open channel.

d. WATER MONITORING:

Surface water monitoring conducted by U.S. Fuel Co. in 1992 reveals that monitoring station 3B below the King 4 sediment pond has extremely high specific conductance, TDS, and associated ion concentrations compared to the readings taken from spring water (SP12) at the head of the canyon and ST 3 at lower Middle Fork; ST2 and ST 2B in North Fork; and Mine water discharges from NPDES points 001 and 010, at Mohrland and North Fork respectively.

During periods of run-off at the Middle Fork site, all diversions and down drains should be kept clear to ensure that all disturbed water is reporting to the pond. During this inspection, all water was reporting to the pond.

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: Marcia Petta (OSM), Michael Baum (U.S. Fuel Co.)

Given to: Joe Helfrich and Daron Haddock (DOGM)

Inspector's Signature: *Paula Burton* #37 Date: 3/12/93

ACT/007/011
Folder # 2

Client : EarthFax Engineering, Inc.
Address : 7324 S. 1300 E., Su. 100
Midvale, UT 84047
Attn. : David Wheeler
Project :
Sample Matrix: Soil
Sample ID: Composite 1
Sample Date Time: 06/30/92

Lab No. : 92-SI/01058
Date Received: 08/06/92

Parameters

| | | |
|--------------------------|------|------------|
| Saturation % | 40. | % |
| pH, saturated paste | 5.7 | units 1 |
| Conductivity, sat. paste | 3.24 | mmhos/cm 1 |
| Calcium, soluble | 19.5 | meq/l 1 |
| Magnesium, soluble | 41.0 | meq/l 1 |
| Sodium, soluble | .61 | meq/l 1 |
| Sodium Absorption Ratio | .1 | |
| Cation Exchange Capacity | 10. | meq/100g |
| Exchangeable Sodium % | .8 | % |
| Nitrate as N, soluble | 2.4 | mg/kg 6 |
| Nitrogen, total kjeldahl | .30 | % |
| Boron, soluble | 1.2 | mg/kg 2 |
| Selenium, soluble | .06 | mg/kg 2 |
| Sulfur, organic | .41 | % |
| Sulfur, pyritic | .05 | % |
| Sulfur, total | .90 | % |
| Sulfur, sulfate | .44 | % |
| Neutralization Potential | .7 | % as CaCO3 |
| Acid-Base Potent.(CaCO3) | 5. | Tons/1000T |
| Coarse Fragments > 2mm | 55.9 | % |
| Sand 2.00 - .062 mm | 66. | % |
| Silt .062 - .002 mm | 19. | % |
| Clay -.002 mm | 15. | % |
| Texture | SL | |

- 1 Saturated Paste Extraction
- 2 Hot Water Extraction
- 6 Water Extraction

Remarks: # ABP Calculated From Pyritic Sulfur.

Note: Negative sign "-" denotes that the value is less than "<"

Scott Habermehl, Quality Assurance Officer/S.H.

Frank E. Polniak, Inorganic Laboratory Supervisor/FF

RECEIVED

FEB 01 1993

DIVISION OF
OIL GAS & MINING



UTAH STATE UNIVERSITY • LOGAN, UTAH 84322-4830

ACT 007/011
Folder #2

USU Analytical Laboratories
Soil Testing Lab Plant Analysis Lab
Feed Analysis Lab Irrigation Water Analysis Lab

Telephone (801) 750-2217
Fax (801) 750-3376

4 September 1992

Results for:

David Wheeler
Earthfax Engineering
7324 S. Union Park Ave.
Suite 100
Midvale, UT 84047

Soil sample received 8/19/92.

| USU# | ID | Ash %OM | Walkley-Black | | ----%ATM---- | |
|------|-------------|------------|---------------|------|--------------|-----|
| | | | %OC | %OM | 1/3 | 15 |
| 6160 | Comp. 1 & 2 | 37.2 | 5.2 | 8.96 | 14.7 | 8.8 |

If you have any questions, please contact the lab.

RECEIVED

FEB 01 1993

DIVISION OF
PLANT & SOIL ADMINISTRATION



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

Handwritten initials/signature

INSPECTION REPORT

Partial: Complete: Exploration:
Inspection Date & Time: 2/24/93, 10:00 - 13:30
Date of Last Inspection: 1/23/93

Mine Name: Hiawatha County: Carbon Permit Number: ACT /007/011
Permittee and/or Operator's Name: U.S. Fuel Co.
Business Address: P.O. Box 887, Price Utah 84501
Type of Mining Activity: Underground Surface Prep. Plant Other
State Official(s): Priscilla Burton
Company Official(s): Bob Eccli
Federal Official(s): none present
Weather Conditions: partly cloudy, 24 - 36" of snowpack, 9" fresh
Existing Acreage: Permitted-12,707 Disturbed-290 Regraded- Seeded- Bonded-290
Increased/Decreased: Permitted-427 Disturbed- Regraded- Seeded- Bonded-
Status: Exploration/ Active/ Inactive/ Temporary Cessation/ Bond Forfeiture
Reclamation (Phase I/ Phase II/ Final Bond Release/ Liability Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

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- Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

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|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| 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 type="checkbox"/> | <input type="checkbox"/> |
| 3. TOPSOIL | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. HYDROLOGIC BALANCE: | | | | |
| a. DIVERSIONS | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. SEDIMENT PONDS AND IMPOUNDMENTS | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. OTHER SEDIMENT CONTROL MEASURES | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. WATER MONITORING | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. EFFLUENT LIMITATIONS | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. EXPLOSIVES | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. NONCOAL WASTE | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. SLIDES AND OTHER DAMAGE | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. CONTEMPORANEOUS RECLAMATION | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. BACKFILLING AND GRADING | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 13. REVEGETATION | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. SUBSIDENCE CONTROL | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 15. CESSATION OF OPERATIONS | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 16. ROADS: | | | | |
| a. CONSTRUCTION/MAINTENANCE/SURFACING | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. DRAINAGE CONTROLS | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 17. OTHER TRANSPORTATION FACILITIES | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. SUPPORT FACILITIES/UTILITY INSTALLATIONS | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 19. AVS CHECK (4th Quarter-April, May, June) _____ (date) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. AIR QUALITY PERMIT | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. BONDING & INSURANCE | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

INSPECTION REPORT

(Continuation sheet)

Page 2 of 2

PERMIT NUMBER: ACT /007/011

DATE OF INSPECTION: 2/24/93

(Comments are Numbered to Correspond with Topics Listed Above)

Snow has prevented access and evaluation of hydrology, backfilling and grading, non-coal waste storage etc. (all items on the previous page for which there is no check under evaluated, but for which there is a check under the comment column fall into this situation). The road to South Fork and North Fork were not plowed. No activity was noted at the preparation plant. Snow covered the site from 24-36" deep. Activity at the Middle Fork site included repair of the conveyor belt and loading recently sold timbers onto a flatbed truck. A load of salt was received for the roadways.

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE:

The Mining and Reclamation Permit issued 3/13/92 was modified through an incidental boundary change (Amendment 92B), approved 6/10/92. This amendment reduced the total permit area by 427 acres.

Response to renewal deficiencies was received 2/25/93.

Status of relinquishment of Leases U-026583-U058261 (as per 12/10/92 letter from the Division Director to W.R. Papworth, Deputy State Director, BLM.) is still under review. No mining is planned in these lease areas in 1993, (see Ex V-1 and V-2).

Demolition at the Preparation Plant began in July of 1992.

14. SUBSIDENCE CONTROL

Earth movement of 1 - 2 feet was noted in the location of Springs 91-973 and 91-972, 91-978, and 91-974, and the headwaters of the Right Fork of Miller Creek in the 1991 Annual Report.

15. CESSATION OF OPERATIONS

U.S. Fuel Co. is laying off employees on 2/26/93, including Bob Eccli. According to Mike Baum, some coal will continue to be mined in the next week. After which, the company will notify the Division of reclamation-only status. A handful of employees are expected to remain at work at the mine site, mainly engaged in reclamation of the 292 acre site.

21. BONDING & INSURANCE

The Division holds a self-bonding agreement valued at \$2,329,000.00 and a surety bond of \$1,450,000.00 for 290 acres of surface disturbance.

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: Marcia Petta (OSM), Mike Baum (U.S. Fuel Co.)

Given to: Joe Helfrich and Daron Haddock (DOGM)

Inspector's Signature



#37 Date: 2/25/93



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

Nov 8
Jeh

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

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

Partial: X Complete: Exploration:
Inspection Date & Time: 1/26/93, 11:00 - 14:00
Date of Last Inspection: 12/1/92

Mine Name: Hiawatha County: Carbon Permit Number: ACT /007/011
Permittee and/or Operator's Name: U.S. Fuel Co.
Business Address: P.O. Box 887, Price Utah 84501
Type of Mining Activity: Underground X Surface Prep. Plant Other
State Official(s): Priscilla Burton
Company Official(s): Bob Eccli
Federal Official(s): none present
Weather Conditions: sunshine, cool, 12 - 24" of snowpack
Existing Acreage: Permitted 12,707 Disturbed 290 Regraded Seeded Bonded 290
Increased/Decreased: Permitted 427 Disturbed Regraded Seeded Bonded
Status: Exploration/ X 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

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - 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.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- 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 | <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 type="checkbox"/> | <input type="checkbox"/> |
| 3. TOPSOIL | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. HYDROLOGIC BALANCE: | | | | |
| a. DIVERSIONS | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. SEDIMENT PONDS AND IMPOUNDMENTS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. OTHER SEDIMENT CONTROL MEASURES | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. WATER MONITORING | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. EFFLUENT LIMITATIONS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. EXPLOSIVES | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. NONCOAL WASTE | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. SLIDES AND OTHER DAMAGE | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. CONTEMPORANEOUS RECLAMATION | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. BACKFILLING AND GRADING | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 13. REVEGETATION | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. SUBSIDENCE CONTROL | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. CESSATION OF OPERATIONS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. ROADS: | | | | |
| a. CONSTRUCTION/MAINTENANCE/SURFACING | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. DRAINAGE CONTROLS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. OTHER TRANSPORTATION FACILITIES | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. SUPPORT FACILITIES/UTILITY INSTALLATIONS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. AVS CHECK (4th Quarter-April, May, June) _____ (date) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. AIR QUALITY PERMIT | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. BONDING & INSURANCE | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

INSPECTION REPORT

(Continuation sheet)

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PERMIT NUMBER: ACT /007/011

DATE OF INSPECTION: 1/26/93

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE:

The Mining and Reclamation Permit issued 3/13/92 was modified through an incidental boundary change (Amendment 92B), approved 6/10/92. This amendment reduced the total permit area by 427 acres.

U.S. Fuel's parent company (Muller Industries) has placed the mine property and adjacent ranches up for sale, a total of 12,000 acres and water rights to two streams. Future employment of miners is questionable at the present time. U.S. Fuel Co. expects to reduce the present staff to 3 union employees and 2 office staffers within two months. The Division should expedite review of the response to Division Order 92-A (received 10/30/92), since Mr. Eccli will be one of those laid-off.

4. HYDROLOGIC BALANCE:

a. DIVERSIONS:

Diversions and catch basins around refuse pile #2 were observed under the snow. The Rail Road has plowed the tracks of snow and in doing so has pushed railroad ties and coal fines beyond the reach of diversion DD9 at the Prep Plant. Although U.S. Fuel does not have the responsibility for clearing the tracks, Mr. Eccli was alerted to the potential for contributions of sediment offsite from this situation, in hopes that the message would be passed to the rail road crew.

No other diversions on the site were evaluated due to snow cover.

d. WATER MONITORING:

U.S. Fuel is discharging from NPDES point 001 (Mohrland portal). The site has been inaccessible for sampling, however. NPDES Permit UT002394 effective 9/4/90 through 5/31/94 was viewed and portions of the permit were xeroxed for the Division files. Contrary to information stated in the 9/19/92 Inspection Report, all sediment ponds are NPDES discharge monitoring points. None of U.S. Fuel's ponds discharged water in the last year.

All ponds were inaccessible due to snow cover.

12. BACKFILLING AND GRADING:

A D-9 dozer is at work on the embankments of Refuse Pile #2, grading the refuse towards slurry pond #4. Backfilling Pond #4 is expected to take several months. Cover and topsoiling operations may be possible in the summer of 93.

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: Marcia Petta (OSM), Bob Eccli (U.S. Fuel Co.)

Given to: Joe Helfrich and Daron Haddock (DOGM)

Inspector's Signature:  #37 Date: 1/27/93