



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

INSPECTION REPORT

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Partial: Complete: XXX Exploration:
Inspection Date & Time: 9/24/96 / 8:00a.m.-3:00p.m.
Date of Last Inspection: 8/5/96

Mine Name: Hiawatha Complex County: Carbon Permit Number: ACT/007/011
Permittee and/or Operator's Name: United States Fuel Company
Business Address: P.O. Box 887, Price, Utah 84501
Type of Mining Activity: Underground XXX Surface Prep. Plant Other
Company Official(s): K.C. Jones, Surface Foreman
State Officials(s): Peter Hess Federal Official(s): None
Weather Conditions: Sunny, Cool, 40's-50's
Existing Acreage: Permitted- 12707 Disturbed- 290 Regraded- Seeded- Bonded- 290
Increased/Decreased: Permitted- Disturbed- Regraded- Seeded- Bonded-
Status: Exploration/ Active/ XXX Inactive/ Temporary 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 5 columns: Item, EVALUATED, N/A, COMMENTS, NOV/ENF. Rows include items like PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; DIVERSIONS; SEDIMENT PONDS AND IMPOUNDMENTS; EXPLOSIVES; DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES; COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS; 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; AIR QUALITY PERMIT; BONDING & INSURANCE.

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(Continuation sheet)

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PERMIT NUMBER: ACT/007/011

DATE OF INSPECTION: 9/24/96

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The review of amendment 96C, Topsoil Borrow Area "A", is pending. Soil samples have been taken by Mr. Bob Davidson, SLC-DOGM, and Mr. Dan Guy of Blackhawk Engineering, to verify acid forming potentials of the soils. A ditch design submittal for the ditch at the toe of the out slope of pond #5A is pending as of the date of this inspection.

4b. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The 3rd Quarter sediment pond inspections for the site were conducted by Mr. K. C. Jones on September 9, 1996. All ponds were observed to be dry as noted during the 9/9 inspection; no problems were noted. The inspection report needs to have the P.E. certification performed by Mr. Mike Watson prior to its submittal to the DOGM Salt Lake Office. All catch basins were inspected (#'s 1-6) and were also noted to be dry, and without any problems. Basin #4, which is located on the eastern out slope of refuse pile #4, had to have sixteen feet of 48 inch CMP replaced on June 26, 1996. This culvert had received extensive damage over the years from tramping a dozer over it.

All of the ponds observed today contained water; none were close to discharge elevation.

4d. HYDROLOGIC BALANCE: WATER MONITORING

Discharge monitoring reports for the months of May, June, and July, 1996 were reviewed. No exceedances occurred during these months for D001 (Mohrland mine water discharge) and D002 (Hiawatha City culinary tanks overflow). No other discharge points (D003-D013) had outfall. All DMR's had been submitted on time to the respective agencies.

Sampling frequencies for all other monitoring points appeared to be adequate. No problems were noted with any of the reviewed analysis sheets.

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7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The 3rd Quarter refuse pile inspections were conducted on September 6, 1996 by Mr. K.C. Jones. As of September 16, 1996, the regrading of the eastern out slope of pond #5 to the required five to one slope has been completed. Top soiling of this area will begin as soon as amendment 96C has been approved.

- Seeding of pile #4 will commence in October.
- The recovery of coal fines in slurry cell #1 is proceeding.
- Slurry cell #5A remains active as it collects runoff from the recontoured/backfilled pond #5.
- No problems were noted for any of these piles/impoundments.
- Mr. Mike Watson's P. E. certification is pending.
- Weekly inspections of all slurry cells at the site are current.

11. CONTEMPORANEOUS RECLAMATION

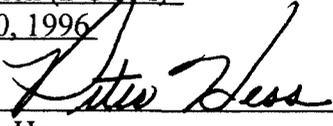
The permittee remains on schedule with Table III-9, Contemporaneous Reclamation Schedule, (revised and approved 4/3/96), with the exception of the initiation of Top soiling on pond #5. Amendment 96C, Topsoil Borrow Area "A", was submitted to the DOGM Price Field Office on August 20, 1996. Review/final approval of this amendment is currently pending, as previously noted.

As of today's inspection, it does not appear that the permittee intends to initiate the rough grade dirt work in Middle Fork Canyon during the month of September, as is required by Table III-9. Mining machinery and numerous buildings remain here.

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: United States Fuel Company Marcia Petta (OSM)
Given to: Joe Helfrich (DOGM) Filed to: Price Field Office
Date: September 30, 1996

Inspector's Signature:  #46
Peter Hess