

INSPECTION REPORT
(Continuation sheet)

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PERMIT NUMBER: ACT/007/012 DATE OF INSPECTION: August 18, 1993

(Comments are Numbered to Correspond with Topics Listed Above)

1. Permit -

- a) The insurance policy number 3710-3989 and will expire January 1, 1994 with aggregate \$2,000,000 and each occurrence \$1,000,000. The policy does cover explosives.
- b) The Wellington Prep plant has received a new UNPDES permit on July 1, 1993 and expires on the anniversary date in 1998.

The Division of Water Quality had an inspection of the facility on April 26, 1993 with no problems noted. DEQ has dropped point source 001A from the required monitoring list.
- c) The SPCC plan was submitted November 1, 1993 and will need to be reviewed within three years from approval date.
- d) The bond has been set at \$2,969,000 and the bonding agreement must be signed by the permit holder and the Division. The bonding agreement has not been completed at this time.
- e) The sediment ponds and refuse piles were inspected weekly which are MSHA regulated and the quarterly inspection done on June 30, 1993 and P.E certified. There were no problems noted with either the ponds or refuse piles.
- f) The water monitoring data was checked with the required perimeters in the MRP. Surface water #1 was checked for compliance and all required testing was performed.

4a. Diversions -

The culverts by the offices were re-installed and functioning as designed. These culverts were plugged and new culverts installed on a grade to prevent material build-up.

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4b. Sediment Ponds and Impoundments -

The sediment ponds and impoundments were dry and no signs of erosion was noticed. Quarterly and weekly inspections were taken as required.

8. Noncoal Waste -

The drying test on coal fines on the slurry ponds had taken place July 2nd. The operation does not have permission for further testing or to store equipment on the slurry pond. This would be in violation of R645 regulations. The removal of the test equipment must be off the slurry pond by the next inspection in September.

19. AVS Check -

There is a possibility of a partial buy out that may take place in the near future. At this time no new changes have occurred.

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: Castle Valley Resources, Larry Johnson

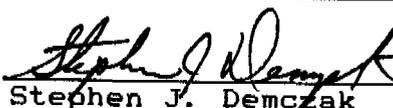
Mailed to: Bernie Freeman (OSM)

Given to: Joe Helfrich (DOGM)

Filed to: Price Field Office

Date: August 30, 1993

Inspector's Signature and Number:


Stephen J. Demczak

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