



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

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Michael O. Leavitt
Governor
Lowell P. Braxton
Division Director

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INSPECTION REPORT

Partial: X Complete: ___ Exploration: ___
Inspection Date & Time: July 7, 1998
Date of Last Inspection: May 29, 1998

Mine Name: Gordon Creek Mines 2, 7 & 8 County: Carbon Permit Number: ACT/007/016
Permittee and/or Operator's Name: Mountain Coal Company
Business Address: P.O. Box 591 Somerset, Colorado 81434
Type of Mining Activity: Underground X Surface ___ Prep. Plant ___ Other ___
State Official(s): David Darby
Company Official(s): Dan Guy
Federal Official(s): None
Weather Conditions: Clear cool
Existing Acreage: Permitted- 2289 Disturbed- 17.2 Regraded- 17.2 Seeded- 17.20 Bonded- 17.2
Increased/Decreased: Permitted- ___ 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

- 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: EVALUATED, N/A, COMMENTS, NOVENE. Rows 1-21 listing various permit conditions and their evaluation status.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: ACT/007/016

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DATE OF INSPECTION: July 7, 1998

(Comments are Numbered to Correspond with Topics Listed Above)

General Comments

I met Dan Guy on site to conduct the monthly inspection. The runoff that was prevalent during last months visit had diminished substantially. The sedimentation pond held water only in the upper cell. The site was dryer and some of the spring flows had abated. Only a small amount of runoff was flowing down the main channel and none of the secondary channels were flowing.

1. Signs and Markers

All signs and markers were displayed and standing.

4. HYDROLOGIC BALANCE:

a. DIVERSIONS

Culvert in the Right Fork of Bryner Canyon

The Division received Amendment (AM-98A) from Mountain Coal Company on January 29, 1998 proposing measures to leave the existing 48 inch culvert in the Right Fork of Bryner Canyon. The culvert was installed to provide protection to the stream channel when overburden above an entry caved to the surface. A review was conducted of the proposal and found to be deficient and reclamation plans were requested. On June 30, 1998 Mountain Coal Company requested an extension to revise and resubmit the reclamation plan.

The culvert issue has not been resolved, because Dan has not been able to meet with the landowner on site to evaluate the culvert for a post mining structure. Mountain Coal company has enlisted the aid of and culvert expert who has determined that the culvert still has a substantial life expectancy. More information will be submitted by the applicant by July 31, 1998.

e. EFFLUENT LIMITATIONS

Mountain Coal Company was reissued an UPDES Permit, UTG040004, on May 29, 1998 for the sedimentation pond.

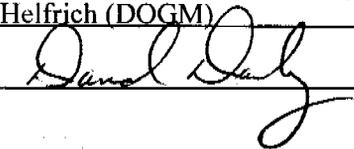
21. BONDING AND INSURANCE

Mountain Coal Company was issued a certificate of liability insurance certificate by Sedgwick of Missouri, Inc on June 1, 1998. Policy #1CG14556324200.

Copy of this Report:

Mailed to: James Fulton (OSM/Denver), Paige Beville (MCC), Dan Guy (Blackhawk Engineering)

Given to: Joe Helfrich (DOGM)

Inspector's Signature:  David W. Darby #47 Date: July 21, 1998