

November 2, 2006

«NAME» «JOB_TITLE»
«COMPANY»
«DIVISION_PROGRAM_BLDG»
«ADDRESS»
«CITY», «STATE» «ZIP»

Subject: Invitation to Attend Phase II Bond Release Inspection, Mountain Coal Company LLC, Gordon Creek #2, #7, and #8 Mines, C/007/0016, Task ID #2591, Outgoing File

Dear «SALUTATION»:

On September 28, 2006, the Division held a Phase II bond release inspection for the reclaimed mine facilities at the Gordon Creek No. 2, No. 7 and No. 8 Mines. Unfortunately, the Division has no record that you were notified of the inspection. At this time, we would like to afford you as a surface owner, the opportunity to participate in the bond release inspection.

If you want to inspect the site with the Division for the Phase II bond release, we will arrange with the Permittee to conduct another on site inspection.

If you want to participate in an on site inspection please notify me within 30 days of receipt of this letter. The Division will arrange for an inspection subject to weather conditions.

Enclosed is a copy of the Division's September 28, 2006 inspection.

If you have any questions, please feel free to call me at (801) 538-5268 or Wayne Western at (801) 538-5263.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

an
O:\007016.GC2\FINAL\BondRelInsp2591.doc



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Inspection Report

Table with permit details: Permit Number: C0070016, Inspection Type: BOND RELEASE, Inspection Date: Thursday, September 28, 2006, Start Date/Time: 9/28/2006 9:00:00 AM, End Date/Time: 9/28/2006 11:45:00 AM, Last Inspection: Tuesday, September 19, 2006

Inspector: Wayne Western, Environmental Scientist III

Weather: Clear skies temp 70s

InspectionID Report Number: 1089

Accepted by: pgrubaug
10/26/2006

Table titled 'Representatives Present During the Inspection:' listing OGM and Company representatives such as Pamela Grubaugh-Littig, Priscilla Burton, Joe Helfrich, etc.

Permitee: MOUNTAIN COAL CO
Operator: MOUNTAIN COAL CO
Site: GORDON CREEK 2, 7 & 8 MINES
Address: HC 35 BOX 380, HELPER UT 84526
County: CARBON
Permit Type: PERMANENT COAL PROGRAM
Permit Status: RECLAIMED

Current Acreages

Table with 2 columns: Acreage and Category. Rows include Total Permitted (179.27), Total Disturbed (34.15), Phase I (34.15), Phase II, and Phase III (0.73).

Mineral Ownership

- Checked: Federal, Fee
Unchecked: State, County, Other

Types of Operations

- Checked: Underground
Unchecked: Surface, Loadout, Processing, Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The inspection was done as part of the Phase II bond release, Task ID #2591.

In addition, Angela Wadman from the BLM was on site.

Inspector's Signature:

Date Friday, September 29, 2006

Wayne Western, Environmental Scientist III
Inspector ID Number: 42

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

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 Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference 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, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input 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.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: 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 Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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	<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 and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Livestock were grazing the site and had trod a well-worn path to access the ponds and spring.

4.c Hydrologic Balance: Other Sediment Control Measures

The site appeared much as it had during the Phase I bond release inspection three years before. Vegetation is well established. There was no evidence of erosion.

10. Slides and Other Damage

No slides were noted.

12. Backfilling And Grading

The areas that were backfilled and graded appeared to be stable. There was seepage above the #7 mine. The seepage did not appear to cause stability problems.

14. Subsidence Control

No areas within the bond release area were within the subsidence zone.

16.b Roads: Drainage Controls

The Permittee mentioned that rather than remove the series of three ponds prior to final bond release, they would like to leave three ponds in series to provide sediment control for the County road. DOGM representatives mentioned that an application to leave one, two, or three ponds as final reclamation must include a discussion of the liability, water rights, and a justification for the ponds. The series of three ponds at the lower end of the site were observed. The first pond in the sequence is accessible to livestock. It held mud. The second two ponds were dry. The ponds were formed by creating two dikes in the ephemeral channel. Consequently, reclamation of these ponds would entail removal of two dikes and burial of the concrete spillways.

CARBON COUNTY COMMISSION
120 EAST MAIN STREET
PRICE UT 84501

GEORGE N CANNON
WASATCH COAL COMPANY
1322 CHANDLER DRIVE
SALT LAKE CITY UT 84103

HELPER ASSOCIATES
178 SOUTH MAIN STREET
HELPER UT 84501

ELDRED E PIERCE JR
RT 1 BOX 143
PRICE UT 84501

MOVELL & CATHERINE JEWKES
730 NORTH 4TH EAST
PRICE UT 84501

CALVIN K JACOB
734 NORTH 4TH EAST
PRICE UT 84501

