

0003



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

ADR 74

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Partial: XXX Complete: Exploration:

Inspection Date & Time: 10/22/98 / 9:00a.m. - 11:00a.m.

Date of Last Inspection: 9/16/98

Mine Name: Soldier Canyon Mine County: Carbon Permit Number: ACT/007/018

Permittee and/or Operator's Name: Canyon Fuel Company

Business Address: P.O. Box 1029, Wellington, Utah 84542

Type of Mining Activity: Underground XXX Surface Prep. Plant Other

Company Official(s): Dave Spillman

State Officials(s): Peter Hess Federal Official(s): None

Weather Conditions: Overcast, Cool, 50's, Heavy rains during the night

Existing Acreage: Permitted- 5186.17 Disturbed- 24 Regraded- 0 Seeded- 0 Bonded- 95.2

Increased/Decreased: Permitted- Disturbed- Regraded- Seeded- Bonded-

Status: Exploration/ XXX 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 checked="" type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input checked="" 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 checked="" 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 checked="" 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 checked="" 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 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)

PERMIT NUMBER: ACT/007/018

DATE OF INSPECTION: 10/22/98

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The construction activities at the Dugout Mine have necessitated the removal of several components formerly associated with the Soldier Canyon Mine. As noted in previous inspection reports, the # 2 mine fan substation has been disassembled and moved to the Dugout site; the explosives and blasting cap storage magazines formerly located up canyon of the #1 one mine fan location have also been moved to Dugout.

The relocation of the #2 two mine fan to Dugout is still under consideration. In light of the regulations which require that explosive storage facilities and support facilities be shown on maps of features of the permit area (i.e., surface facilities map), it was suggested to Mr. Spillman that updated maps for the Soldier Canyon surface facilities area be provided showing the aforementioned features deleted. Mr. Spillman agreed with this request.

The gearing up of the Dugout Mine is indicative of the fact that mining in the Soldier Canyon Mine is short lived; Mr. Spillman indicated that mining will cease in early 1999. A temporary cessation of mining will be initiated, probably until 2013, when the Dugout reserves are depleted. At that time, the Company anticipates reopening the sealed SC3 Mine to extract the remaining alkali tract reserves. Mr. Spillman was informed that the requirements of R645-301-551, 515.320 and 515.321 must be addressed prior to approval for permitting of temporary cessation.

2. SIGNS AND MARKERS

Amendment ACT/007/018-98C, which allows for the expansion of the Soldier Canyon topsoil storage area in order to allow for the additional volume requirements necessitated by the construction of the Dugout Mine surface facilities, has been recently approved by the Division. As observed today, the permittee was busy surveying in permit area delineators/disturbed area boundary markers for the expansion area. Mr. Spillman indicated that the installation of the approved road culvert may be initiated this day, and that the removal of the vegetation would follow shortly thereafter.

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

All facilities in place will remain at SC3 in "mothballs" until the re-initiation of mining. Nothing will be reclaimed until depletion of the alkali reserves has been accomplished. The bath house and shop facilities at Soldier Canyon will be actively used for at least a year, until similar facilities can be constructed at Dugout.

It was recommended to Mr. Spillman that any fuel tanks, or other similar facilities which will not be used during the temporary cessation period be drained, in order to prevent fuel degradation/fuel systems problems and to prevent potential environmental problems.

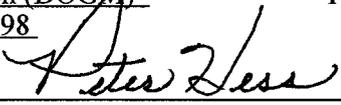
Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas, and Mining.

Copy of this Report:

Mailed to: Dave Spillman (Canyon Fuel) Henry Austin (OSM)

Given to: Joe Helfrich (DOGMA) Filed to: Price Field Office

Date: October 26, 1998

Inspector's Signature:  #46
Peter Hess