0007

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

INSPECTION REPORT

Partial:__ Complete: XXX Exploration:__
Inspection Date & Time: 7/20/99 / 8:30a.m.-12:00p.m.
Date of Last Inspection: 4/27/99

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, Steve Nye
State Officials(s): Peter Hess Federal Official(s): None
Weather Conditions: Sunny, War, 80's
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

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.

		EVALUATED	N/A	COMMENTS	NOV/ENF
1.	PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	[XX]	[ ]	[XX]	[ ]
2.	SIGNS AND MARKERS	[XX]	[ ]	[ ]	[ ]
3.	TOPSOIL	[XX]	[ ]	[XX]	[ ]
4.	HYDROLOGIC BALANCE:				
a.	DIVERSIONS	[XX]	[ ]	[ ]	[ ]
b.	SEDIMENT PONDS AND IMPOUNDMENTS	[XX]	[ ]	[XX]	[ ]
c.	OTHER SEDIMENT CONTROL MEASURES	[XX]	[ ]	[ ]	[ ]
d.	WATER MONITORING	[XX]	[ ]	[XX]	[ ]
e.	EFFLUENT LIMITATIONS	[XX]	[ ]	[ ]	[ ]
5.	EXPLOSIVES	[ ]	[XX]	[ ]	[ ]
6.	DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	[ ]	[XX]	[ ]	[ ]
7.	COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	[ ]	[XX]	[ ]	[ ]
8.	NONCOAL WASTE	[XX]	[ ]	[ ]	[ ]
9.	PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	[ ]	[XX]	[ ]	[ ]
10.	SLIDES AND OTHER DAMAGE	[ ]	[XX]	[ ]	[ ]
11.	CONTEMPORANEOUS RECLAMATION	[ ]	[XX]	[ ]	[ ]
12.	BACKFILLING AND GRADING	[ ]	[XX]	[ ]	[ ]
13.	REVEGETATION	[ ]	[XX]	[ ]	[ ]
14.	SUBSIDENCE CONTROL	[XX]	[ ]	[ ]	[ ]
15.	CESSATION OF OPERATIONS	[XX]	[ ]	[ ]	[ ]
16.	ROADS:				
a.	CONSTRUCTION/MAINTENANCE/SURFACING	[XX]	[ ]	[ ]	[ ]
b.	DRAINAGE CONTROLS	[XX]	[ ]	[ ]	[ ]
17.	OTHER TRANSPORTATION FACILITIES	[XX]	[ ]	[ ]	[ ]
18.	SUPPORT FACILITIES/UTILITY INSTALLATIONS	[XX]	[ ]	[ ]	[ ]
19.	AVS CHECK (4th Quarter-April, May, June)_____(date)	[ ]	[XX]	[ ]	[ ]
20.	AIR QUALITY PERMIT	[XX]	[ ]	[ ]	[ ]
21.	BONDING & INSURANCE	[XX]	[ ]	[XX]	[ ]

INSPECTION REPORT
(Continuation sheet)

PERMIT NUMBER: **ACT/007/018** DATE OF INSPECTION: 7/20/99

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

According to Mr. Dave Spillman, Manager of Technical Services for the Soldier Canyon/Dugout Mine operations, the permittee is making progress in addressing the Division Order relative to the leaving of abandoned mining machinery underground, (i.e., noncoal waste). Upon termination of active mining at the Soldier Canyon site, this inspector was informed that all face machinery had been removed from the Mine. It was determined this day that three feeder/breakers, three roof bolting machines, and one shuttle car were left inside the Mine, which is now sealed. Mr. Spillman indicated that these machines were in such poor condition that the Company felt that removing them may have placed the safety of the employees involved in the removal process in jeopardy.

3. TOPSOIL

Today's inspection of the Soldier Canyon Mine topsoil storage area, which includes topsoil from the under construction Dugout Canyon Mine, revealed that the vegetative cover on the newly constructed piles is developing, although much of same appears to be weeds. Photographs of the piles were taken. An inspection of same will be planned for the future, when a Division Reclamation Biologist will be able to attend.

4b. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The second quarter impoundment inspections for the site were conducted on June 24 by Mr. Steve Nye. No signs of instability, structural weakness, or other hazardous conditions were noted for either the sewage lagoons or the mine site sediment pond.

4d. HYDROLOGIC BALANCE: WATER MONITORING

The first quarter 1999 water monitoring report for the Soldier Canyon Mine site was submitted to the DOGM SLO on June 21, 1999. Sites G-1, G-2, G-8 and G-9 have been dropped as water monitoring points are already approved within the current mining and reclamation plan.

A review of the UPDES discharge monitoring reports for the months of April, May, and June '99 revealed that none of the site's three permitted points discharged during that quarter. All reports were submitted in a timely fashion.

21. BONDING AND INSURANCE

The permittee's general liability insurance expires on July 31, 1999. Mr. Kerry Frame of the permittee's Salt Lake City office has been contacted via telephone voice mail to ensure continuous coverage. No problem has ever occurred regarding insurance coverage for Canyon Fuel Company sites.

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 (DOGM) Filed to: Price Field Office
Date: August 9, 1999

Inspector's Signature: Peter Hess #46
Peter Hess