



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

INSPECTION REPORT

SW by [signature]

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Partial: Complete: XXX Exploration:
Inspection Date & Time: 7/10/00 / 11:00am-3:00pm
Date of Last Inspection: 7/10/00

Mine Name: Soldier Canyon Mine County: Carbon Permit Number: AC 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): Gary Taylor
State Official(s): Stephen J. Demczak Federal Official(s): None
Weather Conditions: Cool, Raining
Existing Acreage: Permitted 6624.64 Disturbed 24.32 Regraded Seeded
Status: Exploration Active Inactive Temporary Cessation XXX Bond Forfeiture
Reclamation (Phase I Phase II Final Bond Release Liability Year)

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 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: Item, EVALUATED, N/A, COMMENTS, NOV/ENF. Rows include PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; EXPLOSIVES; DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES; COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS; NONCOAL WASTE; PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES; SLIDES AND OTHER DAMAGE; CONTEMPORANEOUS RECLAMATION; BACKFILLING AND GRADING; REVEGETATION; SUBSIDENCE CONTROL; CESSATION OF OPERATIONS; ROADS; OTHER TRANSPORTATION FACILITIES; SUPPORT FACILITIES/UTILITY INSTALLATIONS; AVS CHECK (4th Quarter- April, May, June); AIR QUALITY PERMIT; BONDING & INSURANCE.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: ACT/007/018

DATE OF INSPECTION: 10/26/00

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

No amendments are being reviewed by the Division at this time.

2. SIGNS AND MARKERS

The identification sign was inspected and the correct information was displayed.

4A. HYDROLOGIC BALANCE: DIVERSIONS

Several diversions were inspected and complied with the R645 Coal Rules. Some diversions were flowing water at the time of the inspection; water was flowing into the sediment pond.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The sediment pond was inspected for third quarter on September 9, 2000 by a P.E. certified person. No hazardous conditions were reported nor were any noticed during the inspection.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The second quarter water monitoring was submitted to the Division. The inspector reviewed the water monitoring report with the requirements of the Mining and Reclamation Agreement. All water site locations, parameters, and holding times were taken as the permit stated. Some changes to the Division's water monitoring data base was made after the inspection to reflect the correct descriptions and location names.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

There was no discharge of UPDES monitoring points for second quarter.

The UPDES permit number is UT0023680, and became effective on April 1, 1996. This permit will expire on March 31, 2001. Currently, there are three water monitoring sites: (1) site 001-A, mine water discharge through a 30-inch culvert; (2) site 002-A, sediment pond discharge; and (3) site 003-A, mine water discharge near #2 fan.

5. EXPLOSIVES

All explosives have been removed and sent to Dugout Mine.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

No refuse is being stored at Soldier Creek Mine.

INSPECTION REPORT
(Continuation sheet)

PERMIT NUMBER: ACT/007/018

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8. NONCOAL WASTE

The site was cleared of non-coal waste.

14. SUBSIDENCE CONTROL

The subsidence survey was taken on October 17, 2000. This information will be available in the 2000 Annual Report.

15. CESSATION OF OPERATIONS

The mine is in cessation of operations and quarterly complete inspections are made.

20. AIR QUALITY PERMIT

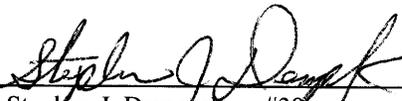
The Air Quality Permit was issued on April 25, 1994; the permit number is DAQE-334-94.

21. BONDING AND INSURANCE

Insurance will expire on July 31, 2001 by Federal Insurance Co. The acord form was inspected and complies with the R645 Coal Rules.

The Reclamation Agreement has been sent to the Division for review and signature. Currently, there is an issue concerning the correct permit acreage. This will be settled from the DOGM Salt Lake City office.

Inspector's Signature: _____


Stephen J. Demozak #39

Date: November 1, 2000

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

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cc: James Fulton, OSM
Rick Olsen, Canyon Fuel
Price Field office

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