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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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INSPECTION REPORT

Partial: _____ Complete: XXX Exploration: _____
Inspection Date & Time: 01/23/2000 10:00am-3:00pm
Date of Last Inspection: 10/26/2000

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Mine Name: Soldier Canyon Mine County: Carbon Permit Number: C-2000-10
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): Chris Hansen, David Spillman
State Official(s): Stephen J. Demczak, Gregg Galecki Federal Official(s): None
Weather Conditions: Partly Cloudy, 6"-8" snow cover
Existing Acreage: Permitted 7883 Disturbed 24.32 Regraded _____ Seeded _____
Status: Temporary Cessation XXX

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

- 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.

	<u>EVALUATED</u>	<u>N/A</u>	<u>COMMENTS</u>	<u>NOV/ENF</u>
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 checked="" type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input checked="" 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 (4 th Quarter- April, May, June)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/018

DATE OF INSPECTION: 01/23/2001

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permittee has submitted maps to the Division that show the permit area of Soldier Creek Mine. Currently, the issue is under review. Once the permit area is agreed upon, the reclamation agreement will be signed.

2. SIGNS AND MARKERS

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

3. TOPSOIL

The topsoil piles were inspected with no signs of wind or water erosion. The topsoil piles were covered with six to eight inches of snow cover.

4A. HYDROLOGIC BALANCE: DIVERSIONS

Several of the diversions were covered with snow. It appears the diversions will function once the snow melts.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The sediment pond was inspected for fourth on December 20,2000 and for the first quarter on January 8, 2001. The fourth quarter report is P.E. certified and will be included in the Annual Report. No hazardous conditions were reported.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The third quarter water monitoring was submitted to the Division. The inspector reviewed the water monitoring report with the requirements of the Mining and Reclamation Plan. All water site locations, parameters, and holding times were taken as the permit stated.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

There was no discharge of UPDES monitoring points for fourth 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.

The SPCC Plan will need to be updated and reviewed by the end of the first quarter 2001.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

No coal mine waste is located at Soldier Creek Mine.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/018

DATE OF INSPECTION: 01/23/2001

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 temporary cessation of operations and quarterly complete inspections are made.

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

No new structures were built in the fourth quarter.

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.

The Mining and Reclamation Permit will expire on February 3, 2002. The bonding amount is \$3,238,000.

Inspector's Signature: _____

Stephen J. Demczak
Stephen J. Demczak #39

Date: January 25, 2001

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
Dave Spillman, Canyon Fuel
Price Field office

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