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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: 02/26/2002 / Time: 07:30 - 12:00
Date of Last Inspection: 11/20/2001

Mine Name: Soldier Canyon Mine County: Carbon Permit Number: C/007/018
Permittee and/or Operator's Name: Canyon Fuel Company
Business Address: P.O. Box 1029, Wellington, Utah 84542
Company Official(s): Vicky Miller, Engineering Technician
State Official(s): Gregg Galecki Federal Official(s): _____
Weather Conditions: Clear, 35 degrees F., slight breeze
Type of Mining Activity: Underground XXX Surface _____ Prep Plant _____ Other _____
Existing Acreage: Permitted 6624.64 Disturbed 24.32 Regraded _____ Seeded _____
Status: Temporary Cessation

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.

	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 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input type="checkbox"/>	<input checked="" 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 ISSUES	<input checked="" 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 checked="" 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 type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 th Quarter- April, May, June)	<input type="checkbox"/>	<input checked="" 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: 02/26/2002

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

A permit renewal application has been submitted to the Division recently. The permit that was returned to the Operator from the Division had inadvertently included Section 32 T12S, R12E, in the legal description. Soldier Creek first-mined about 5.6 acres within this Section in 1992 and 1993. Section 32 was deleted from the permit area as part of the Technical Analysis for the Alkali Lease, approved June 12, 1997. Vicky Miller hand-delivered a letter to the Division on 02/21/2002 outlining a revised legal description. Once adjusted, the Operator is ready to sign and return the renewed permit.

UPDES permit term: April 1, 2001 through March 31, 2006.

2. SIGNS AND MARKERS

The identification sign located at the Main gate to the mine property was inspected and it was determined that the required information was displayed correctly.

Perimeter signs, missing on the Topsoil Storage Area during the Fourth quarter inspection, were installed on 11/21/2001, and confirmed on this inspection.

4A. HYDROLOGIC BALANCE: DIVERSIONS

All diversions were inspected within the disturbed area and were found to be maintained as designed. The rip-rapped ditch in front of WS-13A, that was cleaned during inspection, was functioning adequately. All ditches were clear and dry.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The Sediment Pond was inspected on December 10, 2001, for the fourth quarter by D. Spillman and V. Miller. No hazardous conditions were noted. An inspection of the pond was conducted by DWQ personnel on February 12, 2002. The pond was concurred to be functioning adequately.

4D. HYDROLOGIC BALANCE: WATER MONITORING

Hard copies of the 4th quarter water monitoring data were not available during this inspection; results were not yet received from the lab. Data submittal for the 4th quarter is not officially due until the end of the following quarter (in this case 1st quarter 2002). Detailed discussion covered the requirements for collecting data for a required hydrograph. The permit stipulates a weekly flow monitoring and additional operational and tritium sampling in years of excessively high and low snow-pack levels. Year 2002 will likely be a low snow-pack year.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

Hard copies of the 4th quarter DMR data was available for the inspection, but has not been submitted to the Division. No discharges were reported.

5. EXPLOSIVES

No explosives were on site.

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/018

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14. **SUBSIDENCE CONTROL**

An amendment to discontinue Subsidence Monitoring has been approved by the Division on November 27, 2001. The Mining and Reclamation Plan has given the permittee the right to request the withdrawal of any subsidence monitoring point or points that show no change for two consecutive years. See Pg. 5-20 in the MRP.

15. **CESSATION OF OPERATIONS**

The mine is in temporary cessation of operations and quarterly complete inspections are conducted. It will be several years before mining is anticipated to resume.

20. **AIR QUALITY PERMIT**

The Air Quality Permit was issued on April 25, 1994; the permit number is DAQE-334-94. No changes to the permit were noted.

21. **BONDING AND INSURANCE**

The Certificate of Insurance is valid from July 17, 2001, through July 31, 2002. The site is bonded for the amount of \$3,238,000.

Inspector's Signature: _____

Gregg A. Galecki
Gregg A. Galecki #48

Date: February 27, 2002

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

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

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