



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

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DRZ
OK

INSPECTION REPORT

Partial _____ Complete XXX Exploration __
Inspection Date: 12/03/2002 / Time: 07:00 - 09:30
Date of Last Inspection: 08/21/2002

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, Dana Dean Federal Official(s): None
Weather Conditions: Cold, clear, 18 degrees F., gusty wind
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

- 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; DIVERSIONS; SEDIMENT PONDS AND IMPOUNDMENTS; OTHER SEDIMENT CONTROL MEASURES; WATER MONITORING; EFFLUENT LIMITATIONS; 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; CONSTRUCTION/MAINTENANCE/SURFACING; DRAINAGE CONTROLS; OTHER TRANSPORTATION FACILITIES; SUPPORT FACILITIES/UTILITY INSTALLATIONS; AIR QUALITY PERMIT; BONDING & INSURANCE.

Utah!
AIR QUALITY PERMIT

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/018

DATE OF INSPECTION: 12/03/2002

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The DOGM permit was renewed on February 3, 2002. The current permit expires February 3, 2007. A revised legal description was submitted and approved on March 3, 2002.

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.

4A. HYDROLOGIC BALANCE: DIVERSIONS

Recent precipitation events have left standing water in the sedimentation pond. All diversions that were inspected within the disturbed area are maintained as designed with one exception. The disturbed area culvert located between WS-2 and WS-3 (west of the mine facility), was approximately 50 percent occluded with a metal plate welded to the culvert opening serving as a 'trash rack'. This form of sediment/debris control for the culvert inhibits the designed capacity of the 24-inch culvert. However, the channel is located on bedrock and although requiring continued maintenance, the design appears to perform adequately. The operator commits to cleaning the culvert opening again, as did after the last inspection.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The Sediment Pond was inspected on August 19, 2002, for the third (3rd) quarter by Ms. Vicky Miller. No hazardous conditions were noted. Standing water was noted in the pond during the inspection. The source of the water was recent precipitation events within the last week prior to the inspection.

4D. HYDROLOGIC BALANCE: WATER MONITORING

Hard copies of the 3rd quarter water monitoring data were available during this inspection; results have yet to be submitted to the Division electronically. Data submittal for the 3rd quarter is not officially due until the end of the following quarter (in this case, 1st quarter 2003).

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

Hard copies of the 3rd quarter DMR data was available for the inspection, but has not been submitted to the Division. No discharges were reported. It was discussed that, starting 3rd quarter 2002, DMR data needs to be submitted to the Division electronically. Ms. Miller was not aware of this requirement, but indicated compliance would occur. Ms. Miller also requested EDI information from Ms. Dean, which was supplied on December 4, 2002.

14. SUBSIDENCE CONTROL

An amendment to discontinue Subsidence Monitoring was 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.

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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.

19. AVS CHECK

An Applicant Violator System (AVS) check was conducted during the 2nd quarter inspection. No violations were noted on the system.

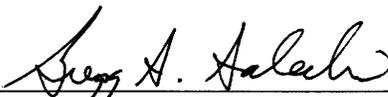
20. AIR QUALITY PERMIT

The Air Quality Permit was issued on April 25, 1994; the permit number is DAQE-334-94. No changes to the permit were noted during the December 3, 2002 inspection.

21. BONDING AND INSURANCE

The Certificate of Insurance has been renewed to extend coverage from July 31, 2002, through July 31, 2003. The site is bonded for the amount of \$3,238,000. No changes to the bond or insurance were noted during the December 3, 2002 inspection.

Inspector's Signature: _____


Gregg A. Galecki #48

Date: December 6, 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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