

INSPECTION REPORT

Partial _____ Complete XXX Exploration _____
 Inspection Date: 05/14/2003 / Time: 9:30 – 1:00
 Date of Last Inspection: 02/12/2003

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): Dana Dean Federal Official(s): None
 Weather Conditions: Clear, 70 degrees F., no 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.

	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 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 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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: 05/14/2003

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The current OGM permit is valid through February 3, 2007.

The UPDES permit is valid through March 31, 2006.

OGM is currently processing two amendments: one to change the water monitoring and one to change the bond.

2. SIGNS AND MARKERS

Identification signs are located at the main gate to the mine property and at the topsoil pile location. Each contains the required information.

Disturbed area boundary and topsoil pile designation markers are in the proper locations.

3. TOPSOIL

The topsoil pile has sparse grasses growing on the slopes and grasses and forbs on top. It is stable, and protected from sediment loss by berms at the base, in addition to the vegetation. There were no significant signs of erosion.

4A. HYDROLOGIC BALANCE: DIVERSIONS

All diversions within the disturbed area are functioning as designed.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

Ms. Vicky Miller conducted the 4th quarter Sediment Pond inspection on February 11, 2003. She noted no hazardous conditions and there was about one foot of standing water in the pond. The source of the water was precipitation.

Some water was also in the pond during the May 14, 2003 inspection, from precipitation and snowmelt.

There were no discharges from the pond in the first quarter.

4D. HYDROLOGIC BALANCE: WATER MONITORING

First quarter water monitoring is complete and the Permittee submitted it electronically to the Division on March 24, 2003.

The Permittee also submitted all fourth quarter data on time.

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4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

Hard copies of the 1st quarter DMR data were available during the inspection. The Permittee submitted the DMR information with all other water monitoring data on March 24, 2003.

There were no discharges during the 1st quarter.

The Permittee also submitted all fourth quarter DMR data on time.

15. CESSATION OF OPERATIONS

The mine is in temporary cessation of operations and quarterly complete inspections are conducted. Mining is not anticipated to resume for several years.

19. AVS CHECK

OGM conducted an Applicant Violator System (AVS) check as part of this inspection and noted no violations on the system.

21. BONDING AND INSURANCE

The Certificate of Insurance is valid through July 31, 2003. It provides for \$500,000 aggregate and \$300,000 per each occurrence as required.

The site is bonded for the amount of \$3,238,000. The Surety is Liberty Mutual Insurance Company.

Inspector's Signature: _____ Date: May 16, 2003
Dana Dean #50

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
Dave Spillman, Canyon Fuel
Price Field office

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