0003

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt
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Division Director

INSPECTION REPORT

Partial: XXX Complete:__ Exploration:__
Inspection Date & Time: 11/21/97 / 8:00a.m.-1:00p.m.
Date of Last Inspection: 10/10/97

Mine Name: Horizon Mine County: Carbon Permit Number: ACT/007/020
Permittee and/or Operator's Name: Horizon Mining, LLC
Business Address: PO Box 599, Helper, Utah 84526
Type of Mining Activity: Underground XXX Surface__ Prep. Plant__ Other__
Company Official(s): Vicky Bailey, Consultant/Earthfax
State Officials(s): Bill Malencik Federal Official(s): None
Weather Conditions: Cloudy, Cold, 40's
Existing Acreage: Permitted- 317 Disturbed- 9 Regraded-__ Seeded-_ Bonded- 9
Increased/Decreased: Permitted-___ Disturbed-___ Regraded-___ Seeded-___ Bonded-___
Status: _Exploration/_XXX_Active/__Inactive/__Temporary Cessation/__Bond Forfeiture
Reclamation (__Phase I/__Phase II/__Final Bond Release/__Liability_____Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions
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	D.O.[a]	COMMENTS	NOV/ENF
1.	PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	[XX]	[XX]	[XX]	[ ]
2.	SIGNS AND MARKERS	[XX]	[XX]	[XX]	[ ]
3.	TOPSOIL	[ ]	[ ]	[ ]	[ ]
4.	HYDROLOGIC BALANCE:				
a.	DIVERSIONS	[ ]	[ ]	[ ]	[ ]
b.	SEDIMENT PONDS AND IMPOUNDMENTS	[XX]	[XX]	[XX]	[ ]
c.	OTHER SEDIMENT CONTROL MEASURES	[ ]	[ ]	[ ]	[ ]
d.	WATER MONITORING	[ ]	[ ]	[ ]	[ ]
e.	EFFLUENT LIMITATIONS	[ ]	[ ]	[ ]	[ ]
5.	EXPLOSIVES	[XX]	[XX]	[XX]	[ ]
6.	DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	[ ]	[ ]	[ ]	[ ]
7.	COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	[XX]	[XX]	[XX]	[ ]
8.	NONCOAL WASTE	[ ]	[XX]	[ ]	[ ]
9.	PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	[ ]	[ ]	[ ]	[ ]
10.	SLIDES AND OTHER DAMAGE	[ ]	[ ]	[ ]	[ ]
11.	CONTEMPORANEOUS RECLAMATION	[ ]	[ ]	[ ]	[ ]
12.	BACKFILLING AND GRADING	[ ]	[ ]	[ ]	[ ]
13.	REVEGETATION	[XX]	[ ]	[ ]	[XX]
14.	SUBSIDENCE CONTROL	[ ]	[ ]	[ ]	[ ]
15.	CESSATION OF OPERATIONS	[ ]	[ ]	[ ]	[ ]
16.	ROADS:				
a.	CONSTRUCTION/MAINTENANCE/SURFACING	[ ]	[ ]	[ ]	[ ]
b.	DRAINAGE CONTROLS	[ ]	[ ]	[ ]	[ ]
17.	OTHER TRANSPORTATION FACILITIES	[ ]	[ ]	[ ]	[ ]
18.	SUPPORT FACILITIES/UTILITY INSTALLATIONS	[XX]	[ ]	[XX]	[XX]
19.	AVS CHECK (4th Quarter-April, May, June)_____(date)	[ ]	[ ]	[ ]	[ ]
20.	AIR QUALITY PERMIT	[ ]	[ ]	[ ]	[ ]
21.	BONDING & INSURANCE	[XX]	[ ]	[XX]	[ ]

[a]Items for management to consider in the preparation of a Division Order.

PERMIT NUMBER: **ACT/007/020** DATE OF INSPECTION: 11/21/97

(Comments are Numbered to Correspond with Topics Listed Above)

GENERAL COMMENTS

This partial inspection inculded a review of the MRP and certain mine records. The permittee was represented by Vicky Bailey, Earthfax. This inspection report covers two items:

(1) Partial Inspection Report, and
(2) MRP Review.

PARTIAL INSPECTION

- Permit. The permit transfer was approved on 11/6/97 by the Division. The new permittee title is Horizon Mining, LLC. The prior permittee operated under the title of Horizon Coal Corporation.

- Surety Bond. Bond rider approved by L.P. Braxton for $209,200.

- Sediment Pond Inspection. The pond inspection report was completed on 8/29/97 by the consultant.

DIVISION ORDER

Recommend with other staff review, as necessary, Division management consider preparing and issuing a Division Order to the permittee. The purpose of the order is to correct omissions in the current MRP.

The procedures for Division Orders are spelled out in the Utah Coal Rules, R645-303-213. In the past, multiple paperwork items have been addressed to the permittee in the form of a Division Order. The format used in this report includes: identifying the problem and citing a coal rule. The permittees' representative Ms. Bailey participated with the undersigned in this review.

ITEMS FOR MANAGEMENT TO CONSIDER IN THE FINAL PREPARATION OF A DIVISION ORDER

ITEM 1: EXPLOSIVES

Problem- The approved MRP does not contain a blasting plan. Further, the surface facilities map does not show where explosives will be stored.

Action Required- Respond to Division Order.

Coal Rule- R645-301-524.

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Item 2: Mine Water

Problem- The MRP and the Technical Analysis largely based on the applicants information (pg.28 T.A.) discusses mine water. The speculation is the chances of encountering mine water are "hydraulically connected with fault zones." The operator has committed to sample mine water if water is encountered. Discharging mine water to the surface without prior appropriate approvals; DEQ/UPDES Permit and DOGM will result in a compliance action. The agencies position, as understood by the undersigned, discharge authorizations cannot be granted until mine water is encountered. However, some environmental safeguards may be prudent before water is encountered.

Environmental Considerations- Horizon Mining, LLC officials need to commit to a contingency plan, even though such a plan would, by itself, not avert a violation; however, courses of action together with other information may be considered in the assessment conference.

Action Required- Respond to Division Order.

Alternatives

1) Divert mine water into old mine workings
   a) Notify Division immediately when water is encountered.
   b) Sample water. Frequency? Parameters?
2) Discharge mine water to surface and store in sediment pond
   a) Notify Division immediately when water is encountered.
   b) Sample water. Frequency? Parameters?
   c) Sample pond discharge on each discharge
3) Discharge mine water to Jewkes Creek

Without a contingency plan it would appear that the worst alternative would be to discharge the mine water directly into Jewkes Creek. As an inspector, the mine not having a contingency plan is tanamount to waiting until a crisis occurs. Therefore, advance planning by mine officials is essential not only for operation aspects but to seek the least damaging environmental alternatives.

Coal Rules: R645-301-731.110
R645-301-731.121

ITEM 3: DISTURBED BOUNDARY

Problem- MRP map needs to be updated. There are several areas where the current disturbed markers include non-disturbed and, in a few small areas, prior disturbed areas not needed for mining operations that fall within the disturbed area. Comply with Division Order.

Action Required- Update the disturbed boundary by:

(1) Reposting disturbed markers in the field.
(2) Update surface facilities map.

Coal Rules- R645-301-521.200 et.al.

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(Comments are Numbered to Correspond with Topics Listed Above)

ITEM 4: STREAM BUFFER ZONE SIGNS

Problem- The stream buffer zone signs need to be reinstalled at a location between the interface of the disturbed and undisturbed where the MRP clearly shows the Division has authorized the permittee to encroach within 100 feet of a stream channel. The purpose of the sign is to prevent the operation from encroaching beyond the area authorized by the Division.

Action Required- Review signs on the ground, in the text, and on the maps. Clearly show stream encroachment areas by appropriate symbol and sign each area.

Coal Rules- R645-301-521.270

ITEM 5: SNOW STORAGE AREAS

Problem- On surface facilities map and MRP expand on snow handling and storage. Place sign on snow storage area. Show storage area on surface facilities map.

Action Required- Comply with Division Order.

Coal Rules- R645-301-512.120
R645-100. Definitions, "Precipitation Event"

ITEM 6: POWER AND PHONE LINES/SUBSTATION

Problem- Show power poles erected by the operator on the surface facilities map. Discuss raptor protection in the MRP text.

Action Required- Comply with Division Order.

Coal Rules- R645-301-512.120
R645-301-358.510

ITEM 7: STORAGE

Problem- Update map as required to show the permanent storage for supplies and materials, bathhouse, fuel and oil, coal, temporary underground development waste, and non-coal waste. Current MRP approval calls for underground development waste to be stored adjacent to #1 mine portal for a maximum of 90 days and then stored underground.

Action Required- Comply with Division Order.

Coal Rules- R645-301-512.120 et.al.

INSPECTION REPORT
(Continuation sheet)

PERMIT NUMBER: **ACT/007/020** DATE OF INSPECTION: 11/21/97

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ITEM 8: RIPARIAN FENCE

Problem- Part of the riparian area is fenced and part is not. The fenced portion include an area 66' x 45'. Since the seeded topsoil disturbed area lying west and contiguous to the riparian area has been topsoiled and seeded, the reclaimed and riparian and seeded areas must be protected from livestock grazing. The current riparian fence has no overall utility.

Action Required- Update MRP on how the seeded, the riparian, and the operational areas will be protected from livestock.

Coal Rules- R645-301-200
R645-301-300

OTHER CONSIDERATIONS/RECOMMEDATIONS- The MRP does not follow the current coal rule format. Suggest the permittee be put on notice to update the MRP with the permit renewal.

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

Copy of this Report:
Mailed to: Vicky Bailey (Horizon/Earthfax) Henry Austin (OSM)
Given to: Joe Helfrich (DOGM) Filed to: Price Field Office
Date: December 16, 1997

Inspector's Signature: Wm. J. Malencik #26
Wm. J. Malencik