

0006



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

Partial: XXX Complete: Exploration:

Inspection Date & Time: 4/2,7/99 / 9:00 a.m.-1:30p.m.

Date of Last Inspection: 3/16,19/99

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 Miller, Larry Jones Federal Official(s): Steve Falk, Stan Perks

State Officials(s): Bill Malencik, Joe Helfrich, Wayne Western

Weather Conditions: Partly Cloudy, Cold, Some Snow Flakes, 4/2/99; Clear, 4/7/99

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

- 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 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4th Quarter-April, May, June)_____ (date)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. OTHER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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INSPECTION REPORT
(Continuation sheet)

Page 2 of 3

PERMIT NUMBER: ACT/007/020

DATE OF INSPECTION: 4/2/99

(Comments are Numbered to Correspond with Topics Listed Above)

GENERAL COMMENTS

A partial inspection was conducted on April 2, 1999, of the Horizon Mine. The Division was represented by Bill Malencik, Joe Helfrich, and Wayne Western, the permittee by Vicky Miller, Consultant, Earthfax, and Larry Jones, Mine Manager. The purpose of this inspection is two-fold (1) to measure the coal waste pile, and (2) to take samples of the coal waste and coal piles.

An underground inspection was completed on April 7, 1999. Personnel on the underground inspection included the following:

Horizon Mine: Larry Jones, Dee Hackney
BLM: Steve Falk, Stan Perks
DOGM: Bill Malencik

The purpose of the underground inspection was to validate if Horizon Mining, LLC is mining outside of the DOGM permit.

Inspection Conclusions

I. Surface Inspection (4/2/99)

The following actions were discussed with Mr. Jones by the undersigned:

- (1) An NOV will be issued on the failure of Horizon Mining, LLC to comply with DOGM Director Division Order date 2/25/99.
- (2) A potential CO will be issued if Horizon Mining, LLC did, in fact, mine coal outside of the DOGM Horizon permit area. This will be validated by a joint DOGM/BLM underground inspection.
- (3) A potential violation on the coal waste pile not meeting Utah Coal rules performance standards.

II. Underground Inspection (4/7/99)

The following actions were discussed with Mr. Jones:

- (1) Issued violation 99-26-1-1 for not complying with the Division Order relative to coal waste.
- (2) Advised Mr. Jones I would not issue a violation on performance standards on the coal waste pile. The reason there are questions on how standards (both permitting and compliance) are and should be applied. A refuse pile, by definition, "UCA means a surface deposit of coal mine waste that does not impound water, slurry, or other liquid or semi-liquid material."
- (3) The underground inspection validated the fact that Horizon Mining had mined outside their DOGM permit boundary and within the 1288 acre federal lease. The area where coal has been extracted is approximately 1300' by 300'. Advise Mr. Jones that a cessation order would be issued.

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

UPDES Permit. UPDES Permit has expired and a timely renewal application has been submitted to DEQ which is still pending. The application covers both the previous approved sediment pond outfall and a new mine water discharge. The mine has been granted temporary discharges under arrangements approved by DEQ and DOGM.

INSPECTION REPORT
(Continuation sheet)

Page 3 of 3

PERMIT NUMBER: ACT/007/020

DATE OF INSPECTION: 4/2/99

(Comments are Numbered to Correspond with Topics Listed Above)

2. SIGNS AND MARKERS

Required ID sign is in place at the county road where it interfaces with the mine road. Also, an ID sign, which is not required, is in place at the forks of the consumer's roads. Markers observed included topsoil, disturbed, and stream buffer zone markers.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The diversion flowing included the mine water diversion that discharge into the sediment pond, and the undisturbed drainage commonly known as Jewkes Creek. The mine water was clear, Jewkes Creek was muddy from sediment.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

Straw bales provide sediment control on a disturbed area lying below the sediment pond.

5. EXPLOSIVES

The Division approved the applicant's explosive amendment on 3/12/99.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

Coal waste, as originally approved by the Division, provides for temporary storage on the mine pad. Permanent or final disposition was not authorized in the original MRP. An amendment was approved October 98 authorizing permanent storage/utilization at the Sunnyside Cogeneration permitted site.

DOGM
Attached are results on coal and waste samples. See sketch on Addendum #1.

22. OTHER

Conducted a follow up inspection on 3/19/99. The operator performed spring clean up and emptied the dumpster. Also, maintenance work was performed to prevent coal waste from inadvertently falling into a diversion. A sump adjacent to the sediment pond was cleaned.

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: Larry Jones/Vicky Miller (Horizon/Earthfax) Henry Austin (OSM)

Given to: Joe Helfrich (DOGM)

Filed to: Price Field Office

Date: April 14, 1999

Inspector's Signature: _____

Wm. J. Malencik

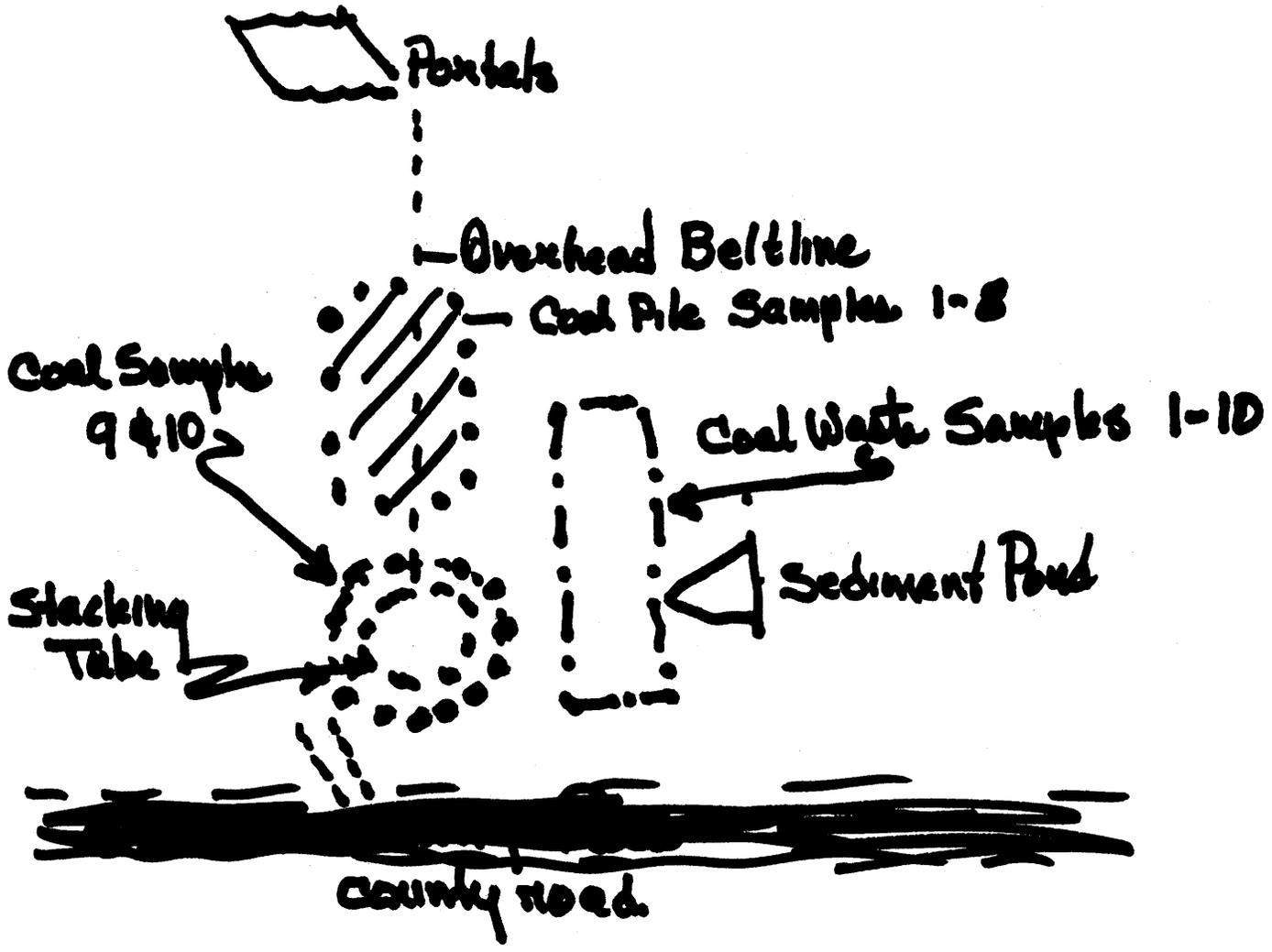
#26

Wm. J. Malencik

HWL
4/12/99

SAMPLES TAKEN ON APRIL 2, 1998

- Split Samples Taken By: Down & Heizer
- Who Took Samples: Bailey, Hellach, Makencik
- Sketch Map Of Sampling Areas:





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ADDRESS ALL CORRESPONDENCE TO:
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HUNTINGTON, UT 84528
TEL: (435) 653-2311
FAX: (435) 653-2436

April 6, 1999

DIVISION OF OIL, GAS & MINING
1594 WEST N. TEMPLE-SUITE 1210
P.O. BOX 145801
SALT LAKE CITY, UTAH 84114

Sample identification by

Kind of sample Coal
reported to us

DOGM
COMPOSITE #1-10
WASTE COAL
10 BAGS
218.75

Sample taken at

Sample taken by

Date sampled April 2, 1999

Date received April 5, 1999

Analysis Report No. 59-219138

Page 1 of 1

SHORT PROXIMATE ANALYSIS

	<u>As Received</u>	<u>Dry Basis</u>		
% Moisture	6.44	XXXXXX		
% Ash	42.82	45.77		
Btu/lb	7045	7530	MAF	13885
% Sulfur	0.37	0.40		

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.

Huntington Laboratory



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April 6, 1999

DIVISION OF OIL, GAS & MINING
1594 WEST N. TEMPLE-SUITE 1210
P.O. BOX 145801
SALT LAKE CITY, UTAH 84114

Sample identification by

Kind of sample reported to us Coal

DOGM
COMPOSITE #1-8
COAL PILE
8 BAGS
160.25

Sample taken at

Sample taken by

Date sampled April 2, 1999

Date received April 5, 1999

Analysis Report No. 59-219136

Page 1 of 1

SHORT PROXIMATE ANALYSIS

	<u>As Received</u>	<u>Dry Basis</u>		
% Moisture	9.32	xxxxxx		
% Ash	25.69	28.33		
Btu/lb	9238	10188	MAF	14215
% Sulfur	0.43	0.47		

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.

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April 6, 1999

DIVISION OF OIL, GAS & MINING
1594 WEST N. TEMPLE-SUITE 1210
P.O. BOX 145801
SALT LAKE CITY, UTAH 84114

Sample identification by

Kind of sample Coal
reported to us

DOGM
COMPOSITE #9-10
COAL PILE
2 BAGS
42.75

Sample taken at

Sample taken by

Date sampled April 2, 1999

Date received April 5, 1999

Analysis Report No. 59-219137

Page 1 of 1

SHORT PROXIMATE ANALYSIS

	<u>As Received</u>	<u>Dry Basis</u>		
% Moisture	9.92	XXXXXX		
% Ash	11.98	13.30		
Btu/lb	11259	12499	MAF	14416
% Sulfur	0.45	0.50		

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.

Huntington Laboratory



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