



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

INSPECTION REPORT

Michael O. Leavitt
 Governor
 Lowell P. Braxton
 Division Director

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 801-359-3940 (Fax)
 801-538-7223 (TDD)

Partial: XXX Complete: Exploration:
 Inspection Date & Time: 4/14/99 / 9:00a.m.-11:00a.m.
 Date of Last Inspection: 4/2,7/99

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): Larry Jones
 State Officials(s): Bill Malencik, Wayne Western Federal Official(s): None
 Weather Conditions: Clear, 50's, No Snow on mine site
 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.

| | <u>EVALUATED</u> | <u>N/A</u> | <u>COMMENTS</u> | <u>NOV/ENF</u> |
|--|-------------------------------------|--------------------------|-------------------------------------|--------------------------|
| 1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. SIGNS AND MARKERS | <input type="checkbox"/> | <input type="checkbox"/> | <input 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 type="checkbox"/> | <input type="checkbox"/> | <input 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 type="checkbox"/> | <input type="checkbox"/> | <input 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 type="checkbox"/> | <input type="checkbox"/> | <input 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"/> |

INSPECTION REPORT
(Continuation sheet)

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PERMIT NUMBER: ACT/007/020

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(Comments are Numbered to Correspond with Topics Listed Above)

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

GENERAL COMMENTS

Wayne Western, DOGM Employee, was advised by MSHA employees about a rumor that Horizon Mining, LLC was burying coal waste, presumed to be from their mining operation.

This inspection report concerns an investigation made pursuant to a statement referred to above.

An inspection was conducted by Wayne Western, Larry Jones, Horizon Mine Manager, and the undersigned concerning the alleged incident.

SUMMARY

-Was there a presumption of guilt, concern, liability? Yes, because of the coal waste disposition problem currently pending at the Horizon Mine.

-Was the Horizon Mine completely exonerated of these presumptions? Yes, see detail report below.

Horizon did not bury coal waste from their current pile. However, they cleaned up the area, buried Pre-SMCRA coal waste, topsoiled, and seeded the area.

Here are the facts uncovered in the investigation:

WHAT: Was coal waste buried in the vicinity of the Horizon? Yes. Is this considered a violation of Utah Coal rules? No, reasons provided herein.

These coal fines were buried in place and outside the permit area. See Sketch below, Appendix I.

Pre-SMCRA coal waste was buried and the area reclaimed. Exposed weathered coal waste was observed in a grove of aspen trees contiguous to the reclaimed area. This area was inaccessible to the Horizon Mine equipment.

Has other reclamation in this general area taken place over the last several years outside of the disturbed area? Yes.

-Trash, lumber, cable, building and foundations were removed, etc., and general clean up of the permit and adjoining areas.

-County road and Jewkes Creek have been relocated.

-Topsoil harvested from area where new road was constructed by the county and utilized to reclaim old mining sites.

-Areas outside and within the permit area were regraded, topsoiled, and seeded.

INSPECTION REPORT
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- WHO: Who buried the coal waste in the alleged incident? Larry Jones, Horizon Mine Manager, stated the mine buried the Pre-SMCRA coal waste and reclaimed the area as part of a continuing on going program by Hidden Splendor to reclaim the old consumers and Blue Blaze mines. (See Appendix I).
- WHERE: Below the Horizon Mine, lying on an easterly slope and approximately 350 feet up an unimproved road lying north of the Carbon County Road #290. The size of the area is approximately 150' x 150'. (See Appendix I).
- WHEN: The coal waste and rehabilitation according to Mr. Jones was completed in the summer of 1998.
- WHY: Hidden Splendor land owner and others for several years have engaged in a project to clean trash, remove dilapidated structures, bury coal fines and rehabilitate the Consumer and Blue Blaze Mines. (See Appendix II).
- HOW: Horizon Mine equipment and personnel performed the work which included burying coal fines, top soiling, and seeding the area referred to herein in addition to other areas.

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 22, 1999

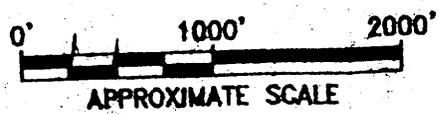
Inspector's Signature:  #26
Wm. J. Malencik



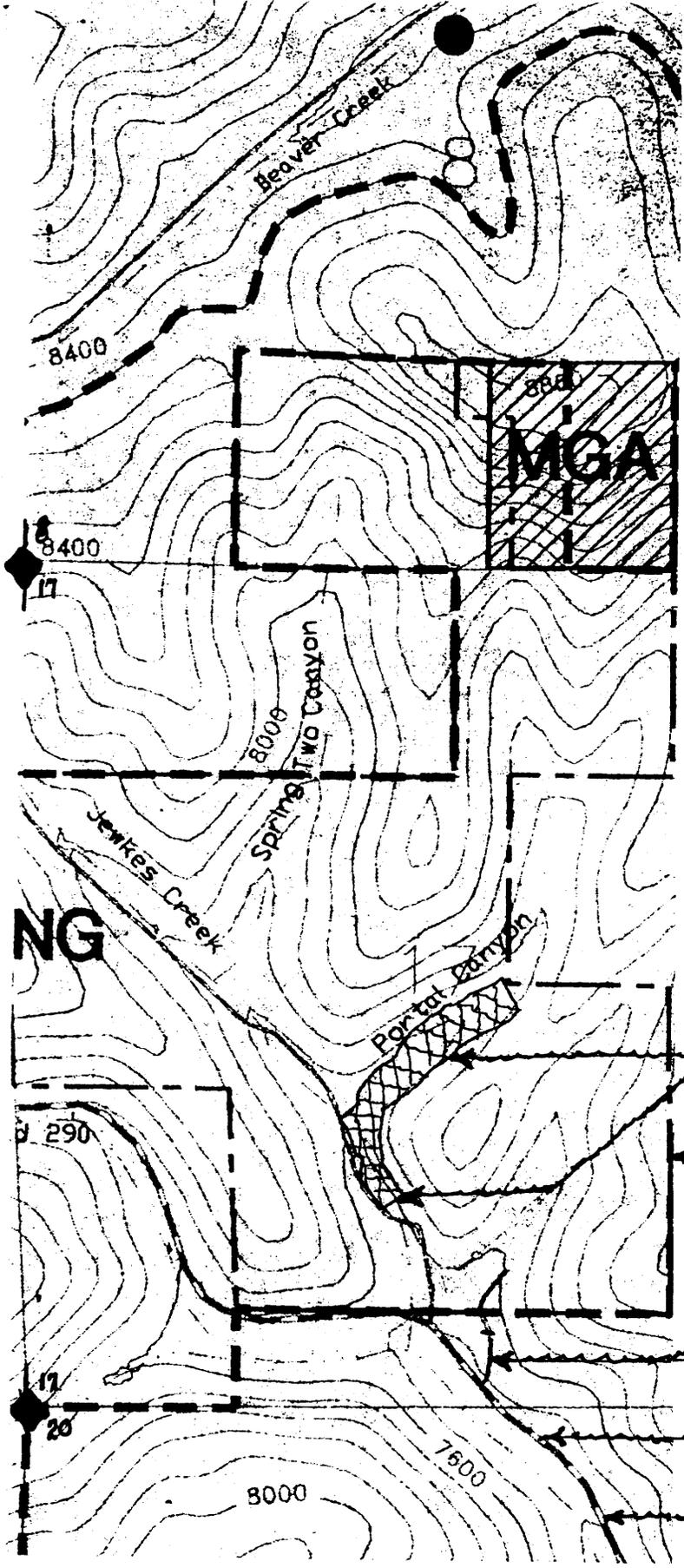
APPENDIX I

WML
4/15/99

| REVISION | | DATE | | BY | |
|---|-----|--------------|-----|-------|--------|
| | | 6-6-98 | | RJB | |
| | | 8/10/98 | | VSB | |
| <p>PLATE 4-1</p> <p>LAND USE</p> <p>HORIZON No. 1 MINE</p> <p>HORIZON COAL CORPORATION</p> <p>P.O. BOX 2580</p> <p>WISE, VIRGINIA 24273</p> | | | | | |
| DESIGN BY: | VSE | CHECKED BY: | VSB | DATE: | 3-1-98 |
| APPROVED BY: | MB | APPROVED BY: | PLA | | |
| <p>BOURQUIN MINERAL ENGINEERING</p> <p>EARTHFAK ENGINEERING, INC.</p> | | | | | |



8 9
17 16 TWP 13 S, R. 8 E, SL PM



HORIZON MINE DISTURBED AREA

HORIZON MINE PERMIT BOUNDARY

ACCESS ROAD TO ALLEGED COAL WASTE SITE
Location Of The Buried Coal Waste

HIDDEN SPLENDOR SIGN
CARBON COUNTY ROAD # 290

17 16
20 21

LAND REHABILITATION PROJECT

This area of Consumer's Canyon was an active coal mine district from the 1920's through the 1950's. There were many abandoned mine related structures, excavation, and refuse piles left from the National and Blue Blaze Mines.

The current surface owner, Hidden Splendor Resources, and several private citizens are working to dismantle and clean-up this area in an effort to return the land to its pre-mining condition, and therefore, enhance the community.

Your cooperation in keeping the area litter-free would be appreciated.

There are no tax payer funds being used in this project. It is financed entirely by private individuals.