



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

INSPECTION REPORT

gph

Michael O. Leavitt
 Governor
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 Division Director

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Partial:___ Complete: XXX Exploration:___
 Inspection Date & Time: 5/3,19/99 / 9-2, 9:30-1
 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): Vicky Miller, Larry Jones
 State Officials(s): Bill Malencik, Sharon Falvey Federal Official(s): None
 Weather Conditions: Partly Cloudy
 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 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input checked="" type="checkbox"/>	<input 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 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 (4th Quarter-April, May, June)_____ (date)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. OTHER: ANNUAL REPORT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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(Continuation sheet)

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PERMIT NUMBER: ACT/007/020

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(Comments are Numbered to Correspond with Topics Listed Above)

GENERAL COMMENTS

A complete field inspection was conducted on May 3, 1999, of the Horizon Mine. The permittee was represented by Vicky Miller, Consultant, Earthfax, and Larry Jones, Mine Manager. The record portion of the inspection was completed on May 19, 1999.

The undersigned was accompanied on the records inspection by Sharon Falvey, Hydrologist, and Vicky Miller, Consultant.

Compliance/Division Order

-NOV 99-26-1-1 has been vacated by the Director. It was issued for not complying with the Director's Division Order dated February 25, 1999.

-CO 99-26-1-1 is still outstanding for mining coal without a DOGM permit on a portion of the 1288 acre federal lease. The area of unauthorized mining is approximately 1300' x 300'.

-NOV 99-26-2-1 was issued for not performing mine water monitoring as required by the MRP.

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

DOGM/BLM Right of Way

The DOGM permit to Horizon Mining, LLC was issued on November 7, 1997 and expires October 11, 2001. The permit authorizes mining coal on patented coal reserves. Also, a right of way has been granted by BLM on Federal mineral estate to access other patented coal included in the permit. The total authorized mining permit embraces 317 acres. The mid-term review, as completed, and a report of follow-up actions has been submitted to the permittee.

UPDES Application

UPDES permit has expired. A renewal application was filed in December 1997. The renewal application included the sediment pond discharge outfall and amine water proposed discharge outfall directly into the Portal Canyon.

The application was lost by DEQ. This was discovered when the undersigned called water quality officials. They have requested Horizon, I have been informed, to submit another application.

BLM Federal Coal Lease

BLM has awarded Horizon a federal lease on 1288 acres.

State Engineer

The State Engineer issued a stream alteration permit on Jewkes Creek realignment.

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2. SIGNS AND MARKERS

Required signs and markers are in place. An ID sign is observable at the mine turn off contiguous to the county road and below the mine site at the forks of the county road.

Markers installed within the disturbed area include stream buffer zone markers and disturbed markers.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The two main diversions, Jewkes Creek and Portal Canyon, plus internal smaller diversion have been designed and approved by the Division.

Two diversions were flowing during the inspection, IE., Jewkes Creek, undisturbed diversion and the disturbed diversion containing mine water that discharges into the sediment pond.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS

The pond was discharging.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

The mid-term Division team reported in their formal report that the straw bales providing sediment control needs to be maintained. These controls lie below the sediment pond.

5. EXPLOSIVES

Powder and cap magazines are stored on site as approved by amendments dated March 12, 1999. No blasting has taken place during the reporting period.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The matter of coal mine waste has been settled with this understanding that what was referred to as coal waste is high ash coal. This was documented in the board chairman's decision.

On page 11 of the interlocutory order, Chairman Lauriski stated, "DOGGM conceded that the pile in question was called the coal waste pile, is a high ash coal pile." Also, he granted temporary relief on Division Order 1, 2, and 4; further, upheld 3a and 3b with exception of identifying the coal waste pile as a waste pile.

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 99 authorizing permanent storage of existing coal waste for utilization at the Sunnyside Cogeneration permit area and thence to the adjoining power plant..

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Paced the pile and its dimensions are substantially the same as previously reported. The DOGM Director issued a Division Order covering four items:

8. NONCOAL WASTE

The dumpster was nearly full. Some non-hazardous noncoal waste was observed. Requested the permittee to have (1) a spring clean-up and (2) empty the dumpster by COB 3/18/99 and the inspection would remain open until a follow-up inspection on 3/19/99.

20. AIR QUALITY PERMIT

The permittee's air quality order issued by DEQ authorizes 2000 tons of coal to be stored on the surface. The current storage of coal exceeds the DEQ permitted limits. This is based on Wayne Western's measurements as documented in the file.

21. BONDING AND INSURANCE

The mine has been issued a certificate of insurance that covers the period of 4/1/99-4/1/02.

A surety bond is on file to cover reclamation costs and remains in effect until the mine is reclaimed and has been found to be inadequate to cover the build-up of coal waste on site. The bond totals \$209,200.00. A reclamation agreement is on file and dated 10/10/96.

22. OTHER - ANNUAL REPORT

Annual report was submitted on 3/31/99. It was reviewed by the undersigned and did not include a mine sequence map.

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: May 20, 1999

Inspector's Signature: _____



Wm. J. Malencik

#26