



Norman H. Bangarter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

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

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

January 31, 1989

Mr. Alan Smith, President
Snow Mountain Development
North American Equities
3160 Crow Canyon Road, Suite 210
San Ramon, California 94583

Dear Mr. Smith:

Re: Submittal of Annual Report for 1988, North American
Equities, Blazon Mine #1, ACT/007/021, Folder #6, Carbon
County, Utah

Enclosed you will find the 1988 annual report form which must have a copy for each mine submitted to the Division by March 31, 1989. Please submit the attached one-page sheet with reports for all applicable categories appended.

We appreciate your timely consideration of this reporting.

Sincerely,

A handwritten signature in cursive script that reads "Lowell P. Braxton".

Lowell P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

djh
Enclosure(s)
AT57/10

COAL MINING AND RECLAMATION OPERATIONS FOR 1988
(Authority UMC 784)

(Must be submitted to the Division by March 31, 1989)

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
3 Triad Centter, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203

(801) 538-5340

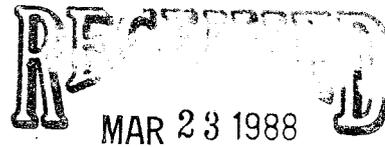
Operator: _____
Mine Name: _____
Mailing Address: _____
Company Representative: _____
Permit Number: _____
Date of Most Recent Permanent Program Permit: _____
Quantity of Coal Mined (tonnage) 1988: _____

Attach Updated Mine Sequence Map.

All monitoring activities during the report period must be submitted with this report (including, but not limited to):

- A. Summarized Water Monitoring Data
- B. Precipitation or Other Climatological Data
- C. Subsidence Monitoring Report
- D. Vegetation Data (test plots) or Revegetation Success Monitoring (includes interim and final)
- E. Permit Stipulation Status

Act 100702 #6



[Revised January 1988]

DIVISION OF OIL, GAS & MINING
COAL MINING AND RECLAMATION OPERATIONS FOR 1987
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(Must be submitted to the Division by March 31, 1988)

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, UT 84180-1203
(801) 538-5340

Operator: North American Equities, Ltd.
Mine Name: Blazon No. 1
Mailing Address: 1401 17th St. Suite 1600 Denver CO 80202
Company Representative: Mel Coonrad, PO Box 358, Elmo UT 84521
Permit Number: INA/007/021
Date of Most Recent Permanent Program Permit: 10/10/86 (Reclamation)
Quantity of Coal Mined (tonnage) 1987: None (Reclamation-n/a)

Attach Updated Mine Sequence Map.

All monitoring activities during the report period must be submitted with this report (including, but not limited to):

- A. Summarized Water Monitoring Data: See last inspection report, Nov. 16/17, 1987, attached; further summary material being sent
- B. Precipitation or Other Climatological Data by company rep. n/a
- C. Subsidence Monitoring Report n/a
- D. Vegetation Data (test plots) or Revegetation Success Monitoring (includes interim and final) n/a (at this time; future requirements)
- E. Permit Stipulation Status See attached letter.

jr
1426R/1

RICHARD N. STUCKEY, P.C.

ATTORNEY AT LAW
1401 17TH STREET
SUITE 1515
DENVER, COLORADO 80202
(303) 296-7849

March 18, 1988

Lowell P. Braxton
Administrator
Mineral Resource Development and
Reclamation Program
Department of Oil, Gas and Minerals
State of Utah

Dear Mr. Braxton:

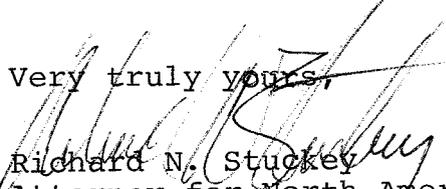
We acknowledge enclosure of the Annual Report form for 1987 for North American Equities, Ltd.'s, Blazon No. 1 Mine, INA/007/021, which mine, as you are aware, is in reclamation.

As to monitoring activities relating to Summarized Water Monitoring Data, I have included the inspection report of Rick Summers of November of 1987 for the information it includes in Section 4, "Hydrologic Balance" (relating to the Little Snyder Canyon problem and the other sections therein). I realize you of course already have the inspection report, but I include it to indicate the awareness of North American to the problems and action described therein. Further information as I can obtain it from company representative Mel Coonrad will be forwarded as an amendment to the report. Mr. Summers indicated that Coonrad should have some further summarized data.

As to Permit Stipulation Status, it is my understanding that North American is currently in order as to all violation notices, assessments, cessation orders, and the like, and that with one exception, the permit stipulation status is "current". That exception is the stipulation described in your letter of October 22, 1987, regarding the need to submit plans for a stable channel regarding Little Snyder. (Stipulation UMC 817.44-1-RS.) The final plans were submitted mid-February by engineer Dan Guy, and are under present review by DOGM.

Of course, the Commitment of North American of December 9, 1987, remains in effect regarding reclamation commencement by June 6, 1988, and completion by October 30, 1988.

Very truly yours,


Richard N. Stuckey
Attorney for North American Equities, Ltd.

[Revised January 1988]

COAL MINING AND RECLAMATION OPERATIONS FOR 1987
(Authority UMC 784)

(Must be submitted to the Division by March 31, 1988)

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, UT 84180-1203
(801) 538-5340

Operator: North American Equities, Ltd.

Mine Name: Blazon No. 1

Mailing Address: 1401 17th St. Suite 1600 Denver CO 80202

Company Representative: Mel Coonrad, PO Box 358, Elmo UT 84521

Permit Number: INA/007/021

Date of Most Recent Permanent Program Permit: 10/10/86 (Reclamation)

Quantity of Coal Mined (tonnage) 1987: None (Reclamation-n/a)

Attach Updated Mine Sequence Map.

All monitoring activities during the report period must be submitted with this report (including, but not limited to):

- A. Summarized Water Monitoring Data: See last inspection report, Nov. 16/17, 1987, attached; further summary material being sent
- B. Precipitation or Other Climatological Data by company rep.
n/a
- C. Subsidence Monitoring Report
n/a
- D. Vegetation Data (test plots) or Revegetation Success Monitoring (includes interim and final)
n/a (at this time; future requirements)
- E. Permit Stipulation Status
See attached letter.

jr
1426R/1



355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

INSPECTION REPORT

INSPECTION DATE & TIME: Nov. 16 & 17, 1987
11:30 am to 2:30 pm & 1:00 pm to 3:00 pm

Permittee and/or Operators Name: North American Equities (NAE)(415)866-7186
Business Address: 3160 Crow Canyon Road, Suite 210, San Ramon, CA 94583
Mine Name: Blazon #1 Mine Permit Number: INA/007/021
Type of Mining Activity: Underground Surface Other
County: Carbon
Company Official (s): Mel Coonrod - Operator representative
State Official(s): Rick Summers, Randy Harden
Partial: Complete: Date of Last Inspection: 10/29/87
Weather Conditions: snowing, high winds, cold (22°F)
Acreage: Permitted 320 Disturbed 1.5 Regraded Seeded Bonded 1.5
Enforcement Action: Issued Cessation Order #C87-15-2-1 from office 12/4/87

COMPLIANCE WITH PERMITS AND PERFORMANCE STANDARDS

	<u>YES</u>	<u>NO</u>	<u>N/A</u>	<u>COMMENTS</u>
1. PERMITS	(X)	()	()	(X)
2. SIGNS AND MARKERS	()	(X)	()	(X)
3. TOPSOIL	()	(X)	()	(X)
4. HYDROLOGIC BALANCE:				
a. STREAM CHANNEL DIVERSIONS	()	(X)	()	(X)
b. DIVERSIONS	()	(X)	()	(X)
c. SEDIMENT PONDS AND IMPOUNDMENTS	()	(X)	()	(X)
d. OTHER SEDIMENT CONTROL MEASURES	()	(X)	()	(X)
e. SURFACE AND GROUNDWATER MONITORING	(X)	()	()	(X)
f. EFFLUENT LIMITATIONS	(X)	()	()	(X)
5. EXPLOSIVES	()	()	(X)	()
6. DISPOSAL OF DEVELOPMENT WASTE AND SPOIL	()	(X)	()	(X)
7. COAL PROCESSING WASTE	()	()	(X)	()
8. NONCOAL WASTE	(X)	()	()	(X)
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	(X)	()	()	()
10. SLIDES AND OTHER DAMAGE	(X)	()	()	()
11. CONTEMPORANEOUS RECLAMATION	()	(X)	()	()
12. BACKFILLING AND GRADING	()	(X)	()	(X)
13. REVEGETATION	()	(X)	()	()
14. SUBSIDENCE CONTROL	(X)	()	()	()
15. CESSATION OF OPERATIONS	(X)	()	()	()
16. ROADS				
a. CONSTRUCTION	(X)	()	()	()
b. DRAINAGE CONTROLS	()	(X)	()	(X)
c. SURFACING	(X)	()	()	()
d. MAINTENANCE	(X)	()	()	()
17. OTHER TRANSPORTATION FACILITIES	()	()	(X)	()
18. SUPPORT FACILITIES				
UTILITY INSTALLATIONS	(X)	()	()	()

INSPECTION REPORT
(continuation sheet)

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PERMIT NUMBER: INA/007/021

DATE OF INSPECTION Nov. 17, 1987

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMITS

The approved Reclamation Plan (dated October, 1986) and correspondence on file with DOGM contains the following references to the scheduling of reclamation activities at the Blazon Mine:

1. Exhibit 1, 2/85. "We plan to initiate facility and structure removal shortly with actual reclamation and revegetation work to be conducted during the forthcoming summer of 1985."
2. Exhibit 4, 3/85. "Because our schedule is to reclaim the Blazon No. 1 Mine during the summer of 1985, (and)...After approval by the Utah Division of Oil, Gas and Mining, NAE will select a contractor such that reclamation and revegetation work can be conducted during the summer and fall of 1985."
3. Exhibit 4, 3/85. "...NAE plans to demonstrate through good faith compliance during 1985 that the company will work diligently and quickly to reclaim and revegetate the mining site."
4. Exhibit 4, 3/85. In section 8: Reclamation Schedule, the operator outlines a schedule commencing in March of 1985 and concluding in Sept. and October of 1985 with revegetation and seeding.
5. Exhibit 11, 9/85. "It is our intent at this meeting to resolve all concerns such that you and your staff can approve the plan. We are anxious to begin reclamation of the site during the week of September 15, thus allowing us sufficient time to adequately perform reclamation work at the site."
6. Letter from NAE to DOGM. 5/19/87. "...we have made alot of progress on reclamation.....All that is left is the dirt work and reseeding. That will be done in 1987....".

Reclamation at the Blazon site prior to late September of 1987 consisted primarily of partial removal of structures and a portion of the regrading operations. On Sept. 21, 1987, Notice of Violation N87-15-3-1 was issued to NAE for failure to maintain the reclamation schedule set forth in the MRP. The abatement for the violation was to complete reclamation activities as per the approved reclamation plan and permit. The abatement time was set as the

INSPECTION REPORT
(continuation sheet)

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PERMIT NUMBER: INA/007/021

DATE OF INSPECTION Nov. 17, 1987

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMITS (cont.)

sooner of October 30, 1987 or the final date of construction feasibility as site conditions dictated (i.e. onset of winter). Due to continued favorable construction weather at the site on 10/29/87, the NOV was modified to allow for continued reclamation work. The abatement time was set as the final date of construction feasibility as determined by site conditions. The NOV was subsequently modified (10/30/87) such that the abatement date was set as the final date of construction feasibility at the site.

Reclamation activities commenced at the site on Sept. 26, 1987 and continued through Nov. 19, 1987. Mel Coonrod, owner representative at the site, said he would probably begin demobilization of his equipment the day following this inspection (11/18/87). He inquired if we (myself and Randy Harden) felt that the weather conditions (recent snow) had them shut down for the season. We responded that it would be his call on the ability to continue with reclamation this season, but backfilling operations with snow cover would not be allowed. A phone conversation on Nov. 25, 1987 confirmed that reclamation activities were completed for this season. Mr. Coonrod has demobilized all equipment and has installed interim sediment control measures in order to stabilize the site until next season.

Reclamation activities in accordance with Subchapter K and the approved MRP have not been completed to date. Therefore, cessation order number C87-15-2-1 was issued on December 4, 1987 for failure to abate N87-15-3-1. This inspection report will enumerate the major items that have not been completed to date. This list should not be considered to be a complete itemization of the work to be completed, the reclamation plan must still be completely executed next year.

2. SIGNS AND MARKERS

The sign at the entrance to the site is outdated. The sign must be updated to include the name, business address, and telephone number of the operator and the current DOGM permit number. Part 1 of C87-15-2-1 issued on December 4, 1987 requires the operator to update the sign within 30 days.

INSPECTION REPORT
(continuation sheet)

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PERMIT NUMBER: INA/007/021

DATE OF INSPECTION Nov. 17, 1987

(Comments are Numbered to Correspond with Topics Listed Above)

3. TOPSOIL

At the time of this inspection, no topsoil has been redistributed on the property. The topsoil stockpile has not been redisturbed and contains adequate sediment controls and erosion protection for the winter season. The Mud Creek channel has recently cut a raw bank that is migrating towards the topsoil stockpile. The operator was asked to stabilize this cut to insure topsoil protection.

The operator has taken soil samples as directed by Mr. James Leatherwood (Soil Specialist). Results will be forwarded to the Division as soon as they are available. At that time, fertilization requirements will be negotiated with the operator (p.15, Exhibit 12).

4. HYDROLOGIC BALANCE: a. STREAM CHANNEL DIVERSIONS

The reclamation of Little Synder Canyon is not complete. Stipulation UMC 817.44 - 1- RS required the operator to submit channel designs for the reclamation of Little Synder drainage. On October 22, 1987, the Division send a letter to N.A.E. notifying the operator that the designs for the channel would be required due to the lack of assumed bedrock in the channel vicinity. The operator responded with a preliminary concept design submitted on November 10, 1987. Final designs could not be completed at that time due to the uncertainty of the depth of the spoil material in the drainage. At the time of this inspection, the channel had been adequately excavated. The slope of the excavated channel is approximately 18-20% (clinometer reading). Final design plans will be required to be submitted to DOGM for approval by January 30, 1988. The operator must obtain final approval for the designs by March 30, 1988.

Culvert A has not been removed nor the Mud Creek channel reconstructed as per the approved plan (p.10 exhibit 12).

The energy dissipation structure for Little Synder Canyon discharge at Mud Creek has not been installed (p. 9-10, exhibit 12).

Culvert D' has not been installed (Exhibit 23).

INSPECTION REPORT
(continuation sheet)

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PERMIT NUMBER: INA/007/021

DATE OF INSPECTION Nov. 17, 1987

(Comments are Numbered to Correspond with Topics Listed Above)

4. HYDROLOGIC BALANCE: a. STREAM CHANNEL DIVERSIONS (cont.)

The Mud Creek channel has not been adequately riprapped. Page 36, exhibit 23 of the MRP states that the channel will be riprapped to a depth of 3.3 feet. It was agreed upon at the site that currently undisturbed areas of the channel would not be riprapped. These areas are to be flagged by the operator prior to commencement of activities next season and approved by the Division.

b. Diversions

Ditch B has not been constructed or riprapped as required (p. 20-21, Exhibit 12).

The access road diversion has not been constructed as per the approved plan (p. 32, exhibit 23). See comments under the heading Roads: Drainage of this document.

The transformer road diversion has not been constructed. The designs for the diversion must be modified as the actual slope in the field is greater than the 8.3% used in the design (approximately 16%).

The inlets to the access road culverts will require installation of headwall protection measures. These were discussed with Mr. Coonrod on a previous inspection.

c. SEDIMENT PONDS AND IMPOUNDMENTS

The operator has excavated the proposed emergency spillways in both sedimentation ponds. Some riprap has been placed in these spillways. The energy dissipator structure for the lower pond has not been constructed. When reclamation activities recommence next season, the operator must insure that the emergency spillways, sediment pond embankments and the energy dissipator are constructed as per the approved designs (i.e. verify elevations with surveying and insure adequate riprap size, depth, and placement).

INSPECTION REPORT
(continuation sheet)

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PERMIT NUMBER: INA/007/021

DATE OF INSPECTION Nov. 17, 1987

(Comments are Numbered to Correspond with Topics Listed Above)

d. OTHER SEDIMENT CONTROL MEASURES

The operator has installed silt fencing as discussed at the time of the inspection to stabilize the site for the winter (phone conversation with Mel Coonrod 11/25/87). The operator needs to place sediment fencing identified as items 48, 50, and 51 on Map 7 of the MRP.

e. SURFACE AND GROUNDWATER MONITORING

The operator has taken two (2) weekly samples of Mud Creek during the period of reclamation activity. The permit required the operator to take weekly samples, however, site and weather conditions during the period of construction activity did not warrant this intensive sample frequency. Verbal approval was given by myself to reduce the sampling frequency. It should be noted that the operator is responsible for this sampling frequency during activities next season. A reduced frequency will be negotiated at the site at that time as weather and reclamation activities dictate.

f. EFFLUENT LIMITATIONS

Exhibit 9 of the MRP contains a request from NAE to discontinue the NPDES permit for the sediment ponds at the site. Subsequent phone conversations between myself and Steve McNeal of the State Health Department confirmed that this was acceptable and approved by that agency. The operator has relinquished the NPDES permit as per EPA/State Health approval. The NPDES notation should be removed from the entrance sign.

6. DISPOSAL OF DEVELOPMENT WASTE AND SPOIL and 12. BACKFILLING AND GRADING

The operator has removed the majority of the spoil material from the Little Synder drainage. The operator has incorrectly deposited a large amount of this material in the area identified as the alternative waste disposal location, item 52 on Map 7. Page 24 (Exhibit 12) of the MRP states that disposal of material in this area is to occur only when the portal bench is backfilled as much as possible. Mr Coonrod was informed of this error and instructed to complete the backfilling of the highwall/portal bench area and regrade the remaining material in the alternative disposal area. The operator incorporated the required amount of lime in the backfilling operations.

No topsoiling, fertilization, scarification, mulching, or seeding has been performed at the site.

INSPECTION REPORT
(continuation sheet)

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PERMIT NUMBER: INA/007/021

DATE OF INSPECTION Nov. 17, 1987

(Comments are Numbered to Correspond with Topics Listed Above)

8. NONCOAL WASTE

The operator has not removed the conveyor structure and a minor amount of miscellaneous waste material from the site (p. 21, vol 1).

16. ROADS: b. DRAINAGE CONTROLS

Page 32 of Exhibit 23 of the MRP states that three culverts exist along the access road. Only two culverts have been installed. This results in a segment of road that is discharged from the site without treatment. The operator was requested to install a silt fence and/or straw bale structure to treat this drainage. The operator must modify the permit or install the required culverts. Field measurements of the ditch indicate that the slope used in the MRP designs is incorrect. The operator should modify the plan to demonstrate the diversion adequacy.

Copy of this Report:

Mailed to: John Kathmann, Alan Smith (N.A.E.), Mel Coonrod
Richard Stuckey (atty., N.A.E.)
Given to: NOV File, Sue Linner, Joe Helfrich

Inspector's Signature and Number: R. Summers #15 Date: 12/2/87