0020

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

INSPECTION REPORT

Partial:__ Complete: X Exploration:__
Inspection Date & Time: March 8, 1994 09:00 to 15:30
Date of Last Inspection: February 28, 1994

Mine Name: Wildcat Loadout County: Carbon Permit Number: **ACT/007/033**
Permittee and/or Operator's Name: Andalex Resources, Inc.
Business Address: P.O. Box 902 Price, Utah 84501
Type of Mining Activity: Underground__ Surface__ Prep. Plant X Other__
State Officials(s): Jess Kelley
Company Official(s): Mike Glasson
Federal Official(s): Russ Porter Weather Conditions: Sunny and cool
Existing Acreage: Permitted-100 Disturbed-60 Regraded-__ Seeded-__ Bonded-60
Increased/Decreased: Permitted-___ Disturbed-___ Regraded-___ Seeded-___ Bonded-__
Status: __Exploration/ X 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	N/A	COMMENTS	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	[X]	[ ]	[X]	[ ]
2. SIGNS AND MARKERS	[X]	[ ]	[ ]	[ ]
3. TOPSOIL	[X]	[ ]	[X]	[X]
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	[X]	[ ]	[X]	[X]
b. SEDIMENT PONDS AND IMPOUNDMENTS	[X]	[ ]	[X]	[ ]
c. OTHER SEDIMENT CONTROL MEASURES	[X]	[ ]	[X]	[X]
d. WATER MONITORING	[X]	[ ]	[X]	[ ]
e. EFFLUENT LIMITATIONS	[X]	[ ]	[X]	[ ]
5. EXPLOSIVES	[ ]	[X]	[ ]	[ ]
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	[X]	[ ]	[ ]	[ ]
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	[X]	[ ]	[ ]	[ ]
8. NONCOAL WASTE	[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]	[ ]	[ ]	[ ]
13. REVEGETATION	[X]	[ ]	[ ]	[ ]
14. SUBSIDENCE CONTROL	[ ]	[X]	[ ]	[ ]
15. CESSATION OF OPERATIONS	[ ]	[X]	[ ]	[ ]
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	[X]	[ ]	[ ]	[ ]
b. DRAINAGE CONTROLS	[X]	[ ]	[ ]	[ ]
17. OTHER TRANSPORTATION FACILITIES	[X]	[ ]	[ ]	[ ]
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	[X]	[ ]	[ ]	[ ]
19. AVS CHECK (4th Quarter-April, May, June) 3/8/94 (date)	[X]	[ ]	[X]	[ ]
20. AIR QUALITY PERMIT	[X]	[ ]	[X]	[ ]
21. BONDING & INSURANCE	[X]	[ ]	[X]	[ ]

INSPECTION REPORT

(Continuation sheet) Page 2 of 4

PERMIT NUMBER ACT/007/033 DATE OF INSPECTION March 8, 1994

(Comments are Numbered to Correspond with Topics Listed Above)

Russ Porter of the Albuquerque Field Office of OSM accompanied Jess Kelley of DOGM and Mike Glasson of Andalex on this Federal oversight inspection.

This inspection resulted in the issuance of Notice of Violation N94-34-1-3, which is made up of 3 parts. Part 1 is for contamination of stockpiled topsoil by wind-borne coal fines (see R645-301-234.220). Part 2 is for contamination of the area outside the permit area by wind-borne coal fines (see R645-301-731.121). Part 3 is for failure to maintain diversion ditches to the cross-sectional dimensions specified in the approved plan (see R645-301-742.312).

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

a. Permit ACT/007/033 is in effect from 5/5/89 through 5/5/94.

b. The SPCC (Spill Prevention, Control and Countermeasure) plan was certified by Dan Guy.

c. UPDES Permit UTG040000 is in effect from 6/29/93 through 4/30/98.

d. The 5000-gallon spray oil tank near the loadout silo was inspected and certified as being in compliance with Federal, state, and local regulations by Kenneth Wheeler (Inspector No. UT-0050) on 3/10/91.

3. TOPSOIL

Topsoil stockpiles B and C, on the east side of the permit area, were found to be contaminated by coal fines. Notice of Violation N94-34-1-3, Part 1 of 3, was issued for this (see introductory remarks above).

4. HYDRAULIC BALANCE

a. **Diversions**--3 diversions, UD-8, D-13, and D-9, were found to be nonfunctional. These were repaired before the end of the inspection. All other ditches were found to be functional. However, it was found that the ditches were not being maintained to the cross-sectional dimensions specified in the approved plan, and Notice of Violation N94-34-1-3, Part 3 of 3, was issued for this (see introductory remarks above).

INSPECTION REPORT

(Continuation sheet) Page 3 of 4

PERMIT NUMBER ACT/007/033 DATE OF INSPECTION March 8, 1994

It was also found that Plates 1 and 2 of the approved plan did not accurately show the locations and sizes of certain ditches and culverts. The permittee was told that this must be corrected. The permittee subsequently submitted corrected versions of Plates 1 and 2.

b. **Sediment Ponds and Impoundments**--Sediment Ponds A through F, the Permanent Impoundment, and the Depression were inspected 10/20/93 and 1/12/94 by John Pappas.

c. **Other Sediment Control Measures**--It was found that wind-borne coal had migrated outside the disturbed area in the vicinity of topsoil stockpiles B and C. Notice of Violation N94-34-1-3, Part 2 of 3, was issued for this (see introductory remarks above).

d. **Water Monitoring**--Surface flow is monitored at 4 points, which are designated WCW-1, WCW-2, WCW-3, and WCW-4. There was no flow at any of these points during the 4th quarter of 1993.

e. **Effluent Limitations**--There are 6 UPDES discharge points, all associated with sediment ponds A through F. There was no discharge at any of these points during the 4th quarter of 1993.

19. AVS CHECK

All documents list Andalex Resources, Inc. as the permittee. The ownership and control information in the permit was updated by a January 20, 1994 submittal which shows the current officers and directors of Andalex Resources, Inc..

20. AIR QUALITY PERMIT

The Air Quality Approval Order was issued 1/3/87 by the Utah Division of Environmental Health.

21. BONDING AND INSURANCE

a. Surety Bond #400776222, for the amount of $813,795, is held by Continental Casualty Company. The bond was issued 12/12/92.

INSPECTION REPORT

(Continuation sheet) Page 4 of 4

PERMIT NUMBER ACT/007/033 DATE OF INSPECTION March 8, 1994

b. Liability Insurance Policy #3710-25-94 was issued by Federal Insurance Company. The policy is in force from 7/1/93 through 7/1/94.

Copy of this Report:
Mailed to: Bernie Freeman (OSM); Mike Glasson (Andalex)
Given to: Joe Helfrich (DOGM); Price Field Office (DOGM)

Inspector's Signature: Jesse N. Kelley #34 Date: 3/31/94