



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

INSPECTION REPORT

SW by [signature]

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Partial: XXX Complete: Exploration:
Inspection Date & Time: 9/12/2000 / 1:00am-4:00pm
Date of Last Inspection: 8/15/2000

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 XXX Surface Prep. Plant Other
Company Official(s): None
State Official(s): Stephen J. Demczak Federal Official(s): None
Weather Conditions: Warm, clear, 70's
Existing Acreage: Permitted 100 Disturbed 63.7 Regraded Seeded
Status: Exploration Active XXX Inactive Temporary Cessation Bond Forfeiture
Reclamation (Phase I Phase II Final Bond Release Liability Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

- 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.

Table with 5 columns: Item, EVALUATED, N/A, COMMENTS, NOV/ENF. Rows include: PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; EXPLOSIVES; DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES; COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS; NONCOAL WASTE; PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES; SLIDES AND OTHER DAMAGE; CONTEMPORANEOUS RECLAMATION; BACKFILLING AND GRADING; REVEGETATION; SUBSIDENCE CONTROL; CESSATION OF OPERATIONS; ROADS; OTHER TRANSPORTATION FACILITIES; SUPPORT FACILITIES/UTILITY INSTALLATIONS; AVS CHECK (4th Quarter- April, May, June); AIR QUALITY PERMIT; BONDING & INSURANCE.

INSPECTION REPORT
(Continuation sheet)

PERMIT NUMBER: ACT/007/033

DATE OF INSPECTION: 9/12/00

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMIT

There are no permitting actions currently taking place at the Wildcat Loadout.

The spill prevention control and countermeasure plan was updated by a P.E. on December 15, 1999.

The mining and reclamation permit was re-issued on May 5, 1999 and signed by representatives of both the permittee and the UDNR/OGM.

2. SIGNS AND MARKERS

All permittee identification signs meet the requirements of the R645 coal rules. The perimeter markers were spot-checked; some are located about the perimeter of all disturbed areas. Wildcat Loadout is not near a stream, and therefore, has no stream buffer zones. All topsoil piles have proper signs for identification.

3. TOPSOIL

The topsoil piles were inspected and no signs of wind or water erosion was evident. These piles are protected by berms and vegetative cover.

4A. DIVERSIONS

The surface drainage diversions were spot-checked and found to be in compliance with the requirements of the mining and reclamation plan and the R645 coal rules. The permittee has cleaned the diversions since the last inspection.

4B. SEDIMENT PONDS

The sediment ponds were not discharging during the inspection; some contained little or no water. There were no hazardous conditions noted during the inspection relative to any of the site's impoundments

The permittee will be mobilizing equipment to clean out sediment ponds A, D, and F. Picture attached below (Photo Number 1) shows sediment pond F and is planned to be cleaned out in the fall of this year.

4C. OTHER SEDIMENT CONTROL MEASURES

The Wildcat Loadout facility uses straw bales as its means of alternate sediment control. The site's ASCA's were spot-inspected and were found to be in compliance with the R645 coal rules. Several straw bales were replaced this summer.

No UPDES samples were taken for second quarter, due to the lack of outfall from any of the sediment ponds.

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7. REFUSE PILES

The refuse pile was inspected with no hazardous conditions being noted. The second quarter refuse pile was inspected on June 20, 2000 and was P.E. certified, with no hazardous conditions being reported.

8. NON-COAL WASTE

The area was clear of non-coal waste material.

18. SUPPORT FACILITIES

There have not been any additions to the surface support facilities.

Inspector's Signature: _____


Stephen J. Demczak

#39

Date: September 15, 2000

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

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cc: James Fulton, OSM
Mike Glasson, Andalex
Price Field office

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INSPECTION REPORT
(Photograph Attachment)

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(PHOTOGRAPHS)

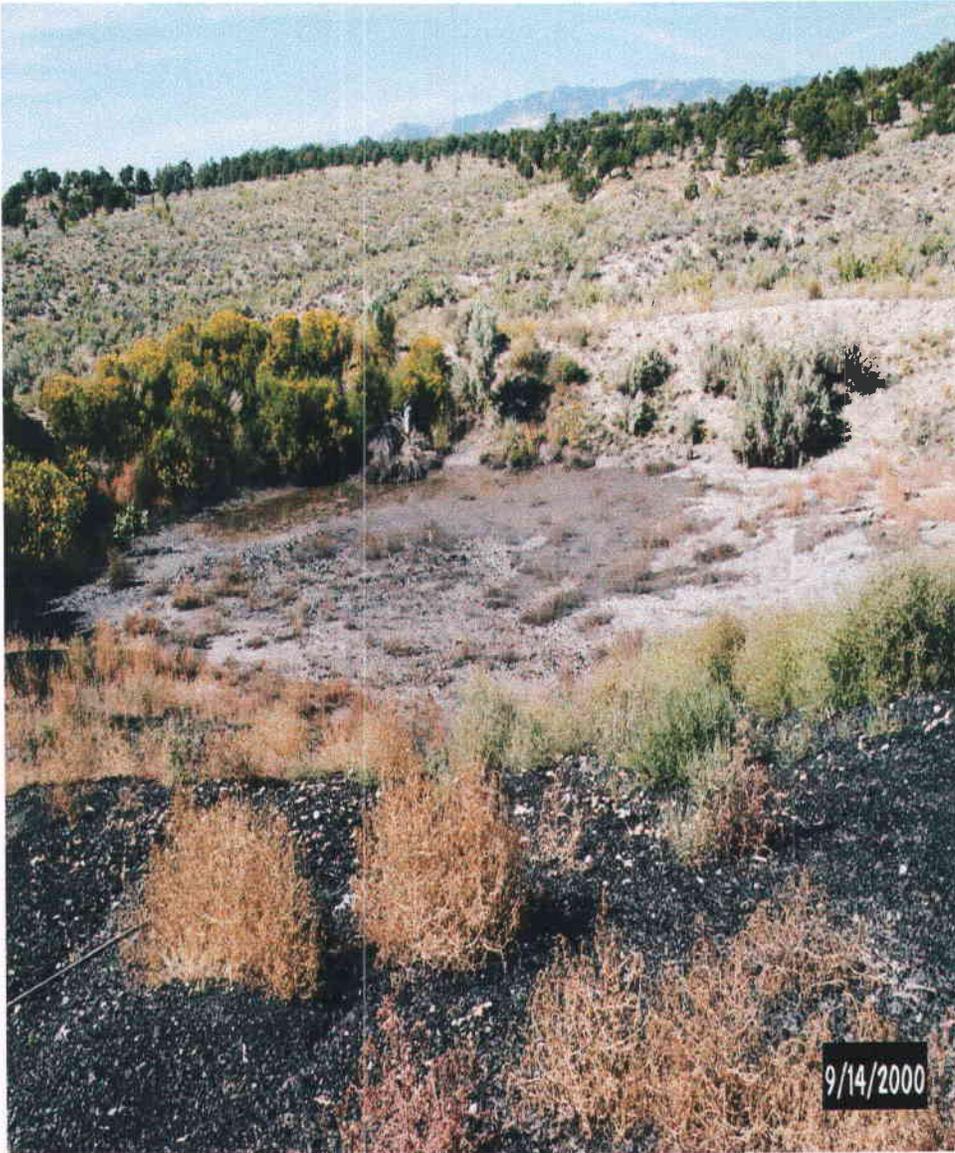


Photo Number 1: Sediment Pond F is planned to be cleaned out fall of 2000.