

INSPECTION REPORT

Partial Complete Exploration
 Inspection Date: 03/18/2003 / Time: 9:15-11:30 AM
 Date of Last Inspection: 02/20/2003

Mine Name: Wildcat Loadout County: Carbon Permit Number: C/007/033
 Permittee and/or Operator's Name: Andalex Resources, Inc.
 Business Address: P.O. Box 902, Price, Utah 84501
 Company Official(s): Joe Baker/ Scott Dimick
 State Official(s): Jim Smith, Peter Hess Federal Official(s): None
 Weather Conditions: Temperature in forties, Fahrenheit/Windy, gusts from SW at 8-22 MPH/overcast/flurries
 Type of Mining Activity: Underground Surface Prep Plant Other
 Existing Acreage: Permitted 100 Disturbed 63.7 Regraded Seeded
 Status: Active

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.

		EVALUATED	N/A	COMMENTS	NOV/ENF
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 type="checkbox"/>	<input type="checkbox"/>
3.	TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.	HYDROLOGIC BALANCE:				
a.	DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>
d.	WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e.	EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>
9.	PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES	<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 checked="" 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 (4 th Quarter- April, May, June)	<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"/>

INSPECTION REPORT
(Continuation Sheet)

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(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permittee informed the Division on January 27 that the first four chapters of the Wildcat mining and reclamation plan had been reformatted relative to the R645 format. The Division has not established a required time frame in order for the permittee to have this project completed. According to Mr. Dan Guy on March 20, the work is continuing.

3. TOPSOIL

The permittee is preparing a proposal to expand the coal storage stockpile area in the SE corner of the permit area. This area involves alternate sediment controls area #3 and #4, as well as ponds "A" and "B" and topsoil pile "A". Several soil test pits had been dug at the request of the Division, but had been back filled prior to today's inspection. This area acts as a drop zone for the fines that are blown from main storage pile providing product to the rail loading facility. The permittee may need to apply for a permit area expansion through the Bureau of Land Management and get approval from the Division of Oil, Gas, and Mining, such that any fines being wind swept from a storage pile expansion would be contained within that permit area, and not be classified as an off-site impact requiring a compliance action.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

As noted in the December 3, 2002 inspection report, the permittee had the fourth quarter 2002 impoundment inspections conducted through Mr. Dan Guy, P.E., of Blackhawk Engineering Co. on November 12, 2002. The fourth quarter inspections are also the annual impoundment inspection/certification for the site's six UPDES impoundments, the permanent impoundment and the depression area. Ponds "B", "C", "D", and "E" are close to the sixty percent sediment cleanout elevation. The permittee is fully aware of this and has budgeted for the cleaning of same during the spring of 2003. The permittee anticipates that the pond cleanings will be initiated during May 2003. Mr. Guy noted no signs of instability or any other types of hazard with any of the impoundments. The inspections were P.E. certified on the same day.

As of today's inspection, the first quarter 2003 impoundment inspections for the site had not been conducted.

As observed during today's inspection, snowmelt was visible in several ponds. The Carbon County area received a snow accumulation prior to today's inspection. There were no structural problems noted with any of the ponds during today's inspection.

4D. HYDROLOGIC BALANCE: WATER MONITORING

As documented in the January 30, 2003 inspection report, the Division recommended that the permittee begin monitoring the drainage known as Wild Cat wash during precipitation events. As noted by the permittee's field notes this day, the permittee monitored the stream monitoring point known as WCW-1 on March 17, 2003. Laboratory results are pending.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

The current UPDES permit for the site remains in effect until April 30, 2003. The permittee has received a "draft" version of the proposed permit renewal (dated March 17) from the Utah Division of Water Quality. Thus, the public comment period for the permit renewal has been initiated.

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5. EXPLOSIVES

The general liability insurance coverage for the site provides for damage incurred from the use of explosives. There are no dynamite or detonator storage magazines on the site.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The permittee had the fourth quarter waste rock pile inspection conducted by Mr. Dan Guy of Blackhawk Engineering on November 12, 2002. There were no hazards or signs of instability noted with the refuse disposal area. The volume of material stored here is small, and there are no hazards associated with gravitational failures present.

The first quarter 2003 waste rock inspection had not been conducted as of today's inspection.

There were no problems noted with the refuse pile today.

16B. ROADS: DRAINAGE CONTROLS

There were no problems noted with any of the sites drainage controls.

20. AIR QUALITY PERMIT

The permittee received an annual evaluation of the visible emissions from the coal stockpiles on January 28, 2002 from the Utah Division of Air Quality. There were no violations noted by the DAQ observer on that date, based upon review of that Agency's inspection report form.

21. BONDING AND INSURANCE

The permittee's current general liability insurance includes a general aggregate amount of \$2,000,000 for bodily injury and property damage and an amount of \$1,000,000 for each occurrence. The policy remains in affect until July 1, 2003.

Inspector's Signature: _____ Date: March 21, 2003
Peter Hess 46#

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

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

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