



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340
(801) 359-3940 (Fax)

Partial: Complete: XXX Exploration:
Inspection Date & Time: 3/17 & 18/97 / 7:00a.m.-12:00p.m.
Date of Last Inspection: 2/21/97

Mine Name: Banning Siding Loadout County: Carbon Permit Number: ACT/007/034
 Permittee and/or Operator's Name: Canyon Fuel Company
 Business Address: P.O. Box 1029, Wellington, Utah 84542
 Type of Mining Activity: Underground Surface Prep. Plant XXX Other
 Company Official(s): Dave Spillman - by phone contact only
 State Officials(s): Steve Demczak Federal Official(s): None
 Weather Conditions: Warm, 50's, No major snow
 Existing Acreage: Permitted- 36 Disturbed- 21.6 Regraded- 0 Seeded- 0 Bonded- 21.6
 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 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 type="checkbox"/> | <input type="checkbox"/> |
| 5. EXPLOSIVES | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input 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 type="checkbox"/> | <input checked="" type="checkbox"/> | <input 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 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 type="checkbox"/> | <input checked="" 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 checked="" type="checkbox"/> | <input type="checkbox"/> |
| 20. AIR QUALITY PERMIT | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input 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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PERMIT NUMBER: ACT/007/034

DATE OF INSPECTION: 3/24/97

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMIT -

The permit was transferred by Coastal States Energy to Canyon Fuel Company in December 1996.

2. SIGNS AND MARKERS -

The identification signs have been changed to reflect the new permittee.

3. DIVERSIONS -

The diversions were spot-checked with no performance standards being violated. The berm area at the train track side (east side of property) has been surveyed. It appears that this area maybe lower, thus water will not flow as designed. The permittee will be submitting an amendment for modifications, if designs are not being met.

4B. SEDIMENT POND -

The sediment pond inspections were made for fourth quarter on December 19, 1996. There were no hazardous conditions being reported. This report was P.E. certified.

The sediment pond at the site did contain a small amount of water but it is not likely to discharge this spring. No signs of hazardous conditions were noticed.

4D. WATER MONITORING -

The sampling of the ground water was taken on December 27, 1996. The parameters were checked and requirements were met.

19. AVS -

The AVS check was made prior to the permit being transferred.

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(Continuation sheet)

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21. BONDING AND INSURANCE -

The insurance is being corrected to include explosives on the acord form from the insurance company. This is a requirement under the R645 regulations. At the present time, explosives are not being used nor stored at the Banning site.

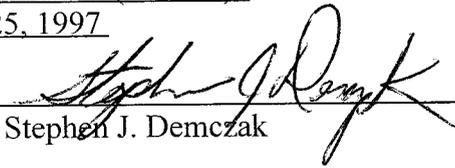
Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas, and Mining.

Copy of this Report:

Mailed to: Dave Spillman (Soldier Canyon) Henry Austin (OSM)

Given to: Joe Helfrich (DOGM) Filed to: Price Field Office

Date: March 25, 1997

Inspector's Signature:  #39

Stephen J. Demczak