



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

INSPECTION REPORT

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Michael O. Leavitt
Governor
Lowell P. Braxton
Division Director

Partial: Complete: XXX Exploration:
Inspection Date & Time: 3/4/99 / 11:30a.m.-3:30p.m.
Date of Last Inspection: 2/16/99

Mine Name: Banning Siding Loadout County: Carbon Permit Number: ACT007700
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): Ken Payne
State Officials(s): Steve Demczak Federal Official(s): None
Weather Conditions: Clear, 40's
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.

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

INSPECTION REPORT
(Continuation sheet)

Page 2 of 3

PERMIT NUMBER: ACT/007/034

DATE OF INSPECTION: 3/4/99

(Comments are Numbered to Correspond with Topics Listed Above)

NOTE: Coal is occasionally being loaded out by rail at the Banning site permittee. Banning has not received any coal thus far this year.

1. PERMIT-

There is one minor amendment being review by the Division which is the temporary coal storage area for Dugout mine.

The Mining and Reclamation Plan has been renewed as of October 24, 1998. This document has been signed by both parties. The permit will expire on October 24, 2003.

The mid-term will be reviewed 2.5 years from the new five year renewal date.

2. SIGNS AND MARKERS -

Identification signs meet the requirement of the R645 Coal Rules. The perimeter markers were spot-checked and are located around the perimeter of the disturbed area.

4A. DIVERSIONS -

The diversions were spot-checked for performance standards. It was determined that these diversions comply with the requirements of the Mining and Reclamation Plan and the R645 Coal Rules.

No water was flowing within the diversions during the inspection.

4B. SEDIMENT PONDS -

The sediment pond was not discharging during the inspection. It is highly unlikely that a discharge of water will occur in the near future. This sediment pond did contain a small amount of water. The Banning sediment pond has never discharged.

There were no signs of any hazardous conditions occurring to the sediment ponds during the inspection. This is an incised pond.

The sediment ponds were inspected for fourth quarter on December 16, 1998. There were no reports of hazardous conditions.

4C. OTHER SEDIMENT CONTROL MEASURES -

The Banning Loadout facility uses silt fences and straw bales on Figure 7-1 and 7-2 as its alternate sediment control measures as approved by the Division. These areas were spot-inspected and complied with the R645 Coal Rules.

4D. WATER MONITORING -

Water monitoring is taken one time per year at the Banning sump. This was taken on October 29, 1998. All required parameters were taken.

INSPECTION REPORT
(Continuation sheet)

Page 3 of 3

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4E. EFFLUENT LIMITATIONS -

No UPDES samples were taken for third quarter. There was no discharge from the ground water pump 001A and sediment pond 002A. The UPDES permit was renewed on June 1, 1998 and will expire on April 30, 2003. There were no changes to the permit.

5. EXPLOSIVES -

No explosives boxes are on the property.

7. REFUSE PILES -

The permittee has submitted an amendment for storing waste rock, temporarily, from the Dugout Mine.

8. NON-COAL WASTE -

The area was clear of non-coal waste material.

13. REVEGETATION -

The permittee has done a vegetation survey of the test plot for 1998. The survey was done by Pat Johnston.

18. SUPPORT FACILITIES -

No new surface facilities were installed.

20. AIR QUALITY -

The air quality permit is being complied with.

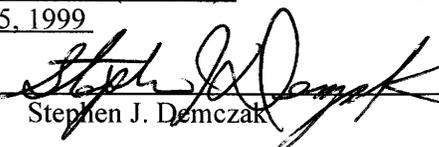
21. BONDING AND INSURANCE -

The bonding is set at \$350,000 and comes up for review in 2000. This surety bond was issued by Liberty Mutual Ins. The insurance acord form meets the requirement of the R645 Coal Rules. This policy will expire on July 31, 1999. This policy does include coverage for explosives.

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 5, 1999

Inspector's Signature:  #39
Stephen J. Demczak