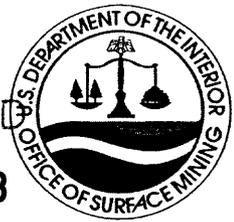




0003

U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING Mine Site Evaluation State Program



RECEIVED
APR 23 2003

*Incoming
4/10/03
Copy Dana*

1. Permittee/Person SOLDIER CREEK COAL CO.		9. Permit Number UT-007-034		10. Permit Type PP	
2. Address P. O. BOX 1029		11. Field Visit Date 04/10/2003 <small>mm - dd - yyyy</small>		12. Purpose O	
3. City WELLINGTON		4. State UT		13. SRA Present Y	
5. Zip Code 84542		6. Phone Number (435) 637-6360		14. Permit Status IN	
7. Operator Name, if Different than Permittee BANNING SIDING LOADO		15. Site Status TC		16. Facility Type CD	
8. Mine Name BANNING SIDING LOADO		17. OSM Office # 140		18. CCID # F	
		19. Land Code F		20. M.S.H.A ID # 42-01756	
		21. State Abrev. UT		22. County Name CARBON	
		23. AVS Permittee Entity ID Number 089070		24. State Office []	

25. Hours

4.0	a. Permit Review
2.0	b. Site Visit Time
10.0	c. Travel Time
2.0	d. Report Writing

26. Signature Block

Henry Austin
 Signature: 4/14/03
 HENRY AUSTIN ID # 116
 Printed Name:
 Date: 04/14/2003

27. Reviewing Official:

J. Fulton
 Signature:
 Review Date: 4/14/04
mm - dd - yyyy
 Is Supplemental MSE Page Used Y/N

Permit Type — Item 10 IP = Interim Program, PP = Permanent Program, NP = No Permit

Purpose Type Codes Item 12
 Oxx... Oversight RFX... Reclamation Fees CCR... Citizen Complaint Referral (non site visit)
 Axx... Assistance Fxx... Federal Actions CC... Citizen Complaint (initial site visit)
 CCF... Citizen Complaint Follow-up

Joint Inspection — Item 13 A joint inspection is when a state inspector accompanies an OSM inspector any time during the review of the mine site.

Permit Status — Item 14
 A... Active: Coal mining and reclamation activities occurring or permitted but not yet disturbed.
 IN... Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit) Coal mining completed and reclamation activities initiated.
 BR... Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release.)
 AB... Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840.11(g)
 AB1... Bond Forfeiture: Bond forfeiture officially in process or completed, and reclamation in progress or not yet commenced.
 AB2... Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.
 AB3... Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.
 NA... Not Applicable: When site is unpermitted.

Site Status Codes — Item 15
 ND... No Disturbance: No coal mining and reclamation operations have been started.
 EX... Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.
 AP... Active Coal Producing: Coal surface mining activities are occurring.
 AN... Active Non-Producing: Active non-producing facility such as tippie or preparation plant.
 NM... No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.
 MC... Mining Complete: No mining activity on site, site regraded and awaiting phase bond release.
 TC... Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817.131(b).
 P1... Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.
 P2... Phase II Release: At least Phase II bond release for the entire permitted area.
 P3... Phase III Release: Reclamation completed and the RA has released all bond.
 NS... Non-Site Visit: Status of site not determined.
 FP... Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress.
 FR... Forfeited and Reclaimed: Forfeiture reclamation completed.
 FO... Abandoned Site: Abandoned site that is permitted but there is no bond.
 WC... Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.

Facility Type Codes — Item 16
 A... Surface L... Remining site permitted under 30 CFR 785.25
 B... Underground
 C... Preparation Plant
 D... Ancillary (Haulroad, Conveyor, and/or Rails)
 E... Refuse and/or Impoundment
 F... Loading Facility and/or Tippie
 G... Stockpiles
 H... Exploration Permits
 I... Notice of Intent to Explore
 J... Exempt 16 and 2/3
 K... Government Financed Construction Exemption

Small Business Regulatory Enforcement Fairness Act (SBREFA) Your Comments Are Important

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247).

U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING

Mine Site Evaluation

State Program

Permittee/ Person **SOLDIER CREEK COAL**

Permit Number **UT-007-034**

Field Visit Date **04/10/2003**

Continuation Page

28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited

<p>A. Administrative</p> <ol style="list-style-type: none"> 1. <u>1</u> Mining within Valid Permit 2. <u>1</u> Mining within Bonded Area 3. <u>1</u> Terms & Conditions of Permit 4. <u>1</u> Liability Insurance 5. <u>1</u> Ownership and Control 6. <u>1</u> Temporary Cessation 7. ___ AML Rec. Fees -- Non-Respondent 8. ___ AML Rec. Fees -- Failure to Pay <p>B. Hydrologic Balance</p> <ol style="list-style-type: none"> 1. <u>1</u> Drainage Control 2. <u>1</u> Inspections & Certifications 3. <u>1</u> Siltation Structures 4. <u>1</u> Discharge Structures 5. <u>1</u> Diversions 6. <u>1</u> Effluent Limits 7. <u>1</u> Ground Water Monitoring 8. <u>1</u> Surface Water Monitoring 9. <u>3</u> Drainage -- Acid-Toxic Materials 10. <u>3</u> Impoundments 11. <u>3</u> Stream Buffer Zones <p>C. Topsoil & Subsoil</p> <ol style="list-style-type: none"> 1. <u>3</u> Removal 2. <u>1</u> Substitute Materials 3. <u>1</u> Storage and Protection 4. <u>1</u> Redistribution 	<p>D. Backfilling & Grading</p> <ol style="list-style-type: none"> 1. <u>1</u> Exposed Openings 2. <u>1</u> Contemporaneous Reclamation 3. <u>1</u> Approximate Original Contour 4. <u>1</u> Highwall Elimination 5. <u>3</u> Steep Slopes (includes downslope) 6. <u>3</u> Handling of Acid & Toxic Materials 7. <u>1</u> Stabilization (rills and gullies) <p>E. Excess Spoil Disposal</p> <ol style="list-style-type: none"> 1. <u>3</u> Placement 2. <u>3</u> Drainage Control 3. <u>3</u> Surface Stabilization 4. <u>3</u> Inspections & Certifications <p>F. Coal Mine Waste (Refuse Piles/Impoundments)</p> <ol style="list-style-type: none"> 1. <u>3</u> Drainage Control 2. <u>3</u> Surface Stabilization 3. <u>3</u> Placement 4. <u>3</u> Inspections and Certifications 5. <u>3</u> Impounding Structures <p>G. Use Of Explosives</p> <ol style="list-style-type: none"> 1. <u>3</u> Blaster Certification 2. <u>3</u> Distance Prohibitions 3. <u>3</u> Blast Survey/Schedule 4. <u>3</u> Warnings & Records 5. <u>3</u> Control of Adverse Effects 	<p>H. <u>3</u> Subsidence Control Plan</p> <p>I. Roads</p> <ol style="list-style-type: none"> 1. <u>1</u> Road Construction 2. <u>1</u> Certification 3. <u>1</u> Drainage 4. <u>1</u> Surfacing and Maintenance 5. <u>1</u> Reclamation <p>J. Signs & Markers</p> <ol style="list-style-type: none"> 1. <u>1</u> Signs 2. <u>1</u> Markers <p>K. <u>1</u> Distance Prohibitions</p> <p>L. Revegetation</p> <ol style="list-style-type: none"> 1. <u>3</u> Vegetative Cover 2. <u>3</u> Timing <p>M. <u>1</u> Postmining Land Use</p> <p>N. Other</p> <table border="0" style="width: 100%;"> <tr> <td style="padding-right: 20px;">General</td> <td style="padding-right: 20px;">Performance</td> <td style="padding-right: 20px;">Catagory</td> <td></td> </tr> <tr> <td style="text-align: center;">A</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1)</td> <td><u>Temp. cessation, Rail road</u></td> </tr> <tr> <td style="text-align: center;">___</td> <td style="text-align: center;">___</td> <td style="text-align: center;">2)</td> <td>_____</td> </tr> <tr> <td style="text-align: center;">___</td> <td style="text-align: center;">___</td> <td style="text-align: center;">3)</td> <td>_____</td> </tr> </table>	General	Performance	Catagory		A	1	1)	<u>Temp. cessation, Rail road</u>	___	___	2)	_____	___	___	3)	_____
General	Performance	Catagory																
A	1	1)	<u>Temp. cessation, Rail road</u>															
___	___	2)	_____															
___	___	3)	_____															

Performance Standard Categories 30 CFR Counterpart

<p>A. Administrative.....(816/817.71-74)</p> <ol style="list-style-type: none"> 1. Valid Permit.....773.11 2. Mining within Bonded Area.....773.11 3. Terms & Conditions of Permit.....773.17 4. Liability Insurance.....800.60 5. Ownership and Control.....778.13 6. Temporary Cessation.....842.11(e) & 816/817.131 7. AML Rec. Fees -- Non-Respondant.....870.15(b) 8. AML Rec. Fees -- Failure to Pay.....870.15(a) <p>B. Hydrologic Balance.....(816/817.41-57)</p> <ol style="list-style-type: none"> 1. Drainage Control.....45 2. Inspections & Certifications.....49(a)(10) 3. Siltation Structures.....46 4. Discharge Structures.....47 5. Diversions.....43 6. Effluent Limits.....42 7. Ground Water Monitoring.....41(c) 8. Surface Water Monitoring.....41(e) 9. Drainage--Acid - Toxic Materials.....41(f) 10. Impoundments.....49 11. Stream Buffer Zones.....57 <p>C. Topsoil & Subsoil.....(816/817.22)</p> <ol style="list-style-type: none"> 1. Removal.....22(a) 2. Substitute Materials.....22(c) 3. Storage and Protection.....22(c) 4. Redistribution.....22(d) <p>D. Backfilling & Grading.....(816/817.95-107)</p> <ol style="list-style-type: none"> 1. Exposed Openings.....816/817.13, 14, 15, & 823.11 & 21 2. Contemporaneous Reclamation.....100 3. Approximate Original Contour.....102(a)(1) 4. Highwall Elimination.....102(a)(2) 5. Steep Slopes (includes downslope).....107 6. Handling of Acid & Toxic Materials.....102(c) 7. Stabilization (rills and gullies).....95(b) 	<p>E. Excess Spoil Disposal.....(816/817.71-74)</p> <ol style="list-style-type: none"> 1. Placement.....71(e) 2. Drainage Control.....71(f) 3. Surface Stabilization.....71(g) 4. Inspections & Certifications.....71(h) <p>F. Coal Mine Waste (Refuse Piles/Impoundments)(816/817.81-84)</p> <ol style="list-style-type: none"> 1. Drainage Control.....83(a) 2. Surface Stabilization.....83(b) 3. Placement.....83(c) 4. Inspections and Certifications.....83(d) 5. Impounding Structures.....84 <p>G. Use of Explosives.....(816/817.61-68)</p> <ol style="list-style-type: none"> 1. Blaster Certification.....61(c) 2. Distance Prohibitions.....61(d) 3. Blast Survey/Schedule.....62-64 4. Warnings & Records.....66 & 68 5. Control of Adverse Effects.....67 <p>H. Subsidence Control Plan.....(817.121-122)</p> <p>I. Roads.....(816/817.150-151)</p> <ol style="list-style-type: none"> 1. Road Construction.....150(c) 2. Certification.....151(a) 3. Drainage.....150(b)-151(d) 4. Surfacing and Maintenance.....150(e)-151(d) 5. Reclamation.....150(f) <p>J. Signs & Markers(816/817.11)</p> <ol style="list-style-type: none"> 1. Signs.....11(a),(b),&(c) 2. Markers.....11(a),(b),(d),(e),&(f) <p>K. Distance Prohibitions.....(761.11)</p> <p>L. Revegetation.....(816/817.111-116)</p> <ol style="list-style-type: none"> 1. Vegetative Cover.....111 & 116 2. Timing.....113 <p>M. Postmining Land Use.....(816/817.133)</p>
---	---

April 14, 2003

Canyon Fuel Company, LLC
PO Box 1029
Wellington, UT 84542

Banning Loadout
Complete, oversight Inspection
April 10, 2003

Participants:

Vicky Miller, Canyon Fuel
Dana Dean and Steve Demczak, Utah Division of Oil, Gas and Mining (DOGGM)
Henry Austin, Office of Surface Mining (OSM)

I participated in the above complete, oversight inspection on April 10, 2003. This site was selected by the joint, DOGM/OSM Evaluation Team for a complete, oversight inspection during the 2003 Evaluation Year. Weather conditions were warm and dry, and there was no evidence of recent surface water runoff. Ground conditions were dry with a few minor water puddles on site. The single sediment pond was dry and stable.

This coal loadout (rail road siding) has been in temporary cessation since approximately May 5, 2000, and was inactive during the inspection. All appropriate signs and markers are in place, and there is locked gate access to the site via a paved roadway on a BLM ROW agreement. Ms. Miller detailed recent possible plans for the site to be partially activated by another company (East Carbonics) for use as a CO2 processing and loadout facility. Canyon Fuel is preparing to eventually reclaim during 2003 portions of the disturbed areas here that will not be re-permitted / utilized by the above. The disturbed acreage proposed for use by East Carbonics would presumably first have to secure a PMLU change to light industrial land use, or the like, through the existing Canyon Fuels permit for this site.

According to Ms. Miller, East Carbonics to date is only interested in securing a road ROW and the existing power substation for use in their proposed CO2 operations. The balance of the 21.6 disturbed acres not used by East Carbonics will be reclaimed by Canyon Fuels during 2003, if the current planning schedule develops.

We discussed the appropriate quarterly and annual environmental monitoring and permitting records management at the site (sediment pond inspections / UPDES permit reporting / Bonding / Liability Insurance / AVS check, etc.) and everything reviewed is in compliance. The DOGM Permit renewal deadline is June 24, 2003. There is a surety bond of \$350,000 on this site.