

INSPECTION REPORT

Partial ___ Complete XXX Exploration ___
 Inspection Date: 04/10/2003 / Time: 9:30-11:15
 Date of Last Inspection: 02/12/2003

Mine Name: Banning Loadout County: Carbon Permit Number: C/007/034
 Permittee and/or Operator's Name: Canyon Fuel Company, LLC.
 Business Address: P.O. Box 1029, Wellington, Utah 84542
 Company Official(s): Vicky Miller, Engineering Technician
 State Official(s): Dana Dean, Steve Demczak Federal Official(s): Henry Austin
 Weather Conditions: Clear, 70 degrees F., no wind
 Type of Mining Activity: Underground ___ Surface ___ Prep Plant XXX Other ___
 Existing Acreage: Permitted 36 Disturbed 21.6 Regraded ___ Seeded ___
 Status: Temporary Cessation

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 checked="" 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 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 checked="" 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 type="checkbox"/>	<input checked="" 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 checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input type="checkbox"/>	<input checked="" 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 checked="" 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 (4 th Quarter- April, May, June)	<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 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)

PERMIT NUMBER: C/007/034

DATE OF INSPECTION: 04/10/2003

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

Note: The Banning site remains in temporary cessation; there is no activity at the site.

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The current UPDES permit for the Banning Siding expires April 30, 2003. Canyon Fuel submitted an application for renewal to DWQ in November of 2002. The outfalls at Banning fall under a general permit and DWQ is currently re-writing the general permit. They had completed a rough draft, but had not given a final approval as of this inspection.

DOGM issued the current mining permit on October 24, 1998. It is valid through October 23, 2003. *Canyon Fuel will need to apply for permit renewal before June 25, 2003*

2. SIGNS AND MARKERS

Identification signs meet the requirements of the R645 Coal Rules. Perimeter markers are properly located and marked with reflectors.

3. TOPSOIL

Operations at the Banning Loadout began in 1978. Since most of the earthwork was completed before the passage of SMCRA in August of 1977, no topsoil was salvaged.

Amendment AM01D allowed Sediment Pond material from the Dugout Mine to be stored at the site and used as a topsoil substitute at reclamation.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The diversion around the fence line is adequate to comply with the Hydrology Section of the R645 Coal Rules.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

Ms. Vicky Miller conducted the 1st quarter impoundment inspection for the site's sediment pond on February 12, 2003. There were no signs of instability or other hazards. The pond was dry.

4D. HYDROLOGIC BALANCE: WATER MONITORING

There is only one non-UPDES monitoring site at the Banning Loadout. Canyon Fuel is required to sample the Truck Dump Sump once a year, in the fall. Ms. Vicky Miller collected a sample in October 2002 and submitted the required information electronically with the Fourth Quarter water-monitoring data.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

Canyon Fuel submitted the January and February DMR reports to DWQ on a timely basis and had them available for review at this inspection. There were no outfalls from the sediment pond during the First Quarter.

Canyon Fuel submitted Fourth Quarter DMR information electronically as required.

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8. NONCOAL WASTE

The area was clear of non-coal waste material.

15. CESSATION OF OPERATIONS

The Banning Loadout entered temporary cessation of operations on May 5, 2000, and ended coal sampling on December 8, 2000. No change in status has occurred.

19. AVS CHECK

DOGM conducted an Applicant Violator System (AVS) check as part of this inspection and noted no violations on the system.

20. AIR QUALITY PERMIT

DEQ issued the Air Quality permit July 16, 1980. DEQ has made no modifications to the permit since.

21. BONDING AND INSURANCE

Canyon Fuel renewed the general liability insurance for this site on July 31, 2002. It expires July 31, 2003.

The current bond amount is \$350,000. The Surety is St. Paul Fire and Marine Insurance Company.

There were no changes to the bond or insurance since the previous inspection.

Inspector's Signature: _____
Dana Dean #50

Date: April 14, 2003

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
Dave Spillman, Canyon Fuel
Price Field office
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