



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: XXX Complete: Exploration:
Inspection Date & Time: 8/20/99 / 8:30a.m.-1:00p.m.
Date of Last Inspection: 7/16,22/99

Mine Name: Willow Creek Mine County: Carbon Permit Number: ACT/007/038
Permittee and/or Operator's Name: Cyprus Plateau Mining Corporation
Business Address: 847 Northwest Highway 191, Helper, Utah 84526
Type of Mining Activity: Underground XXX Surface Prep. Plant Other
Company Official(s): Johnny Pappas
State Officials(s): Peter Hess Federal Official(s): None
Weather Conditions: Cool, High Clouds
Existing Acreage: Permitted- 14,670 Disturbed- 206.7 Regraded- Seeded- Bonded- 206.7
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

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - 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.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- 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 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 type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input 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 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT
(Continuation sheet)

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PERMIT NUMBER: ACT/007/038

DATE OF INSPECTION: 8/20/99

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

In a letter dated August 19, the permittee made the Division aware, that due to difficulty with the ash fusion temperature requirement of the Intermountain Power Agency coal contract, it has become necessary to add lower BTU coal to the washed product which is stored at the clean coal storage area. Mr. Pappas indicated that a six to seven percent addition of this lower BTU coal (600 to 700 tons per 10,000 ton train) must be added in order to meet this requirement. The permittee's concern is relative to whether a surface mining permit is necessary through UDNR/OGM permitting action.

Through correspondence and telephone conversations with upper OGM management, it has been determined through interpretation of R645-100-200 that a surface mining permit, per se, is not required. A minor permit revision will be submitted which will commit the permittee to meeting all performance standards relative to the current approved design, as well as describing the intended activity.

4c. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

Mr. Paul Baker, Reclamation Biologist with the SLO-UDNR/OGM was on site this day to evaluate vegetation in certain areas of the Mine site in order to provide justification for removing some silt fences. The two areas include a fence at the crest of the north east bank of the Willow Creek drainage below the propane tank pad, and the silt fence which was installed at the outslope base of the retention berm around the main topsoil storage area.

The fabric on the fence below the propane pad is near needing replacement, hence now is the time to either replace the fabric, or remove the fence. There was no evidence of runoff reporting to the fences. Mr. Baker felt that sufficient vegetative cover is in place to filter any runoff which might occur, negating the need for the fences. The permittee was given the go ahead for the silt fence removal in these two areas. The topsoil storage area and its surrounding retention berm are well vegetated; it is felt by this individual that the redundant silt fence is no longer effective or needed.

19. AVS CHECK

The purchase of Cyprus-AMAX coal properties in the United States by RAG American Coal Holding, Inc., effective June 30, 1999 is complete. Mr. Pappas is currently updating the ownership and control information, as well as bond updates relative to the three Utah DNR/OGM permits. The submittal of same is anticipated to occur during early September.

INSPECTION REPORT
(Continuation sheet)

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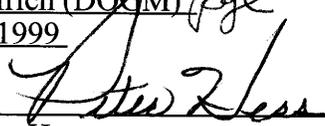
21. BONDING & INSURANCE

A revised general liability insurance certificate reflecting RAG American Coal Holding, Inc., as the insured party relative to the Willow Creek Mine was received in the PFO-UDNR/OGM on July 1, 1999. The document appears to be adequate.

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: Johnny Pappas (Plateau) Henry Austin (OSM)
Given to: Joe Helfrich (DOG M) PjL Filed to: Price Field Office
Date: August 27, 1999

Inspector's Signature:  #46
Peter Hess