



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

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INSPECTION REPORT

Partial Complete XXX Exploration
 Inspection Date: 10/25 & 28/2002 / Time: 8:30 AM-1:30 PM
 Date of Last Inspection: 09/13/2002

Mine Name: Willow Creek Mine County: Carbon Permit Number: C/007/038
 Permittee and/or Operator's Name: Plateau Mining Corporation
 Business Address: P.O. Box 30, Helper, Utah 84526
 Company Official(s): Mr. Johnny Pappas, Senior Environmental Engineer
 State Official(s): Peter Hess Federal Official(s): None
 Weather Conditions: Sunny, clear / 40's-50's Fahrenheit
 Type of Mining Activity: Underground XXX Surface Prep Plant Other
 Existing Acreage: Permitted 14670 Disturbed 161.55 Regraded Seeded
 Status: Active

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 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 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 checked="" 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 checked="" type="checkbox"/>
5. EXPLOSIVES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" 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 ISSUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input 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 (4 th Quarter- April, May, June)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>

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(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

Note: The permittee has initiated the permanent sealing of the Willow Creek Mine from the surface by starting the construction of eight seals utilizing eight-inch solid concrete block, double wall construction with mortared joints. Eight seals will be constructed here; five in the mine's main entries and three in the entries at the base of the ventilation air shaft. The permittee is hitching the seals into the coal ribs and the floor a minimum of six inches. The floor hitch is brought up to level by pouring concrete to form a footer. Two of the seals at the airshaft have been completed; the footers have been poured for the remaining six. At present, the mine fan is still in operation. The seals are located such that the minimum amount of backfill (25 feet) can be placed outby the seal to ensure no access to the workings. Single pilasters were observed in both of the completed seals. "P" traps have also been installed in several locations to prevent hydrostatic pressure build up. The seals are being constructed according to the plan in the approved MRP, (See Figure 5.4-3).

It is the permittee's intent to backfill the airshaft by utilizing reject from the BTU resource recovery project that was conducted on the waste rock disposal facility.

The permittee notified the Division on September 3, 2002 of the initiation of reclamation activities of the Willow Creek Mine surface facilities. To date, the surface conveyor designated as SC-2 has been dismantled and removed from the property. Some interest has been generated relative to a separation of the preparation plant facilities / permit area from the mine permit area. However, the permittee has not received instruction from RAG corporate to initiate development of a permit amendment to separate the two areas.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The September 12, 2002 event which fell on the watersheds associated with the School House Canyon refuse facility and provided the runoff to cause the "unanticipated bypass" of pond 013A left several diversions in need of maintenance. Although the permittee has cleaned the blocked 013A culvert inlet and a second downstream culvert in the preparation plant area, the ditch that runs parallel with the inside toe of the waste rock facility access road as well as the ditches which route this flow through the wash plant area to pond 011A are in need of maintenance. Mr. Pappas is aware of the needed maintenance.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The permittee conducted the third quarter 2002 impoundment inspections for the permit area on September 23, 2002. Mr. Pappas performed the inspections with the exception of pond 013A, which is an MSHA pond. There were no signs of instability or other hazardous conditions noted. All ponds contained water, with no outfalls occurring at the time of the permittee's inspection. There were no signs of instability or other hazards noted by the permittee's qualified person.

The pond 013A inspections (an MSHA pond) are performed by Mr. Steve Rigby, mining engineer. Those monthly inspections are current, as required by the variance allowed by the Mine Safety and Health Administration.

Mr. John Borla, P.E., certified the "as-built" construction of pond 011A on September 24, 2002. No signs of instability or other hazards were reported. The pond had been cleaned in August, just prior to the September 12th event. Mr. Borla's certification noted that the pond was being maintained as designed.

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4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

The alternate sediment control area associated with the rail car loading facility is functioning as designed. A catch basin is utilized here with additional treatment via silt fence on the overflow end. Riprap is also placed to reduce erosion at the overflow. The area down channel of the riprap is well vegetated.

4D. HYDROLOGIC BALANCE: WATER MONITORING

A report received from Ms. Dana Dean, P.E., Reclamation Hydrologist, with the Salt Lake technical staff on October 9, 2002 indicated that the permittee had failed to submit second quarter water monitoring information at location B-271, which is an undeveloped spring located in the bottom of Mathis Canyon, (side canyon in the Willow Creek drainage). Mr. Pappas submitted the required information prior to today's inspection.

Discharge monitoring reports for the months of July, August, and September were reviewed. All outfalls were reported as no discharge with the exception of pond 011A, which discharged water exceeding effluent parameters for TSS and total iron on September 12, 2002. The cause of that outfall was the blocked trash rack on the inlet culvert to pond 013A as noted above. All reports were submitted to the respective government agencies in a timely manner.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

As noted in the September 13, 2002 inspection report, an "unanticipated bypass" of the runoff volume that would normally report to pond 013A, (MSHA pond at the base of the School House Canyon refuse disposal facility) occurred when the trash rack over the inlet culvert to that treatment facility became blocked with washed aggregate. The ditch reporting to this inlet eventually overtopped, with the bypass volume running down the access road through the wash plant area to pond 011A (clean coal stockpile area treatment). Mr. Pappas presented analytical results from the samples that were taken on September 12, 2002. The results indicated that water having a TSS level of 2,846 mg/l and a total iron content of 32.1 mg/l was discharged to the Price River. Effluent parameters in UPDES permit # UTG040012 limit effluent levels at a maximum of 70 mg/l (daily maximum limit) for total suspended solids and 1 mg/l for total iron. Based on this information, notice of violation N02-46-2-1 was issued to the permittee during the inspection. The violation was vacated after consultation with the permit supervisor concerning the specifics of the violation and the MOU with the Division of Water Quality.

The permittee contacted the Utah Division Of Water Quality relative to the issued violation. DWQ conducted a mass balance evaluation of the pond 011 discharge compared to the flow volume in the Price River during the September 12, 2002 event. Based on those calculations, the TSS volume delivered by pond 011 to the Price River raised the total TSS level of the river by 11 mg/l. This increase is considered insignificant by the Division of Water Quality.

Several items should be noted here:

- a) During the September 12, 2002 event, and based on both conversation during the September 13, 2002 inspection and the permittee's letter to the Utah Division of Water Quality dated September 20, 2002, the incident was referred to as an "upset" rather than an "unanticipated bypass" as categorized by this individual. Upon finding the blocked trash rack as the cause of the uncontrolled flow down the School House Canyon access road, Mr. Pappas attempted to clear the blockage with a spade shovel, which he quickly realized was not only

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dangerous, but impossible, due to the large volume of water and rubble reporting to the culvert inlet area.

At that point, Mr. Pappas went to get a backhoe and an operator to clean the blocked trash rack. During the cleaning process with the backhoe, the storm intensity began to slow down. It is not know how much time transpired from Mr. Pappas' initial attempt failed until he was able to return to the blocked inlet with the backhoe, but thirty minutes probably seems minimal. Water and material continued to flow down the School House Canyon access road during that time.

- b) The permittee appears to have made every conceivable effort to reduce the affects of the upset condition.
- c) The permittee had cleaned the offending trash rack and culvert inlet prior to the Division's September 13, 2002 inspection. The upset occurred and had passed before any knowledge of the situation was reported. Therefore, no water samples were collected by Division personnel. The permittee corrected the problem before the Division became aware of the incident; therefore, the Division feels that a violation is not warranted.
- d) Pictures of washed material as seen on the School House Canyon access road can be seen in the "O" drive, dated 9132002.
- e) The Division has a memorandum of understanding with the Utah Division of Water Quality that states, under ARTICLE II-POLICY, "DEQ is the designated regulatory authority for the State of Utah responsible for administering and enforcing environmental laws including.....water quality.....and solid and hazardous waste management."

5. EXPLOSIVES

It was determined during the 2001/2002 OSM/DOGM evaluation year that the topic of "Public Participation and the Notification Processes" required as they relate to blasting and the use of explosives at both surface mines and underground coal mines in the State of Utah. One of the mines evaluated was the Star Point Mine, which is a sister operation of the Willow Creek Mine. Plateau Mining Company used explosives to demolish a coal storage silo during the demolition process. Although representatives from most of the concerned parties attended the shot, it was determined that the permittee could not provide a record of the written notifications sent to all residents within one-half mile of the blasting site, as well as local governments. The U.S. Department of the Interior, Office of Surface Mining has informed the Division that the verification of these written notifications **must be available for inspection purposes as part of enforcement of R645-301-524.310 (Pre-blast Survey Requests) and R645-301-524.430, Explosive Usage for Underground Coal Mine Purposes.** This was discussed with Mr. Pappas, who is the resident agent for both the Star Point and Willow Creek Mines. Mr. Pappas is now aware that verification of the written notifications to residents within one-half mile of the permit area in order to request a pre-blast survey or residents and local governments within one-half mile of a blasting site, as related to underground coal mining activities must be maintained for inspection purposes by either:

- 1) Maintaining a copy of each notification letter sent to each resident and/or local government, or
- 2) Maintaining the green U.S. Postal Service return receipt requested receipt verifying that each pertinent resident and/or local government was informed of the proposed blasting activity prior to the activity or how to request a pre-blast survey.

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7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

As noted above, the permittee intends to use reject from the BTU resource recovery project to backfill the ventilation airshaft at the mine. Mr. John Borla, P.E., and General Manager for the permittee has calculated that 900 to 1,000 yards of material will be needed to complete that work. According to Mr. Pappas, the material will be placed and then allowed to settle for a time, prior to a concrete cap being placed over the opening.

The permittee has information in place in the MRP relative to the acid and toxic generating potential of roof, floor, and coal seam samples taken from within the mine's permit area. No material has been identified as being able to produce acid or toxic materials. Also, the permittee has an MSHA approval in place to use the BTU resource reject for road surfacing material underground. This approval would not have been granted if the combustibility of finely ground reject had been inherent. Thus, it appears that the BTU resource reject is suitable as backfill for the airshaft. Oxygen will be sealed off from the backfilled shaft by the three seals at the base and the concrete cap that have been previously mentioned.

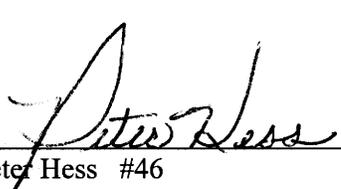
The permittee performed the third quarter refuse pile inspection of the School House Canyon facility on September 24, 2002. Mr. Borla indicated that the pile is being maintained as designed. There has been no activity on the pile for many months.

As observed today, the refuse facility appears to be dormant, with no indication of spontaneous combustion. The diversions that parallel the waste rock/canyon walls interface are capable of flowing. No standing water was observed anywhere on the pile. There was no extraneous combustible material present.

9. PROTECTION OF FISH, WILDLIFE, AND RELATED ENVIRONMENTAL VALUES

The permittee's spill prevention control and countermeasure plan was last certified by its author, Mr. Brad R. Derrick, a Utah registered professional engineer, on November 12, 1999. The permittee will need to have that plan re-certified in the near future.

Inspector's Signature: _____


Peter Hess #46

Date: October 30, 2002

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
Johnny Pappas, Plateau
Price Field Office

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