

INSPECTION REPORT

Partial Complete XXX Exploration
 Inspection Date: 01/24/2003 / Time: 8:50 AM-2 PM
 Date of Last Inspection: 12/17/2002

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: Partly cloudy; temperature in low 50's F / very soft ground conditions
 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 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6.	DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input checked="" type="checkbox"/>	<input 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	CONTEMPORANEOUS RECLAMATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12.	BACKFILLING AND GRADING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
18.	SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>

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(Continuation Sheet)

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(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The Division was informed this day that a “draft” version of the backfilling plan for the Crandall Canyon airshafts has been forwarded to the U.S. Department of Labor, Mine Safety and Health Administration, Denver, Colorado.

The permittee has agreed to forward a copy of this plan to the Division, as part of the amendment to the reclamation plan, upon receipt of an MSHA approval.

The current DOGM permit remains in affect until April 24, 2006.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The surface drainage plan at both the mine site and the preparation plant is functioning as designed.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The fourth quarter impoundment inspections for the site were conducted by Mr. Pappas on December 13, 2002. The inspections included ponds 01, 02, 011, 012A, 012B, 013, and ponds 014 and 015 in Crandall Canyon. Also included were the raw water process pond at the preparation plant, and the incisement used for draining the thickener pond. Pond 010 no longer exists; it was reclaimed as part of Adit #1, which is associated with the Castle Gate permit area.

Pond 013A which is an MSHA pond continues to be inspected on a monthly basis, as approved through an MSHA variance. Mr. Steve Rigby performs the pond 013A inspections. No hazards were reported by Mr. Rigby during the December 16, 2002 inspection. The January inspection had not been documented as of today’s inspection.

There were no hazards noted for any of the ponds during today’s field inspection. All are either frozen, or contain snow on the inslopes and pond bottoms.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The third quarter 2002 water monitoring data for the Willow Creek permit area was submitted to the Division’s database on October 25, 2002.

The fourth quarter 2002 information was submitted on January 3, 2003. A review of the laboratory results for the 4th quarter was conducted. There were no unusual results noted; all cation/anion balances were within the acceptable error range.

Discharge monitoring reports for the sites UPDES outfalls were reviewed for the months of October through December. None of the permitted outfalls discharged during that time. All reports have been submitted to the respective government agencies according to the reporting requirements within the UPDES permit.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

The current UPDES permit remains in affect until April 30, 2003.

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5. EXPLOSIVES

There are no explosive devices in storage at the Willow Creek site.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

Mr. John Borla, Utah registered professional engineer, inspected the School House Canyon waste rock facility on December 4, 2002. There were no apparent signs of structural weakness, instability or other hazards noted by Mr. Borla's inspection. The inspection report contains Mr. Borla's P.E. stamp, which has been signed and dated.

As observed this day, much of the pad area of the facility remains under snow. There has been no activity for many months.

8. NONCOAL WASTE

Although the site is reclaiming the coal handling facilities, the permittee is doing an adequate job relative to the temporary storage of noncoal waste (steel scraps, cables, etc.) until same can be removed. What does exist is stored in an orderly fashion.

11. CONTEMPORANEOUS RECLAMATION

The permittee's reclamation work on the preparation plant side has included the demolition of some concrete footers along the surface conveyor corridors. Some re-shaping of the slopes along this corridor has occurred, and same appears to meet AOC.

12. BACKFILLING AND GRADING

No major earth moving activities are occurring at this time.

14. SUBSIDENCE CONTROL

The permittee conducted the annual subsidence monitoring survey in September 2002. The data that will be submitted as part of the annual report shows no significant subsidence. According to Mr. Pappas, EarthFax Engineering has been contracted to generate subsidence contour maps for the annual report and lease relinquishment purposes.

Underground extraction ceased at the Willow Creek Mine in July 2000.

15. CESSATION OF OPERATIONS

The permittee is actively pursuing reclamation of the site.

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17. OTHER TRANSPORTATION FACILITIES

As observed this day, the permittee has installed chain link fencing over the four entrances to the two tunnels associated with the surface conveyor corridor, (the long and short tunnels). It was suggested that the permittee install "Danger-Keep Out" signs on the fencing.

All surface conveyors joining the mine facilities area with the preparation plant area have been disassembled, and are being moved to the raw coal stacking tube pad for storage. Savage Industries has purchased the conveyor structure.

The status of the outside interest in the preparation plant area is unknown at this time.

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

It is the permittee's intent to sell one of the large electrical transformers from the main substation in the near future. The cooling oil from this device was shipped this day.

21. BONDING AND INSURANCE

The current bond amount for the Willow Creek site is \$7,866,000. This includes \$1,251,000 for the Crandall Canyon area.

Inspector's Signature: _____
Peter Hess #46

Date: January 29, 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
Johnny Pappas, Plateau
Price Field office

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