



The State of Utah
 Department of
 Natural Resources
 Division of
 Oil, Gas & Mining

ROBERT L. MORGAN
 Executive Director

LOWELL P. BRAXTON
 Division Director

OLENE S. WALKER
 Governor

GAYLE F. McKEACHNIE
 Lieutenant Governor

| Representatives Present During the Inspection: | |
|--|---|
| Company | Gary E. Gray Resident Agent |
| OGM | Karl Houskeeper Environmental Scientist III |

Inspection Report

| | |
|------------------|--------------------------|
| Permit Number: | C0070041 |
| Inspection Type: | COMPLETE |
| Inspection Date: | Wednesday, June 09, 2004 |
| Start Date/Time: | 06/09/2004 9:00:00 AM |
| End Date/Time: | 06/09/2004 1:00:00 PM |
| Last Inspection: | Wednesday, May 12, 2004 |

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Overcast/Windy, ~Temp 75 Deg F

InspectionID Report Number: 295

Accepted by: pgrubaug
 06/22/2004

Permittee: **WEST RIDGE RESOURCES**
 Operator: **WEST RIDGE RESOURCES**
 Site: **WEST RIDGE MINE**
 Address: **PO BOX 1077, PRICE UT 84501**
 County: **CARBON**
 Permit Type: **PERMANENT COAL PROGRAM**
 Permit Status: **ACTIVE**

Current Acreages

| | |
|----------|------------------------|
| 4,382.55 | Total Permitted |
| 29.06 | Total Disturbed |
| | Phase I |
| | Phase II |
| | Phase III |

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Pending Division Order: Division Order DO00A-7, Extension granted until May 2004. The Division received a response to Division Order DO-00A-7 on June 3, 2004.

Inspector's Signature

Karl Houskeeper

Date Wednesday, June 09, 2004

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Inspection Continuation Sheet

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 Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference 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, Divison Orders, and amendments.

| | Evaluated | Not Applicable | Comment | Enforcement |
|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| 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 type="checkbox"/> | <input type="checkbox"/> |
| 4.a Hydrologic Balance: Diversions | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.b Hydrologic Balance: Sediment Ponds and Impoundments | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.c Hydrologic Balance: Other Sediment Control Measures | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.d Hydrologic Balance: Water Monitoring | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.e Hydrologic Balance: 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 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 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 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.a Roads: Construction, Maintenance, Surfacing | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16.b Roads: 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 | <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 and Insurance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 22. Other | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

1. Permits, Change, Transfer, Renewal, Sale

The DOGM permit is effective 02/15/2002 and expires 04/01/2004. Other documents include the following:

- Certificate of Insurance issued 07/01/2003 and terminates 07/01/2004.
- Reclamation agreement is dated April 1999 and signed by both parties.
- UPDES permit UTG040013 effective 05/01/2003 and expires midnight 04/30/2008.
- Air Quality permit DAQE-055-99, issued 01/14/1999.
- SPCC Plan dated 12/28/2000.

2. Signs and Markers

The mine ID signs are located at the pump house and the entrance to the mine site from the county road. The signs contain the permit number, address, and phone number of the operator. Other signs and markers observed during the inspection meet the coal rules.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Reviewed the quarterly inspections of the sediment pond. The annual inspection was performed by a P.E. on 12/28/03. The annual sediment pond inspection was included in the annual report. The report date of the annual sediment pond inspection is 3/28/04.

4.d Hydrologic Balance: Water Monitoring

First quarter 2004 water monitoring is in the EDI website, but was not uploaded at the time of the inspection. The operator has to the end of the second quarter to have the information approved. Water monitoring is current.

4.e Hydrologic Balance: Effluent Limitations

The April 2004 discharge monitoring reports were reviewed during the inspection. No discharge occurred from outfall 001. Outfall 002 discharged an average of 174,000 gpd.

5. Explosives

The sign at the explosive storage area has been fixed so that it is viewable.

19. AVS Check

An AVS Check was done by the Division on May 11, 2004. No violations were retrieved by the system. Legal information from the AVS check was compared to the MRP and the information correlated with the approved MRP.

20. Air Quality Permit

The air quality permit DAQE-055-99 referenced above remains in effect.

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Page 4 of 4

21. Bonding and Insurance

The insurance referenced in item #1 above is through Federal Insurance Co., policy #3710-95-30. The insurance has explosion coverage, met the minimum requirements, listed the Division as the certificate holder, and has the proper language on the notification policy.

Bond No. 21-60-38, issued 03/19/1999 is for \$2,117,000 from National Union Fire Insurance Company.