

007/045 Incoming
cc: Pete
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U.S. DEPT. OF THE INTERIOR
OFFICE OF SURFACE MINING
Mine Site Evaluation
State Program



1. Permittee/Person BOWIE REFINED COAL, LLC		9. Permit Number UT-007-045		10. Permit Type PP	
2. Address P.O. BOX 401		11. Field Visit Date 1/24/2013		12. Purpose OP	
3. City WELLINGTON		4. State UT		13. SRA Present Y	
5. Zip Code 84542		6. Phone Number (435) 613-1631		14. Permit Status A	
7. Operator Name, if Different than Permittee COVOL ENGINEERED FUELS		15. Site Status AP		16. Facility Type CFG	
8. Mine Name COVOL SITE		17. OSM Office # 140		18. CCID # []	
		19. Land Code S		20. M.S.H.A. ID # 42-02398	
		21. State Abbrev. UT		22. County/Burrough CARBON	
		23. AVS Permittee Entity ID Number 158171		24. State Office []	
25. Hours 4.0 a. Permit Review 3.0 b. Site Visit Time 7.0 c. Travel Time 4.0 d. Report Writing		26. Signature Block Signature: Christy Hulsmann, ID#532 Printed Name: Date: 2/28/2013		27. Reviewing Official: Signature: Review Date: 03-04-2013 mm-dd-yyyy Is Supplemental MSE Page Used Y/N <input checked="" type="checkbox"/> Y	
Permit Type - Item 10 IP = Interim Program PP = Permanent Program NP = No Permit Purpose Type Codes - Item 12 Oxx...Oversight Rfx...Reclamation Fees CCR...Citizen Complaint Referral (non-site visit) Axx...Assistance Fxx...Federal Actions CC...Citizen Complaint (initial site visit) CCF...Assistance					
Joint Inspection - Item 13 A joint inspection is when a state inspector accompanies an OSM inspector at any time during the review of the mine site					
Permit Status - Item 14 A Active: Coal mining activities occurring or permitted but not yet disturbed. IN Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit): Coal mining completed and reclamation activities initiated. BR Bond Release: Reclamation completed and State Regulatory Authority(RA) has released all of the bond (Phase III Release). AB Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840.11(g). AB1 Bond Forfeiture: Bond forfeiture officially in process or completed and reclamation in progress or not yet commenced. AB2 Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards. AB3 Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards. NA Not Applicable: When site is unpermitted.					
Site Status - Item 15 ND No Disturbance: No coal mining and reclamation operations have been started. EX Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun. AP Active Coal Producing: Coal surface mining activities are occurring. AN Active Non-Producing: Active non-producing facility such as tippie or preparation plant. NM No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded. MC Mining Complete: No mining activity on site, site regraded and awaiting bond release. TC Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817:13(b). P1 Phase I Release: At least Phase I bond release granted for entire permitted area. For Interim permits, partial bond release. P2 Phase II Release: At least Phase II bond release for the entire permitted area. P3 Phase III Release: Reclamation completed and the RA has released all bond. NS Non-Site Visit: Status of site not determined. FP Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress. FR Forfeited and Reclaimed: Forfeiture reclamation completed. FO Abandoned Site: Abandoned site that is permitted but there is no bond. WC Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.					
Facility Type Codes - Item 16 A...Surface D...Ancillary (Haulroad, Conveyor, and/or Rails) H...Exploration Permits K...Government Financed Construction Exemption B...Underground E...Refuse and/or Impoundment I...Notice of Intent to Explore L...Renewing site permitted under 30 CFR 785.25 C...Preparation Plant F...Loading Facility and/or Tippie J...Exempt 16 and 2/3 G...Stockpiles					
Small Business Regulatory Enforcement Fairness Act (SBREFA) Your Comments are Important The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsmen will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247).					
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OFFICE OF SURFACE MINING
Mine Site Evaluation

Permittee/ Person BOWIE REFINED COAL, LLC	Permit Number UT-007-045	Field Visit Date 1/24/2013
		State Program Continuation Page

28. Performance Standard Categories

Codes:1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited, 7=Permit Defect

A. Administrative 1. <u> </u> Mining within Valid Permit 2. <u> </u> Mining within Bonded Area 3. <u> 1 </u> Terms & Conditions of Permit 4. <u> </u> Liability Insurance 5. <u> </u> Ownership and Control 6. <u> </u> Temporary Cessation 7. <u> </u> AML Rec. Fees - Non-Respondent 8. <u> </u> AML Rec. Fees - Failure to Pay B. Hydrologic Balance 1. <u> 1 </u> Drainage Control 2. <u> </u> Inspections & Certifications 3. <u> 1 </u> Siltation Structures 4. <u> 1 </u> Discharge Structures 5. <u> 1 </u> Diversions 6. <u> </u> Effluent Limits 7. <u> </u> Ground Water Monitoring 8. <u> </u> Surface Water Monitoring 9. <u> </u> Drainage - Acid-Toxic Materials 10. <u> 1 </u> Impoundments 11. <u> </u> Stream Buffer Zones C. Topsoil & Subsoil 1. <u> 1 </u> Removal 2. <u> </u> Substitute Materials 3. <u> 1 </u> Storage and Protection 4. <u> </u> Redistribution	D. Backfilling & Grading 1. <u> </u> Exposed Openings 2. <u> </u> Contemporaneous Reclamation 3. <u> </u> Approximate Original Contour 4. <u> </u> Highwall Elimination 5. <u> </u> Steep Slopes (includes downslope) 6. <u> </u> Handling of Acid and Toxic Materials 7. <u> </u> Stabilization (rills and gullies) E. Excess Spoil Disposal 1. <u> </u> Placement 2. <u> </u> Drainage Control 3. <u> </u> Surface Stabilization 4. <u> </u> Inspections & Certifications F. Coal Mine Waste (Refuse Piles/Impoundments) 1. <u> </u> Drainage Control 2. <u> </u> Surface Stabilization 3. <u> </u> Placement 4. <u> </u> Inspections & Certifications 5. <u> </u> Impounding Structures G. Use of Explosives 1. <u> 3 </u> Blaster Certification 2. <u> 3 </u> Distance Prohibitions 3. <u> 3 </u> Blast Survey/Schedule 4. <u> 3 </u> Warnings & Records 5. <u> 3 </u> Control of Adverse Effects	H. Subsidence Control Plan I. Roads 1. <u> </u> Road Construction 2. <u> </u> Certification 3. <u> </u> Drainage 4. <u> </u> Surfacing and Maintenance 5. <u> </u> Reclamation J. Signs & Markers 1. <u> 1 </u> Signs 2. <u> 1 </u> Markers K. Distance Prohibitions L. Revegetation 1. <u> 1 </u> Vegetative Cover 2. <u> 1 </u> Timing M. Postmining Land Use N. Other General Performance Category _____ _____ _____
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Performance Standard Categories 30 CFR Counterparts

A. Administrative 1. Valid Permit 773.11 2. Mining within Bonded Area 773.11 3. Terms & Conditions of Permit 773.17 4. Liability Insurance 800.60 5. Ownership and Control 778.13 6. Temporary Cessation 842.11(e) & 816/817.131 7. AML Rec. Fees - Non-Respondent 870.15(b) 8. AML Rec. Fees - Failure to Pay 870.15(a) B. Hydrologic Balance (816/817.41-57) 1. Drainage Control 45 2. Inspections & Certifications 49(a)(10) 3. Siltation Structures 46 4. Discharge Structures 47 5. Diversions 43 6. Effluent Limits 42 7. Ground Water Monitoring 41(c) 8. Surface Water Monitoring 41(e) 9. Drainage - Acid - Toxic Materials 41(f) 10. Impoundments 49 11. Stream Buffer Zones 37 C. Topsoil & Subsoil (816/817.22) 1. Removal 22(a) 2. Substitute Materials 22(c) 3. Storage and Protection 22(c) 4. Redistribution 22(d) D. Backfilling & Grading 816/817.95-107 1. Exposed Openings 816/817.13, 14, 15, & 823.11 & 21 2. Contemporaneous Reclamation 100 3. Approximate Original Contour 102(a)(1) 4. Highwall Elimination 102(a)(2) 5. Steep Slopes (includes downslope) 107 6. Handling of Acid & Toxic Materials 102(c) 7. Stabilization (rills and gullies) 95(b)	E. Excess Spoil Disposal (816/817.71-74) 1. Placement 71(e) 2. Drainage Control 71(f) 3. Surface Stabilization 71(g) 4. Inspections & Certifications 71(h) F. Coal Mine Waste (Refuse Piles/Impoundments) 816/817.81-84 1. Drainage Control 83(a) 2. Surface Stabilization 83(b) 3. Placement 83(c) 4. Inspections and Certifications 83(d) 5. Impounding Structures 84 G. Use of Explosives (816/817.61-68) 1. Blaster Certification 61(c) 2. Distance Prohibitions 61(d) 3. Blast Survey/Schedule 62-64 4. Warnings & Records 66 & 68 5. Control of Adverse Effects 67 H. Subsidence Control Plan (817.121-122) I. Roads (816/817.150-151) 1. Road Construction 150(c) 2. Certification 151(a) 3. Drainage 150(b)-151(d) 4. Surfacing and Maintenance 150(e)-151(d) 5. Reclamation 150(c) J. Signs & Markers 816/817.111 1. Signs 11(a),(b), & (c) 2. Markers 11(a),(b),(d),(e), & (f) K. Distance Prohibitions (761.11) L. Revegetation (816/817.111-116) 1. Vegetative Cover 111 & 116 2. Timing 113 M. Postmining Land Use (816/817.133)
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OSM Action 1) Deferred to State Action 2) TDN Issued 3) NOV Issued 4) FTA-CO Issued 5) IH-CO Issued	6) ID-CO Issued (Imminent Danger to Public) 7) Previously cited by RA, abatement pending 8) Abated during or before OSM inspection 9) Follow-up of Federal Action 0) Off-site impact with no violation	Off-Site Impacts For each type of impact and resource affected, enter "N, D, or J" to describe the degree of off-site impact: N - Minor Occurrence D - Moderate Occurrence J - Major Occurrence
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Revised October 1, 2010

Mine Site Evaluation

Mine Name: COVOL site

Operator: Bowie Refined Coal, LLC

Permittee: COVOL Engineered Fuels

Permit Number: UT-007-033

Permit Status: Active, coal producing

Total Acres Permitted: 30.00

Total Acres Disturbed: 30.00

Inspection Date: January 24, 2013

Inspection Type: OSM partial oversight

Weather Conditions: Cloudy, mid-20s

OSM Inspector: Christy Hulsman (#532)

Participants:

Pete Hess, DOGM, Lead Inspector

Lauren Mitchell, OSM Inspector Trainee

Kyle Edwards, Plant Manager

Inspection Narrative

A. Administrative

The COVOL site is a dry coal cleaning facility located near Price, UT. Headwaters Energy Services had just finalized the sale of the site to Bowie Refined Coal (effective January 16, 2013) and permitted by Headwaters Energy Services. The DOGM permit for COVOL was issued on August 31, 2009. Due to declining production as a result of a declining market, minimal amounts of coal are currently being processed and stored on this site. The operator may initiate a conversation with DOGM about how to initiate a temporary cessation status.



Figure 1 – Diversion ditch located southwest of coal processing area

B. Hydrologic Balance

Diversion ditches and perimeter berms are in place around the site to convey water to the appropriate sediment pond (see Figure 1). Two sediment ponds exist on this site: the East Pond and the West Pond. Each pond was built according to an incised design with built-up embankments (see Figure 2). Both contain a solid, rip-rapped emergency spillway, although neither bond has ever discharged. All sections of the embankments appeared to be sound with appropriate vegetation based on the climate and surrounding undisturbed areas.



Figure 2 – East pond with water/ice levels well below discharge levels; also note in background of photo the permit/disturbance boundary fencing

It had been noted in previous DOGM inspections that an area located at the northwest corner of the

permit boundary may not have sufficient gradient to enable water to flow to the appropriate diversion ditch. DOGM has issued a Division Order for this area, requiring the use of alternative sediment control measures.

C. Topsoil

Both topsoil stockpiles were marked with visible and appropriate signage. Surrounding each pile was a sediment control berm (see Figure 3).

D. Backfilling and Grading

Backfilling and grading are not necessary at this point since this is a coal processing facility with no mining occurring within the permit boundary.

E. Excess Spoil Disposal

N/A

F. Coal Mine Waste

Any waste rock separated from the coal during the dry coal cleaning process is stockpiled until it can be disposed of properly, or sold to an interested party for use.



Figure 3 – Topsoil stockpile with sediment control berm

G. Blasting

N/A

H. Subsidence Control

N/A

I. Roads

N/A

J. Signs and Markers

The disturbed area and the permit boundary are the same; which is marked by a chain link fence. All required signs were posted and maintained accordingly.

K. Distance Prohibitions

No disturbance onto or in prohibited areas was noted during this inspection.

L. Revegetation

No revegetation activities were being conducted on site since it is an active operation, other than maintaining established vegetative cover on the topsoil piles and pond embankments.

M. Postmining Land Use

Suitability to the post-mining land use was not evaluated as part of this partial oversight inspection since there the site was not being evaluated for bond release.

N. Other

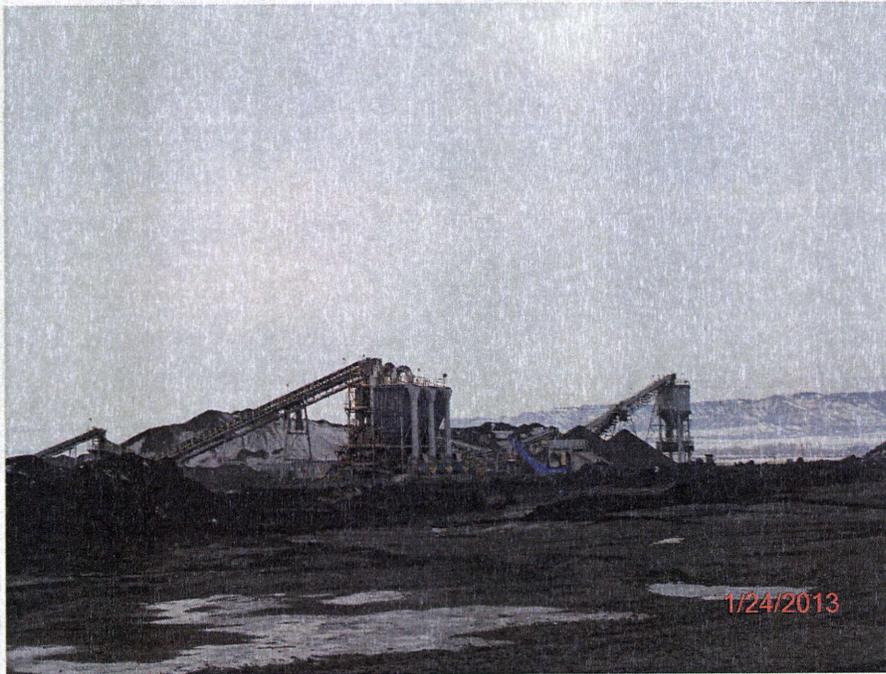
Several incidences of spontaneous combustion had occurred on stockpiles over the last few months, most likely as a result of snow/moisture and cold temperatures. Each incident was evaluated by DOGM. The typical solution

for a burning coal stockpile is to remove the burning material, then spread it out so that the hot spot cools down thus eliminating the heat source and preventing the fire from perpetuating further. There were no observable signs of ongoing burning on the remaining stockpiles since the operator had removed and spread out the burning material prior to this inspection.

I&E Inspection Photos

Permit: UT-007-045 Inspection Date: 1/24/2013

Permittee: BOWIE REFINED COAL, LLC



Notes:

Overview of dry coal air-jig structures

Photo ID: 10099

Photographer: SMICHULSMAN

Date Taken: 1/24/2013

State: UT

County: CARBON

Latitude: 39.51732194

Longitude: -
110.75151583

Subject: COVOL PARTIAL

Mine Name: COVOL SITE



Notes:

Truck coal load out facility

Photo ID: 10100

Photographer: SMICHULSMAN

Date Taken: 1/24/2013

State: UT

County: CARBON

Latitude: 39.51715056

Longitude: -
110.76679333

Subject: COVOL PARTIAL

Mine Name: COVOL SITE