



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0150009
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, September 28, 2016
Start Date/Time:	9/28/2016 9:00:00 AM
End Date/Time:	9/28/2016 12:30:00 PM
Last Inspection:	

Representatives Present During the Inspection:	
OGM	Keenan Storrar
Company	Vicky Miller

Inspector: Keenan Storrar

Weather: Sunny 70 F

InspectionID Report Number: 5653

Accepted by: DHADDOCK
10/14/2016

Permittee: **FOSSIL ROCK RESOURCES, LLC**
 Operator: **FOSSIL ROCK RESOURCES, LLC**
 Site: **FOSSIL ROCK MINE**
 Address: **225 North 5th Street, 9th Floor, CO 81501**
 County: **EMERY**
 Permit Type: **PERMANENT COAL PROGRAM**
 Permit Status: **ACTIVE**

Current Acreages

3,564.83	Total Permitted
27.83	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

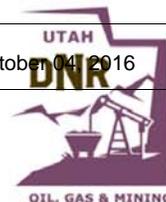
Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Division of Oil, Gas and Mining (the Division) conducted a complete inspection at the Fossil Rock mine on September 28, 2016. The Division met with Vicky Miller and Bryant at the waste rock site where we went over paper work and then walked the site. We then proceeded over to the main mine site and completed the inspection.

Inspector's Signature:

Keenan Storrar,
Inspector ID Number: 71

Date Tuesday, October 04, 2016



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 type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 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 type="checkbox"/>	<input checked="" 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 checked="" 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 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 Division has conditionally approved new designs for ditch DA at the waste rock site.

3. Topsoil

The majority of subsoil has been recovered from the top lift of the waste rock pile. The subsoil has been piled and bermed at the northern end of the 'Subsoil Stock Pile' (Photo 2).

4.a Hydrologic Balance: Diversions

Diversions appeared to be stable and in good condition at the waste rock site (Photo 3).

The working pit is sloped to drain runoff to the southernmost extent of the pit. Excess runoff is allowed to drain from this low spot through a cut in the berm and into Ditch DA (Photo 6). This appears to be a good solution to deal with runoff while the pile is being re-mined.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The mine sediment pond and waste rock sediment pond have been inspected for 3rd quarter 2016. The ponds are impounding water from mid-September storms (Photo 7 and 8).

6. Disposal of Excess Spoil, Fills, Benches

The first lift of the waste rock pile lift has almost been mined out (Panorama 1 and 2). The operator is working to truck the pile of coal fines off site to access the last section of the upper lift.

7. Coal Mine Waste, Refuse Piles, Impoundments

It appears refuse pile elevations have not been verified by the Permittee for the 3rd quarter of 2016. The 'Quarterly Inspection Form – Refuse Disposal Areas', dated 9/15/2016, references elevations from a 2015 survey and storage capacity quantities extracted from within the MRP. The Permittee has not properly documented changes in lift elevation and storage capacity quantities that have occurred since re-mining began in the 2nd quarter of 2016. See Photo 1 of the form below.

16.b Roads: Drainage Controls

The diversion along the ancillary road at the mine site is in need on maintenance (Photo 4). The road pad receiving drainage from the ancillary road ditch appears to be eroding as well (Photo 5).

20. Air Quality Permit

The Division of Air Quality has determined a 'Small Source Exemption' applies to the Fossil Rock mine. See Photos 9 – 10.

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21. Bonding and Insurance

The mine holds adequate liability insurance with an effective policy period starting on 02/01/2016 and expiring on 02/01/2017.

ATTACHMENT A – Photos September 28, 2016 site visit

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining
1704 West North Temple, Suite 1210, PO Box 147001, Salt Lake City, UT 84114-7001
Telephone (801) 538-5540 Facsimile (801) 379-3040 TTY (801) 538-7478
www.dnm.utah.gov

UTAH DNR
OIL, GAS & MINING

Quarterly Inspection Form - Refuse Disposal Areas
(please provide to DOGM promptly after inspection is complete)

Permit Number : C015009 Inspection Date : 9/15/16
 Mine Name : Fossil Rock Mine Quarter / Year : 3rd / 2016
 Mine Operator (Permittee) : Fossil Rock Resources, LLC Inspector Name : Vicky Miller
 MSHA ID # : 1211-UT-09-02052-04 Inspector Signature : _____
 Facility Name / Location / Address : Fossil Rock Waste Rock Site

1. Describe any changes in the geometry of the structure (as well as instrumentation, if any, used to monitor changes).
 The final design elevation will be approx. 6,850 ft. Storage Capacity quantities provide by Keenan Storrer of DOGM

2. Lift Height / Thickness Avg. 2' Maximum 2' Location of Active Benches: 6803
 3. Vertical Angle of Outslope(s) Location(s) where measured: 2.57H:1V Scuff slope _____
 4. Total storage capacity: 784,000 cy approx. Remaining storage capacity: 501,760 cy approx. Volume placed during year: 0
 5. Describe foundation preparation (including removal of vegetation, stumps, rocks, and all other organic material).
 Due to new ownership of the existing pile, an assumption has been made that the foundation was prepared according to the approved plan.

6. Describe placement and compaction of fill materials (including an explanation of how compaction is confirmed).
 No material placed this quarter. The surveyed elevation at the center of the active lift was 6,903.31 ft. (2015 Pacific Corp)
 Pile elevation will be resurveyed once remaining of the pile has been completed.

7. Is there any evidence of fires or burning on the structure? (If YES, specify extent, location, and abatement extinguishment of such fires).
 No

8. Describe placement of under drains, protective filter systems, and final surface drainage system (report any seepage, including location, color, flow).
 Not applicable.

9. Describe any appearances of instability, structural weakness, or other hazardous conditions.
 No material placed since transfer of permit.

10. Please provide any other information pertaining to the stability of the structure (attach any photos taken during the inspection).

Are there cracks or scuffs in crest? YES NO NA
 Is there any detectable sloughing or bulging? YES NO NA
 Do slope erosion problems exist? YES NO No change since permit transfer in 2015
 Cracks or scuffs on slope? YES NO No change since permit transfer in 2015
 Surface movement* (valley bottom, hillside) YES NO No change since permit transfer in 2015
 Erosion of face? YES NO No change since permit transfer in 2015
 Water impounded by structure? YES NO
 Any downstream discharges, seeps, or drainage problems? YES NO
 Could failure of structure create an impediment (provide description)? NA

(place P.E. certification below)

This device standards established within the mining and reclamation plan for the disposal facility being met?
 To the best of our knowledge, Pile is in the process of being removed, the outslopes of the pile appear to be stable and pile area will be resurveyed upon completion.

Inspector Certification: NA

I hereby certify that I am experienced in the construction of earth and rock fills. I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with structure. The fill structure has been constructed in accordance with the approved design and meets or exceeds the minimum design requirements under all applicable federal, state, and local regulations, and, that inspection and inspection reports are made in good faith and under no duress and include any appearances of instability, structural weakness or other foundation conditions of the structure, photos, videos.

PROFESSIONAL ENGINEER
 9/20/16
 No. 9073281
 JACOB D. SMITH
 STATE OF UTAH



PHOTO 2
 Subsoil stockpile has been bermed.
 September 28, 2016



PHOTO 3
 Ditch DA at waste rock site appears to be stable.
 September 28, 2016

PHOTO 1
 Quarterly Inspection Form – Refuse Disposal Area
 September 28, 2016

ATTACHMENT A – Photos September 28, 2016 site visit



PANORAMA 1

Coal fines pile seen on left and the working pit on the right.
September 28, 2016



PANORAMA 2

Temporary storage of coal fines piled on top lift. Working pit is on the right.
September 28, 2016

ATTACHMENT A – Photos September 28, 2016 site visit



PHOTO 4

Drainage ditch along ancillary road is beginning to erode.
September 28, 2016



PHOTO 5

Drainage off ancillary road is eroding 'storage area' road bed.
September 28, 2016



PHOTO 6

Southern end of pit with drainage routed through the cut in the berm.
September 28, 2016



PHOTO 7

Waste rock pond impounding water.
September 28, 2016

ATTACHMENT A – Photos September 28, 2016 site visit



PHOTO 8
Mine site pond impounding water.
September 28, 2016

ATTACHMENT A – Photos September 28, 2016 site visit



PHOTO 9
Division of Air Quality exemption
September 28, 2016

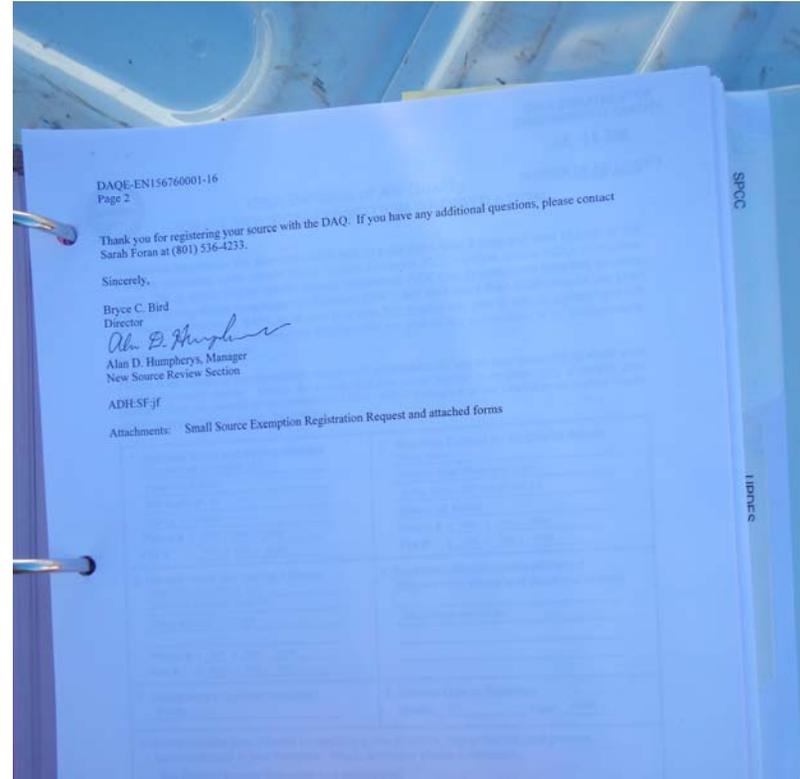


PHOTO 10
Division of Air Quality exemption
September 28, 2016