



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

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: | C0150015 |
| Inspection Type: | CITIZEN COMPLAINT |
| Inspection Date: | Monday, April 22, 2013 |
| Start Date/Time: | 4/22/2013 2:30:00 PM |
| End Date/Time: | 4/22/2013 4:00:00 PM |
| Last Inspection: | Wednesday, April 10, 2013 |

| Representatives Present During the Inspection: | |
|--|-------------------|
| OGM | Steve Christensen |
| OGM | Pete Hess |

Inspector: Steve Christensen,

Weather: Sunny, 5-10 mph winds, 60 degrees F.

InspectionID Report Number: 3469

Accepted by:

Permitee: **CONSOLIDATION COAL CO**

Operator: **CONSOLIDATION COAL CO**

Site: **EMERY DEEP MINE**

Address: **PO BOX 566, SESSER IL 62884**

County: **EMERY**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

| | |
|--------|------------------------|
| 442.50 | Total Permitted |
| 248.50 | 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:

On April 22nd, 2013, Division of Oil, Gas and Mining (the Division) staff members Steve Christensen and Pete Hess accompanied Jon Sundstrom to his property. On October 11th, 2012, Mr. Sundstrom contacted the Division with concerns that surface openings on his land (SE 1/4 Section 15, T 22 S, R 06E) were developing as a result of mining activity at the Emery Deep Mine.

As a result of the concerns raised by Mr. Sundstrom, the Division had conducted field visits two times prior to this field inspection (October 11th, 2012 and again on November 28th, 2012). The purpose of this field inspection was to establish monitoring sites on the Sundstrom property in areas where holes/openings had developed. The monitoring sites will be routinely visited by the Division in an effort to determine what is or isn't happening on the Sundstrom Property.

Inspector's Signature:

Steve Christensen,

Inspector ID Number: 54

Date

Tuesday, May 07, 2013



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 type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Signs and Markers | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Topsoil | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.a Hydrologic Balance: Diversions | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.b Hydrologic Balance: Sediment Ponds and Impoundments | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.c Hydrologic Balance: Other Sediment Control Measures | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.d Hydrologic Balance: Water Monitoring | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.e Hydrologic Balance: Effluent Limitations | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Explosives | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input 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 type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Protection of Fish, Wildlife and Related Environmental Issues | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Slides and Other Damage | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Contemporaneous Reclamation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Backfilling And Grading | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Revegetation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Subsidence Control | <input type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16.b Roads: Drainage Controls | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Other Transportation Facilities | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Support Facilities, Utility Installations | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. AVS Check | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. Air Quality Permit | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. Bonding and Insurance | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 22. Other | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

22. Other

A total of six monitoring sites were established on the Sundstrom property. The monitoring sites were established in areas where depressions have begun to develop on the property. The monitoring sites consist of six metal posts driven into the ground. The posts have been spray painted orange on the top with a brass tag attached identifying each one. The purpose of the six sites is to monitor the depression areas and document if they are enlarging or changing over time. At this point, it's unclear as to what may be causing the depressions. The area of the Sundstrom property where the monitoring sites are established is well outside the angle of draw due to the mining activity conducted by the Emery Deep Mine (See October 16th, 2012 correspondence to Mr. Sundstrom). Although it would appear that subsidence related settling could not have caused the formation of these depressions, it remains unclear as to whether other aspects/considerations of the mining at the Emery Deep facility may be causing the depressions/settling. As such, continued monitoring of the Sundstrom property will continue with the aid of the newly established monitoring sites (labeled Sund One, Sund Two, Sund Three, Sund Four, Sund Five and Sund Six).

The following depressions were documented during the installation of the monitoring sites (See Attached Photos):

Sund One: Depression observed approximately 10" deep and approximately 12" across.

Sund Two: Depression observed approximately 3' wide and 1.5' deep.

Sund Three: 3 depressions were observed at this location.

Sund Four: Several depressions were observed at this location. The depressions were saucer shaped in geometry (i.e. slope down from edges of depression to lowest portion in the center). They were approximately 10-12" deep and approximately 2' diameter.

Sund Five: Two depressions were observed at this location. The first depression was approximately 12" deep and 5" in diameter. The second depression was approximately 4-5' across and approximately 12" deep.

Sund Six: One depression located approximately 15" across by 10-12" deep.



Sund One



Depression at Sund One



Sund Two



Sund Two Depression



Sund Two Depression



Sund Three



Sund Three Depression



Sund Three Depression



Sund Three



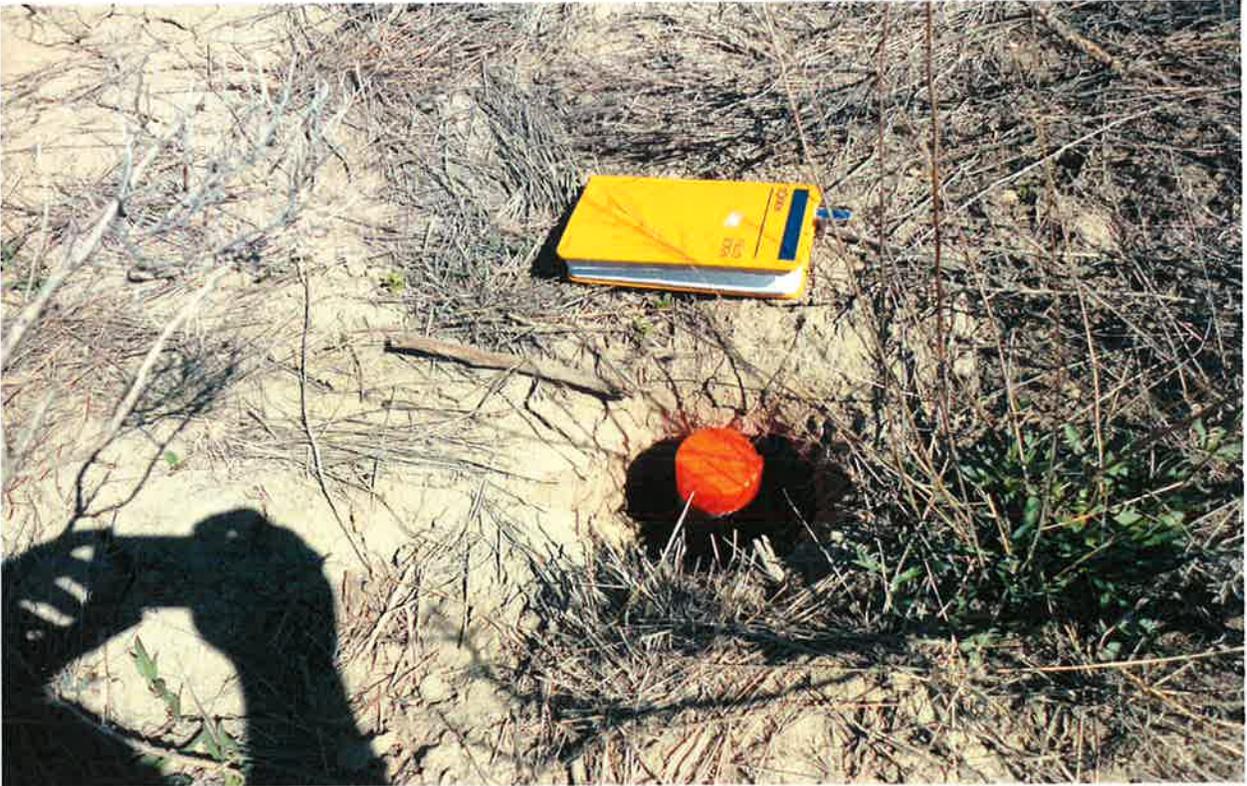
Sund Four



Sund Four Depression



Sund Five



Sund Five Depression



Sund Five Depression



Sund Six



Sund Six Depression



Sund Six Depression



Sund Six Depression