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:	TECHNICAL
Inspection Date:	Tuesday, May 03, 2016
Start Date/Time:	5/3/2016 10:30:00 AM
End Date/Time:	5/3/2016 2:00:00 PM
Last Inspection:	Thursday, April 21, 2016

Representatives Present During the Inspection:	
OGM	Priscilla Burton
OGM	Steve Christensen
Company	Kit Pappas

Inspector: Priscilla Burton,
Weather: sun 70F
InspectionID Report Number: 5523
Accepted by: JHELFRIC
5/23/2016

Permitee: **BRONCO UTAH OPERATIONS, LLC**
Operator: **BRONCO UTAH OPERATIONS, LLC**
Site: **EMERY DEEP MINE**
Address: **PO BOX 527, EMERY UT 84522**
County: **EMERY**
Permit Type: **PERMANENT COAL PROGRAM**
Permit Status: **INACTIVE**

Current Acreages

442.50	**Total Permitted**
248.50	**Total Disturbed**
	Phase I
	Phase II
	Phase III

Mineral Ownership

- [x] **Federal**
- [ ] **State**
- [ ] **County**
- [x] **Fee**
- [ ] **Other**

Types of Operations

- [x] **Underground**
- [ ] **Surface**
- [ ] **Loadout**
- [ ] **Processing**
- [ ] **Reprocessing**

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

Kit Pappas and Priscilla Burton visited each contemporaneous reclamation area described in MRP Chap III, Page 4a, to observe vegetation. Bronco Utah Operations, LLC representatives (Dan Baker, Gary Takenaka, Patrick Guild) and Savage Services representative Garth Nielson gave a presentation on proposed portal development to the south and plans for enlarging the existing substation. All present toured the area where a new coal stockpile, radial stacker, reclaim tunnel, crusher, and loadout facilities are proposed.

Inspector's Signature: Priscilla Burton
Digitally signed by Priscilla Burton
DN: cn=Priscilla Burton, o, ou, email=priscillaburton@utah.gov, c=US
Date: 2016.06.01 12:26:33 -06'00'

Date Wednesday, May 11, 2016

Priscilla Burton,
Inspector ID Number: 37

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

UTAH DNR OIL, GAS & MINING

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 performace 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	☑	☐	☑	☐
2. Signs and Markers	☐	☐	☐	☐
3. Topsoil	☐	☐	☐	☐
4.a Hydrologic Balance: Diversions	☐	☐	☐	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☐	☐	☐	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☐	☐	☐	☐
4.d Hydrologic Balance: Water Monitoring	☐	☐	☐	☐
4.e Hydrologic Balance: Effluent Limitations	☐	☐	☐	☐
5. Explosives	☐	☐	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☐	☐	☐	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☐	☐	☐	☐
8. Noncoal Waste	☐	☐	☐	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☐	☐	☐	☐
10. Slides and Other Damage	☐	☐	☐	☐
11. Contemporaneous Reclamation	☑	☐	☑	☐
12. Backfilling And Grading	☐	☐	☐	☐
13. Revegetation	☐	☐	☐	☐
14. Subsidence Control	☐	☐	☐	☐
15. Cessation of Operations	☐	☐	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☐	☐	☐	☐
16.b Roads: Drainage Controls	☐	☐	☐	☐
17. Other Transportation Facilities	☐	☐	☐	☐
18. Support Facilities, Utility Installations	☑	☐	☑	☐
19. AVS Check	☐	☐	☐	☐
20. Air Quality Permit	☐	☐	☐	☐
21. Bonding and Insurance	☐	☐	☐	☐
22. Other	☑	☐	☑	☐

1. Permits, Change, Transfer, Renewal, Sale

Amendment to the bonding calculations for additional concrete pads at the substation location, received 5/4/2016 assigned Task #5179, was conditionally approved 5/9/2016. See attached photos.

11. Contemporaneous Reclamation

Three sites were contemporaneously reclaimed in December 2014 and seeded in January 2015. Conditions were ideal with a light rain/snow falling after seeding. The sites are the reverse osmosis pond on the east side of the road (soil sample site 35); the pond 6 subsoil and topsoil stockpiles (soil sample site 21); and the pond 1 long subsoil pile (soil sample site 14). Soil chemistry of each site is reported in Chap III, App III-1. Photographs were taken of each site. Desireable vegetation was not observed at the osmosis pond or pond #1 subsoil But at the pond #6 subsoil and topsoil pile, many sagebrush, saltbush, and winterfat seedlings had emerged. One greasewood (not in the seed mix) was sizeable on the regraded subsoil stockpile. Grasses were also noted at pond #6 and Pond #1 locations, but were not identified. See attached photos of each site.

18. Support Facilities, Utility Installations

The existing substation provides power for the existing facilities. An expansion is proposed to support the new portals and facilities. The substation area was observed and photographed. Expansion plans were discussed.

22. Other

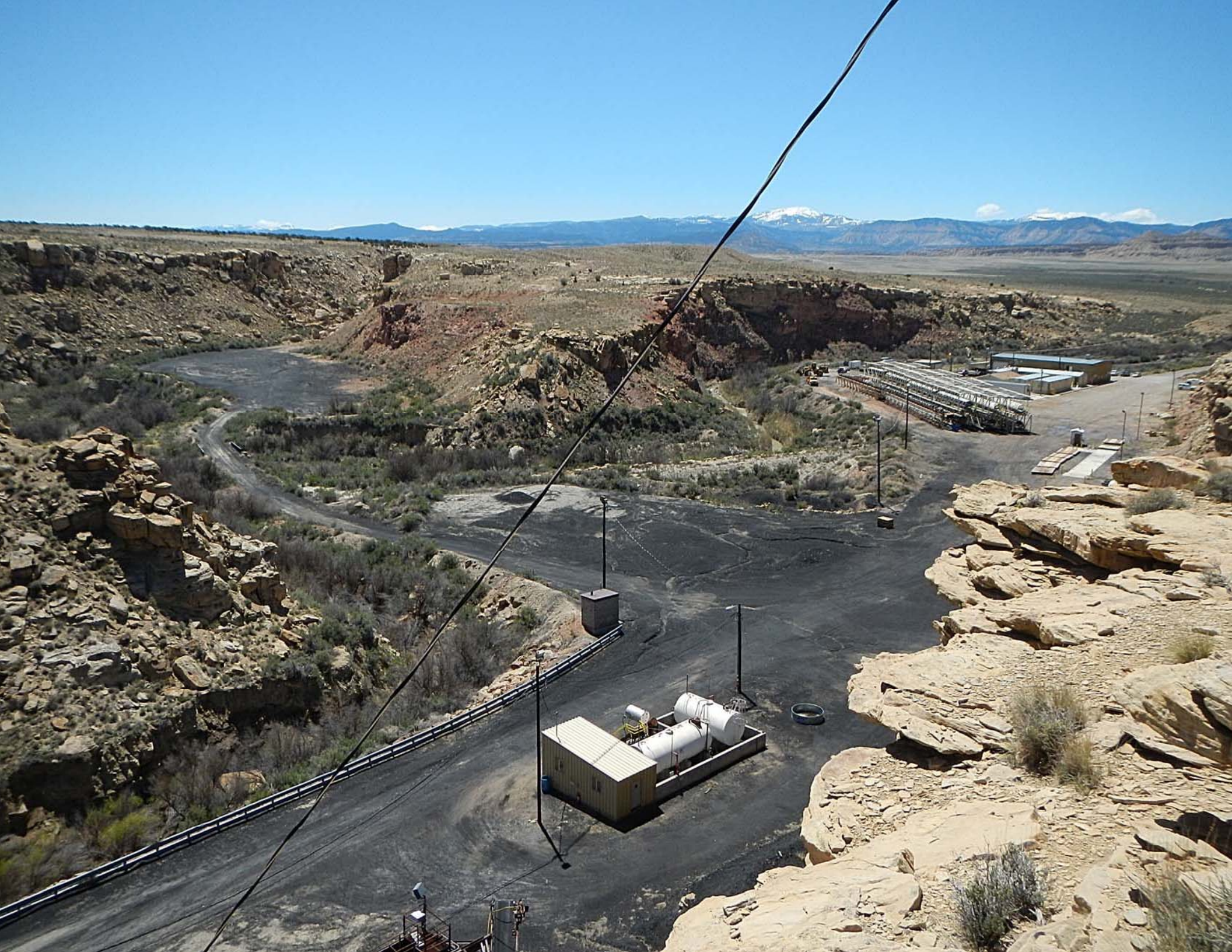
The Permittee is currently in the process of developing a new mine plan. The final design of what's being called 'Emery #2' is close to being finalized with the first amendment to be submitted to the Division in coming weeks.

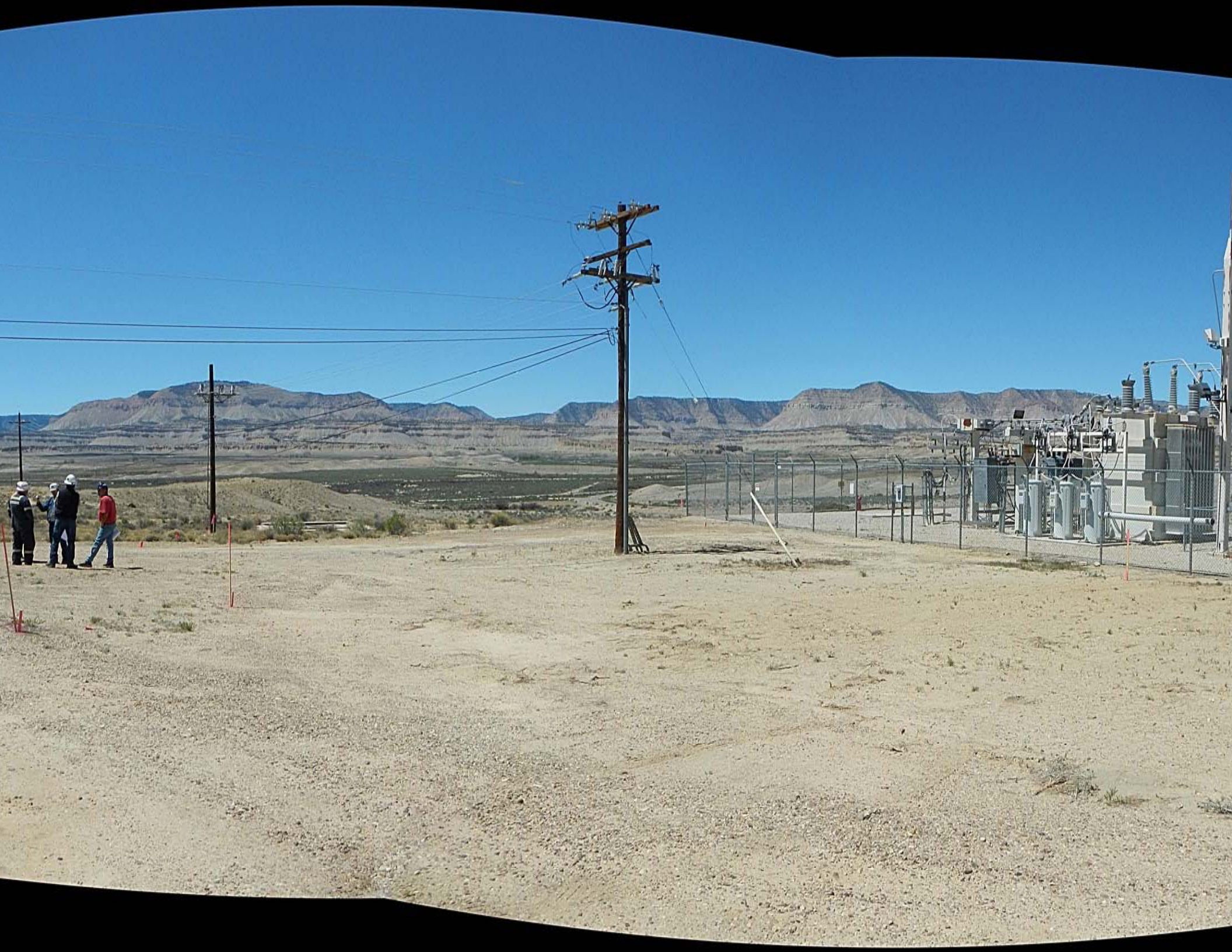
Emery #2 will access the coal seam with the construction of a box-cut that is very similar to the existing 4th East Portal. The box-cut is located in the ephemeral drainage located approximately 1,000' south of the current Emery Deep Mine equipment storage area (aka 'bone-yard'). Once the extracted coal is brought to the surface via the box-cut, it will be conveyed to radial stacker via an above ground conveyor system. The stock-piled coal will then be transported to the truck-load out via another conveyor system.

Based on discussion with Emery Deep personnel, the permitting and construction of the Emery #2 facility will take place in two phases, Phase 1 and Phase 2 respectively. Phase 1 will consist of the construction of: the truck load-out, the crusher/screener structure, the radial stacker and the conveyor system segments between each. Phase 1 construction will take place on areas that have already been disturbed by the Permittee. A possible exception to that is a proposed access road that will be constructed from the radial stacker up to the top of the overlying canyon. The road will be utilized to access the fan system that will be constructed. The Permittee is anticipating a submission of the Phase 1 construction in coming weeks.

Phase 2 of the Emery #2 development will involve the construction of: the box-cut, additional conveyor, the fan facility atop the mine and the access road to it. The submission of the Phase 2 MRP amendment will occur shortly after the approval of Phase 1.

The location of the proposed new portals and coal stockpile and conveyor were observed and photographed. Predominant plants in the undisturbed area were shadscale (Atriplex confertifolia) and desert pepperweed (Lepidium fremontii). See attached photos.





ATTACHMENT A – Photos

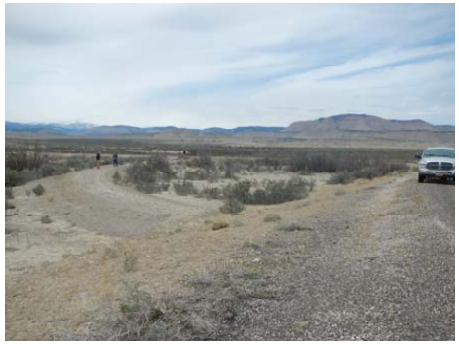


PHOTO 1
Soil site 21 Reverse Osmosis pond 4
April 16, 2014

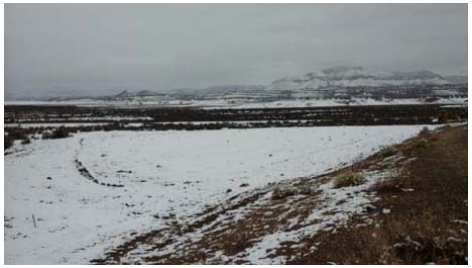


PHOTO 2
Reverse osmosis pond 4 mulched, disced and seeded.
January 12, 2015

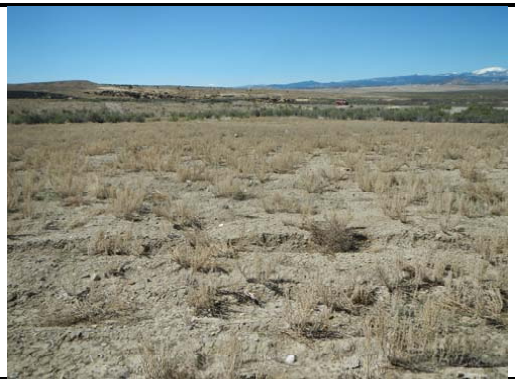


PHOTO 3
Reverse Osmosis pond 4. May 3, 2016.

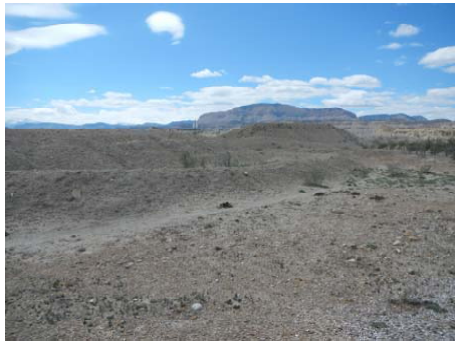


PHOTO 4
Soil sites 3 to 5 pond 6 subsoil stockpiles.
April 16, 2014.

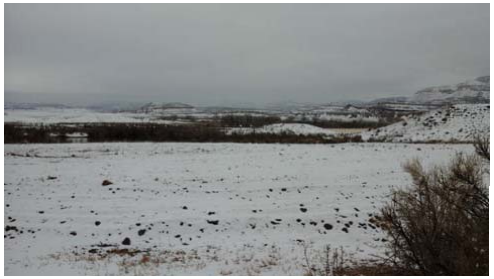


PHOTO 5
Mulched, disced, seeded and fenced topsoil/subsoil at Pond #6.
January 12, 2015.

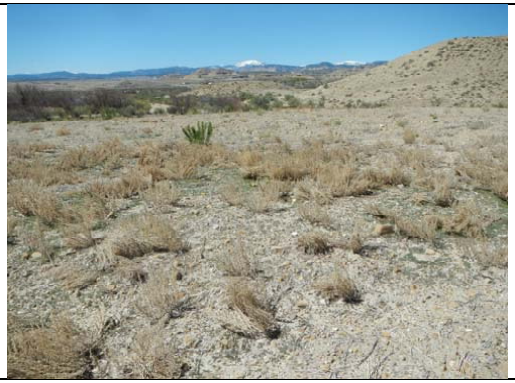


PHOTO 6
Pond 6 topsoil/subsoil stockpile
May 3, 2016

TTACHMENT A – Photos continued

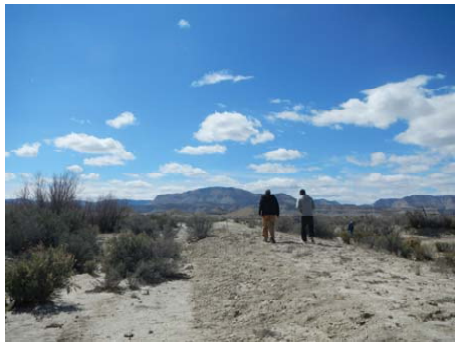


PHOTO 7
Soil site 14 pond 1 subsoil.
April 16, 2014.

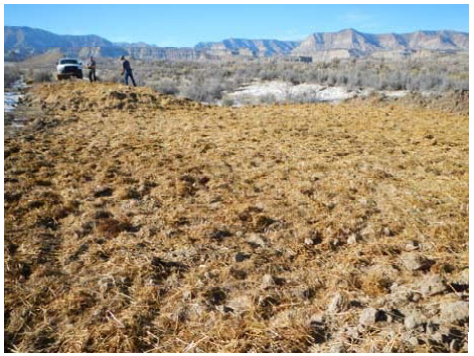


PHOTO 8
Soil site 14 Pond 1 subsoil after grading, mulching and seeding.
January 8, 2015.

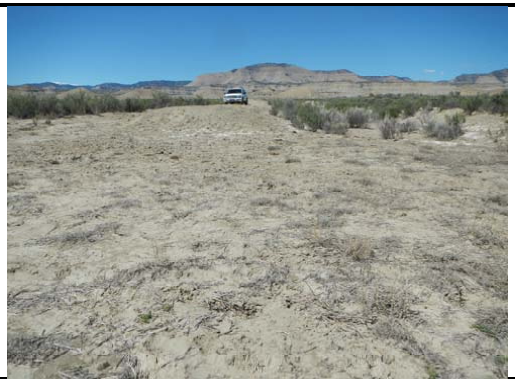


PHOTO 9
Pond 1 subsoil berm.
May 3, 2016