

INSPECTION REPORT

(Continuation sheet)

Page 2 of 3

PERMIT NUMBER: ACT/015/025

DATE OF INSPECTION: 10/25/99

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permit for ACT/015/025 was renewed August 25, 1997, effective November 2, 1995, and will expire November 2, 2000.

4. HYDROLOGIC BALANCE

b. SEDIMENT PONDS AND IMPOUNDMENTS

Third quarter impoundment inspections for the site's three ponds were conducted by Mr. Miles Stephen on 9/27/99. The inspection reports did not indicate any signs of instability or any other hazardous conditions.

Each sediment pond was visually inspected. Sediment ponds B and C were dry. Sediment Pond A has an accumulation of sediment with standing water principally in the south end. There was no visual evidence of any problems. Mr. Charles Reynolds indicated that Pond A will be cleaned out in the spring when the dried sediment can be placed on the coal pad.

c. OTHER SEDIMENT CONTROL MEASURES

Road-side ditches were inspected with no problems observed. The immediate area at the inlet for Culvert C1U needs to be cleaned out. Silt fences were examined and appeared to be in good condition. In some cases, evidence was observed for drainage around the edges of several fences. All culvert inlets were un-obstructed.

d. WATER MONITORING

Third quarter water monitoring sheets were visually observed for July sampling. No problems were observed in the data, except for some minor discrepancies between field measured conductivity and laboratory measured conductivity. In some cases, the field conductivity correlated well with cation and anion balance, and in others, the lab conductivity correlated well.

The third quarter report still needs to be compiled for July, August and September.

9. PROTECTION OF FISH, WILDLIFE AND OTHER RELATED VALUES

The Spill Prevention Control and Counter Measure plan (SPCC) was last updated in August 1997. The SPCC contains information for storing diesel, unleaded gas, stoker oil, and anti-freeze on site. Containment is adequate for the small upper diesel storage tank and for the anti-freeze tank. However, only partial containment for small spills is provided for the main diesel and unleaded gas storage tanks, and for the stoker oil tank. Larger spills are directed towards sediment pond A. No PCBs are stored on site. All tanks are periodically checked. The main emergency contact persons are Charles Reynolds, Environmental Coordinator, and Wendall Owen, President Agent, with alternate contacts Bill Stoddard, President, and Kevin Peterson, Surface Foreman.

INSPECTION REPORT

(Continuation sheet)

Page 3 of 3

PERMIT NUMBER: ACT/015/025

DATE OF INSPECTION: 10/25/99

14. SUBSIDENCE CONTROL

The subsidence survey was conducted on October 8, 1999. However, the final report will be prepared sometime in November.

21. BONDING & INSURANCE

The liability insurance was renewed on 1/1/99 and will expire on 1/1/2000. Liability insurance is produced by Zions Insurance Company through Federal Insurance Company, policy number 37107468ERG.

The bond is held by Bank One for \$899,000.00 and was last revised on February 26, 1999. The original Irrevocable Standby Letter of Credit #1055, in the amount of \$290,000 was dated July 12, 1990, thru Capital City Bank; Capital City Bank was bought out by Bank One. The expiration date for the line of credit is October 29, 1999, however, credit is automatically extended for periods of one year from any scheduled expiration date unless 90 days to such date the bank will notify the Division in writing by certified mail, return receipt requested, that credit will not be renewed. Upon renewal, Co-Op will provide verification of the bond renewal to the Division.

Copy of this Report:

Mailed to: OSM, Charles Reynolds (Co-Op Mining Company)

Given to: Daron Haddock (DOGM)

Inspector's Signature: 

#45

Date: 10-26-99

H:\WPFILES\COAL\015025.BCM\INSP102599.COM.wpd