

April 28, 2003

TO: Internal File

THRU: Daron R. Haddock, Permit Supervisor

FROM: Joseph C. Helfrich, Biologist, Team Lead

RE: Technical Field Visit, Midterm Review, Co-op Mining Company, Bear Canyon, C/015/025-MT03

Other Attendees:

Co-op Mining Company:
Mark Reynolds
Charles Reynolds

Division of Oil, Gas, and Mining:
Daron Haddock
Joe Helfrich
Wayne Western
Pete Hess
Jim Smith

Date & Time: Wednesday, April 16, 2003; 10:00 AM to 2:00 PM

PURPOSE:

On March 19, 2003 by way of correspondence, the Division notified Co-op Mining Company of its intent to conduct a Midterm review of the Bear Canyon mine. Part of the review included a technical site visit in conjunction with the assigned compliance inspector to document the status and effectiveness of operational, reclamation, and contemporaneous reclamation practices. This memo will reflect the results of the site visit conducted on April 16, 2003.

TECHNICAL FIELD VISIT

OBSERVATIONS:

The following topics were discussed and field evaluated with Mark Reynolds and Charles Reynolds.

1. **An AVS check to ensure that Ownership and Control information is current and correct.** Mark Reynolds stated that he would send the Division correspondence from the Department of commerce that would reflect no change to the current corporate structure of Co-op Mining Company.
2. **A review of the plan to ensure that the requirements of all permit conditions, division orders, notice of violation abatement plans, and permittee initiated plan changes are appropriately incorporated into the plan document.** There are three permit conditions associated with the Bear Canyon Mine permit; the first is that Federal mine plan approval is required prior to the initiation of coal extraction activities in leases designated as U-038727 and U-0020668. Federal mine plan approval was received from the Department of Interior, Office of Surface Mining, on February 2, 2002.

The second permit condition is that the permittee must submit water-monitoring information to the Division's electronic database. This has been, and continues to be, accomplished on a quarterly basis.

The third permit condition is that the pumping of mine water to the old mine workings north of Big Bear and Birch Spring will be controlled and monitored as stipulated by the Division with revision of that procedure only as directed by the Division and with the prior approval of the Division. According to Mr. Reynolds, the permittee drilled an in-mine borehole between the Blind Canyon and the Hiawatha seams in July of 2002 to drain that water into the lower seam such that it could be used. Thus, the requirement that the permittee must control and monitor that volume is no longer necessary and the permit condition has been satisfied.

There is one notice of violation pending # N03-40-1-1 related to the monitoring of wells SDH-2, SDH-3, MW114, and MW117. There are no abatement plans required by the notice other than to monitor in accordance with the approved MRP by no later than May 12, 2003.

3. **A review of the applicable portions of the permit to ensure that the plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.** Mark and Charles and the team members toured the Bear Canyon and Wild Horse Ridge operations. BTCA for these areas included sediment ponds, catch basins, erosion control matting, silt fences, vegetation, berms and ditches. The sediment pond for the number three portal was under construction at the time of the site visit. There was some subsoil temporarily stockpiled at the first switchback to the number one and two portals. After the site visit, some of the material was pulled back from the outslope and a berm was constructed around the base. Overall, the BTCA in the plan appears to be in concert with the on site sediment controls. The Tank seam portal has been reclaimed and the remaining portion of the road down to the number two portal will be reclaimed after the development of the number four portal.
4. **A review of the bond to ensure that it is in order and that the cost estimate is accurate and is escalated to the appropriate year dollars.** Mark and Charles were informed that the bond for the Bear Canyon mine would be reviewed and adjusted to meet 2003 figures.
5. **A technical site visit in conjunction with the assigned compliance inspector documenting the status and effectiveness of operational, reclamation, and contemporaneous reclamation practices was completed on April 16, 2003.** No additional information was provided by the permittee for consideration in the mid term review. The results of the visit are referenced in the above four items.

RECOMMENDATIONS/CONCLUSIONS:

The Bear Canyon Midterm review team will proceed with the Midterm review for the Bear Canyon mine.