

INSPECTION REPORT

Partial Complete Exploration
 Inspection Date: 06/19/2003 / Time: 9:05 AM-2 PM
 Date of Last Inspection: 05/14/2003

Mine Name: Bear Canyon Mine County: Emery Permit Number: C/015/025
 Permittee and/or Operator's Name: Co-Op Mining Company
 Business Address: P.O. Box 1245, Huntington, Utah 84528
 Company Official(s): Mr. Mark Reynolds, Engineer
 State Official(s): Peter Hess Federal Official(s): None
 Weather Conditions: Clear, sunny/ Temperature from 70's to 80's Fahrenheit
 Type of Mining Activity: Underground Surface Prep Plant Other
 Existing Acreage: Permitted 3336.18 Disturbed 37.17 Regraded Seeded
 Status: Active XXX

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 N/A.
 - b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing 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, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
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 type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 (4 th Quarter- April, May, June)	<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 & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/015/025

DATE OF INSPECTION: 06/19/2003

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permittee recently submitted a permit amendment (C/015/025-AM03C) to relocate the dynamite and detonator storage magazines from the #1 Mine material storage pad to the #3 Mine access road. This is required under R645-301-521.167. That review is underway within the Division.

4A. HYDROLOGIC BALANCE: DIVERSIONS

As noted under **Backfilling and Grading**, the permittee is in the process of removing the three under road undisturbed bypass culverts designated as C18-U, C19-U and C20-U as part of the reclamation of the Tank seam access road, (#2 Mine access). All other diversions that were inspected appeared to be capable of functioning as designed.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The permittee completed the first quarter 2003 impoundment inspections on March 28, 2003. Mr. Mark Reynolds, Engineer, is the permittee's qualified individual who conducted the inspections. The following items were noted relative to each of the three ponds inspected:

- 1) Sediment pond "A" was noted as having 0.2 feet of sediment storage capacity remaining before reaching the sixty percent cleanout elevation, based upon the March 28 inspection report.. There were no unstable or hazardous conditions noted relative to pond "A". The inspection report noted that the pond cleaning would be initiated in April, which was mentioned to Mr. Reynolds during the review of the permittees records.
- 2) Sediment pond "B" was noted as having 0.4 feet of sediment storage capacity remaining based on the March 28, 2003 1st quarter impoundment inspection. The cleaning of the pond had been initiated at least one year prior, but the work had never been completed. This has been noted in several previous inspection reports.
- 3) Pond "C", which is located south of the bath house / engineering offices, had 1.3 feet of sediment storage capacity remaining, based on the March 28 inspection report. There were no hazardous or unstable conditions reported relative to pond "C".

The permittee initiated the cleaning of sediment impoundment "A" during the course of today's inspection. Mr. Reynolds informed the Division on Monday, June 23, 2003 that the cleaning had been completed approximately 25% when precipitation received over the weekend made the contained material too wet to handle. The permittee was instructed to document the amount of cleanout that had been performed with photographs, as well as a letter to the Division.

The permittee also notified the Division that sediment pond "B" had the cleaning of that impoundment completed on Sunday, June 22. Mr. Mark Reynolds was instructed that the pond would require recertification by a professional engineer in order to meet the requirements of R645-301-514.312.

The permittee had completed the installation of the emergency spillway for sediment pond "D" located at the #3 Mine portal area prior to today's inspection. "As-built" drawings for that structure remain to be submitted.

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/015/025

DATE OF INSPECTION: 06/19/2003

As observed this day, the permittee has installed a three-inch plastic line from the #3 Mine underground workings to discharge into pond "D". To date, pond "D" has been permitted as a sediment containment pond only; as such it has not been permitted for the treatment of mine water. There was no mine water observed reporting to the sediment containment during today's inspection. Mr. Charles Reynolds was instructed to permit the containment for the treatment of mine water if that was the permittee's intent. Otherwise, a potential compliance situation could occur. The permittee has also discussed this issue with the Division's assigned reclamation hydrologist. The permittee needs to show, as part of the permitting process, that the "As-built" containment volume for pond "D" is sufficient to treat the runoff volume from the design storm, plus the amount of mine water volume that the permittee would allow to enter the impoundment. The permittee must indicate what measures will be taken to monitor the maximum amount of mine water to be treated by the impoundment such that the treatment volume for the ten year 24 hour event will be ensured at all times.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

All of the silt fences and straw bale dikes which were observed this day appeared to be capable of functioning as designed.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The permittee's discharge monitoring reports for the months of January through April 2003 were reviewed. Two items were noted relative to the completion of these reports:

- 1) Many of the copies of the reports which are retained by the permittee are illegible, as the four copy forms are not receiving enough hand pressure to record the entered values through to the bottom copy, and;
- 2) Numerous forms were completed and signed by the permittee's authorized representative anywhere from three to six days **before the end of the monitoring period**, (i.e., a DMR for the month of March was dated and signed by the authorized representative on March 28th. The monitoring period is from March 1 until March 31). Many of the monitoring periods were reported as having no outfall before the end of the monitoring period. This was discussed with Mr. Charles Reynolds, who is the permittee's authorized representative. If an outfall occurred from a specific discharge point before the end of the month and the DMR was reported as having no discharge, a falsified report could be considered reason to prosecute the authorized representative.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

The permittee reported a level of 2.42 mg/l for total iron for January for 2003 from UPDES point 004A. This is the Bear Canyon Mine water discharge. This exceeded the maximum allowable limit by 1.42 mg/l.

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/015/025

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5. EXPLOSIVES

The permittee's surface blasting reports were reviewed; the most recent shots occurred in November of 2002.

As noted above, the permittee has relocated the dynamite and detonator storage magazines from the #1 Mine storage area to the #3 Mine access road. The revision/update of MSHA rules for magazine locations may require moving these facilities again in the near future.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The permittee submitted a reformatted version of the Bear Canyon mining and reclamation plan in January of 2003. A review of the Chapter 5 section relative to coal mine waste has raised some concerns with this reviewer as there are aspects which were previously practiced with the #1 and #2 Mine product which are not mentioned relative to #3 or #4 Mine product. Specifically, coal waste which was processed from the #1 and #2 Mine was crushed and returned to the underground mine workings as road base material for the filling of low or soft areas. This process was approved by both the Division and MSHA. There is no mention of this process relative to the #3 Mine. Therefore, the permittee may want to revise that section of the reformatted Mine plan, as same currently states that all coal mine waste will be disposed of within the Hiawatha Mine permit area.

9. PROTECTION OF FISH, WILDLIFE, AND RELATED ENVIRONMENTAL VALUES

The spill prevention control and countermeasure plan for the Bear Canyon site was last certified by Mr. Charles Reynolds in August of 2000. SPCC plans must be re-certified every three years according to 40 CFR112.5, paragraph (b).

12. BACKFILLING AND GRADING

The permittee is making progress relative to the reclamation of the Tank seam (#2 Mine) access road. Backfilling has progressed to the location where the three under road culverts designated as C18-U, C19-U, and C20-U are located. To date, C19-U and C20-U have been removed, and the back filling to return the slope to approximate original contour is progressing.

14. SUBSIDENCE CONTROL

The permittee's 2002 annual subsidence report was submitted with the annual report on April 17, 2003. C.W. Mining has monitored twenty-one points for mining induced deflection over the #1 and #2 Mines for several years. The largest amount of sag or heave reported during 2002 was -0.97 feet at SMS-2 and +0.59 feet of heave reported at SMS-15. Nineteen new monitoring points have been installed adjacent to the #1 and #2 Mines to monitor settling (500-519). The permittee has also installed points 520 to 545 to monitor subsidence in the Wild Horse Ridge area. To date, only development mining is occurring in the #3 Mine; the #4 Mine access is under development. Plate 3-3 has been included as part of the report and it shows the location of the monitoring points. Both Plate 3-3 and the deflection information are P.E. certified by Mr. Charles Reynolds.

INSPECTION REPORT
(Continuation Sheet)

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16A. ROADS: CONSTRUCTION/MAINTENANCE/SURFACING

The construction of the #4 Mine access road continues, although no activity was occurring in this area today. According to Mr. Reynolds, the permittee has discovered extensive coal burn in the Tank seam of Wild Horse Ridge. The revision of mine plans to extract this seam is under evaluation.

20. AIR QUALITY PERMIT

High velocity canyon winds were dispersing coal fines from the coal storage pad area, particularly where the coal was exiting the stacking tube doors. The permittee should evaluate increasing the moisture content of the coal being stored in order to reduce the amount of blown fines. This can be done without effecting quality, and should be a requirement of the air quality approval order.

21. BONDING AND INSURANCE

The current general liability insurance remains in effect until January 1, 2004. A general aggregate coverage of \$2,000,000 is provided; each occurrence has a coverage limit of \$1,000,000. Damage incurred from the use of explosives within the permit area is provided.

The Lyndon Property Insurance Company provides the surety in the amount of 1.825 million dollars for the reclamation of the Bear Canyon site.

Inspector's Signature: _____ Date: June 23, 2003
Peter Hess #46

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

cc: James Fulton, OSM
Wendell Owen, Co-Op Mining, via email
Price Field office

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