

INSPECTION REPORT

Partial Complete Exploration
 Inspection Date: 09/30/2003 / Time: 8:30 AM- 1 PM
 Date of Last Inspection: 08/28/2003

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. Charles Reynolds, P.E., Engineering Manager
 State Official(s): Peter Hess Federal Official(s): None
 Weather Conditions: Clear, sunny; Temperature range from 50's to 80's Fahrenheit
 Type of Mining Activity: Underground XXX 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 checked="" type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 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 type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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"/>

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(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

Note: The permittee has developed the #4 Mine access road up to the portal development site. A safety bench has already been established above the thick sandstone member which will serve as the primary mine roof during the development of the Tank seam, (Wild Horse Ridge area). According to Mr. Reynolds, it will be necessary to develop two rock tunnels down gradient for approximately three hundred feet through the coal burn to access the reserves. The permittee is not certain at this time if explosives or machinery will be used to develop the tunnels.

At the present, the permittee is experiencing some labor relations problems. Approximately sixty-six employees have walked off their jobs at the Mine. Several have filed charges against Co-Op Mining Company with the National Labor Relations Board. According to the *Sun Advocate*, the United Mine Workers of America, District 22 is involved with the representation of the miners. The permittee is hopeful that the labor problems will be quickly resolved. At the present time, the permittee is operating one continuous miner development section.

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permittee has several amendments to the current mine plan under Division review. These include the following:

- 1) A reformatted mining and reclamation plan for the Bear Canyon Mines, which correlates with the R645 coal rules.
- 2) An amendment to address the abandonment in the #1 Mine of a DC coal hauler, an electrical distribution box, and a shop car. These items were buried by a roof cave during the pillaring of the lower seam in the #1 mine.
- 3) The permittee has found it necessary to abandon a continuous mining machine in the Blind Canyon seam of the #1 mine. According to Mr. Reynolds, plans were in progress to extract the machine when a roof cave blocked the access. Co-Op employees were able to cannibalize the machine, removing the electric motors and gear cases containing the lubricants associated with this type of machine.

2. SIGNS AND MARKERS

Several signs were observed to be dilapidated, either needing new attachment methods or new standards. Mr. Reynolds made note of these.

3. TOPSOIL

The topsoil storage pile, which has been recently constructed in the #4 Mine (Tank seam) portal area, has been completed relative to its storage volume. It was noted that the pile did not have a topsoil storage sign installed on it. The sediment control for the pile is a containment berm. Additional track hoe work is needed to complete the development of the pad area. It was suggested that the soil pile be pocked and seeded before removing the hoe from the area. Mr. Reynolds agreed to install a sign, and pock and seed the pile during the 2003 fall window.

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4A. HYDROLOGIC BALANCE: DIVERSIONS

All of the diversions that were inspected appeared to be capable of functioning as designed.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The permittee conducted the second quarter impoundment inspections for the site's four sediment ponds and three catch basins on June 24th. Mr. Mark Reynolds, who is a graduate civil engineer, is the permittee's qualified person conducting the inspections. There were no signs of instability or other hazards noted by Mr. Reynolds during those inspections.

The permittee conducted the third quarter 2003 impoundment inspections for the sediment ponds and catch basins on September 21st. Ponds "A" and "B" were cleaned during the second quarter. Ponds "C" and "D" did not contain water, as observed this day. It was noted that the permittee had completed the grouting of the inlet ditch to pond "D". The third quarter impoundment inspections were P.E. certified by Mr. Charles Reynolds, and will be submitted as proper documentation of the inspections serving to verify that the ponds are being maintained according to the design approved in the mining and reclamation plan, (R645-301-514.312).

There were no problems noted with any of the ponds during today's field inspection.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

The permittee is installing erosion control matting on the road safety berms that have been constructed along the #4 Mine access road.

The silt fence which is located at the toe of the switchback located just below the #4 Mine portal pad has been damaged by rocks rolling down the slope. Mr. Reynolds agreed to repair the fence.

It was noted that with the development of the #4 Mine surface facilities, an update to the alternate sediment control areas in the Bear Canyon Mine plan is necessary. ASCA's are described in Chapter 7, Appendix "K" of the Mine plan.

4D. HYDROLOGIC BALANCE: WATER MONITORING

Discharge monitoring reports for the site's permitted UPDES outfalls for the months of May, June, July, and August were reviewed. None of the four sediment ponds discharged during that period. UPDES point 004A, which is the mine water discharge point for the #1 Mine as well as the #3 Mine discharged in May and July. No effluent parameters were exceeded during either month.

All reports are completed and submitted to the respective government agencies in a timely manner; Mr. Charles Reynolds is the signatory authority for the permittee.

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5. EXPLOSIVES

There has not been any surface blasting conducted at the site recently. All blasting records are retained for the minimum three-year period, as required by R645-301-524.700.

8. NONCOAL WASTE

The maintenance shop area and the #3 portal area had numerous pieces of trash (rags, Styrofoam cups, soda cans, oil containers, etc.) laying about each respective area. Mr. Reynolds picked up many of the items during the course of the inspection. However, although the permittee is operating with a shortage of personnel, the proper disposal of trash is a compliance item that must be continuously addressed. Mr. Reynolds agreed to address this issue with the workforce.

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

The spill prevention control and countermeasure plan for the Bear Canyon site was last certified in August of 2000. Mr. Reynolds was asked to re-certify that plan, as required under 40 CFR 112.5, (b).

14. SUBSIDENCE CONTROL

The permittee has contracted Olympus Aerial Surveys to conduct the 2003 aerial subsidence flyover. Olympus personnel were on site this day establishing the aerial ground control points at the Bear Canyon site.

15. CESSATION OF OPERATIONS

As noted in previous reports, all coal extraction activities ceased in the #1 Mine on or about July 29th. Most of the mining related apparatus has been pulled out of both the Hiawatha and Blind Canyon seams. Some belt structure remains in the Hiawatha seam. At the present, the permittee is building a pipeline that will provide water from the Hiawatha seam. The intent of the installation is to make it crush proof, should caves occur along the line. Mr. Reynolds indicated that the #3 Mine is not making sufficient ground water to provide for the underground dust suppression and cooling needs of the machinery.

The sealing of the #1 Mine is on the permittee's "to do" list.

20. AIR QUALITY PERMIT

The permittee has installed a second coal stacking tube at the tipple coal storage pad. Mr. Reynolds indicated that the devices have drastically reduced fines dispersal in the Canyon. It was suggested that the permittee submit an amendment to the Mine plan to include photographs of the new structures in order to meet the requirements of R645-301-526.112.

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It was noted that the permittee had recently made an application of water on the #3 and #4 Mine access roads. Mr. Reynolds is hopeful that road base material will be put down prior to winter moisture conditions.

The pad area about the maintenance shop was in need of being wet down. Mr. Reynolds agreed to start having the maintenance people do this, as necessary, assuming temperatures remain above freezing.

21. BONDING AND INSURANCE

The current general liability insurance remains in effect until January 1, 2004. Coverage for damages incurred from the use of explosives is provided. A general aggregate amount of \$2,000,000 is provided. Each occurrence has a coverage amount of \$1,000,000.

Inspector's Signature: _____ Date: October 2, 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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