



The State of Utah
 Department of
 Natural Resources

Division of
 Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

| Representatives Present During the Inspection: | |
|--|---------------------------------------|
| Company | Mark Reynolds Resident Agent |
| OGM | Pete Hess Environmental Scientist III |

Inspection Report

| | |
|------------------|-----------------------------|
| Permit Number: | C0150025 |
| Inspection Type: | PARTIAL |
| Inspection Date: | Wednesday, January 12, 2005 |
| Start Date/Time: | 1/12/2005 12:55:00 PM |
| End Date/Time: | 1/12/2005 2:15:00 PM |
| Last Inspection: | Thursday, December 02, 2004 |

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny; cold, 30's F.

InspectionID Report Number: 507

Accepted by: whedberg
 1/24/2005

Permittee: **CO-OP MINING CO**
 Operator: **CO-OP MINING CO**
 Site: **BEAR CANYON MINE**
 Address: **PO BOX 1245, HUNTINGTON UT 84528**
 County: **EMERY**
 Permit Type: **PERMANENT COAL PROGRAM**
 Permit Status: **ACTIVE**

Current Acreages

| | |
|----------|------------------------|
| 3,336.18 | Total Permitted |
| 36.64 | Total Disturbed |
| | Phase I |
| | Phase II |
| | Phase III |

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

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

There are no compliance actions currently pending for the Bear Canyon permit area.

The permittee submitted the third quarter of 2004 surface and ground water monitoring information for the Bear Canyon permit area on January 4, 2005 to the Division EDI pipeline. This submittal was determined to include all monitoring sites, with all required parameters. A submittal made on 1/3/2005 was determined by the Division to be incomplete. The permittee responded on 1/4 with the required missing data. This meets the requirement included in Attachment "A", Special Permit Conditions, of the Current State permit.

As noted below, the site is under a heavy snow accumulation.

Inspector's Signature

Date Wednesday, January 12, 2005

Pete Hess, Environmental Scientist III
 Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and 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 performance 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 | <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.a Hydrologic Balance: Diversions | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.b Hydrologic Balance: Sediment Ponds and Impoundments | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.c Hydrologic Balance: Other Sediment Control Measures | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.d Hydrologic Balance: Water Monitoring | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.e Hydrologic Balance: Effluent Limitations | <input 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 type="checkbox"/> | <input checked="" type="checkbox"/> | <input 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 type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Slides and Other Damage | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Contemporaneous Reclamation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Backfilling And Grading | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Revegetation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Subsidence Control | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Cessation of Operations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16.a Roads: Construction, Maintenance, Surfacing | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 16.b Roads: Drainage Controls | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Other Transportation Facilities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Support Facilities, Utility Installations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. AVS Check | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. Air Quality Permit | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. Bonding and Insurance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 22. Other | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

1. Permits, Change, Transfer, Renewal, Sale

The permittee submitted a response to the deficiencies aired in Division document TA Task ID#1989, Reformatted MRP on December 29, 2004. Also, the permittee forwarded seven clean copies of the conditionally approved Vegetation Reference Areas, Task ID#1504 to the Division on January 4, 2005. Final approval of that amendment is pending.

4.a Hydrologic Balance: Diversions

All diversions are under snow accumulation. Several storms have been received since the December 2, 2004 inspection. Frozen, compacted snow having a depth of fourteen inches was measured at the #3 Mine portal pad.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Ponds "A" and "B" have frozen surfaces, covered by snow. The inslopes of all of the sites ponds are snow covered.

4.d Hydrologic Balance: Water Monitoring

The permittee submitted the third quarter of 2004 surface and ground water monitoring information to the Division EDI pipeline on January 4, 2005. Division analysis has confirmed that all required sites were monitored, with all required parameters reporting.

5. Explosives

Mr. Kevin Petersen, Utah certified coal mine surface blaster, will attend the required re-certification class being offered by the Division on January 14, 2005. Mr. C.W. "Mickey" Bradley will conduct the re-certification class and the required examination.

16.a Roads: Construction, Maintenance, Surfacing

The access road to the #3 and #4 Mines has been reduced to a single vehicle lane; any passing must occur at switchbacks or turnouts. It may be necessary for the permittee to haul snow to the lower canyon for storage, should additional accumulations be received.

21. Bonding and Insurance

The permittee obtained new general liability insurance coverage for the Bear Canyon permit area through AIG, with Bennion-Taylor Insurance being the producer. New coverage information was forwarded to the Division on December 28, 2004. A general aggregate amount of \$2,000,000 is provided; a coverage amount of \$1,000,000 is provided for each occurrence. Policy #3602136 provides coverage through January 1, 2006.