



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Inspection Report

Representatives Present During the Inspection:	
Company	Mark Reynolds Resident Agent
OGM	Pete Hess Environmental Scientist III
OSM	Henry Austin

Permit Number:	C0150025
Inspection Type:	COMPLETE OVERSITE
Inspection Date:	Wednesday, May 09, 2007
Start Date/Time:	5/9/2007 8:55:00 AM
End Date/Time:	5/9/2007 1:40:00 PM
Last Inspection:	Thursday, April 05, 2007

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny; 50's to 80's F.

InspectionID Report Number: 1296

Accepted by: whedberg
6/7/2007

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

10,967.39	Total Permitted
40.46	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:

The Permittee is current relative to the required quarterly submittals of surface and ground water monitoring information for the Bear Canyon Mines permit area. The Division was notified on March 30, 2007 that the 4th Quarter of 2006 information was in the pipeline and was acceptable for uploading. The Permittee continues to meet the Special Condition included as Attachment "A" of the current State permit. The first quarter 2007 information is currently being inserted into the Division EDI "pipeline".

A new OGM permit for the addition of 7,500 acres is pending, awaiting USFS concurrence following their required 30-day comment period, and Secretary of the Interior approval. The Division is currently working on an IBC to give the Permittee approximately 3 months of additional mining capability during the approval process period for this 7,500 acre lease addition.

There are no pending compliance actions; there were no compliance action issued during today's complete inspection.

Mr. Henry Austin, OSMRE-WR, conducted an oversight evaluation of the Division's inspection process on this day.

Inspector's Signature:

Date: Thursday, May 10, 2007

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 checked="" 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 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 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 pending State permit has six stipulations; these include compliance with numerous USFS coal leasing requirements, as well as compliance with National Historic Preservation Act requirements.

4.a Hydrologic Balance: Diversions

The disturbed area ditch which parallels the storage pad east of the scale house / residence / administration building needs approximately fifty feet of its length redefined, as it has silted in where material had been placed in storage adjacent to it. Mr. Reynolds took action to address this during today's inspection.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The site's four sediment ponds and three catch basins were inspected by the Permittee's qualified person (Mr. Mark Reynolds) for the first quarter of 2007 on January 20th. There were no signs of instability or other hazardous conditions noted during that inspection; all impoundments had an adequate volume of sediment storage remaining. Ponds B, C, and D and catch basins #1 and #3 were observed as dry this day. All spillways appeared capable of functioning as designed. There were no compliance issues noted with any of the permitted impoundments.

4.d Hydrologic Balance: Water Monitoring

A small flow was observed in Bear Creek this day. The mine water UPDES outfall (004A) was not flowing.

5. Explosives

There has not been any surface blasting conducted at this site. The explosive and detonator storage magazines are located along the #3 Mine access road.

7. Coal Mine Waste, Refuse Piles, Impoundments

A small pile of coal waste / shale material was observed on the coal stockpile pad at the toe of the cut bank. All refuse is permitted for shipment to and disposal within the Hiawatha Complex permit area, C/007/011.

12. Backfilling And Grading

The Permittee had dismantled and removed the out-of-service electrical substation which was associated with the #1 and #2 Mines; backfilling of material has occurred in this area. The trackhoe used to do this work remains, and thus, additional filling and grading is anticipated.

13. Revegetation

The Permittee utilizes erosion control matting on backfilled areas to minimize rain drop impact, and hold seed in place. The straw matting also helps hold moisture to enhance seed germination.

14. Subsidence Control

The annual surface subsidence flyover was conducted during August or September of 2006. This data has been submitted as part of the 2006 Annual Report for the Bear Canyon Mine, (received March 28, 2007). The 7,500 acre Federal lease addition discussed above will place additional subsidence control and monitoring requirements on this Permittee. These will include the placement of one subsidence monitoring point per longwall panel, require an analysis of the submitted monitoring data, as well as add requirements relative to the NHPA. The review of the 2006 data by Division personnel is pending.

18. Support Facilities, Utility Installations

The Permittee has dismantled the conveyor section which previously transported coal from the #1 Mine Hiawatha belt portal to the Blind Canyon / Hiawatha bin west of the main coal tipple area. This will be scrapped. Various areas along the Wild Horse Ridge conveyor corridor were checked for coal spillage and erosive action. The pans which have been installed beneath the bottom belt appear to be doing an adequate job in keeping coal product off the vegetation. The Bear Creek conveyor crossing was clear.

19. AVS Check

A review of the ownership and control information which was conducted as part of the 2006 Annual Report review (April 4, 2007) indicates that Mr. Charles Reynolds has replaced Mr. B.W. Stoddard as a Director for C.W. Mining Company. Mr. Reynolds is also listed as a Vice-President, and is known to be the General Manager for the Company.

20. Air Quality Permit

The Permittee has been notified that the air quality approval order must be modified to allow for an increase in throughput to 2.5 million tons, (condition of permit approval for the 7500 acre Federal lease addition). Upon the implementation of longwall secondary extraction methods, Bear Canyon will be unique to Utah in the fact that it will also utilize continuous mining pillar extraction methods to fully maximize the recovery of this resource. The Permittee's access roads to the Wild Horse Ridge area needed to be watered for dust control.