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State of Utah

INSPECTION REPORT

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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangarter
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

Inspection Date & Time: Feb. 22, 1993 8:15 to 17:00 and Feb. 23, 1993 7:40 to 15:40
Date of Last Inspection: Jan. 26, 1993

Mine Name: Convulsion Canyon County: Sevier Permit Number: ACT/041/002
Permittee and/or Operator's Name: Coastal States Energy / Southern Utah Fuel Company
Business Address: Mr. V. Mortensen 175 East 400 South, Suite 800 Salt Lake City, Utah 84111
P.O. Box P, Salina, Utah 84654

Type of Mining Activity: Underground Surface Prep. Plant Other

State Official(s): Wayne H. Western

Company Official(s): Mike Davis, Wes Sorensen and Kerry Frame

Federal Official(s): Russ Porter

Weather Conditions: Cold, snow on ground, clear skies to heavy snow fall

Existing Acreage: Permitted-17301 Disturbed-67.8 Regraded-0.5 Seeded-0.5 Bonded-67.8

Increased/Decreased: Permitted- Disturbed- Regraded- Seeded- Bonded-

Status: Exploration/ Active/ Inactive/ Temporary Cessation/ Bond Forfeiture

Reclamation (Phase I/ Phase II/ Final Bond Release/ Liability Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - 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.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- 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 type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 VALUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input checked="" type="checkbox"/>	<input 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 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 (4th Quarter-April, May, June)_____ (date)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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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PERMIT NUMBER: ACT / 041 / 002 DATE OF INSPECTION: February 22 - 23, 1993

(Comments are Numbered to Correspond with Topics Listed Above)

1. **PERMITS, CHANGE, TRANSFER, RENEWAL, SALE**

The mine and reclamation permit was issued to Coastal States Energy Company, which is a wholly owned subsidiary of the Coastal Corporation. The Coastal Corporation is a Delaware corporation that is headquartered in Houston, Texas. The Mine and Reclamation Plan list the corporate officials for Coastal States Energy Company but not the Coastal Corporation officers. SUFCo officials agreed to include a list of the officers and directors of Coastal Corporation in the MRP.

The Coastal Corporation has two subsidiaries that deal with coal. The western coal operations are controlled by Coastal States Energy Company which owns SUFCo, UFCo, Skyline and McCoy Caney. The eastern coal operations are controlled by CIG (Colorado Interstate Gas) which owns ANR (American Natural Resources Company) which owns ANR Coal.

Russ Porter stated that ANR Coal owns several coal companies including VICC, which is associated with Turner Coal. Turner Coal has outstanding violations and bond forfeitures. That information was passed on to Joe Helfrich of DOGM.

The Division is aware of VICC and Turner Coal's bond forfeitures and outstanding violations. At present the companies are attempting to rectify the problems. Because of the companies on going efforts the Division can not deny any permit action involving SUFCo.

The permit lists a Houston, Texas address for the permittee. The permittee will modify the MRP to show the corporation's Salt Lake City address. The MPR will also be modified to show the operators Salina address. (See 'Signs.')

2. **SIGNS AND MARKERS**

R645-301-521.243 states that the mine and permit identification signs shall show the name, business address, and telephone number of the permittee who conducts coal mining and reclamation operations and the identification number of the permanent program permit authorizing coal mining and reclamation operations.

The mine and permit identification signs only listed the operator as SUFCo.

The Mine and Reclamation Plan list Coastal States Energy Company as the permittee and a Houston, Texas address. The permittee has agreed to place new signs that list Coastal

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States Energy Corporation as the permittee. The MRP will be modified to show the Corporations Salt Lake City address.

3. TOPSOIL

Topsoil piles were covered with 3 to 6 feet of snow. Topsoil identification signs were visible at all topsoil storage sites visited during the inspection.

4. HYDROLOGIC BALANCE

The plans for the diversions, sediment ponds and impoundments were reviewed. Deep snow covered all diversion structures outside the pad area. The entrances to some culverts in the pad area were covered with ice and snow which is normal for this time of year. During the winter the operator monitors culvert openings to make sure that they are functional during snow melt and runoff.

The sediment pond at the base of the pad area was discharging, which is most likely the result of a broken valve caused by freezing. The operator has agreed to monitor the discharge to insure effluent limitations and repair the damage as soon as possible. Once the repairs are made no further discharges are anticipated for the foreseeable future.

The weir used to measure the discharge was out of level and the operator agreed to make adjustments. The discharge was estimated to be 6 gallons per minute. The operator has taken samples to determine effluent quality.

Wes Sorensen had visited the sediment pond on December 22, 1992 as part of the pond's annual inspection. The pond was not discharging then. Mike Davis routinely conducts visual inspections of the pond from the road and pad to determine water levels. The weir and discharge point are not visible from the road or pad. The operator has not visited the site since December 1992 because of deep snow.

Because the date of initial discharge can not be determined and the operator does not have to test the water prior to discharge no violations were issued. If the discharge does not meet effluent limitations then a notice of violation will be issued.

The effluent limits for discharge site 003 continue to be exceeded. On Feb. 23, 1993 there was a meeting at the mine site. In attendance were Mike Herkimer of the state Division of Water Quality, Bruce Costa and Guy Dansue of the county Health Department, Wes Sorensen and Mike Davis from SUFCo, Russ Porter from OSM and Wayne Western from DOGM.

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During the meeting Mike Herkimer reviewed the company's policies and procedures for testing and monitoring the exceedence. The only limit that the effluent exceeds is total dissolved solid. The cause and treatment for the problem are still under investigation. Possible causes include high background levels and rock dust. The Division of Water Quality recommended that the situation be closely monitored at present and that any action be postponed until after consultants have evaluated the problem. The monthly average for total dissolved solids is 800 mg/l. Exceedence levels have been 820 mg/l. The maximum daily exceedence limit is 1,000 mg/l and a discharge with that concentration has not yet occurred.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

Annual waste rock disposal site, waste rock disposal site sediment pond, and minesite sediment pond inspections and certifications were preformed on Dec. 22, 1992 by Wesley K. Sorensen a licensed registered professional engineer. No structural damage or weakness was noted. The quarterly reports for those structures was preformed on December 10, 1992 by Mike Davis.

14. SUBSIDENCE CONTROL

The annual subsidence report for 1991 was reviewed. All surface owners have been notified of underground mining.

21. BONDING AND INSURANCE

The insurance was issued by Fidelity and Casualty Company of New York, which is authorized to conduct business in Utah. SUFCo used Flat Top Insurance as an insurance broker. The policy meets or exceeds all requirements. The policy is in effect from 12/31/92 to 12/31/93. The State of Utah is listed and a certificate holder.

The insurance covers explosives.

Copy of this Report:

Mailed to: Bernie Freeman (OSM)

Given to: Joe Helfrich and Daron Haddock(DOGM)

Inspector's Signature: *Archie A. Whitely* #42 Date: ^{March 4} Feb. 2, 1993