0010

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

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Partial:_ Complete: X Exploration:__
Inspection Date & Time: June 8, 1993/ 10:40-17:00
Date of Last Inspection: May 27, 1993

Mine Name: SUFCo / Convulsion Canyon County: Sevier Permit Number: **ACT/041/002**
Permittee and/or Operator's Name: Coastal States Energy Company / Southern Utah Fuel Co
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 X Surface__ Prep. Plant__ Other__
State Officials(s): Wayne H. Western
Company Official(s): Mike Davis
Federal Official(s): None
Weather Conditions: Clear to cloudy skies mid day temperature 50's to 70's
Existing Acreage: Permitted-17308.2 Disturbed-69.71 Regraded-3.5 Seeded-3.5 Bonded-69.71
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

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	[x]	[ ]	[x]	[ ]
2. SIGNS AND MARKERS	[x]	[ ]	[x]	[ ]
3. TOPSOIL	[x]	[ ]	[ ]	[ ]
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	[x]	[ ]	[ ]	[ ]
b. SEDIMENT PONDS AND IMPOUNDMENTS	[x]	[ ]	[ ]	[ ]
c. OTHER SEDIMENT CONTROL MEASURES	[x]	[ ]	[ ]	[ ]
d. WATER MONITORING	[x]	[ ]	[x]	[ ]
e. EFFLUENT LIMITATIONS	[x]	[ ]	[x]	[ ]
5. EXPLOSIVES	[x]	[ ]	[x]	[ ]
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	[ ]	[x]	[ ]	[ ]
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	[x]	[ ]	[ ]	[ ]
8. NONCOAL WASTE	[x]	[ ]	[x]	[ ]
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	[x]	[ ]	[ ]	[ ]
10. SLIDES AND OTHER DAMAGE	[x]	[ ]	[x]	[ ]
11. CONTEMPORANEOUS RECLAMATION	[x]	[ ]	[ ]	[ ]
12. BACKFILLING AND GRADING	[x]	[ ]	[ ]	[ ]
13. REVEGETATION	[x]	[ ]	[ ]	[ ]
14. SUBSIDENCE CONTROL	[x]	[ ]	[x]	[ ]
15. CESSATION OF OPERATIONS	[ ]	[x]	[ ]	[ ]
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	[x]	[ ]	[ ]	[ ]
b. DRAINAGE CONTROLS	[x]	[ ]	[ ]	[ ]
17. OTHER TRANSPORTATION FACILITIES	[x]	[ ]	[ ]	[ ]
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	[x]	[ ]	[ ]	[ ]
19. AVS CHECK (4th Quarter-April, May, June) June 16, 1993 (date)	[x]	[ ]	[x]	[ ]
20. AIR QUALITY PERMIT	[x]	[ ]	[ ]	[ ]
21. BONDING & INSURANCE	[x]	[ ]	[ ]	[ ]

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

Coastal States Energy is negotiating with Soldier Creek Coal Company to purchase the Soldier Canyon mine. Coastal States is interested in securing a source of low sodium coal to blend with the coal produced at the SUFCo mine, which sometimes exceeds the customers sodium limits. By blending coal from the Soldier Canyon Mine SUFCo hopes to produce a product that will be easier to market.

2. SIGNS AND MARKERS

New signs that correctly identify the names and addresses to the Permittee and Operator have been place at all entrances to the mine and waste rock disposal area.

4. HYDROLOGIC BALANCE
d. WATER MONITORING

The Operator is testing for parameters listed in the Mine and Reclamation Plan.

Keith Zobell, who works for the Skyline Mine, will be in charge of water testing and monitoring. Both Skyline and SUFCo ares owned by Coastal States Energy.

e. EFFLUENT LIMITATIONS

The Operator notified Mr. Don Ostler of the Department of Environmental Quality, Division of Water Quality that the May, 1993 average concentration of total dissolved solids (TDS) at discharge point 003 was 880 mg/l. UPDES permit UT-0022918 sets maximum monthly average for TDS at 800 mg/l.

Discharge point 003 has routinely exceeded the monthly allowable TDS limits. The Operator and Water Quality are negotiating a settlement that reportedly involves increasing the monthly average for total dissolved solids and significantly increasing the fine for each violation. In exchange for increasing the TDS limits the Operator will be required to take steps to permanently correct the problem.

When an effluent violation is self-reported the Division lets the lead agency handle any enforcement action. Division of Water Quality, which is the lead agency, has determined that no enforcement action should be taken at this time. That decision is based on the limited environmental damaged that has occurred and the Operator is making a good faith effort to solve the problem.

5. EXPLOSIVES

The powder magazine was replaced. The old powder magazine was damaged when it was struck by a rock. A new magazine is skip mounted and is located next to the old structure. Both the cap and powder magazines were locked.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

Material at the waste rock disposal site is saturated from the snow melt and recent heavy rainfall. The Operator is waiting for the soil to dry before doing any earthwork.

8. NONCOAL WASTE

The sediment pond access road had only minor amounts of trash. The sediment pond access road had been used as a dumping ground by many of the truck drivers. The Operator has been reminding the truck drivers to dispose all trash properly.

10. SLIDES AND OTHER DAMAGE

No slides, unstable slopes or similar damage was observed during the inspection.

13. REVEGETATION

During the May 1993 inspection of the waste rock disposal site I noticed that there was only one grass seedling ever 1 square foot on the revegetated area. The area had been seeded last fall and I was concerned about the lack of vegetation. I contacted Paul Baker, a Division biologist, who is familiar with the revegetation project. Paul visited the site and reported the amount of grass was normal for the first year. He was concerned about the lack of scrubs. It takes 2 to 3 years to get a good vegetative cover established in the area due to the high altitude and limited precipitation. There were no major erosion features on the topsoil.

14. SUBSIDENCE

I reviewed the subsidence report submitted in the annual report. No subsidence problems were noted by the Operator. I made arrangement to conduct a subsidence survey as soon as the snow pack has melted.

(Comments are Numbered to Correspond with Topics Listed Above)

INSPECTION REPORT

(Continuation Sheet)

PERMIT NUMBER: ACT / 041 / 002 DATE OF INSPECTION: June 8, 1993

19. AVS CHECK

The Permittee/Operator is in the process of changing the resident agent from Ken Payne to Ken May. Since Ken Payne is no longer with SUFCo the Permittee/Operator has 60 days to update the legal and financial section of the Mine and Reclamation Plan.

20. AIR QUALITY PERMIT

The Department of Health, Division of Environmental Health sent the Operator a letter stating that the annual production limit had been increased from 2.2 million to 5.0 million tons per year. The Operator expects to produce over 3 million tons this year.

Copy of this Report:
Mailed to: Bernie Freeman (OSM)
Given to: Joe Helfrich (DOGM)

Inspector's Signature: [signature] #42 Date: June 25/93