



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

John [signature]

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Partial: Complete: x Exploration:
Inspection Date & Time: August 26, 1993/ 8:45-15:30
Date of Last Inspection: July 20, 1993

Mine Name: SUFCo / Convulsion Canyon County: Sevier Permit Number: ACT/041/002
Permittee and/or Operator's Name: Coastal States Energy Company / SUFCo
Business Address: Mr. V. Mortensen, 175 E 400 S, Ste 800, SLC, UT 84111 / P.O. Bx P, Salina, UT 84654
Type of Mining Activity: Underground X Surface Prep. Plant Other
State Officials(s): Wayne H. Western, Steve Johnson
Company Official(s): Wes Sorensen, Chris Kravits
Federal Official(s): None
Weather Conditions: Partly cloudy skies trace of rain mid day temperature 70's to 80'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.

Table with 5 columns: Item, EVALUATED, N/A, COMMENTS, NOV/ENF. Rows include categories like PERMITS, SIGNS AND MARKERS, TOPSOIL, HYDROLOGIC BALANCE, EXPLOSIVES, DISPOSAL OF EXCESS SPOIL, COAL MINE WASTE, PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES, SLIDES AND OTHER DAMAGE, CONTEMPORANEOUS RECLAMATION, BACKFILLING AND GRADING, REVEGETATION, SUBSIDENCE CONTROL, CESSATION OF OPERATIONS, ROADS, CONSTRUCTION/MAINTENANCE/SURFACING, DRAINAGE CONTROLS, OTHER TRANSPORTATION FACILITIES, SUPPORT FACILITIES/UTILITY INSTALLATIONS, AVS CHECK, AIR QUALITY PERMIT, BONDING & INSURANCE.

## INSPECTION REPORT

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PERMIT NUMBER: ACT/041/002

DATE OF INSPECTION: August 25, 1993

(Comments are Numbered to Correspond with Topics Listed Above)

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

Coastal States Energy has reached an agreement to purchase Soldier Creek Coal Company. The sale cannot be completed until final government approval has been given.

### 4. HYDROLOGIC BALANCE

#### b. SEDIMENT PONDS

The second quarter sediment pond inspections were completed in June by Mike Davis. The inspection report did not indicate that the ponds had any stability problems.

The sediment pond below the mine complex will be cleaned next week. In preparation of sediment removal the pond is being drained. The spillway has been open and pumps have been used to lower the water level. Samples of the discharge water have been taken.

#### c. OTHER SEDIMENT CONTROL MEASURES

Sediment is within 8 inches of the top of the silt fences near the upper substation. The steepness of the slope behind the substation and its limited vegetation will result in a large amount of sediment being caught by the silt fence. The silt fences must be monitored on a regular basis to insure that they are functioning properly.

Mr. Sorensen agreed to have the sediment removed from behind those fences.

Water that enters the waste rock disposal site from a culvert located beneath the county road has cut a six inch gully. The water bars that were placed in that drainage are in need of repair. The silt fences located in the drainage have a significant amount of sediment build up that must be removed.

Some of the silt fences, in the mine and waste rock disposal site, have minor holes or have become detached from support stakes. Mr. Sorensen and Mr. Kravis committed to having needed repairs made.

#### d. WATER MONITORING

The Mine and Reclamation Plan requires that ground water monitoring be conducted according to the parameters listed in table 7-2. That table requires laboratory testing of nitrate ( $\text{NO}_3 + \text{NO}_2$ ), pH and specific conductance field measurement are also required for the pH and specific conductance for all sampling points except the waste rock disposal site and the Quitchupah tract.

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### **d. WATER MONITORING (Cont'd)**

The Operator has only been taking one measurement of the pH and specific conductance. It is not known if those values represent field or lab test results. The nitrate value has been reported as (NO<sub>3</sub> -N) not (NO<sub>3</sub> + NO<sub>2</sub>) as required by the plan.

In a telephone conversation on August 30, 1993, I asked Mr. Keith Welch about SUFCo failure to report lab measurements for pH and specific conductance. Mr. Welch stated that the two parameters had been measured by the lab but were not included in the water quality reports. Lab measurements for pH and specific conductance were not included because time dependent and have to do more with the holding time than with water quality according to Mr. Welch. I requested that Mr. Welch send me copies of the lab reports list the lab measurements for pH and specific conductance.

Mr. Welch checked with the lab on how the nitrate values were being determined. At present the lab is reporting the nitrogen content of the nitrate (NO<sub>3</sub>). When water monitoring first began the nitrate values were reported as the total NO<sub>3</sub> and NO<sub>2</sub>. Sometime later the lab changed its procedure and now reports the nitrogen content of the NO<sub>3</sub>. Mr. Welch did not know when the lab changed procedures.

Mr. Ken Wyatt, who is in charge of water monitoring for the Division, did not feel that the change in reporting methods was critical. Mr Wyatt stated that the parameters reported by the lab should be consistent with those in the mine plan. The easiest way to resolve the problem would be to amend the mine plan.

Under section R645-301-731.210 Ground-Water Monitoring, the Operator is required to conduct water-monitoring according to the plan approved under R645-301-731.200. Since the Operator failed to report all the parameter as listed for the older permit area he was issued a notice of violation on Sept. 7, 1993. Under terms of the notice of violation the Operator must submit the missing data to the Division within ten working days.

### **e. EFFLUENT LIMITATIONS**

In a letter dated July 22, 1993 the Operator notified Ms. Kelly Coleman of the Department of Environmental Quality, Division of Water Quality (DWQ) that in July 1993 average concentration of total dissolved solids (TDS) at discharge point 003 was exceeded.

Discharge point 003 has routinely exceeded the monthly allowable TDS limits. The Operator and DWQ have negotiated a settlement that reportedly involves increasing the monthly average for total dissolved solids and significantly increasing the fine for each violation. Before the agreement can be finalized, it must first have EPA approval.

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## e. EFFLUENT LIMITATIONS (Cont'd)

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 damage that has occurred, and the Operator is making a good faith effort to solve the problem.

## 5. EXPLOSIVES

There are three explosive magazines located on the surface. One is used to store caps another for powder and the third unused. The two active magazines were both doubled locked. The inactive magazine was empty and unlocked.

## 19. AVS CHECK

The Operator has sent an updated list of corporate officers to the Division. During last month's inspection, Mr. Sorensen informed me that some changes had been made in the corporate structure and that the Division would be given a list of the changes within 30 days.

## 20. AIR QUALITY

The air quality permit limits the disturbed area at the waste rock site to 3 acres or less. The current disturbed area is less than 1.5 acres.

## 21. BONDING AND INSURANCE

A reclamation bond for \$1,690,000 have been issued by Old Republic Ins. Co. Insurance policy has been issued to Coastal States by Fidelity and Casualty Co. of New York. The policy terms are general aggregate \$2,000,000, production comp/op agg. \$2,000,000, personal & adv. injury \$2,000,000, each occurrence \$2,000,000, fire damage \$1,000,000, medical expense \$10,000 and pollution \$500,000. The policy meets or exceeds all Division requirements.

Copy of this Report:

Mailed to: Bernie Freeman (OSM)

Given to: Joe Helfrich (DOGM)

Inspector's Signature: Wayne A. Suter

#42

Date: Sept 27 1993