



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

INSPECTION REPORT

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Partial: Complete: Exploration:
 Inspection Date & Time: 3/23/99 9:40-11
 Date of Last Inspection: 2/24/99

Mine Name: Horse Canyon Mine County: Carbon Permit Number: ACT/067/013
 Permittee and/or Operator's Name: Utah American Energy, Inc.
 Business Address P.O. Box 986 Price, Utah 84501
 Type of Mining Activity: Underground Surface Prep. Plant Other
 State Official(s): Susan White, Robert Davidson
 Company Official(s): Paul Clark
 Federal Official(s): None

Weather Conditions: Cool and windy
 Existing Acreage: Permitted-71 Disturbed-71 Regraded-59 Seeded-59 Bonded-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	<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 checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 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 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 type="checkbox"/>	<input checked="" 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. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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"/>

INSPECTION REPORT

(Continuation sheet)

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PERMIT NUMBER: ACT/007/013

DATE OF INSPECTION: 3/23/99

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permit to conduct reclamation activities was issued December 21, 1998, to UtahAmerican Energy, Inc. Box 139, 10799 Pinetree Road, Pepper Pike, Ohio 44124. The permit expires May 6, 2001.

A significant revision was submitted to the Horse Canyon permit to develop a mine in Lila Canyon. The Division has stated that the application is complete.

The UPDES permit was renewed 5/1/98 with no changes to monitoring or discharge.

The Operator has applied for Phase II bond release. The release is pending Operator response to submit final plan copies and then Division inspection and approval.

2. SIGNS AND MARKERS

Three of the five permit entry signs have been changed to state the new Operator. The other two signs will be placed when the snow melts in the upper elevations.

3. TOPSOIL

The reclamation plans for the remaining unreclaimed areas were discussed. The discussion centered around availability of suitable fill and substitute growth medium near the portal area.

4. HYDROLOGIC BALANCE:

a. Diversions - No surface runoff into drainages was observed.

b. SEDIMENT PONDS AND IMPOUNDMENTS - The fourth quarter pond inspections were conducted and certified by R. Jay Marshall on November 12, 1998. Pond #1 is reported at the 60% clean out mark. Last quarter Pond #1 was .2 feet above the 60% sediment mark. The permit does not commit to cleaning at this level. Pond #2 is .4 feet below the 60% sediment mark. Both ponds were dry.

d. WATER MONITORING - Fourth quarter water monitoring was conducted November 9, 1998. HC-1, RS-1 and RS-2 reported flows, B-1 was reported as no flow.

e. EFFLUENT LIMITATIONS - UPDES monitoring was reported as required, no discharge was reported.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

Fourth quarter refuse pile inspection was conducted and certified November 12, 1998 by R. Jay Marshall. The report was reviewed and in order.

INSPECTION REPORT

(Continuation sheet)

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The report states that after Phase II bond release is achieved, no further inspections will be required. This statement may or may not be true. The Division has not made a formal declaration concerning refuse pile inspection requirements after reclamation. The Road Junction Refuse pile has not been used as a refuse pile since the mid 1960's. No MSHA number was assigned. Post SMCRA use of the pile prior to reclamation was a parking lot.

21. BONDING AND INSURANCE

The insurance certificate is issued by Federal Insurance Co. and National Union. The producer of the certificate is Reschini Agency Inc. The policy is effective 6/1/98 to 6/1/99.

A reclamation performance bond is held by Lincoln General Insurance Company in the amount of \$1,137,726.

On February 5, 1997 the Division authorized Phase I bond release for the reclaimed portion of the site.

The Sam Gilson tree adjacent to the disturbed area was observed the tree is fenced. The tree is blazed and carved with the inscription "Sam Gilson by God 1878". An adjacent rock is carved with the inscription "James Brace Aug 17 1912".

Copy of this Report:

Mailed to: OSM, William W. Engels (IPA), Paul Clark, Jay Marshall

Given to: Joe Helfrich (DOGM)

Inspector's Signature:

Susan M. White #35 Date: 3/25/99