

UtahAmerican Energy Inc.



P.O. Box 986
Price, Utah 84501
+1 (435) 613 0393
Fax: +1 (435) 613 0393

January 18, 2000

Pam Grubaugh-Littig
DOGM
1594 West North Temple, Suite 1210
Salt Lake, Utah 84114-5801

RECEIVED

JAN 24 2000

DIVISION OF
OIL, GAS AND MINING

*Copy Cover Letter -
Ineong Dowl*

Dear Pam:

Please find enclosed the Fourth Quarter report for Horse Canyon Mine ACT/007/013.

The NPDES reports have been submitted to Ken Wyatt under separate cover. In addition, I have submitted the fourth quarter water quality electronically.

The fourth quarter report does not include an inspection and certification form for the Road Junction Refuse Pile. After discussions with your staff it was concluded that the Road Junction Refuse Pile did not require future quarterly inspections and certifications by a Professional Engineer. This refuse pile was constructed prior to the MSHA regulations requiring specific criteria for refuse pile construction and inspections and therefore was never assigned an MSHA identification number. Since the pile was not an MSHA refuse pile, the DOGM requirements for quarterly inspection and certifications did not apply.



UEI will continue to inspect both the Upper and Lower sediment ponds quarterly. Both sediment ponds will be inspected and certified by a Professional Engineer annually as per DOGM regulations.

Should you have any questions please feel free to give me a call.

Sincerely,

R. Jay Marshall
R. Jay Marshall P.E.

*Water Monitoring
+ Refuse certifications*

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of										
Permit Number	ACT/007/013	Report Date	13 January 2000									
Mine Name	Horse Canyon											
Company Name	UtahAmerican Energy, Inc.											
Impoundment Identification	Impoundment Name	Sediment Pond #1 (Lower)										
	Impoundment Number	Pond #1										
	UPDES Permit Number	UTGO 40013-001A										
	MSHA ID Number	42-00100										
IMPOUNDMENT INSPECTION												
Inspection Date	19 November 1999											
Inspected By	R. Jay Marshall											
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly											
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>No appearance of instability, structural weakness, or any other hazardous condition was observed at the time of inspection.</p>												
<p>RECEIVED</p> <p>JAN 24 2000</p> <p>DIVISION OF OIL, GAS AND MINING</p>												
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Sediment Elevations:</p> <table style="margin-left: 100px;"> <tr> <td>60%</td> <td>6173.7'</td> <td></td> </tr> <tr> <td>100%</td> <td>6174.4'</td> <td>Unchanged</td> </tr> <tr> <td>Existing</td> <td>6173.7'</td> <td></td> </tr> </table>			60%	6173.7'		100%	6174.4'	Unchanged	Existing	6173.7'	
	60%	6173.7'										
100%	6174.4'	Unchanged										
Existing	6173.7'											
	<p>3. Principle and emergency spillway elevations.</p> <table style="margin-left: 100px;"> <tr> <td>Principle</td> <td>6178.6'</td> </tr> <tr> <td>Emergency</td> <td>6180.8'</td> </tr> </table>			Principle	6178.6'	Emergency	6180.8'					
Principle	6178.6'											
Emergency	6180.8'											

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond is dry and there is no evidence of recent discharge. No water samples were taken. Vegetation is abundant. No erosion problems evident on in-slopes or out-slopes at time of inspection. Phase I bond release has been achieved and Phase II applied for.

5. **Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The geometry of the impoundment has not changed. Pond was dry with no recent indication of any water being impounded. Reclamation is essentially complete. Once Phase II bond release is achieved, no further inspections will be required.

Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: _____

R. Jay Marshall

Date: _____

13 Jan 00

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)

	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?		
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?		
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?		

COMMENTS AND OTHER INFORMATION

Certification Statement:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

[PE Cert. Stamp]

By: _____
(Full Name and Title)

Signature: _____ Date: _____

P.E. Number & State: _____

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 4 of							
Permit Number	ACT/007/013	Report Date	13 January 2000						
Mine Name	Horse Canyon								
Company Name	UtahAmerican Energy, Inc.								
Impoundment Identification	Impoundment Name	Sediment Pond #2 (Upper)							
	Impoundment Number	Pond #2							
	UPDES Permit Number	UTGO 40013-002A							
	MSHA ID Number	42-00100							
IMPOUNDMENT INSPECTION									
Inspection Date	19 November 1999								
Inspected By	R. Jay Marshall								
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly								
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>No appearance of instability, structural weakness, or any other hazardous condition was observed at the time of inspection.</p>									
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Sediment Elevations:</p> <table style="margin-left: 100px;"> <tr> <td>60%</td> <td>6233.1'</td> </tr> <tr> <td>100%</td> <td>6233.5'</td> </tr> <tr> <td>Existing</td> <td>6232.7'</td> </tr> </table>			60%	6233.1'	100%	6233.5'	Existing	6232.7'
	60%	6233.1'							
100%	6233.5'								
Existing	6232.7'								
	<p>3. Principle and emergency spillway elevations.</p> <table style="margin-left: 100px;"> <tr> <td>Principle</td> <td>6234.9'</td> </tr> <tr> <td>Emergency</td> <td>6237.8'</td> </tr> </table>			Principle	6234.9'	Emergency	6237.8'		
Principle	6234.9'								
Emergency	6237.8'								

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond is dry and there is no evidence of recent discharge. No water samples were taken. Vegetation is abundant. No erosion problems evident on in-slopes or out-slopes at time of inspection. Phase I bond release has been achieved and Phase II applied for.

5. **Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The geometry of the impoundment has not changed. The bottom of the pond was damp indicating that approximately 1" of water was recently impounded. Pond will again be dry in a couple of days. Reclamation is essentially complete. Once Phase II bond release is achieved, no further inspections will be required.

Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: _____

R. Jay Manshee

Date: _____

12 Jan 00

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)

YES

NO

1. Is impoundment designed and constructed in accordance with the approved plan?
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?

COMMENTS AND OTHER INFORMATION

Certification Statement:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

[PE Cert. Stamp]

By: _____
(Full Name and Title)

Signature: _____ Date: _____

P.E. Number & State: _____