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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

DR 7

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

INSPECTION REPORT

Partial: Complete: Exploration:
Inspection Date & Time: April 26, 2000 10:00 AM to 2:15 PM
Date of Last Inspection: March 22, 2000

Mine Name: Horse Canyon Mine County: Carbon Permit Number: ACT/007/013
Permittee and/or Operator's Name: UtahAmerican Energy, Inc.
Business Address: P.O. Box 986 Price, Utah 84501
Type of Mining Activity: Underground Surface Prep. Plant Other
State Official(s): David Darby
Company Official(s): Mel Coonrod
Federal Official(s): None
Weather Conditions: Warm, Clear
Existing Acreage: Permitted- 6461.83 Disturbed- 22 Regraded- 52 Seeded- 52 Bonded- 22
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 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 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 checked="" 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 type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT
(Continuation sheet)

PERMIT NUMBER: ACT/007/013

DATE OF INSPECTION: 4/26/00

(Comments are Numbered to Correspond with Topics Listed Above)

GENERAL COMMENTS

The inspection was also coordinated with a contractor site review. Mel Coonrod, EIS, held a contractor review to solicit bids for removal and reclamation of the structures outlined in the Conditional Approval of Phase II Bond Release, November 10, 1999. The conditions outlined are removal of the Refuse Pile Culvert and #1 Sedimentation Pond. Silt fences will also need to be removed.

A prior agreement was arranged with Jay Marshall to have the old bridge abutments removed, but during the review, someone asked if the abutments was actually Emery County's responsibilities, since it is a county road. This matter was checked when I finally contacted Rex Funk, Emery County Road Department on May 19, 2000 (after calling the wrong number for several weeks that was in the phone book) to determine who owned the structures. Rex stated that he thought they belonged to the County, and that I could talk to Mark Page, Utah Division of Water Rights for more information. Mark referred me to Craig Johansen, Emery County Engineer. Craig stated (phone conversation on May 22, 2000) that the abutments belonged to the county. The abutments were left intact when the new bridge was built on the old railroad grade approximately 4 years ago, 1997. He stated that the abutments are needed to provide stability to the channel and protect the slope of the channel from erosion. He also stated that the county will take responsibility of the abutments. The contractors were asked to break-out a bid for eliminating the structures, so allowing them to remain will not cause any problems with the reclamation bids.

Mel also requested that a channel be graded or excavated along the county road to direct the undisturbed drainage away from the road. This site was mentioned in the last inspection report.

1. SIGNS AND MARKERS

The mine identification signs had been torn down by vandals. Mel and I talked it over and thought the best solution to prevent the same situation in the future is to put a replacement sign on the inside of the fence that surrounds the buildings.

4. HYDROPONIC BALANCE

I pointed out the area where undisturbed drainage had deposited sediment on the main road. It appears that sediment carried in the undisturbed drainage had built up along the roadway. As more events take place more sediment is deposited in the road, like a small alluvial fan. I talked to Mel about contacting the County grader operator to see when he can grade the ditch adjacent to the road. This would eliminate future sediment build-up.

No water was flowing directly on or off the disturbed areas.

a. Diversions

Other than mentioned above, all diversions appeared intact and functioning.

b. Sediment Ponds and Impoundments

There was no water in the sedimentation ponds and no discharges in October, November and December 1999. Pond inspections for the forth quarter were submitted on January 24, 2000. Ponds monitored on January 13, 2000 appeared stable.

INSPECTION REPORT
(Continuation sheet)

PERMIT NUMBER: ACT/007/013

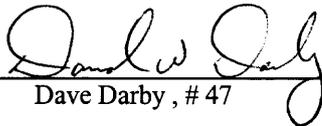
DATE OF INSPECTION: 4/26/00

d. Water Monitoring

After the meeting, Mel stated he was on his way to conduct water monitoring for the second quarter. The first quarter DMR for January and February were submitted. March DMR has not been received yet. Forth Quarter water monitoring data was received on January 24, 2000. Some was returned for correction.

Copy of this Report:

Mailed to: O.M., Clyde Borrell (U.A.E.), William W. Engels (IPA), Mel Coonrod, (EIS)
Given to: Daron Haddock (DOGM)

Inspector's Signature:  Date: May 30, 2000
Dave Darby, # 47

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