



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

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INSPECTION REPORT

Partial: X Complete: ___ Exploration: ___
Inspection Date & Time: June 27, 10:00 AM to 3:00 PM
Date of Last Inspection: April 26, 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 X 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/ X Inactive/ Temporary Cessation/ Bond Forfeiture
Reclamation (X 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 4 columns: EVALUATED, N/A, COMMENTS, NOV/ENF. Rows include categories like PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; EXPLOSIVES; DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES; COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS; PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES; SLIDES AND OTHER DAMAGE; CONTEMPORANEOUS RECLAMATION; BACKFILLING AND GRADING; REVEGETATION; SUBSIDENCE CONTROL; CESSATION OF OPERATIONS; ROADS; OTHER TRANSPORTATION FACILITIES; SUPPORT FACILITIES/UTILITY INSTALLATIONS; AVS CHECK; AIR QUALITY PERMIT; BONDING & INSURANCE.

INSPECTION REPORT
(Continuation sheet)

PERMIT NUMBER: ACT/007/013

DATE OF INSPECTION: 6/27/00

(Comments are Numbered to Correspond with Topics Listed Above)

GENERAL COMMENTS

I met Mel Coonrod at his office, Environmental Industrial Services (EIS), in Helper, Ut. We discussed some of the current issues about the Horse Canyon Mine and the significant revision, Lila Canyon Mine. The U. S. Bureau of Land Management is in the process of finalizing the EIS for the Lila Canyon Project and it should be published soon.

Intermountain Power Agency is currently looking at selling their interests in the Horse Canyon property. As a result of the activities UtahAmerican is considering delaying some of the Phase II reclamation activities until owner takes over. Phase II Bond release was conditionally approved by DOGM, which consists of removing the reclaimed refuse pile culvert, the #1 sedimentation pond and some silt fences. Clyde Borrell, President of UtahAmerican Energy, Inc., intends to meet with DOGM to discuss current activities and future plans for the mine.

A letter was sent to Clyde Borrell by DOGM to let him know that the resident agent designated for the Horse Canyon Mine has to live in Utah.

1. SIGNS AND MARKERS

The mine identification signs has 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. Mel mentioned that the signs was still being made as of the inspection and thus, not installed.

4. HYDROLOGIC BALANCE

The area has been very dry and no rain has fallen since the last inspection. No water was flowing directly on or off the disturbed areas.

4a. DIVERSIONS

All diversions appeared intact and functioning.

4b. SEDIMENT PONDS AND IMPOUNDMENTS

There was no water in the sedimentation ponds and no discharges in April, May or June. Pond inspections for the first quarter were submitted on April 24, 2000.

INSPECTION REPORT
(Continuation sheet)

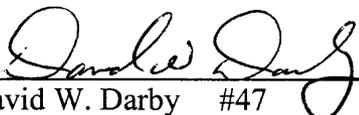
PERMIT NUMBER: ACT/007/013

DATE OF INSPECTION: 6/27/00

Copy of this Report:

Mailed to: James Fulton, OSM
Clyde Borrell, UtahAmerican
Melvin Coonrod, EIS

Given to: Daron R. Haddock, DOGM

Inspector's Signature:  Date: 8/10/00
David W. Darby #47

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cc: Price Field Office
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