



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt
GovernorKathleen Clarke
Executive DirectorLowell P. Braxton
Division Director

INSPECTION REPORT

Partial: XXX Complete: _____ Exploration: _____
 Inspection Date & Time: 10/03/2001 / 10:30-4:30 PM
 Date of Last Inspection: 09/07/2001

DRH

ok

Mine Name: Horse Canyon Mine County: Carbon Permit Number: C/007/013
 Permittee and/or Operator's Name: UtahAmerican Energy, Inc.
 Business Address: 31 N. Main, Helper, UT 84526 / 56854 Pleasant Ridge Rd., Alledonia, OH 43902
 Type of Mining Activity: Underground XXX Surface _____ Prep. Plant _____ Other _____
 Company Official(s): Jay Marshall, UEI
 State Official(s): Joe Helfrich Federal Official(s): None
 Weather Conditions: Clear, Warm-Mid 80's
 Existing Acreage: Permitted 1327.75 Disturbed 74.26 Regraded 52 Seeded 51.56
 Status: Active Reclamation XXX

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

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 type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. TOPSOIL | <input type="checkbox"/> | <input type="checkbox"/> | <input 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 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 ISSUES | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. SLIDES AND OTHER DAMAGE | <input 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 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 (4 th Quarter- April, May, June) | <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 type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/013

DATE OF INSPECTION: 10/03/2001

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

With the approval of the Lila Canyon significant revision to the Horse Canyon Mine on July 27, 2001, the Lila Canyon Mine area will be inspected. With regards to issues that pertain to the permit requirements, the Office of Surface Mining has yet to approve the permit, so no construction is allowed. The Bureau of Land Management requires federal permit approval prior to issuing a "permit to construct."

Joe Helfrich and I met Jay Marshall at his office at 9:30 am. Joe's purpose for attending the trip was to collect GIS point data on water sampling sites.

4A. HYDROLOGIC BALANCE: DIVERSIONS

All disturbed and undisturbed drainages appeared to be intact and functioning.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

Both sediment ponds were dry and appeared stable.

4D. HYDROLOGIC BALANCE: WATER MONITORING

UEI is required to submit all water monitoring data into the Utah Coal Water Quality Database. UEI has submitted the second and third quarter water monitoring data. Jay mentioned he plans to conduct forth quarter monitoring next week.

Water was flowing in the right fork of Horse Creek, emanating from RS-2. We drove to H-2 where Jay drove a T-post into the ground to mark the monitoring site. H-2 emanates from a spring about 50 feet up stream from the post. The flow was about 5 gpm.

Joe took GPS readings at HC-1, HC-2 (B-1), L-12-G and L-10-G. Jay Marshall took pictures of the sites and stated he would send copies of them to DOGM.

9. FISH AND WILDLIFE ISSUES

The permit was stipulated that UEI must determine if the Lila Canyon Mine significant revision contains suitable habitat for the Mexican Spotted Owl (MSO). Depending on the results of the evaluation, the Permittee will modify the MRP in accordance with requirements of the U.S. Fish and Wildlife and Wildlife Service. A field trip with Susan White, Dr. Frank Howe, and Mel Coonrod evaluated the proposed disturbed area and found no habitat for the MSO, (see the attached field visit memo).

Inspector's Signature: David W. Darby
David Darby

Date: October 5, 2001

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

cc: James Fulton, OSM
Clyde Borrell, UtahAmerican
Mel Coonrod, EIS
Price Field office

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August 14, 2001

TO: Internal File

FROM: Susan M. White, Senior Reclamation Biologist

RE: Field Visit to Review Mexican Spotted Habitat, Utah American Energy, Inc., Horse Canyon Mine, C/007/013

Other Attendees: Dr. Frank Howe (DWR) and Mel Coonrod (EIS)

Date & Time: August 6, 2001, 2:00 p.m. to 2:30 p.m.

PURPOSE:

The Mexican spotted owl was listed as a threatened species on March 16, 1993 by the United States Fish and Wildlife Service (USFWS). Critical habitat was designed for the owl on February 1, 2001. The western boundary of Critical Habitat Unit CP-15 is located within a mile of the eastern boundary of the Horse Canyon Permit Area. The Mexican spotted owl was not identified by the USFWS as a listed species that may potentially occur within the county during Section 7 Consultation in correspondence dated January 6, 1998, April 14, 1999, October 14, 1999, or April 28, 2000.

The Division notified the USFWS on July 16, 2001 of the need for additional Section 7 consultation concerning the Mexican spotted owl. In a response dated July 18, 2001, the USFWS recommended that a survey of the project area be conducted with a qualified expert to determine if further surveys for the owl are needed.

The purpose of this field trip was to determine if suitable habitat for the Mexican spotted owl occurs within and/or adjacent to the disturbed area of the Lila Canyon facilities. Dr. Howe, DWR, is recognized as the Utah authority on the Mexican spotted owl.

TECHNICAL FIELD VISIT

OBSERVATIONS:

Dr. Howe, Mr. Coonrod, and myself drove to the middle of the disturbed area to provide Dr. Howe a good overall view of the disturbed area and adjacent rock cliffs. Dr. Howe was primarily looking at the cliffs for nesting habitat and large trees for roosting. He stated that although some of the required components were present the overall aspect of the area was much too exposed for the spotted owl to use except for winter foraging habitat. An E-mail from Dr. Howe summarizing his observations is attached to this field visit report.

RECOMMENDATIONS:

The Division should make a determination that coal mining and reclamation operations in the Lila Canyon disturbed area is not likely to affect the Mexican spotted owl. Written concurrence by the USFWS is then required to complete the Section 7 Consultation and no further action is necessary.

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enclosure
cc: Dr. Frank Howe (DWR)
Mel Coonrod (EIS)
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