

0029



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

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Handwritten initials/signature and 'OK' mark

INSPECTION REPORT

Partial XXX Complete ___ Exploration ___
Inspection Date: 06/21/2002 / Time: 9:00 - 12:00
Date of Last Inspection: 05/29/2002

Mine Name: Horse Canyon Mine County: Carbon Permit Number: C/007/013
Permittee and/or Operator's Name: UtahAmerican Energy, Inc.
Business Address: PO Box 986, Price, Utah 84501 / 56854 Pleasant Ridge Rd, Alledonia, OH 43902
Company Official(s): R. Jay Marshall
State Official(s): Karl R. Houskeeper Federal Official(s): None
Weather Conditions: Clear, Temp 90 - 95°F
Type of Mining Activity: Underground XXX Surface ___ Prep Plant ___ Other ___
Existing Acreage: Permitted 1327.75 Disturbed 74.26 Regraded ___ Seeded ___
Status: Active Reclamation

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.

Table with 5 columns: Item, EVALUATED, N/A, COMMENTS, NOV/ENF. Rows include: PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; DIVERSIONS; SEDIMENT PONDS AND IMPOUNDMENTS; OTHER SEDIMENT CONTROL MEASURES; WATER MONITORING; EFFLUENT LIMITATIONS; EXPLOSIVES; DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES; COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS; NONCOAL WASTE; PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES; SLIDES AND OTHER DAMAGE; CONTEMPORANEOUS RECLAMATION; BACKFILLING AND GRADING; REVEGETATION; SUBSIDENCE CONTROL; CESSATION OF OPERATIONS; ROADS; CONSTRUCTION/MAINTENANCE/SURFACING; DRAINAGE CONTROLS; OTHER TRANSPORTATION FACILITIES; SUPPORT FACILITIES/UTILITY INSTALLATIONS; AVS CHECK (4th Quarter- April, May, June); AIR QUALITY PERMIT; BONDING & INSURANCE.

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/013

DATE OF INSPECTION: 06/21/2002

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

2. SIGNS AND MARKERS

Checked the new ID sign located by the facilities area. The ID sign gives the phone number of the new resident agent and other pertinent information. The signs and markers viewed during the inspection meet the coal rules.

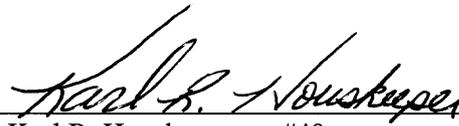
4D. HYDROLOGIC BALANCE: WATER MONITORING

The water monitoring is current and was viewed on the EDI web site prior to the inspection. Discussed the no access issues especially for first and fourth quarter monitoring. The operator is still monitoring the established points for the Lila Canyon Extension.

13. REVEGETATION

Viewed several of the areas that were seeded last year. Due to the drought conditions, very little growth has occurred since the areas were seeded. The operator will continue to monitor the vegetation success.

Inspector's Signature: _____


Karl R. Houskeeper #49

Date: June 24, 2002

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, UEI
R. Jay Marshall, UEI
Price Field office

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