



The State of Utah  
 Department of  
 Natural Resources  
 Division of  
 Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

Representatives Present During the Inspection:		
OGM	Joe Helfrich	Environmental Scientist III
Company	Jay Marshall	Resident Agent
OGM	Karl Houskeeper	Environmental Scientist III

# Inspection Report

Permit Number:	<b>C0070013</b>
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, February 08, 2005
Start Date/Time:	2/8/2005 10:00:00 AM
End Date/Time:	2/8/2005 1:30:00 PM
Last Inspection:	Friday, October 08, 2004

Inspector: Joe Helfrich, Environmental Scientist III

Weather: Sunny, 40

InspectionID Report Number: 532

Accepted by: whedberg  
 2/27/2005

Permittee: **UTAHAMERICAN ENERGY INC**

Operator: **UTAHAMERICAN ENERGY INC**

Site: **HORSE CANYON MINE**

Address: **PO BOX 986, PRICE UT 84501**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

### Current Acreages

6,032.07	<b>Total Permitted</b>
122.49	<b>Total Disturbed</b>
61.65	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

### Mineral Ownership

- Federal
- State
- County
- Fee
- Other

### Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The purpose of this site visit was to conduct a complete inspection of the Horse Canyon facility. The site is currently inactive. The application for the proposed Lila Canyon facility has not been approved. The permittee plans to submit a response to the latest round of deficiencies on or about the end of February.

**Inspector's Signature**

**Date** Tuesday, February 15, 2005

Joe Helfrich, Environmental Scientist III

Inspector ID Number: 1

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

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**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 Not Applicable.
  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference 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, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" 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 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## **1. Permits, Change, Transfer, Renewal, Sale**

The DOGM permit expires 05/06/2006. Other documents include the following:

- Certificate of Insurance terminates 06/01/2005.
- UPDES permit UTG040013 expires midnight 04/30/2008, (Horse Canyon Mine).
- UPDES permit UTG040024 expires midnight 04/30/2008, (Lila Canyon Mine).
- Air Quality Permit DAQE-702-99.

The status of the mine site is Phase II Bond Release. The inspection frequency for this mine site is quarterly.

## **2. Signs and Markers**

Checked the ID sign at the public accesses to the facilities area. The ID signs list the required information including the phone number of the resident agent. The other signs and markers viewed meet the coal rules.

### **4.a Hydrologic Balance: Diversions**

Work on the diversion channel west of the old refuse pile site was inspected. The Division Hydrologist, Dave Darby, visited the site on 10/07/04 to inspect the repair work. Apparently there are still some concerns about the angle of the confluence of the channel and the size and placement of riprap. Photos were taken.

### **4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The quarterly sediment pond inspection for pond #2 was done and P.E. Certified on 11/09/04. No problems were noted and the pond was dry.

### **4.d Hydrologic Balance: Water Monitoring**

Fourth quarter 2004 water monitoring is in the EDI website and uploaded. Water monitoring is current.

### **4.e Hydrologic Balance: Effluent Limitations**

The discharge monitoring reports (DMR's) were current through January 2005.

## **20. Air Quality Permit**

Air quality permit DAQE-702-99 was issued on August 27, 1999 and remains in effect.

## **21. Bonding and Insurance**

Bond number SUR004892 for \$1,137,726 was increased to \$1,253,000 on January 24, 2001. Phase II Bond Release was approved on February 12, 2003, which dropped the bond by \$191,672. The current bond is now \$1,061,328. The bond is through Lincoln General Insurance Co. This Bond is for Part A (Horse Canyon).

Bond number SB9905586 is for Part B (Lila Canyon Extension). The Bond amount is \$1,556,000 from XL Specialty Insurance. The Lila Canyon Extension has been submitted to the Division and is currently under review.

Insurance is through Federal Insurance Company policy # 37104410. The insurance was issued on 06/01/2004 and expires on 06/01/2005. Explosive coverage is noted. The minimum coverage is met and the certificate holder is listed as the State of Utah, Division of Oil, Gas and Mining.