

WATER QUALITY MEMORANDUM

Utah Coal Regulatory Program

March 28, 2007

JK

TO: Internal File

THRU: D. Wayne Hedberg, Permit Supervisor *DWH*

FROM: David W. Darby, Senior Reclamation Specialist/Hydrology *DWD*

RE: 2006, 3rd Quarter Water Monitoring, UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/0013-WQ06-3, Task ID #2637

1. Was data submitted for all of required sites?

This report was prepared based on information in File: O:\007013.hc\Water Quality\datacheck2006-2007(1).xls. The reclamation water monitoring schedules for surface (Table-1) and groundwater (Table 3) at the Horse Canyon Mine is identified in Appendix VI-5. A major portion of the disturbed area (now reclaimed) has been donated to the College of Eastern Utah on October 20, 2005. UtahAmerican Energy Inc. (UEI) will still be responsible for reclamation until Phase III bond release is approved.

Surface and groundwater monitoring is required for the Horse Canyon Mine (MRP-A) under the reclamation plan. UEI has submitted the Lila Canyon Extension Application to the Horse Canyon Mine. It is currently under technical review. UEI has submitted surface and groundwater monitoring information for sites on the Lila Canyon Extension as identified in the plan (MRP-B) to depict baseline conditions at the mine in accordance with R645-301-724.100 and -724.200. Jay Marshall sent an email October 25, 2004 stating that as of the second quarter of 2004, UEI has collected two years of baseline information, and announced they will discontinue monitoring the Lila Canyon Extension sites, and will continue when the permit is approved.

Springs The operational data submitted to the Division Database shows Horse Canyon spring monitoring site RS-2 to be the only spring monitored and reported. The spring monitoring scheduled is two times each year. The Permittee has been monitoring quarterly when sites were accessible.

YES [X] NO [] All springs were monitored according to the schedule and data submitted.

The Permittee could not gain access to the spring this quarter. This is not a problem, since the plan calls for monitoring two quarters per year.

Streams Surface Water sites at the Horse Canyon Mine consist of H-1, B-1, RF-1. They are monitored for flow and chemistry once each calendar quarter. RF-1 is downstream of RS-2. Spring RS-2 and surface site RF-1 monitor the same flow. The water quality is very good and not impacted by the mine. HC-1 also is a surface site that measures the flow from a spring that is located in the channel above the monitoring site. The water quality is very good and is not impacted by the mine. Site B-1 is located downstream of the mine and is dry most of the time.

YES NO All required stream sites were monitored for the quarter. All stream sites showed no flow.

Wells There are no operational monitoring wells on the Horse Canyon Mine.

YES NO N/A

UPDES Sedimentation Pond #2, UPDES Site 002, has been, modified for full containment and transferred to the College of Eastern Utah.

YES NO N/A

2. Were all required parameters reported for each site?

Springs YES NO

Streams YES NO The monitoring in Table 1, identifies acidity as a parameter that should be monitored. It has not been monitored at HC-1 or RF-1 for the quarter. The operator reported alkalinity, which is preferred by the Division, since this parameter better assesses the water chemistry of the area. Alkalinity runs high for the area (in the 400's ml) and Acidity is very low. Monitoring Site B-1 had no flow.

Wells YES NO NA

UPDES YES NO NA

3. Were irregularities found in the data?

Springs YES [] NO [X] No, for data submitted.

Streams YES [] NO [X] No, for data submitted.

Wells YES [] NO [] NA

UPDES YES [] NO [] NA

4. On what date does the MRP require a five-year resampling of baseline water data.

Re-sampling due date is July 2009.

5. Based on your review, what further actions, if any, do you recommend?

The Permittee will be contacted to make sure data submitted matches the monitoring plan. Either acidity should be reported or Table 1 changed to contain alkalinity.

Does the Mine Operator need to submit more information to fulfill this quarter's monitoring requirements? [] Yes [X] No

Yes, the missing parameter mentioned above should be addressed in the monitoring plan. Information needs to be submitted, or the monitoring plan modified. There are no downstream impacts shown for this quarter. A copy of the data file will be emailed to the Mine Operator and DOGM Mine Inspector.

6. Follow-up from last quarter, if necessary.

Did the Mine Operator submit all the missing and/or irregular data (datum)?

This report and the previous report were delayed to facilitate the permit review process. The same parameters issues occurred with previous quarters. The Permittee will be contacted to ensure quarterly reporting will match the water monitoring schedule from the date posted on this review.