

0008



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

Company	Jay Marshall Resident Agent
OGM	Pete Hess Environmental Scientist III

Inspection Report

Permit Number:	C0070013
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, February 12, 2008
Start Date/Time:	2/12/2008 8:40:00 AM
End Date/Time:	2/12/2008 12:30:00 PM
Last Inspection:	Friday, January 11, 2008

Inspector: Pete Hess, Environmental Scientist III

Weather: Clear; melting snow accumulations.

InspectionID Report Number: 1547

Accepted by: dhaddock *JK*

3/5/2008

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

5,992.07	Total Permitted
122.49	Total Disturbed
61.65	Phase I
	Phase II
	Phase III

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 road to Range Creek past the permit area "A" donation area was snow packed and access was not attempted past the Horse Canyon maintenance shop.

Snow was melting on the permit area "B" access road (EC 126) and access beyond a distance of 100 feet past the cattle guard was not attempted. This road is unsurfaced Mancos shale. Access will be attempted on February 14, 2008.

The Permittee has applied for a Phase III bond release for 91.97 acres of disturbance associated with the old Horse Canyon Mine facilities. This includes the 16.18 acres associated with the donation area given to the College of Eastern Utah Foundation. A reclamation bond of \$5,000 will be retained to cover the new channel constructed from the old waste rock disposal area to Horse Creek.

The Division electronic water monitoring data base contains surface and ground water monitoring information for the Horse Canyon Mine permit area for fourth quarter 2007. The Permittee is current relative to this Special condition of Attachment "A".

7/PHH

Inspector's Signature: _____

Pete Hess

Date _____

Friday, February 29, 2008

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

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

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

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 type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" 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.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 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4.a Hydrologic Balance: Diversions

Horse Canyon Creek remains snow covered, with no visible sign of flow.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Pond 2 located above the Emery County bridge is snow covered.

4.d Hydrologic Balance: Water Monitoring

Melt water is visible along paved road surfaces, but measurable flow is not visible. The Permittee is making preparation to install a crest stage gauge and siphon sampler in the channel just west of the disturbed area perimeter in Section 15, T 16 S, R 14 E. A professional hydrologist will install these devices when weather and pickup truck accessibility occurs, (hopefully by March 31, 2008). As observed this day, most snowmelt is soaking into the ground, with no visible runoff.

4.e Hydrologic Balance: Effluent Limitations

The Permittee has applied for a nonrenewal for the UPDES permit for permit area "A" (UPDES outfalls 001A and 002A, Geneva Mine) as of November 26, 2007. According to the Utah DWQ, this UPDES permit will be allowed to automatically expire on April 30, 2008. Mr. Marshall indicated that he has submitted the last discharge monitoring report for UPDES outfall 002A, which is the point discharge to Horse Creek from pond 2. This outfall has been eliminated via DWQ permitting.

9. Protection of Fish, Wildlife and Related Environmental Issues

The permittee is maintaining a log of the construction area activities for permit area "B". This is to document information for the continuation of construction activities during the raptor exclusionary period (February 1 through July 1).

16.a Roads: Construction, Maintenance, Surfacing

The access road to Range Creek will not be reclaimed as part of the permit area "A" Phase III bond release

16.b Roads: Drainage Controls

Most of the road drainage controls within permit area "A" remain snow covered.

20. Air Quality Permit

The Permittee is currently revising the modeling for the air quality approval order in order to increase the stockpile size and the throughput per 12 month rolling period (Lila Canyon extension of the Horse Canyon Mine).