



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:	Thursday, June 19, 2008
Start Date/Time:	6/19/2008 8:50:00 AM
End Date/Time:	6/19/2008 12:00:00 PM
Last Inspection:	Tuesday, May 27, 2008

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny and warm; 80's F.

InspectionID Report Number: 1687

Accepted by: jhefric
7/7/2008

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 Permittee notified the DOGM on June 18, 2008 that the second quarter of 2008 surface and ground water monitoring information for the Horse Canyon Mine permit area was in the OGM EDI pipeline ready for uploading into the master data base. The Permittee continues to meet this Special Condition of Attachment "A" of the current State permit. There are no pending compliance actions for this site.

There is no activity occurring at the Lila site; the raptor exclusionary period remains in effect through July 15, 2008.

Inspector's Signature: _____

Pete Hess

Date

Thursday, June 19, 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.

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 type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The Division is currently reviewing an amendment to revise the design of the Horse Canyon Mine surface facilities (Task ID # 2969); the Division anticipates construction activities will be re-initiated on July 16, 2008.

3. Topsoil

To date, no topsoil recovery has occurred at the Lila Canyon site.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The annual impoundment certification for the #2 lower pond located adjacent to the Emery County Horse Canyon Creek bridge was completed by Mr. Jay Marshall on June 15, 2007; the P.E. certified report was submitted as part of the 2007 Annual Report requirements for the Mine.

4.d Hydrologic Balance: Water Monitoring

There was no flow observed in Lila Creek this day. Information collected by the electronic rain fall gauge has yet to be downloaded. The site has received very little moisture. The Permittee has been instructed to not install the remaining six crest stage gauges and siphon samplers in Little Park until the after the raptor exclusionary period, July 15, 2008. The following sites were reported a "no-access" for the first quarter of 2008; IPA-1,2 and # (Little Park Wash wells), L-1S, L-11-G and L-12-G, L-7-G, L-8-G, L-9-G. The Permittees water monitoring field notes were checked to confirm the "no access". Attempts were made to access "Little Park" on March 14, 18, and 31. Snow depths or mud prevented access during the first quarter of 2008. The "no access" was documented in the DOGM inspection report conducted on March 14, 2008 (#1583, section 16a).

4.e Hydrologic Balance: Effluent Limitations

The Permittee received a UPDES permit renewal for the Lila Canyon site on April 23, 2008.

7. Coal Mine Waste, Refuse Piles, Impoundments

A coal waste pile has been permitted for the permit area "B" / Lila Canyon Mine site. To date, no construction for this disposal area has been initiated.

9. Protection of Fish, Wildlife and Related Environmental Issues

No raptors were observed in flight over the site today. Appendix B of the submitted 2007 Annual Report for the Horse Canyon Mine contains the inventory report for the threatened, endangered and sensitive species identified in the proposed permit area "B" (Lila Canyon) Mine site area. The survey was conducted on May 3, 2007, which was prior to disturbing the proposed Mine site area (as required within the State permit). The Permittee initiated mobilization for vegetation removal on January 3, 2008.

16.a Roads: Construction, Maintenance, Surfacing

The Permittee intended to meet with the Emery County Road Department on June 20, 2008 to discuss the Mine site access.

18. Support Facilities, Utility Installations

The Permittee has installed numerous survey pins along the ROM conveyor corridor, which include the belt portal, the storage silo location, the the crusher location, and the truck loading facility.

19. AVS Check

The Permittee submitted updated information for ownership and control to address a deficiency identified in the West Ridge Mine mid-term permit review(Task ID #2960) on April 22, 2008. The review of that submittal is pending.

21. Bonding and Insurance

The Permittee submitted a coverage renewal for general liability insurance for the Horse Canyon Mine to the DOGM on May 30, 2008. Coverage for damage incurred from the use of explosives is provided. Liability amounts for general aggregate and each occurrence categories are adequate and meet the requirements of the R645-301-890.100. Current coverage remains in effect through June 1, 2009.

22. Other

Two copies of the 2007 Annual Report for the UtahAmerican Energy Horse Canyon Mine were received at DOGM on May 27, 2008. Confidential information relative to the 2007 raptor survey was received in Price and same was returned to the Salt Lake office on June 10, 2008. The remainder of the submitted information was reviewed and discussed with the Permittee during today's complete inspection. Most of the permit commitments and conditions listed in the DOGM 2007 Annual Reporting form were not established until December of 2007 by the Stipulation for Dismissal, which added the commitments to the State permit C/007/013. The commitments relative to the installation of rain gauges, crest stage gauges, and siphon samplers, the required seep and spring survey, and the installation of ground water monitoring wells are not relevant to the 2007 reporting year.