



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:	
OGM	Pete Hess Environmental Scientist III
Company	Jay Marshall Resident Agent

**Inspection Report**

Permit Number:	C0070013
Inspection Type:	PARTIAL
Inspection Date:	Thursday, March 19, 2009
Start Date/Time:	3/19/2009 12:57:00 PM
End Date/Time:	3/19/2009 2:45:00 PM
Last Inspection:	Thursday, March 05, 2009

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, 50's F.

InspectionID Report Number: 1952

Accepted by: jhelfric  
3/24/2009

Permitee: **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
99.56	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:

Inspector's Signature: Pete Hess

Date Monday, March 23, 2009

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 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 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### **3. Topsoil**

The Permittee's contractor continues to add topsoil volume to the storage pile area. The Permittee intends to sample the rock tunnel development waste in accordance with the requirement in the MRP in the very near future. Muck was being extracted from the #1 entry this day; the material appears to be mostly beige sandstone material. The Permittee must analyze for acid and toxic potential, (Appendix 5-7, Refuse Testing) of this coal mine waste.

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

The Permittee's contractor was stripping topsoil in order to construct a diversion from the base of the coal stockpile pad to the ditch north of the topsoil stockpile (this ditch reports into the #1 or main pond).

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

The Permittee recently had the Mine site drainage control evaluated by a hydrologist from EarthFax Engineering. It was determined that the incisement which has been constructed for the pond adjacent to where the truck loading loop will be constructed is not large enough to handle the volume of water which will report to it. This pond is being re-evaluated by the Permittee and EarthFax.

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

Mr. Marshall conducted the first quarter of 2009 surface water monitoring requirements for the Lila Canyon Mine site during today's inspection. The following sites were noted as dry; L1S (main fork Lila Creek), L2S, (right fork above Mine), and L3S (right fork below Mine pond). Crest gauge and siphon sampler #1 (Main fork of Lila below County road #126) noted that the last documentable event was a snow fall in October 2008. No other flows were measured.

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

The two permitted UPDES outfalls for this site, (L4G / sediment pond discharge) and L5G / Mine water discharge has yet to be constructed. Mr. Marshall stated that the 60 inch culvert for the sediment pond undisturbed bypass should arrive on site either 3/20 or 3/23.

### **5. Explosives**

All three of the rock tunnels have been advanced to a depth of at least 50 feet; the Permittee is now using 225 pounds of explosive per 9 foot drill round (full face). The Permittee has relocated the dynamite and detonator storage magazines from the shop/warehouse pad to the water treatment plant pad.

### **9. Protection of Fish, Wildlife and Related Environmental Issues**

There were no birds observed in flight over the Mine site this day.

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**16.a Roads: Construction, Maintenance, Surfacing**

The Permittee recently met with the Emery County road department concerning the section of EC 126 connecting Lila Canyon with US 50 and 6.

**18. Support Facilities, Utility Installations**

The Lila site is receiving AC power from Rocky Mountain Power, via the temporary power cable.

**21. Bonding and Insurance**

A notice of violation was issued to the Permittee on March 17, 2009 for failure to maintain bond coverage with a surety having a minimum A.M. Best rating of A- for the permit area "A" bond. The Permittee intends to correct this on March 23, 2009.