



GARY R. HERBERT
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State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0070013
Inspection Type:	PARTIAL
Inspection Date:	Tuesday, July 20, 2010
Start Date/Time:	7/20/2010 7:52:00 AM
End Date/Time:	7/20/2010 11:12:00 AM
Last Inspection:	Wednesday, June 23, 2010

Representatives Present During the Inspection:
OGM Pete Hess

Inspector: Pete Hess

Weather: Clear and hot; 90's Fahrenheit during day.

InspectionID Report Number: 2427

Accepted by: jhelfric
7/29/2010

Permittee: **UTAHAMERICAN ENERGY INC**
Operator: **UTAHAMERICAN ENERGY INC**
Site: **HORSE CANYON MINE**
Address: ,
County: **CARBON**
Permit Type: **PERMANENT COAL PROGRAM**
Permit Status: **ACTIVE**

Current Acreages

5,992.07	Total Permitted
42.60	Total Disturbed
74.26	Phase I
74.26	Phase II
74.26	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:

Mr. James Newman, mining engineer, represented the Permittee during today's inspection.

Inspector's Signature:

Pete Hess

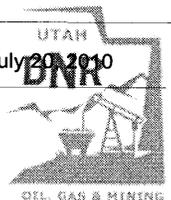
Date

Tuesday, July 20, 2010

Pete Hess,

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.
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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 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 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 type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" 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 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 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 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 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"/>

3. Topsoil

The Permittee's contractor was recovering and placing topsoil from the south end of the coal storage pad on the south end of the topsoil storage pile this day. Environmental Industrial Services is monitoring the soil volume being recovered.

4.a Hydrologic Balance: Diversions

Two diversions were identified as needing maintenance; 1) the 12 inch underroad CMP located at the last switchback on the portal access road, and 2) the road ditch which dumps into the 18 inch inlet pipe into Pond #2. This CMP is not depicted on Plate 7-2, Disturbed Area Hydrology.

5. Explosives

The location of the explosive and detonator storage magazine is on the pad identified as the water treatment plant pad. The area was clear of non-coal waste debris.

7. Coal Mine Waste, Refuse Piles, Impoundments

The site does not have a coal mine waste disposal area.

9. Protection of Fish, Wildlife and Related Environmental Issues

The Division granted a conditional approval of Task ID # 3579, "Wildlife Enhancement and Mitigation Plan" for the Lila Canyon Extension on June 16, 2010, pending receipt of clean copies prepared for incorporation. The clean copies have been received. To date, the Permittee has not applied seed to the two areas identified on the inslope of Pond 1 to address the permit commitment "vegetation test plot / to test whether summer seeding will increase the establishment of the warm season species". The seeding of the first two areas is to occur in July.

14. Subsidence Control

To date, the only coal recovery occurring is from the development of main entries. No secondary extraction is occurring.

16.b Roads: Drainage Controls

As mentioned above, the road ditch reporting to the 18 inch CMP on the NW corner of Pond 2 should be redefined.

18. Support Facilities, Utility Installations

As observed this day, the Permittee was preparing to make a 50 CY concrete pour in the new electrical substation location for a transformer base. Mr. Marshall anticipates that the transformers will arrive at the site on August 6, 2010.

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21. Bonding and Insurance

The Permittee has submitted the required documents to the Division to post the additional \$ 113,000.00 of bond necessary to receive final approval of Task ID # 3541, Surface Design Changes. This will bring the total bond amount to \$ 1,807,000.00. To date, the Division has not made a decision as to the relinquishment of the \$ 8,000 of bond in place to conduct any possible reclamation activities on Ditch 31. Ditch 31 is the 100 year 6 hour diversion reporting from the permit area "A" waste rock site to Horse Canyon Creek. The reclamation of the most recent activity conducted at has been inspected by a Division biologist and a plant specialist.

22. Other

Mr. Marshall indicated that the construction of the new UP & L high voltage transmission line to the Lila Canyon Mine will be initiated on July 27, 2010.