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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:	Wednesday, August 25, 2010
Start Date/Time:	8/25/2010 10:00:00 AM
End Date/Time:	8/25/2010 11:40:00 AM
Last Inspection:	Tuesday, July 20, 2010

Representatives Present During the Inspection:	
OGM	Pete Hess
Company	Jay Marshall

Inspector: Pete Hess

Weather: Clear, hot, 80's F.

InspectionID Report Number: 2464

Accepted by: jhelfric
8/26/2010

Permitee: **UTAHAMERICAN ENERGY INC**
Operator: **UTAHAMERICAN ENERGY INC**
Site: **HORSE CANYON MINE**
Address: **PO BOX 910, EAST CARBON UT 84520-0910**
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:

The Permittee is current regarding quarterly electronic submittals of surface and ground water monitoring data. Various construction activities are occurring at this site including;

- 1) building of the EC #126 access road road bed from the "gold mine" to the permit area
- 2) laying of asphalt surfacing material from US Highway 6 to the "gold mine"
- 3) laying of asphalt on the US 6 interchange to Lila Canyon
- 5) installation of UP & L Power poles (5 more needed prior to wire installation)

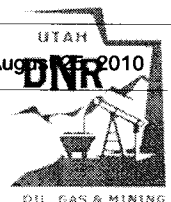
Inspector's Signature: _____

Pete Hess

Date: Wednesday, August 25, 2010

Pete Hess,
Inspector ID Number: 46

Note: This inspection report is a public document and is available for review at the Division of Oil, Gas and Mining, 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 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 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 checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input 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 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 continues to recover topsoil from inside the permit boundary. Temporary piles are located directly south of the main storage pile. Two storage pile signs are in place on the main pile.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Ponds #1 and #2 are both dry. No compliance issues were identified with either pond.

4.c Hydrologic Balance: Other Sediment Control Measures

The Permittee was in the process of redefining the ditch identified as DD-18b on Plate 7-5. This ditch reports to the 18 inch CMP (DC-19) whose inlet is on the NW corner of Pond #2. A motor grader was being used to do the maintenance work. All other diversions which were inspected this day appeared capable of functioning as designed.

4.d Hydrologic Balance: Water Monitoring

The Permittee conducted third quarter 2010 water monitoring field activities on August 24, 2010 in the Little Park area. There was no flow in either the main fork or the right fork of Lila Creek this day.

9. Protection of Fish, Wildlife and Related Environmental Issues

With the exception of a single jackrabbit observed enroute to Pond #1, no wildlife was observed during today's inspection.

12. Backfilling And Grading

The Permittee has completed the final grade on the coal storage pile pad area. High ash coal is to be hauled to this area and spread to be the base for the storage area. At that time the in-place earth berms will be spread and Jersey barriers will be placed to delineate the top perimeter of this pad.

14. Subsidence Control

To date, only primary development is occurring in the mine.

16.a Roads: Construction, Maintenance, Surfacing

All roads at the site are built on native material. To date, no gravel or asphalt has been utilized as surfacing material.

17. Other Transportation Facilities

Construction work continues on the new leg of Emery County Route # 126. The new road has been asphalted from the US 6 highway up to the "gold mine". Motor graders continues to work the upper road length, spreading and leveling road base. Rollers compact the material. A temporary crusher installation is being set on the permitted shop / warehouse pad to feed crushed product to a radial stacker installation to be located on the main coal stockpile pad. This is the stacker which was removed from the west side truck dump at the Wildcat Loadout. Both the crusher and radial stacker are temporary facilities to be utilized while the Mine continues underground development while the construction of the elevated conveyor approved in the MRP. Coal from the radial stacker pile will be loaded into trucks by a front end loader while the conveyor system to the approved truck loadout is constructed.

18. Support Facilities, Utility Installations

Construction activities continue at the new electrical substation; two electrical transformers have now been set. The new Utah Power high voltage transmission line is being built; only five more poles remain to be set to reach the mine permit area. A grounding field has been installed directly south of the main electrical substation.

20. Air Quality Permit

The operational roads throughout the site had recently been watered; a new application was being made at the close of today's inspection.

22. Other