

R



The State of Utah
Department of
Natural Resources
Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director
LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor
GAYLE F. McKEACHNIE
Lieutenant Governor

Representatives Present During the Inspection:	
OGM	Kevin Lundmark
Company	Jay Marshall

Inspection Report

Permit Number:	C0070013
Inspection Type:	PARTIAL
Inspection Date:	Thursday, October 14, 2010
Start Date/Time:	10/14/2010 9:00:00 AM
End Date/Time:	10/14/2010 12:00:00 PM
Last Inspection:	Tuesday, September 14, 2010

Inspector: Kevin Lundmark
Weather: Sunny, 50s, calm
InspectionID Report Number: 2529

Accepted by: jhelfric
11/2/2010

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:

Asphalt work on Emery Co Road 126 and US-6 on-ramp has been completed. Striping, signs, cattle guards, and completion of the fencing remain. Road is surfaced with 2 lifts of 4.5 inches each. Power poles are installed and permanent power to site from new transrupter scheduled mid-November. The first shipment of coal from Lila Canyon to Savage coal terminal occurred at approx. 11am on this day.

Inspector's Signature: Date: Monday, October 18, 2010
Kevin Lundmark,
Inspector ID Number: 63

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 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input 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 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Topsoil

Piles of topsoil which had been end-dumped next to the topsoil storage area have not been consolidated onto the main pile, although equipment was present and some progress had been made. A dozer was parked on the road south of the topsoil pile to prevent use of the road by other equipment. Mr. Marshall indicated that all end-dump topsoil piles would be consolidated onto the main pile and a berm constructed at the base of the pile within 30 days.

4.a Hydrologic Balance: Diversions

Diversion DD-20 appeared clear of sediment. Access to the road adjacent to the south and east sides of the main topsoil pile was blocked by a dozer to prevent use by equipment and to help maintain ditch DD-20.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sediment ponds 1 and 2 were inspected. Sed pond 2 was moist but contained no free water. Sed pond 1 contained less than 1 foot of free water. Neither sed pond was discharging at the time of inspection.

4.d Hydrologic Balance: Water Monitoring

Mr. Marshall reported that his consultant is preparing a report summarizing the two years of data collection by crest stage gages and siphon samplers at Lila Canyon mine. This report will be provided to the Division prior to the 2010 Annual Report.

13. Revegetation

At the time of inspection, seed had not been spread on the area disturbed to install the grounding field to the south of the electrical substation. Mr. Marshall committed that the area would be seeded within 30 days.

Flagging was observed on the embankments of Sed Pond 1. Mr. Marshall indicated that the SE and NW quadrants of the sed pond were seeded in July, while the SW and NE quadrants will be seeded this fall. This approach will provide information on the effect of seeding timing on revegetation success.

16.a Roads: Construction, Maintenance, Surfacing

Asphalt work on Emery Co Road 126 has been completed. Two lifts of 4.5 inches each were laid. Striping, signage, cattle guards, and fencing still require completion. The on-ramp to US-6 has also been completed. Savage industries began shipping coal from Lila Canyon to their Savage Coal Terminal on this day. The coal trucks were also testing the new road and on-ramp at a maximum speed of 45 mph.

Permit Number: C0070013
Inspection Type: PARTIAL
Inspection Date: Thursday, October 14, 2010

18. Support Facilities, Utility Installations

Power poles have been installed to provide power to Lila Canyon from the new Pacificorp transruptor station. Power lines have been strung and work was ongoing to finish string the communications line from the transruptor station to the mine. Permanent power should be available mid-November, pending receipt and installation of a specialty switch for the transruptor station.