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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:	Tuesday, November 30, 2010
Start Date/Time:	11/30/2010 9:00:00 AM
End Date/Time:	11/30/2010 12:00:00 PM
Last Inspection:	Thursday, October 14, 2010

Inspector: Kevin Lundmark
Weather: Sunny, cold
InspectionID Report Number: 2574

Accepted by: jhelfric
12/1/2010

Permittee: **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 monthly inspection for November 2010 was completed on November 30, 2010. Mr. Jay Marshall of UEI accompanied the DOGM inspector at the mine site. The Lila Canyon mine is operational, with work underground currently advancing fan breakouts to the south of the mine portals. Workings have been advanced to 60 feet from the coal outcrop as of this day. Contractors were also on-site finishing concrete work on the pad for the ventilation fan at the #0 portal location.

Inspector's Signature: Kevin Lundmark
Kevin Lundmark,

Date Wednesday, December 01, 2010

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 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 checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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

Quarterly inspections of the topsoil pile for accumulated coal dust as described in Section 234.220 of the MRP (Ch 2 page 16) have not begun. Mr. Marshall indicated that these inspections will be initiated once the conveyor, coal pile and topsoil pile are in their final configuration.

End-dumped topsoil remains to be consolidated onto the topsoil pile. The topsoil pile perimeter is also without a silt fence or berm/ditch along the southwest corner of the pile. A silt fence or berm/ditch around the perimeter of the pile required per Section 231.400 of the MRP (Ch 2 page 8). Mr. Marshall committed to providing the Division with a schedule for completing the silt fence or berm/ditch after confirming UEI labor availability.

4.a Hydrologic Balance: Diversions

Diversions at the site appeared to be functioning properly.

4.d Hydrologic Balance: Water Monitoring

UEI confirmed that Quaker Spring is analogous to water monitoring site 3C. This monitoring site will be activated in the Division's Water Database to facilitate upload of monitoring data for Quaker Spring, beginning with monitoring performed 2nd Quarter 2010.

4.e Hydrologic Balance: Effluent Limitations

No discharges were occurring from either UPDES outfall at the time of inspection. Both sedimentation ponds were dry at the time of inspection and no discharge of water from the underground mine has occurred to date.

13. Revegetation

Mr. Marshall reported that the small disturbance associated with the electrical substation grounding field has been reseeded. Seed mix was applied to this area and on all cut slopes by Dave Basinger approximately three weeks prior to the date of inspection.

16.a Roads: Construction, Maintenance, Surfacing

Gates have been installed to control access to the site.

18. Support Facilities, Utility Installations

Contractors were finishing concrete work for the ventilator fan pad at the #0 portal on this date. A small pad for a transformer next to the fan pad remains to be poured later this week.