

Outgoing  
C0070013  
OK

## Suzanne Steab - 2009 Annual Report

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**From:** Suzanne Steab  
**To:** Jay Marshall  
**Date:** 1/12/2010 8:17 AM  
**Subject:** 2009 Annual Report  
**Attachments:** Horse Canyon Mine C0070013.doc; 2009ARLetter.pdf

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Attached is the Annual Report for Horse Canyon Mine. Also attached is a letter outlining the Annual Report process.

Thanks.

Suzanne Steab, Office Specialist  
Office of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
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(801)538-5265  
[suzannesteab@utah.gov](mailto:suzannesteab@utah.gov)



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

January 11, 2010

All Coal Operators

Subject: 2009 Coal Mining Annual Reports for Active and Inactive Coal Mines, Outgoing File

Dear Mine Operator:

Enclosed, please find an updated 2009 Annual Report document. This single document is to be used by the operator, the inspector, and the DOGM staff for reporting 2009 information about your mine. This Annual Report document is being sent in a format that is compatible with most word-processing programs, and you should be able to open the file and enter your information directly into the form electronically. When completed, it can be submitted to the Division electronically. If for some reason you cannot make use of this electronic format, please fill out two hard copies (one for the Salt Lake office and one for the PFO) and mail it to the Division at:

Utah Division of Oil, Gas and Mining  
1594 W. North Temple, Suite 1210  
P. O. Box 145801  
Salt Lake City, Utah 84114-5801

The 2009 Annual Report form includes entries for regulatory requirements, such as annual impoundment certification; however, many Mining and Reclamation Plans include unique, mine-specific commitments that also must be reported annually. The Division has compiled these commitments for each mine and incorporated them into a 2009 Annual Report form that is distinct for each mine. Both these commitments and the regulatory requirements need to be addressed in the 2009 Annual Report. Also, please be sure to submit the following items as part of the 2009 Annual Report:

- 1) Raptor and archeology reports marked as confidential and in a separate folder marked confidential (R645-300-124.300);
- 2) Mine map identifying mining in 2009 as well as the mining proposed for the next five years [PE Certified] (R645-301-512 and R645-301-521); and
- 3) Notices of Proposed Mining sent to water conservancy districts and all owners and occupants of surface property above the underground workings (R645-525.700).



All confidential information should be submitted in a separate file or folder marked "Annual Report Confidential Information. See Map Section in the Annual Report for a definition of confidential material.

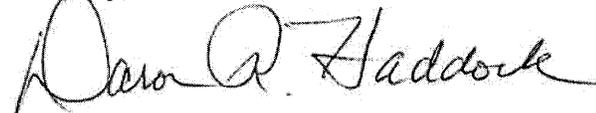
Depending on the status of your mine (active or inactive), some of the sections of the annual report may not apply or may not require a response. Please note this in the report if this is the case.

Timing for the 2009 Annual Report submittal is outlined below.

- The Division will send out 2009 Annual Report forms by January 14, 2010.
- The Operator will submit the required information by March 30, 2010.
- The Inspectors will review 2009 Annual Report information in conjunction with a complete inspection by June 30, 2010. If required information is not included, the Division may initiate enforcement and compliance action.
- If the Inspector determines that more review is needed of a specific item, the Inspector will comment and forward the 2009 Annual Report to an assigned staff member.
- This additional review will be handled separately, as a Special Project, and completed by September 30, 2010.

If you have any questions, please call me at (801) 538-5325 or James D. Smith at (801) 538-5262.

Sincerely,



Daron R. Haddock  
Permit Supervisor

This Annual Report shows information the Division has for your mine. Please review the information to see if it is current. If the information needs to be updated please do so in this document. At the end of each section the operator is asked to verify if the information is correct. Please answer these questions and make all comments on this document. Submit the completed document and any additional information identified in the Appendices to the Division by April 30, 2010. During a complete inspection an inspector will check and verify the information. To enter text, click in the cell and type your response. You can use the tab key to move from one field to the next. To enter an X in a box, click next to the box, right click, and select properties, then the checked circle, then hit enter, or hit the unchecked circle if the X is to be removed.

## GENERAL INFORMATION

Permittee Name	UTAHAMERICAN ENERGY, INC.
Mine Name	Horse Canyon Mine
Operator Name (If other than permittee)	
Permit Expiration Date	May 6, 2011
Permit Number	C/007/0013
Authorized Representative Title	R. Jay Marshall
Phone Number	(435) 888-4007
Fax Number	(435) 888-4002
E-mail Address	jmarshall@coalsource.com
Mailing Address	UtahAmerican Energy, Inc. P.O. Box 910 East Carbon, Utah 84520-0910
Designated Representative	R. Jay Marshall
Resident Agent	R. Jay Marshall
Resident Agent Mailing Address	UtahAmerican Energy, Inc. P.O. Box 910 East Carbon, Utah 84520-0910
Number of Binders Submitted	2

Operator, please update any incorrect information.

## IDENTIFICATION OF OTHER PERMITS

Identify other permits that are required in conjunction with mining and reclamation activities.

Permit Type	ID Number	Description	Expiration Date
MSHA Mine ID(s)	42-00100	Horse Canyon	None
	42-02241	Lila Canyon	None
MSHA Impoundment(s)	1211-UT-09-02241-01	Lila Canyon	None
NPDES/UPDES Permit(s)	UtG040013		April 30, 2008
	UTG040024		April 30, 2008
PSD Permit(s) (Air)	DAQE-702-99		None
<b>Other</b>			

Operator, please update any incorrect information.

**CERTIFIED REPORTS**

List the certified inspection reports as required by the rules and under the approved plan that must be periodically submitted to the Division. Specify whether the information is included as Appendix A to this report or currently on file with the Division.

Certified Reports:	Required		Included Included	or	DOGM file location Vol, Chapter, Page
	Yes	No			
Excess Spoil Piles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Refuse Piles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<b>Other</b>					
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

**Operator Comments:**

**Inspector:**

Has the operator complied with this section? Yes  No

**Inspector Comments:**

**COMMITMENTS AND CONDITIONS**

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If the particular section is blank, no commitment has been identified and no response is required for this report. If additional written response is required, it should be filed under Appendix B to this report.

Admin R645-301-100
Soils R645-301-200

**Title. Lila Canyon Mine Site Topsoil Salvage Monitoring**

**Objective.** Monitor and maintain records of materials removed and placement of materials in the topsoil storage pile.

**Frequency.** During construction a qualified soil scientist will oversee the soil salvage and construction of topsoil storage sites and maintain records of materials removed.

**Status.** Work was contracted in Phases. As-built volumes expected upon completion of each phase of work.

**Reports.** Update MRP with volumes and as-built map showing location of topsoil salvage and condition of topsoil storage pile.

**Citation.** MRP Section 232.500 and Section 231.100 and 232.100

**Operator:** Has this commitment been acted on this year?

Yes  No  Not required this year.  If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes  No

**Inspector Comments**

**Title. Lila Canyon Mine Monitoring Location and Protection of Designated Subsoil for Use Cover.**

**Objective.** Monitor placement of suitable subsoil material for use in final reclamation. Note whether subsoil is protected by asphalt, concrete or gravel over an impervious membrane.

**Frequency.** During construction of Lila Canyon facilities.

**Status.** During construction of the Lila Canyon Mine.

**Reports.** Update MRP with as built map showing the location of subsoil with suitable reclamation characteristics for use as cover during reclamation.

**Citation.** MRP Section 232.500, Section 241, Section 242.100.

**Operator:** Has this commitment been acted on this year?

Yes  No  Not required this year.  If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes  No

**Inspector Comments:**

**Title. Lila Canyon Mine Replacement of Cryptogams on Topsoil Pile.**

**Objective.** Salvaged cryptogams will be added to the wood fiber mulch and hydrosprayed on the surface of the gouged topsoil pile.

**Frequency.** Immediately after seeding of the topsoil pile.

**Status.** During construction of the Lila Canyon Mine.

**Reports.** Confirm cryptogamic replacement.

**Citation.** MRP Section 232.100 and Section 234.230.

**Operator:** Has this commitment been acted on this year?

Yes  No  Not required this year.  If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes  No

**Inspector Comments:**

**Title. Lila Canyon Mine Salvage of Cryptogams on Topsoil Pile Prior to Reclamation.**

**Objective.** Salvaged cryptogams will be added to the wood fiber mulch and hydrosprayed on the surface of the reclaimed site.

**Frequency.** Immediately after seeding of the reclaimed site

**Status.** During reclamation of the Lila Canyon Mine.

**Reports.** Success of cryptogamic establishment will be evaluated (by Division and Permittee) prior to collection from topsoil stockpile.

**Citation.** MRP Section 232.100 and Section 234.230.

**Operator:** Has this commitment been acted on this year?

Yes  No  Not required this year.  If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes  No

**Inspector Comments:**

Biology R645-301-300

**Title:** Habitat enhancement/mitigation.

**Objective:** Install 2 guzzlers as part of the BLM enhancement/mitigation plan to offset expected impacts to bighorn sheep as well as mule deer, elk, raptors, and chukars from the initial construction of the main facilities site.

**Frequency:** NA.

**Status:** Implement within one year following mine plan approval.

**Reports:** Provide location of guzzlers as an appendix to the MRP-Part B.

**Citation:** MRP-Part B, Sec. 333, p. 18; EA UT-070-99-22 July 2000.

**Operator:** Has this commitment been acted on this year?

Yes  No  Not required this year.  If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes  No

**Inspector Comments:**

**Title:** Habitat enhancement/mitigation.

**Objective:** Implement the BLM 70+-acre wildlife enhancement/mitigation plan to offset expected impacts to bighorn sheep as well as mule deer, elk, raptors, and chukars from the initial construction of the main facilities site.

**Frequency:** NA.

**Status:** Implement the BLM's plan within one year following mine plan approval.

**Reports:** Provide the BLM's detailed plan and a follow-up report as an appendix to the MRP-Part B.

**Citation:** MRP-Part B, Sec. 322.220, p. 10, 11; Sec. 333, p. 17, 18; EA UT-070-99-22 July 2000.

**Operator:** Has this commitment been acted on this year?

Yes  No  Not required this year.  If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes  No

**Inspector Comments:**

**Title:** Raptor and nest protection.

**Objective:** For possible subsidence impacts to raptor nests, , the Permittee will develop a mitigation plan that must be submitted and approved within 6 months after issuance of permit and apply for 'take permit' through USFWS 2 years prior to subsidence of the nests.

**Frequency:** NA.

**Status:** On going starting in 2007.

**Reports:** Dependent on the requirements of the mitigation plan.

**Citation:** MRP-Part B - Narrative showing this commitment must be added to the MRP Sec. 333.300 within 30 days after issuance of the permit.

**Operator:** Has this commitment been acted on this year?

Yes  No  Not required this year.  If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes  No

**Inspector Comments:**

**Title:** Sensitive plant.

**Objective:** Implement a protection program for known populations of canyon sweetvetch during construction of the main facilities site.

**Frequency:** NA.

**Status:** NA.

**Reports:** None.

**Citation:** MRP-Part B, App. 7-3.

**Operator:** Has this commitment been acted on this year?

Yes  No  Not required this year.  If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes  No

**Inspector Comments:**

**Title:** Seed mix tags.

**Objective:** Provide the Division biologist with seed mix tags prior to or during interim, contemporaneous, and final reclamation projects.

**Frequency:** NA.

**Status:** On going.

**Reports:** NA.

**Citation:** NA.

**Operator:** Has this commitment been acted on this year?

Yes  No  Not required this year.  If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes  No

**Inspector Comments:**

**Title:** Vegetation test plot.

**Objective:** To test whether summer seeding will increase establishment of the warm season species.

**Frequency:** NA.

**Status:** Implement immediately following construction of sediment pond.

**Reports:** Provide three years of monitoring results in Annual Reports.

**Citation:** MRP-Part B, Sec. 341.300 p. 26; Sec. 354, p. 28.

**Operator:** Has this commitment been acted on this year?

Yes  No  Not required this year.  If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes  No

**Inspector Comments:**

Landuse, Cultural Resources, Air Quality R645-301- 400

Engineering R645-301-500

**Title.** Lila Canyon Mine Rock Tunnel Waste Rock Operational Sampling

**Objective.** Monitor chemical quality of rock brought to surface from tunnels

**Frequency.** Five grab samples taken as follows: during the initial start up, at the 1/4 mark, and the 3/4 mark and near completion of the rock sope tunnels. Parameters to be monitored are found in Table 1.

**Status.** During tunnel construction.

**Reports.** Annual Report

**Citation.** MRP App. 5-7 Table 1

**Operator:** Has this commitment been acted on this year?

Yes  No  Not required this year.  If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes  No

**Inspector Comments:**

Geology R645-301-600

Hydrology R645-301-700

**Title: SUBMIT WATER MONITORING DATA IN AN ELECTRONIC FORMAT****Objective:** Put water data in DOGM water quality database.**Frequency:** Submit quarterly.**Status:** Submit quarterly monitoring data during operational and reclamation phases of mining.**Reports:** Submit field data, laboratory analyses and UPDES data to electronic database.**Citation:** Special Conditions December 21, 2007.**Operator:** Has this commitment been acted on this year?Yes  No  Not required this year.  If yes, comment;**Operator Comments:****Inspector:**Has the operator complied with this commitment? Yes  No **Inspector Comments:****Title: RAIN GAUGES****Objective:** Establish on-site climatological database.**Frequency:** No less than monthly from May 1 through October 30, monthly when feasible during the remaining months.**Status:** To be implemented within 30 days of Board's approval of the Stipulation for Dismissal.**Reports:** Data will be downloaded quarterly and included in the Annual Report**Citation:** Conditions to the Permit, Attachment A, Special Conditions (December 21, 2007).**Operator:** Has this commitment been acted on this year?Yes  No  Not required this year.  If yes, comment;**Operator Comments:****Inspector:**Has the operator complied with this commitment? Yes  No **Inspector Comments:**

**Title: CREST STAGE GAUGES AND SIPHON SAMPLERS****Objective:** additional water-quality and -quantity data.**Frequency:** Quarterly monitoring for 2 years; Installation, maintenance, and inspection to follow USGS protocols and on a frequency established by the Division.**Status:** Devices to be installed by March 31, 2008. At the end of the first year, the data will be analyzed and additional monitoring locations may be required.**Reports:** Included in regular quarterly monitoring reports. The MRP (and CHIA) to be updated as needed.**Citation:** Conditions to the Permit, Attachment A, Special Conditions (December 21, 2007).**Operator:** Has this commitment been acted on this year?Yes  No  Not required this year.  If yes, comment;**Operator Comments:****Inspector:**Has the operator complied with this commitment? Yes  No **Inspector Comments:****Title: USE GPS TO SURVEY LOCATIONS OF ALL KNOWN AND NEWLY IDENTIFIED SEEPS AND SPRINGS****Objective:** More precise identification and location of seeps and springs**Frequency:** Annual.**Status:** Survey to be commenced by March 31, 2008.**Reports:** The MRP (and CHIA) to be updated.**Citation:** Conditions to the Permit, Attachment A, Special Conditions (December 21, 2007).**Operator:** Has this commitment been acted on this year?Yes  No  Not required this year.  If yes, comment;**Operator Comments:****Inspector:**Has the operator complied with this commitment? Yes  No **Inspector Comments:**

**Title:** TWO MONITORING WELLS TO BE ESTABLISHED IN FUTURE BOREHOLES.

**Objective:** Monitor water levels and water quality within the permit and adjacent areas.

**Frequency:** If wells are established.

**Status:** To be done when and if additional holes are bored from the surface to the coal seam.

**Reports:** Water-quality and -quantity data will be included in the quarterly hydrology reports. The MRP (and CHIA) to be updated as needed.

**Citation:** Conditions to the Permit, Attachment A, Special Conditions (December 21, 2007)

**Operator:** Has this commitment been acted on this year?

Yes  No  Not required this year.  If yes, comment;

**Operator Comments:**

**Inspector:**

Has the operator complied with this commitment? Yes  No

**Inspector Comments:**

Bonding & Insurance R645-301-800

**Other Commitments**


\*Reminder: If equipment has been abandoned during 2009, an amendment must be submitted that includes a map showing its location, a description of what was abandoned, whether there were any hazardous or toxic materials and any revision to the PHC as necessary.

**REPORTING OF OTHER TECHNICAL DATA**

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as Appendix B to this report or currently on file with the Division.

**Operator Comments:**

**Inspector:**

Has the operator complied with this section? Yes  No

**Inspector Comments:**

**LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION**

Change in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is Requesting that each permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as Appendix C to the report.

Legal / Financial Update	Required		Included or DOGM File location Included Vol, Chapter, Page	Comments
	Yes	No		
Department of Commerce, Annual Report Officers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Other</b>				
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**Operator Comments:**

**Inspector:**

Has the operator complied fully with this section? Yes  No

**Inspector Comments:**

**MAPS**

Copies of mine maps, current and up-to-date through at least December 31, 2009, are to be provided to the Division as Appendix D to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential. (Please provide a CD.)

Confidential information is limited to:

R645-300-124.310. Information that pertains only to the analysis of the chemical and physical properties of the coal to be mined, except information on components of such coal which are potentially toxic in the environment.

R645-300-124.330. Information on the nature and location of archeological resources on public land and Indian land as required under the Archeological Resources Protection Act of 1979 (P. L. 96-95, 93 Stat. 721, 16 U.S.C. 470).

R645-301-322, Fish and Wildlife Information; R645-301-322.100, the scope and level of detail for such information will be determined by the Division in consultation with state and federal agencies with responsibilities for fish and wildlife and will be sufficient to design the protection and enhancement plan required under R645-301-333 and R645-301-322.230, other species or habitats identified through agency consultation as requiring special protection under state or federal law; R645-301-333.300, Include protective measures that will be used during the active mining phase of operation.



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**Operator Comments:**

**Inspector:**

Has the operator complied with this section? Yes  No

**Inspector Comments:**

**APPENDIX A**

**Certified Reports**

Excess Spoil Piles  
Refuse Piles  
Impoundments

As required under R645-301-514

**CONTENTS**

**APPENDIX B**

**Reporting of Technical Data**

Including monitoring data, reports, maps, and other information  
As required under the approved plan or as required by the Division

In accordance with the requirement of R645-310-130 and R645-301-140

**CONTENTS**

**APPENDIX C**

**Legal Financial, Compliance and Related Information**

Annual Report of Officers  
As submitted to the Utah Department of Commerce

Other change in ownership and control information  
As required under R645-301-110

**CONTENTS**

**APPENDIX D**

**Mine Maps**

As required under R645-302-525-270

**CONTENTS**

**APPENDIX E**

**Other Information**

In accordance with the requirements of R645-301 and R645-302

**CONTENTS**