

OGMCOAL - Lila Canyon Mine: Field Notes Re: 91-399, 808, 809 and 810

From: Kevin Lundmark
To: Denise Dragoo
Date: 1/11/2011 1:00 PM
Subject: Lila Canyon Mine: Field Notes Re: 91-399, 808, 809 and 810
CC: OGMCOAL
Attachments: 06302010a.pdf

Denise,

I've attached a copy of the inspection report and letter which went to the Glen Jensen following the June 9, 2010 spring reconnaissance above Lila Canyon Mine. Mr. Jensen is a grazing permittee who runs cattle in the Book Cliffs in the Lila Canyon area. Water rights 91-399, 808 and 810 are all mentioned in the inspection report, but 809 is not. We did not visit the Right Fork of Williams Draw (or the location of 91-809) during the June 9, 2010 inspection.

Copies of this letter were sent to Jay Marshall and Marc Stilson, and it is also available in the PIC. Please let me know if you have any questions or need additional information.

Regards,
Kevin

Kevin Lundmark
 Environmental Scientist II
 Division of Oil, Gas & Mining
kevinlundmark@utah.gov
 (801)538-5352

>>> "Dragoo, Denise" <ddragoo@swlaw.com> 1/11/2011 11:54 AM >>>

Kevin, I left you a voice mail requesting the field notes from the June 9, 2010 site visit to springs in the Lila Canyon Mine area, referenced above. Marc Stilson, Regional Engineer believes you have some field notes from that site visit. Would it be possible to obtain a copy? Thanks, Denise

Denise A. Dragoo, Esq.
 Snell & Wilmer L.L.P.
 15 West South Temple, Suite 1200
 Salt Lake City, Utah 84101
 Phone: 801-257-1998
 Fax: 801-257-1800
 E-Mail: ddragoo@swlaw.com

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-----Original Message-----

From: Marc Stilson [mailto:marcstilson@utah.gov]

Sent: Tuesday, January 11, 2011 11:45 AM
To: Dragoo, Denise
Subject: RE: Field Notes Re: 91-399, 808, 809 and 810

I think it was Kevin that was taking notes.

>>> "Dragoo, Denise" <ddragoo@swlaw.com> 1/11/2011 11:43 AM >>>

Marc, is that Joe Helfrich and Kevin Lundmark at DOGM in the photos? Who would have taken the notes? If you know. Thanks, Denise

-----Original Message-----

From: Marc Stilson [mailto:marcstilson@utah.gov]
Sent: Tuesday, January 11, 2011 11:40 AM
To: Dragoo, Denise
Subject: RE: Field Notes Re: 91-399, 808, 809 and 810

Denise,

DOGM took some field notes. But we just took GPS points.

Marc Stilson, P.E.
Division of Water Rights
Regional Engineer, Southeastern Region
319 Carbonville Rd, Suite B
P.O. Box 718
Price, UT 84501
(435) 613-3750
www.marcstilson@utah.gov

>>> "Dragoo, Denise" <ddragoo@swlaw.com> 1/11/2011 11:39 AM >>>

Marc, I reviewed the maps and photos which you forwarded. Were there any field notes in text which accompanied the field trip? If so, please send them along. Thanks, Denise

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-----Original Message-----

From: Marc Stilson [mailto:marcstilson@utah.gov]
Sent: Thursday, January 06, 2011 10:15 AM
To: Dragoo, Denise
Subject: Field Notes Re: 91-399, 808, 809 and 810

Denise,

Here is a copy of the map we created from our field trip this summer. The only notes we took are the GPS coordinates that were stored on the GPS unit and are shown in the legend on the lower left hand side of the map. Also attached are the photos we took during the trip. Hope that helps. Also of note, the BLM subsequently made several trips out there on their own doing more field work in preparation for their forthcoming diligence claim. Please give me a call if you have any questions. Thanks.

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>>> "Dragoo, Denise" <ddragoo@swlaw.com> 1/3/2011 12:03 PM >>>

Marc, can you forward me the field notes taken by the State Engineer last year during the field inspection of the springs relating to the above referenced water right filings? Thanks again and hope you are off to a great New Year! Denise

Denise A. Dragoo, Esq.
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-----Original Message-----

From: Marc Stilson [<mailto:marcstilson@utah.gov>]
 Sent: Monday, December 20, 2010 10:23 AM
 To: Dragoo, Denise
 Subject: Re: Request for Field Notes: f Applications to Appropriate 91-399,808,809,810

Denise,

We would be happy to supply what information we have and we don't need a GRAMA request. Most of it is in the form of GIS Data / Maps. We will round that up and get it to you. It may be after the first of the year before we have it all put together. Thanks.

Marc Stilson, P.E.

Division of Water Rights
 Regional Engineer, Southeastern Region
 319 Carbonville Rd, Suite B
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www.marcstilson@utah.gov

>>> "Dragoo, Denise" <ddragoo@swlaw.com> 12/20/2010 10:15 AM >>>

Marc, thanks again for looking into these pending applications. Do you have some field notes or other data from the field trip this summer that you could forward on to me? Do you need a GRAMA request or anything else for me to facilitate release of this information? Thanks! Denise

-----Original Message-----

From: Marc Stilson [<mailto:marcstilson@utah.gov>]

Sent: Monday, December 20, 2010 9:41 AM

To: Dragoo, Denise

Subject: Re: UtahAmerican Energy, Inc Request for Approval of Applications to Appropriate 91-399,808,809,810

Thanks Denise. It was good to talk to you this morning regarding UAE's request. As per our conversation, there are some issues with these applications and we would like to schedule a hearing to discuss these with the company and receive additional information on the project. In the mean time, we will double check the points of diversion to see if they match what we found on the ground. If there are errors in the POD we may be required to re-advertise the apps. If you or the company needs additional information from the field trips we took to the area last summer please let me know and we would be happy to provide it.

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>>> "Dragoo, Denise" <ddragoo@swlaw.com> 12/17/2010 3:29 PM >>>

Marc, attached on behalf of UtahAmerican Energy, Inc is a request for approval of pending applications to appropriate water right nos. 91-399, 91-808, 91-809 and 91-810. These water rights will be developed in connection with the Lila Canyon Mine. We are also forwarding a hard copy of the letter and attachments to you via U.S. Mail. Please let Jay Marshall or me know if you would like to discuss these pending applications and UEI's proposed development plan to place the water to beneficial use. Thanks, Denise

Denise A. Dragoo, Esq.
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 Fax: 801-257-1800
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2

Outgoing
C0070013
K



State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

MICHAEL R. STYLER
Executive Director
JOHN R. BAZA
Division Director

June 30, 2010

Glen Jensen
P.O. Box 154
Elmo, Utah 84521

Subject: Lila Canyon Extension Spring Reconnaissance, UtahAmerican Energy Inc., Horse Canyon Mine, C/007/0013

Dear Mr. Jensen:

Thank you for the opportunity to meet at the Horse Canyon Mine to perform a reconnaissance of springs within the mine permit area of the Lila Canyon extension. A copy of our inspection report is attached.

If you have any questions, please feel free to call me at (801) 538-5352 or Jim Smith at (801) 538-5262.

Sincerely,

Kevin Lundmark
Hydrologist

KWL/sqs
Enclosure
cc: Jay Marshall, UtahAmerican Energy
Vaughn Hughes, BLM
Marc Stilson, Water Rights
Leroy Mead, DWR
Price Field Office
O:\007013.HOR\Water Quality\Jensen_ltr.doc



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
OGM	Joe Helfrich Environmental Scientist III
State	Marc Stillson Regional Engineer
Company	Jay Marshall Resident Agent

Inspection Report

Permit Number:	C0070013
Inspection Type:	COURTESY
Inspection Date:	Wednesday, June 09, 2010
Start Date/Time:	6/9/2010 9:00:00 AM
End Date/Time:	6/9/2010 3:00:00 PM
Last Inspection:	

Inspector: Kevin Lundmark

Weather: Sunny, temperature 70s to 80s

InspectionID Report Number: 2400

Accepted by: jhelfric

6/24/2010

Permittee: **UTAHAMERICAN ENERGY INC**

Operator: **UTAHAMERICAN ENERGY INC**

Site: **HORSE CANYON MINE**

Address: **PO BOX 986, PRICE UT 84501**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

5,992.07	Total Permitted
42.60	Total Disturbed
51.56	Phase I
51.56	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:

A field trip to springs in the Lila Canyon Mine permit area was held on June 9, 2010. The field trip was scheduled to help address concerns raised to Marc Stillson (Div Water Rights) over potential impacts to springs from mining at the Lila Canyon Mine.

In addition to the representatives listed above, the following individuals attended the field trip: Glen Jensen (grazing permittee), Kirk Jensen (rancher), Vaughn Hughes (BLM), Leroy Mead (DWR), Rick Wilde (DWR).

Inspector's Signature:

Kevin Lundmark,

Date

Monday, June 21, 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.

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Utah!
Where ideas connect™

Permit Number: C0070013
 Inspection Type: COURTESY
 Inspection Date: Wednesday, June 09, 2010

Inspection Continuation Sheet

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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input 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 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 type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input 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"/>

4.d Hydrologic Balance: Water Monitoring

The following springs were visited:

1. Unnamed spring (no water right) in SW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec 2 T16S R14E – This spring is located approximately $\frac{1}{4}$ to $\frac{1}{2}$ mile from road and was not observed. This spring is approx. $\frac{1}{2}$ mile north of the permit area.
2. Quaker Spring (no water right) NE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec 12 T16S R14E – This spring is developed with a trough and piping. Source area is protected with fencing. Not currently monitored, but was monitored during 1994 & 1994 spring and seep inventory as location 3A or 3C. This spring is inside the permit area but will not be undermined and is outside the area of subsidence. Field measurements: flow = 2.4 L/min, pH = 8.09, sp. cond. = 414 μ S/cm, temp = 14.1 C at 11:40. Another spring was identified by the ranchers in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec 1 T16S R14E but was not visited. This spring is outside the permit area.
3. Cottonwood Spring (water rights 91-399, 91-2537 & 91-2521). Water right 91-2521 appears to be mis-located in DWRI database. UEI holds water right 91-399 for spring with developed trough, and monitors this location as L-7-G. Field measurements: flow = 1.6 L/min, pH = 8.02, sp. cond. = 823 μ S/cm, temp = 14.1 C at 12:30. The spring issues from the channel approximately 75 feet north of the trough, flows above ground approximately 20 feet before a portion of the flow is collected into piping. Kirk Jensen stated that the flow has decreased during the last week. Marc Stillson agreed to investigate the discrepancy in locations for the associated 3 water rights.
4. Cabin Spring (water rights 91-808, 91-2538). Water right 91-2538 appears to be associated with the developed spring, while 91-808 (UEI) appears to be the channel below the spring or another source. Cabin spring issues from the channel approximately 100 feet up-channel from the trough, and flow from the spring is conveyed to the trough by piping. Cabin spring is monitored quarterly by UEI as location L-8-G, although this spring is outside the mine permit area. Field measurements: flow 3.2 L/min, pH 7.57, temp 11.5 C, sp. cond. 820 μ S/cm.
5. Pine Spring (water right 91-2539). Pine spring is inside the mine permit area and monitored quarterly by UEI as location L-9-G. Pine spring issues from the channel bottom, then infiltrates. A trough and piping were washed out several years ago and have not been replaced; the trough was observed in the channel several hundred feet below the spring. Water rights 91-810 (UEI) and 91-2517 have not been located and are believed to potentially be associated with surface water flow in the channel below Pine Spring. No field measurements were taken at Pine Spring.
6. Wood Chopper Spring (no water right). Wood chopper spring is just outside the mine permit area and is monitored quarterly by UEI as location L-12-G. Pooled water was observed in the channel at the spring location; however, no water flow was observed. No field measurements were taken at Wood Chopper Spring.

Permit Number: C0070013
Inspection Type: COURTESY
Inspection Date: Wednesday, June 09, 2010

Inspection Continuation Sheet

Page 4 of 4

During the field trip, Marc Stillson indicated that for springs without water rights, the two potential courses of action are 1) BLM file a diligence claim, or 2) file for a new water right by BLM and user (would have a priority date of 2010). The point of contact at BLM for water rights is Karl Ivory.

Jay Marshall indicated that the 2nd quarter 2010 water monitoring would be performed beginning the week of June 21, 2010, and that Quaker Spring would be monitored (field parameters + sampling) during the 2nd quarter 2010 event