



# 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:	COMPLETE
Inspection Date:	Tuesday, June 19, 2012
Start Date/Time:	6/19/2012 8:30:00 AM
End Date/Time:	6/19/2012 1:00:00 PM
Last Inspection:	Thursday, May 10, 2012

Representatives Present During the Inspection:	
OGM	Amanda Daniels
Company	Jay Marshall
OGM	James Owen
OGM	Pete Hess

Inspector: James Owen

Weather: Warm, sunny, clear

InspectionID Report Number: 3137

Accepted by:

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	<b>Total Permitted</b>
42.60	<b>Total Disturbed</b>
51.56	<b>Phase I</b>
51.56	<b>Phase II</b>
74.26	<b>Phase III</b>

#### 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:

This complete inspection served as a training inspection for James Owen and Amanda Daniels. Checked in at the main office located at the West Ridge Mine unannounced.

The Phase III Bond Release Inspection for the disturbed areas related to ditch #31 was conducted on June 12, 2012. OGM is currently in the process of finalizing its review and approval of bond release for the areas outlined in the bond release application.

Inspector's Signature:

Date Wednesday, June 20, 2012

James Owen,

Inspector ID Number: 62

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### **1. Permits, Change, Transfer, Renewal, Sale**

The current DOGM permit remains valid through May 2016. The current UPDES permit (UTG040024) is valid through April 30, 2013.

### **3. Topsoil**

No topsoil recovery is occurring at this time.

### **4.a Hydrologic Balance: Diversions**

Diversions and ditches were operating as designed. A reminder was given for maintenance and regular upkeep.

### **4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Ponds 1 and 2 were both dry. The 1st Quarter Impoundment inspections for both ponds were conducted by Mr. Marshall on March 23, 2012. There were no hazards or compliance issues identified during those inspections. All inlets and spillways appeared capable of functioning properly. No compliance issues were identified.

### **4.e Hydrologic Balance: Effluent Limitations**

Discharge monitoring reports for the first quarter of 2012 were reviewed for exceedances and timely submittal. Both of the UPDES outfalls were reported as "no flow". The timeliness of each reporting period was in accordance with the permitted reporting criteria.

### **9. Protection of Fish, Wildlife and Related Environmental Issues**

No wildlife was observed during the inspection

### **13. Revegetation**

The Phase III Bond Release Inspection for the Ditch #31 reclamation work was conducted on June 12, 2012. The inspection revealed no concerns or issues. OGM technical staff are currently in the process of completing technical memorandums regarding the inspection. The process of bond release will also be based upon the receipt of notifications on concurrence from federal agencies. The Permittee is waiting for a response to the application for bond release submitted to OGM on April 30, 2012.

### **15. Cessation of Operations**

The mine is currently out of cessation and is operating 1 continuous mining unit system (CM development section).

### **17. Other Transportation Facilities**

Conveyor belt areas were inspected for identification of areas that require maintenance and general up-keep.

**19. AVS Check**

There have been no changes to the Ownership and Control sections of the approved MRP.

**20. Air Quality Permit**

The current air quality permit allows for 4.5 M tons of throughput per 12 month rolling period. The mine is currently operating at less than 1M tons/year.

**21. Bonding and Insurance**

The previous liability insurance policy expired on 6/1/12. An updated policy was added with an expiration date of 6/1/13.