



# 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:	<b>C0070013</b>
Inspection Type:	COMPLETE
Inspection Date:	Thursday, September 13, 2012
Start Date/Time:	9/13/2012 11:00:00 AM
End Date/Time:	9/13/2012 2:00:00 PM
Last Inspection:	Tuesday, August 07, 2012

Representatives Present During the Inspection:	
OGM	James Owen
Company	Jay Marshall

Inspector: James Owen

Weather: 75 degrees F, sunny, clear

InspectionID Report Number: 3235

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>
74.26	<b>Phase I</b>
74.26	<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 was a complete inspection. Checked in at the main office located at the West Ridge Mine unannounced.

Inspector's Signature:

James Owen,  
Inspector ID Number: 62

Date Friday, September 14, 2012



**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 checked="" 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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.

## **2. Signs and Markers**

Signs were in place and properly maintained. One permit boundary marker needed to be re-surveyed for verification of proper placement. Mr. Marshall committed to verify placement by October 9 (second week of October).

## **3. Topsoil**

Topsoil stockpile inspected. 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 2nd Quarter Impoundment inspections for both ponds were conducted by Mr. Marshall on June 14, 2012. The Annual Impoundment inspections for both ponds were conducted by Mr. Marshall on August 15, 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.c Hydrologic Balance: Other Sediment Control Measures**

A few silt fences needing maintenance were identified. One silt fence may need to be removed after permit boundary marker verification is complete. Mr. Marshall committed to have any required silt fence repairs or replacements done by October 9 (second week of October).

## **4.d Hydrologic Balance: Water Monitoring**

Discharge monitoring reports for the first quarter of 2012 were reviewed for exceedance 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.

## **7. Coal Mine Waste, Refuse Piles, Impoundments**

Mr. Marshall discussed possible locations for a planned refuse pile to be installed at a future (unknown) date.

## **8. Noncoal Waste**

No noncoal waste issues were identified during the inspection.

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

No wildlife was observed during the inspection. Mr Marshall discussed wildlife mitigation measures through pinyon juniper removal. Mr. Marshall is scheduled to meet with contractors and BLM on September 19, 2012. Mr. Marshall will keep the Division informed and up to date on project progress.

**10. Slides and Other Damage**

No slides or damage were observed or reported.

**15. Cessation of Operations**

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

**16.a Roads: Construction, Maintenance, Surfacing**

Roads are properly maintained and surfacing is adequate. No compliance issues were identified.

**16.b Roads: Drainage Controls**

Road drainage controls and culverts were inspected. No compliance issues were identified.

**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 bond currently posted is adequate. The current liability insurance policy expires on 6/1/13.