



OGMCOAL DNR< ogmcoal@utah.gov>



Emailing: 2012 HorseCanyon Annual Report Complete.pdf

1 message

Marshall, Jay <jmarshall@coalsource.com>
To: OGMCOAL@utah.gov

Mon, Feb 25, 2013 at 10:52 AM

<<2012 HorseCanyon Annual Report Complete.pdf>> Attached is the 2012 Horse Part "B" Lila Canyon Report.

The confidential portion and hard copies will follow by US Mail.

If you have any questions please give me a call at (435) 888 4007

Thanks

Jay

 **2012 HorseCanyon Annual Report Complete.pdf**
5601K

UtahAmerican Energy, Inc.



**Lila Canyon Project
P. O. Box 910
East Carbon, Utah 84501
Phone: (435) 888-4000
(435) 650-3157
Fax: (435) 888-4002**

February 25, 2013

Daron Haddock
Permit Supervisor
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: UtahAmerican Energy, Inc. Lila Canyon Mine, ACT/009-013, (2012 Annual Report)
(L13-001)

Dear Mr. Haddock:

Please find attached three (3) copies of the 2012 Annual Report.

C1 and C2 forms are included.

The confidential information is included in the plain manila envelope for submittal into the "CONFIDENTIAL" file.

If you have any questions please give me a call.

Sincerely,

A handwritten signature in blue ink that reads "R. Jay Marshall".

R. Jay Marshall P.E.
Project Manager / Chief Engineer
Lila Canyon Mine

APPLICATION FOR PERMIT PROCESSING

<input type="checkbox"/> Permit Change	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: ACT/007/013
Title of Proposal: 2012 Annual Report Horse Canyon Mine Part "B" Lila Canyon (L13-001)						Mine: Horse Canyon
						Permittee: UtahAmerican Energy, Inc.

Description, include reason for application and timing required to implement

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation

<input type="checkbox"/> Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input type="checkbox"/> No	2. Is the application submitted as a result of a Division Order? DO #
<input type="checkbox"/> Yes	<input type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	9. Is the application submitted as a result of a Violation? NOV #
<input type="checkbox"/> Yes	<input type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain: Annual Report
<input type="checkbox"/> Yes	<input type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)
<input type="checkbox"/> Yes	<input type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

X Attach 3 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Signed - Name - Position - Date

Subscribed and sworn to before me this 25th day of February 10 2013

Notary Public
 My Commission Expires: March 27 2013
 STATE OF Utah
 COUNTY OF Garfield
 02/25/13



LINDA KERNS
 NOTARY PUBLIC • STATE OF UTAH
 COMMISSION # 678211
 COMM. EXP. 03-27-2013

007/013 Horse Canyon Part "B"

Received by Oil, Gas & Mining

ASSIGNED TRACKING NUMBER

Page 2

Print Form

Submit by Email

Reset Form

Annual Report

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by the date specified in the cover letter. During a complete inspection an inspector will check and verify the information.

GENERAL INFORMATION			
Company Name	Utah American Energy	Mine Name	Lila Canyon Mine
Permit Number	C/007/0013	Permit expiration Date	5/6/2016
Operator Name	UtahAmerican Energy, Inc.	Phone Number	+1 (435) 888-4000
Mailing Address	794 North "C" Canyon Road P.O. Box 910		Email
City	East Carbon		jmarshall@coalsource.com
State	Utah	Zip Code	84520

DOGM File Location or Annual Report Location

Excess Spoil Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	
Refuse Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	
Impoundments	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	Ponds #1 and #2 Annual Certification is attached immediately following this page.
Other:		

OPERATOR COMMENTS

REVIEWER COMMENTS Met Requirements Did Not meet Requirements

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of
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Permit Number	ACT/007/013	Report Date	January 7, 2013
Mine Name	Lila Canyon		
Company Name	UtahAmerican Energy, Inc.		
Impoundment Identification	Impoundment Name	Sediment Pond #1 Large	
	Impoundment Number	Pond #1	
	UPDES Permit Number	UTG 040024	
	MSHA ID Number	NA	

IMPOUNDMENT INSPECTION	
-------------------------------	--

Inspection Date	December 31, 2012		
Inspected By	R. Jay Marshall		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Periodic Annual		

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

No appearance of instability, structural weakness, or any other hazardous condition was observed at the time of inspection.

<p>Required for an impoundment which functions as a SEDIMENTATION POND.</p>	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p style="margin-left: 40px;">Sediment Elevations:</p> <table style="margin-left: 80px; border: none;"> <tr> <td style="padding-right: 20px;">60%</td> <td>5831.5'</td> </tr> <tr> <td>100%</td> <td>5833.6'</td> </tr> </table> <p style="margin-left: 40px;">Sediment Level 5830.4</p>	60%	5831.5'	100%	5833.6'
60%	5831.5'				
100%	5833.6'				
	<p>3. Principle and emergency spillway elevations.</p> <table style="margin-left: 40px; border: none;"> <tr> <td style="padding-right: 20px;">Principle</td> <td>5840'</td> </tr> <tr> <td>Emergency</td> <td>5841'</td> </tr> </table>	Principle	5840'	Emergency	5841'
Principle	5840'				
Emergency	5841'				

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on out slopes of embankments, etc.

DRY

5. **Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.



I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature:

R. Jay Marshall

Date:

01/07/13

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)

YES

NO

1. Is impoundment designed and constructed in accordance with the approved plan?

XXXXX

2. Is impoundment free of instability, structural weakness, or any other hazardous condition?

XXXXX

3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?

XXXXX

COMMENTS AND OTHER INFORMATION

NONE

Certification Statement:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.



By: R. Jay Marshall
(Full Name and Title)

Signature: R. Jay Marshall Date: 01/07/13

P.E. Number & State: 152606 Utah

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of					
Permit Number	ACT/007/013	Report Date	01/07/2013				
Mine Name	Lila Canyon						
Company Name	UtahAmerican Energy, Inc.						
Impoundment Identification	Impoundment Name	Sediment Pond #2 Small					
	Impoundment Number	Pond #2					
	UPDES Permit Number	NA					
	MSHA ID Number	NA					
IMPOUNDMENT INSPECTION							
Inspection Date	December 31, 2012						
Inspected By	R. Jay Marshall						
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Periodic Annual						
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>No appearance of instability, structural weakness, or any other hazardous condition was observed at the time of inspection.</p>							
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Sediment Elevations:</p> <table style="margin-left: 40px;"> <tr> <td>60%</td> <td>5835.0'</td> </tr> <tr> <td>100%</td> <td>5835.5</td> </tr> </table> <p>Sediment Level is 5838.4 Sediment level is above cleanout level on the North end but below on the South end. (Pond will be Cleaned second week of January 2013)</p>			60%	5835.0'	100%	5835.5
	60%	5835.0'					
100%	5835.5						
	<p>3. Principle and emergency spillway elevations.</p> <p>Principle 5842</p> <p>Emergency 5843</p>						

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outlopes of embankments, etc.

DRY

5. **Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

Sediment level is above cleanout on the North end but below cleanout on the South end. Pond is scheduled for cleanout the second week of January 2013.



I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: R. Jay Marshall Date: 01/07/13

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)

YES

NO

1. Is impoundment designed and constructed in accordance with the approved plan?
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?

XXXXX

XXXXX

XXXXX

COMMENTS AND OTHER INFORMATION

NONE

Certification Statement:

I hereby certify that, I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.



By: R. Jay Marshall
 (Full Name and Title)

Signature: R. Jay Marshall Date: 01/07/13

P.E. Number & State: 152606 Utah

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the Mining and Reclamation Plan 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 additional written response is required, it should be filed as an attachment to this report.

Title: RAPTOR SURVEY

Objective: Identify and monitor all raptors and nests.

Frequency: Annually

Status: Ongoing since 2005. The map must coincide with the data set and the data set must be discernible. The follow up survey data, if any, must also be submitted.

Reports: Annual Reports

Citation: MRP, Part B, Section 322.220, page 10, Section 330, page 20, Section 358.100 page 38

Operator Comments

The 2012 raptor survey is being submitted for insertion into the confidential binder and is not included with the annual report.

Reviewer Comments Met Requirements Did Not Meet Requirements

Title: COLORADO RIVER ENDANGERED FISH RECOVERY PROGRAM

Objective: Report water depletion for the CO River Endangered Fish Recovery Program

Frequency: Annually

Status: Ongoing

Reports: Annual

Citation: MRP, Section 322.220, page 11

Operator Comments

The water depletion calculation for the CO River Endangered Fish Recovery Program is attached immediately following this page.

Reviewer Comments Met Requirements Did Not Meet Requirements

**In-Mine Use Requiring Water Right
Lila Canyon Mine 2012**

COAL PRODUCTION

Water added to produce coal	4.50% Inherent Moisture
	6.50% ROM Moisture
	2.00% moisture added to coal by the cutting operation
Projected yearly Tonnage	303,195 tons coal produced per year
Tons of Water/Year	6,064 tons of water produced per year
Lbs of Water/year	12,127,800 lbs of water/year
Gallons of Water/Year	1,452,431 gal of water /year
Acre_Feet of Water/Year	4.46 ac-ft of water/year - Consumptive Use

In Mine Dust Suppression

0.5 Trucks per day	1,000 per truck
	500 gal/day
	250 days /year
	125,000 gal/year
	0.38 ac-ft of water/year - Consumptive Use

Typical Surface Uses Requiring a Water Right

- Bath House/Office/Shop
- Exterior Roads Dust Suppression
- Equipment Washing
- Coal Washing
- Ponds - Storage/Evaporation

Other does Not Require a Water right Currently

- In-Mine Ventilation/ Evaporation
- Dewatering with no associated use

TOTAL CONSUMPTIVE USE	4.84 ac-ft of water/year - Consumptive Use
	0.019 ac-ft of water/day
	0.00978 cfs

Total Consumptive Use in cfs = 0.01 cfs

Gallon / Ton = 5.20

Title: VEGETATION TEST PLOT

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

Frequency: Annually for three years

Status: Year one sampling occurred in 2011. Occular estimation is due in 2012, and 2013 and a possible quantitative survey may be required by the Division.

Reports: Annual report

Citation: MRP, Part B, Section 341.300, page 26. Section 354, page 28

Operator Comments

A report addressing the reclamation success planting at different times of the year is attached immediately following this page.

Reviewer Comments Met Requirements Did Not Meet Requirements

Title: RAIN GAUGES

Objective: Establish on site climatological database

Frequency: No less than monthly from May 1 to 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 Comments

The rain gauge report is attached immediately following this page.

Reviewer Comments Met Requirements Did Not Meet Requirements

EIS Environmental & Engineering Consulting
31 North Main Street * Helper, Utah 84526
Office - (435) 472-3814 * Toll free - (800) 641-2927 * Fax - (435) 472-8780
eisee@preciscom.net

TO: Jay Marshall

FROM: Joe Via

DATE: December 20, 2012

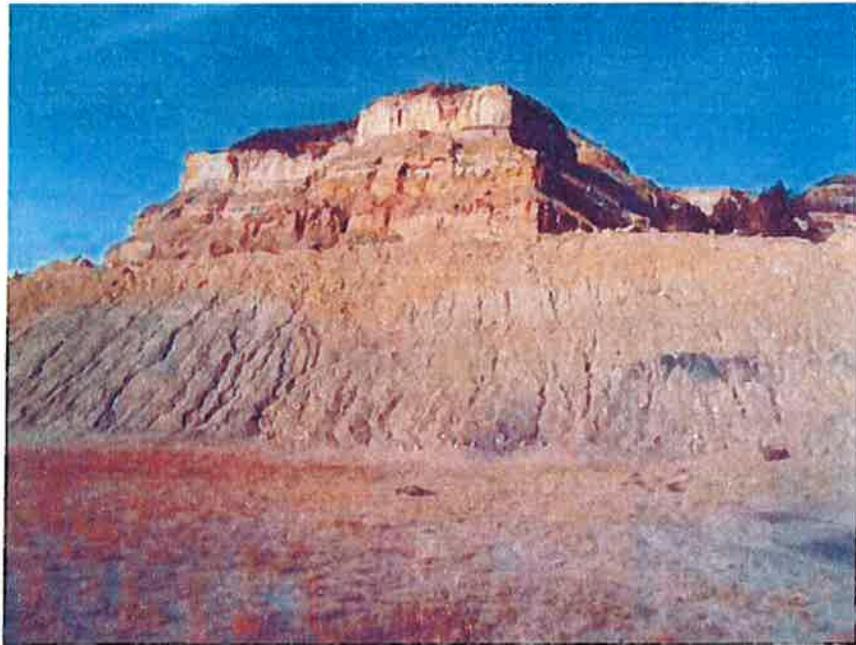
SUBJECT: Estimates of reclamation success at the Lila Canyon Mine sediment pond

As requested, I visited the Lila Canyon Mine sediment pond to estimate the success between the areas seeded in late fall and mid-summer. The red pin flags used to separate the different areas were not visible as they were fall of 2011. Ocular estimates were used to determine the degree of success.

Halogeton and Russian thistle are present in all areas. Area 1 (Eastern and southern facing slopes) has steep clay soil and is larger with fewer plants in general consisting of snakeweed, shadscale, fourwing, Indian ricegrass, bottlebrush squirreltail, cheat grass, intermediate wheatgrass, and mustard species. Area 2 (southern and western facing slopes) has very few plants, possibly due to the differing soils and high velocity water runoff from the drainage. Area 2 vegetation includes snakeweed, kochia, Indian ricegrass, intermediate wheatgrass, cheat grass, mustard species, and yellow sweet clover. Plants in Area 3 (northwestern facing slope) consist of rabbitbrush, shadscale, bottlebrush squirreltail, mustard species; the older disturbance in this area also has pinyon and juniper trees, mountain mahogany, and tamarisk. Portions of area 4 (north and northeastern facing slopes) have a more diverse plant community and more individual grass clumps than the other areas. Area 4 vegetation includes fourwing saltbush, shadscale, mustard species, kochia, Indian rice grass, intermediate wheatgrass, yellow sweet clover and bottlebrush squirreltail. No blue grama or galleta was found in any of the areas.

The highest numbers of individual grass plants are in Areas 3 and 4. The largest shrubs and numbers of individuals are found in Areas 3 and 4. The east facing slope in Areas 1 and 4 has a dense growth of kochia and has the highest vegetation cover. The low number of seeded species in all four areas, excluding the east facing slope, may be due to the time of year surveyed, steep slopes or poor soils in general.

Reclamation efforts appear to be less than successful. Future monitoring would not be warranted based on the amount of undesirable plants and lack of desirable plants.





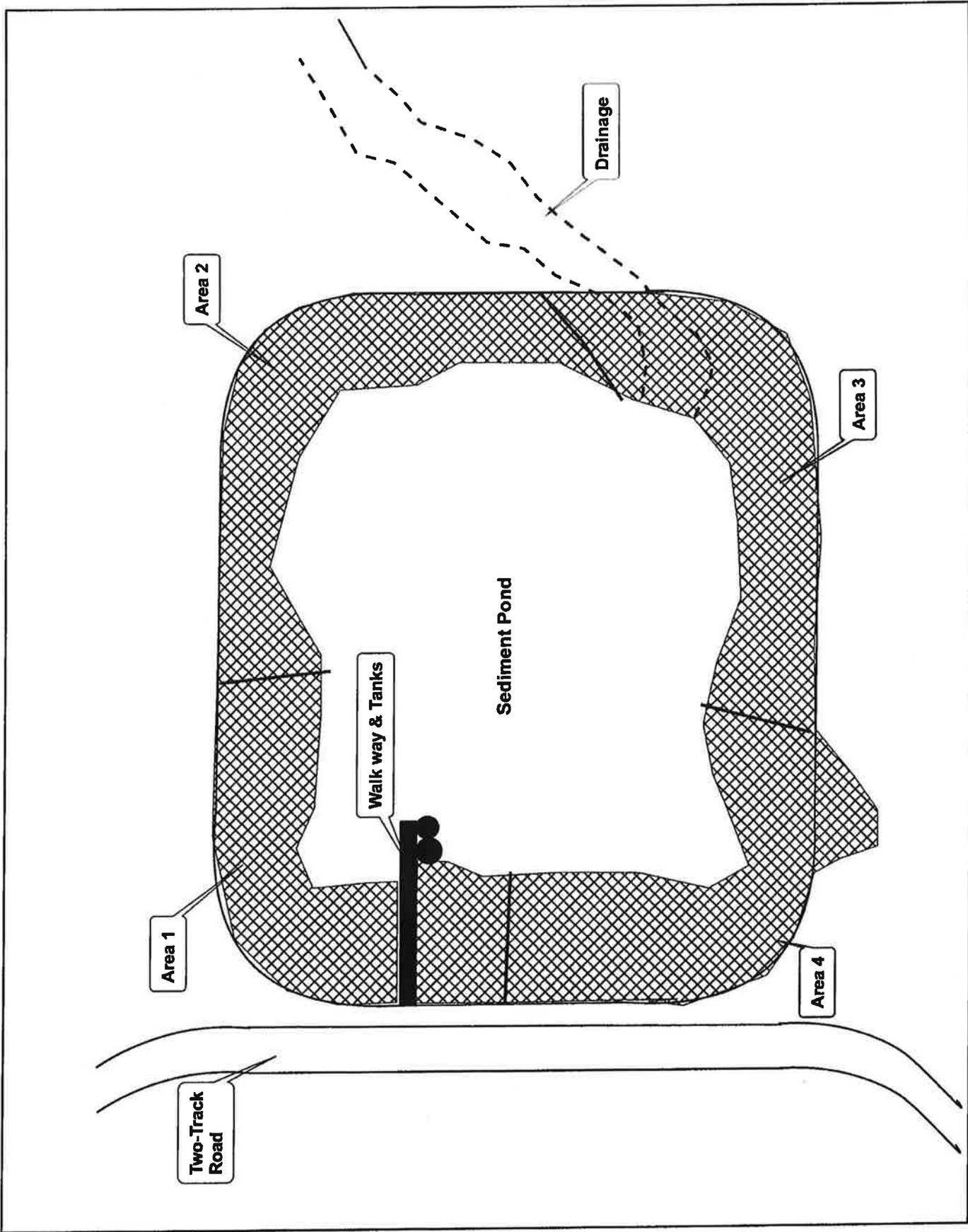












Lila Canyon Mine
East Carbon, UTAH

2012 Rain Gauge Data Evaluation

Prepared For:

UtahAmerica Energy Inc.
794 C Canyon Road
East Carbon, UT 84520
435.888.4007 Tel

Prepared by:



Hydrologic Design Inc.
10969 Topview Rd
South Jordan, Utah 84095
801.608.2414 Tel
801.576.9259 Fax

Contact:
Thomas J. Suchoski

February 2013

INTRODUCTION:

The purpose of this study was to address DOGM stipulations and to specifically:

- o Describe the rain gauge data collection for the upper and lower areas within the Lila Canyon Mine Permit Area.
- o Evaluate data and recommend future sampling activities.

In response to this stipulation, UEI installed the rain gauges and siphon and crest gauges as requested.

RAIN GAUGES

As reported in the 2008 - 2011 reports, in accordance with DOGM stipulations, two rain gauges were installed within the Lila Canyon Mine Permit area. The lower elevation gauge is located to the south of the mine facilities area and the upper elevation gauge is located on top of the Book Cliffs in the Little Park Wash drainage area (near the IPA #2 well site). The locations of the rain gauges were determined by an Delorme Earthmate PN-20 GPS unit and are shown on Plate 1 and the coordinates and elevations are presented in Table 1.

METHODS: These rain gauges are tipping bucket type rain gauges with a data logger. The data are collected in 0.01" increments with a resolution of 0.01 inches per second. Readings are taken only when precipitation is recorded. The data are stored in the data logger memory until the data are downloaded. When the next sampling period sequence is started, the prior data are erased and overwritten. The data were downloaded during the quarterly sampling efforts.

Attempts were made to tie the sampling periods to the corresponding quarters; however, due to difficulties in accessing the upper sites, these periods are sometimes longer than a normal 3-month quarter. The summary tables adjust these data to the various quarters or years as appropriate.

RESULTS: Tables 2 and 3 present the rainfall data for the 4th period of 2011 and three periods of 2012 at the lower rain gauge, respectively. Table 4 and 5 present the

rainfall data for the 4th period of 2011 and three periods of 2012 at the upper rain gauge, respectively.

EVALUATION: The breakdown of the rainfall for each of the quarters for the various gauges is:

Station ID	2011 4th	2012 1st	2012 2nd	2012 3rd	Annual
Lower	0.56"	1.60"	2.47"	0.97"	5.60"
Upper	1.34"	1.20"	2.85"	0.94"	6.33"

There was a period of about a month when both the upper and lower gauges were missing the funnel. The upper gauge funnel was off during a portion of the 3rd quarter period (July). It was reported functioning in May and June, but when the site was visited at the end of July-beginning of August, the funnel was off. It was found a short distance away. It was thought that some of the cattle in the area had rubbed against the gauge and knocked the funnel off. On replacing the funnel it was secured to prevent a repeat occurrence.

The lower gauge funnel was off during a portion of the month of April. At the end of March the funnel was in place, but at the end of April the funnel was missing. It took about three weeks to order in a replacement and get it installed.

It is unknown what impact these occurrences had on the data record. It is assumed that there were no data collected during those periods. However, a review of the upper gauge while the lower gauge was not functioning shows no events recorded at that time so it can be assumed that no data were missed.

During the time that the upper gauge was not functioning, the lower gauge recorded two events of 0.01 inches each. Therefore, it can be assumed that little data was missed during these periods.

The 2011-12 data, plus the data from the 2008 - 2011 reports, demonstrate the types of rainfall that are common in the mine permit area. There are three types of precipitation events recorded: short duration small isolated storms, short duration, high intensity storms, and longer frontal type storms.

As indicated in the PAP, the rainfall types occurring in the area was described as a combination of short duration, high intensity thunderstorms and gentle frontal storms.

These are the same types of storms that were recorded in the data collected. The only difference was the identification of short duration small isolated storms. These storms were generally less than 0.1 inches in depth and less than 60 minutes in duration. Therefore, the precipitation regime occurring in the mine permit area is now documented and matches that described in the PAP.

CONCLUSIONS AND RECOMMENDATIONS:

The DOGM Stipulation was prepared in response to the Southern Utah Wilderness Alliance comments that the PAP did not adequately characterize the hydrologic conditions of the site area. UEI disagreed with this comment and presented information to the Division and Board of Oil, Gas, and Mining regarding this issue. Further, UEI presented information that the quality of the data collected from this type of monitoring was questionable and did not yield any better description of the hydrologic regime than was already known.

As part of a settlement agreement which allowed mining to proceed, UEI agreed to accept the stipulation to collect two years of precipitation and water flow and quality data to demonstrate the points discussed in the hearings.

The data presented in the 2008 - 2012 summaries demonstrated that the data from the rain gauges and the crest staff gauges presents the typical rainfall-runoff conditions for the mine permit area. The conditions described by these data are consistent with the descriptions presented in the PAP for the Lila Canyon Mine.

As these data are consistent with the PAP description, the purpose of the stipulation has been accomplished and the justification for additional monitoring is no longer justified. Therefore, the rainfall monitoring for the upper rain gauge and the crest gauge and siphon samplers for the Little Park Wash area have been removed and monitoring discontinued and the equipment has been stored for future monitoring on new mine areas, if needed.

TABLE 1
Lila Canyon - Water Monitoring Coordinate Data

Site	Latitude	Longitude	Stateplane N (feet)	Stateplane E (feet)	Elevation (ft.)	# of satellites	Error margin (+/-)	Flow Rat	Cond.	Temp	pH
IPA #1	39° 25.514' N	110° 18.439' W	399946.05	2336903.63	7049	6	22				
IPA #2	39° 25.088' N	110° 19.144' W	397316.3	2333618.88	6872	6	17				
IPA #3	39° 24.488' N	110° 18.718' W	393701.03	2335672.92	6820	7	17				
L-01-S	39° 25.6457' N	110° 20.8662' W	400595.57	2325467.03	5826	8	19				
L-02-S	39° 25.5230' N	110° 20.7040' W	399860.709	2326240.081	5934	8	19				
L-07-G	39° 26.450' N	110° 18.223' W	405640.88	2337844.49	7354	5	19				
L-08-G	39° 25.717' N	110° 17.621' W	401229.84	2340737.86	7049	5	45				
L-09-G	39° 24.958' N	110° 17.952' W	396601.96	2339241.56	7036	6	18				
L-11-G	39° 26.618' N	110° 19.781' W	406563.58	2330498.28	7220	4	35				
L-12-G	39° 24.143' N	110° 18.038' W	391649.72	2338902.98	6762	6	29				
L-13-S	39° 24.831' N	110° 19.032' W	395763.35	2334166.82	6820	6	18				
L-14-S	39° 23.960' N	110° 18.472' W	390511.64	2336874	6678	8	19				
L-16-G	39° 24.2498' N	110° 19.5893' W	392201.033	2331589.099	5792	8	19				
L-17-G	39° 24.2957' N	110° 19.4968' W	392485.352	2332021.029	5896	8	19				
L-18-S	39° 23.9966' N	110° 20.1881' W	390627.335	2328789.29	5513	8	19				
L-19-S	39° 24.228' N	110° 19.094' W	392099.45	2333923.26	6700	5	18				
L-20-S	39° 26.314' N	110° 18.916' W	404771.98	2334593.76	7153	9	15				
RAIN GAUGES - APRIL 2008 & AUGUST 2008											
RG-1	39° 25.5620' N	110° 20.8216' W	400090.286	2325683.408	5946	8	19				
RG-2	39° 25.1101' N	110° 19.1383' W	397450.92	2333644.12	6875	8	19				
SPRING & SEEP - APRIL 2008											
JS-1	39° 24.2052' N	110° 19.7143' W	391922.606	2331004.009	5793	8	19	damp	-	-	-
JS-2	39° 24.3467' N	110° 19.5807' W	392789.721	2331621.879	5932	8	19	0.01	+4000	54.3	9.03
TS-1	39° 24.2667' N	110° 19.5851' W	392303.871	2331607.531	5873	8	19	0.01	+4000	40.2	8.68
TS-2	39° 24.2848' N	110° 19.5101' W	392418.37	2331959.268	6005	8	19	damp	-	-	-
TS-3	39° 24.2899' N	110° 19.5168' W	392448.911	2331927.311	5992	8	19	damp	-	-	-
CREST GAUGES - AUGUST 2008											
Lila CG1	39° 25.6006' N	110° 21.0658' W	400309.785	2324530.799	5739	8	19				
Lila CG2	39° 26.7540' N	110° 18.7754' W	407451.416	2335220.175	7303	8	19				
Lila CG3	39° 26.3110' N	110° 18.8839' W	404755.876	2334745.274	7233	8	19				
Lila CG4	39° 25.4918' N	110° 18.8207' W	399787.62	2335108.598	6968	8	19				
Lila CG5	39° 23.9398' N	110° 18.4462' W	390390.749	2336997.324	6675	8	19				
Lila CG6	39° 24.8083' N	110° 18.9742' W	395629.264	2334440.693	6809	8	19				
Lila CG7	39° 23.9969' N	110° 18.9549' W	390705.618	2334596.861	6656	8	19				

Table 2

Lila Canyon Raingauge Data

Lower Site 2011

Date	Duration	Depth (in)
10/25/2011	8 Hours	0.04
11/5/2011	9 Hours	0.09
11/7/2011	12 min	0.03
11/21/2011	9 min	0.01
12/2/2011	18 min	0.01
12/3/2011	1.25 Hours	0.17
12/21/2011	21 Hours	0.25
12/13/2011	0.75 Hours	0.21

Table 3**Lila Canyon Raingauge Data****Lower Site 2012**

Date	Duration	Depth (in)
1/21/2012	6 Hrs	0.36
1/22/2012	1.75 Hrs	0.04
1/24/2012	13 Min	0.07
2/2/2012	17 Min	0.01
2/7/2012	12 Min	0.01
2/12/2012	11 Min	0.02
2/13/2012	45 Min	0.19
2/14/2012	1.25 Hrs	0.15
2/15/2012	3 Hrs	0.02
2/16/2012	1.75 Hrs	0.15
2/19/2012	16 Min	0.01
2/20/2012	45 Min	0.1
2/27/2012	20 Min	0.02
2/28/2012	54 Min	0.05
3/7/2012	15 Min	0.06
3/18/2012	4.5 Hrs	0.33
3/19/2012	20 Min	0.01
4/12/2012	4.5 Hrs	0.14
4/13/2012	40 Min	0.05
4/14/2012	5.75 Hrs	0.1
4/15/2012	2 Hrs	0.05
4/17/2012	2 Min	0.03
5/20/2012	8 Min	0.04
5/21/2012	14 Min	0.01
5/22/2011	4.25 Hrs	0.17
5/23/2011	13.5 Hrs	0.17
5/24/2012	14.75 Hrs	0.49
5/26/2012	6 Min	0.07
5/28/2012	3 Min	0.03
5/29/2012	4.25 Hrs	0.08
6/2/2012	2 Min	0.02
6/10/2012	5.5 Hrs	0.07
6/11/2012	3 Min	0.02
6/16/2012	16 Hrs	0.09
6/17/2012	3 Min	0.08
6/20/2012	5.25 Hrs	0.15
6/21/2012	7 Hrs	0.2
6/25/2012	2.5 Hrs	0.13
6/26/2012	13.25 Hrs	0.29

Table 3

Lila Canyon Raingauge Data

Lower Site 2012

Date	Duration	Depth (in)
7/3/2012	1.25 Hrs	0.13
7/4/2012	60 Min	0.16
7/11/2012	3 Min	0.01
7/20/2012	13 Min	0.01
8/5/2012	9 Min	0.02
8/6/2012	2 Hrs	0.06
8/14/2012	6 Min	0.01
8/31/2012	6.5 Hrs	0.07
9/1/2012	44 Min	0.08
9/9/2012	7.5 Hrs	0.21
9/10/2012	20.5 Hrs	0.04
9/11/2012	4.5 Hrs	0.09
9/20/2012	4.75 Hrs	0.05
10/3/2012	3 Min	0.03

Table 4

Lila Canyon Raingauge Data

Upper Site 2011

Date	Duration	Depth (in)
9/21/2011	2 Min	0.02
9/23/2011	3 Min	0.06
9/24/2011	5 Hrs	0.03
9/25/2011	23.5 Hrs	0.32
9/26/2011	14.75 Hrs	0.56
9/27/2011	23 Min	0.01
10/12/2011	12 Hrs	0.32
11/2/2011	3 Min	0.02
11/5/2011	7.5 Hrs	0.11
11/7/2011	3 Hrs	0.08
12/3/2011	60 Min	0.14
12/13/2011	42 Min	0.21

Table 5**Lila Canyon Raingauge Data****Upper Site 2012**

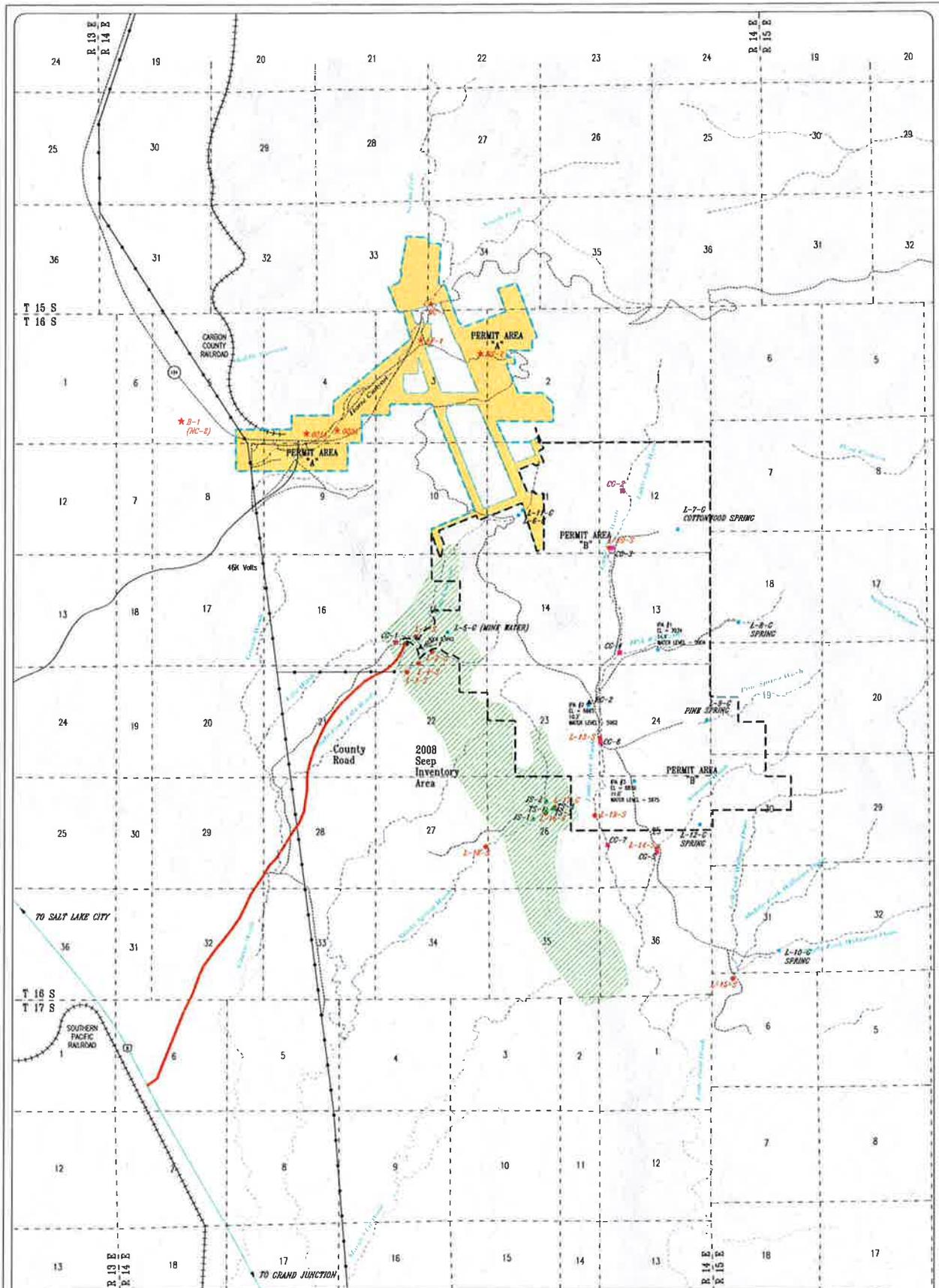
Date	Duration	Depth (in)
1/21/2012	5.5 Hrs	0.42
1/22/2012	1.75 Hrs	0.03
1/24/2012	13 Min	0.07
2/2/2012	17 Min	0.01
2/7/2012	23 Min	0.01
2/12/2012	11 Min	0.02
2/13/2012	25 Min	0.15
2/14/2012	1.25 Hrs	0.15
2/15/2012	4 Hrs	0.06
2/16/2012	1.75 Hrs	0.1
2/19/2012	12 Min	0.01
2/20/2012	49 Min	0.1
2/27/2012	20 Min	0.02
2/28/2012	54 Min	0.05
3/7/2012	15 Min	0.05
3/18/2012	4 Hrs	0.33
3/19/2012	12 Min	0.01
4/12/2012	4.25 Hrs	0.15
4/13/2012	39 Min	0.05
4/14/2012	6.25 Hrs	0.1
4/15/2012	1.5 Hrs	0.05
4/17/2012	14 Min	0.06
5/22/2012	2.75 Hrs	0.17
5/23/2012	13.5 Hrs	0.17
5/24/2012	17.75 Hrs	0.49
5/26/2012	6 Min	0.07
5/28/2012	12 Min	0.05
5/29/2012	20 Min	0.07
6/2/2012	5 Min	0.01
6/10/2012	11 Hrs	0.07
6/11/2012	3 Min	0.02
6/17/2012	16 Hrs	0.09
6/18/2012	3 min	0.07
6/20/2012	5.25 Hrs	0.15
6/21/2012	7 Hrs	0.2
6/25/2012	2.5 Hrs	0.13
6/26/2012	13.25 Hrs	0.29
7/3/2012	54 Min	0.13

Table 5

Lila Canyon Raingauge Data

Upper Site 2012

Date	Duration	Depth (in)
7/4/2012	1.25 Hrs	0.18
8/5/2012	9 Min	0.02
8/6/2012	2 Hrs	0.06
8/31/2012	7.25 Hrs	0.15
9/8/2012	11.25 Hrs	0.21
9/11/2012	3 Min	0.01
9/12/2012	4.75 Hrs	0.12
9/21/2012	1.75 Hrs	0.05
10/4/2012	3 Min	0.03



LEGEND:

- PERMIT AREA
- WATER MONITORING:
 - ▲ LILA CANYON SURFACE MONITORING
 - LILA CANYON GROUNDWATER MONITORING
 - ▲ LILA CANYON DEEP GAGE MONITORING
 - ▲ LILA CANYON SEEP LOCATIONS
 - ▲ LILA CANYON PINE GAGE LOCATIONS

REVISION DATE:

NO.	DATE	BY	FOR
1	October 2008	INC	August 2008
2	March 2009	INC	
3	April 2009	INC	
4	October 2009	INC	
5	July 2010	INC	
6	September 2010	INC	
7	November 2010	INC	



LILA CANYON MINE

WATER MONITORING LOCATIONS

DATE: MAY 1995
 DRAWN BY: BLACKBARK, INC.
 SCALE: AS SHOWN

Title: MAINTAIN RECORDS OF SOIL SALVAGE

Objective: Records of soil salvage will be maintained and included in the annual report. A soil specialist will oversee the soil removal. Soil pedestals will be left to verify soil removal depths.

Frequency: During phase 1 and 2 construction, the soils specialist will record topsoil salvaged and placed in the topsoil stockpile and number of acres salvaged.

Status: Ongoing, Topsoil salvage will resume in 2012.

Reports: Provide an update to the number of acres salvaged and volumes salvaged in the Annual report "Topsoil Movement and Construction Record" and include a map of salvaged and undisturbed acreage.

Citation: R645-301-232.500 and R645-301-232.100 and N10045 abatement.

Operator Comments

NO earth work was done and no soil has been salvaged in 2012. Since no soil was salvaged the soil salvage records were not updated.

Reviewer Comments Met Requirements Did Not Meet Requirements

Title: SUBSOIL USED FOR CONSTRUCTION FILL

Objective: To record location of subsoil placement for use in reclamation. The location of subsoil with suitable reclamation characteristics will be mapped for ease of recovery and replacement during reclamation.

Frequency: During construction

Status: Ongoing

Reports: Annual report, Submit As built maps showing where subsoil materials have been used as fill material.

Citation: MRP, Section 232.500, Section 241, and Section 242.100.

Operator Comments

Not Applicable since no subsoil with suitable reclamation characteristics exists. All fills will be mapped upon completion of Phase II earthwork.

Reviewer Comments Met Requirements Did Not Meet Requirements

Title: MEXICAN SPOTTED OWL

Objective: Conduct two-year calling survey at least two years but no more than four years prior to undermining identified habitat. Results will be submitted to USFWS, DWR, and the Division immediately following each nighttime survey. If owls are observed, the agencies will immediately coordinate to determine appropriate measures.

Frequency: Dependent on habitat and mine plan

Status: Please update confidential map 5-3 with correct mine workings to indicate when mining will occur under MSO habitat.

Reports: Submit final reports in annual report.

Citation: MRP, Part B, Section 333, page 17.

Operator Comments

Map Confidential 5-3 has been updated showing current estimated timing which indicates when mining will occur under MSO habitat. This map is being submitted for insertion into the confidential binder and is not included with the annual report.

Reviewer Comments Met Requirements Did Not Meet Requirements

Title: REACTIVATION OF OPERATIONAL MONITORING OF SURFACE WATER SAMPLING LOCATIONS

Objective: Quarterly sampling to initiate at least two years prior to resuming underground mining activities on sites L-7-G; L-8-G; L-9-G; L-11-G; L-12-G; L-13-G; L-14-G; L-18-S; L-19-S; IPA-1; IPA-2; IPA-3.

Frequency: Notify Division once, quarterly sampling

Status: Monitoring suspended as of October 2011, Division awaiting reactivation notification.

Reports: Annual Report, notify Division if/when mining is to occur.

Citation: MRP, Part B, Section 731.222, table 7-3

Operator Comments

The division will be notified once quarterly sampling resumes.

Reviewer Comments Met Requirements Did Not Meet Requirements

Title: GENEVA MINE/ LILA CANYON FAN PORTAL BARRICADES

Objective: Inspect the Geneva Mine fan portal Barricades annually and report findings to Division and BLM.

Frequency: annually

Status: Ongoing

Reports: Annual Report.

Citation: MRP, Part B, Chapter 5, Section 529, page 54 and 55

Operator Comments

A report summarizing the annual inspection of the old Geneva fan portals in Lila Canyon is attached immediately following this page.

Reviewer Comments Met Requirements Did Not Meet Requirements

EIS Environmental & Engineering Consulting

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eisec@preciscom.net

www.eisenviro.com

February 11, 2013

To: Jay Marshall
From: Mike Coonrod
Re: Lila Canyon Portals

As per our inspection of the abandoned mine portals above Lila Canyon, we found the seals to be intact, the safety measures to be in good repair with no obvious signs of vandalism or tampering.

Please see attached photos.

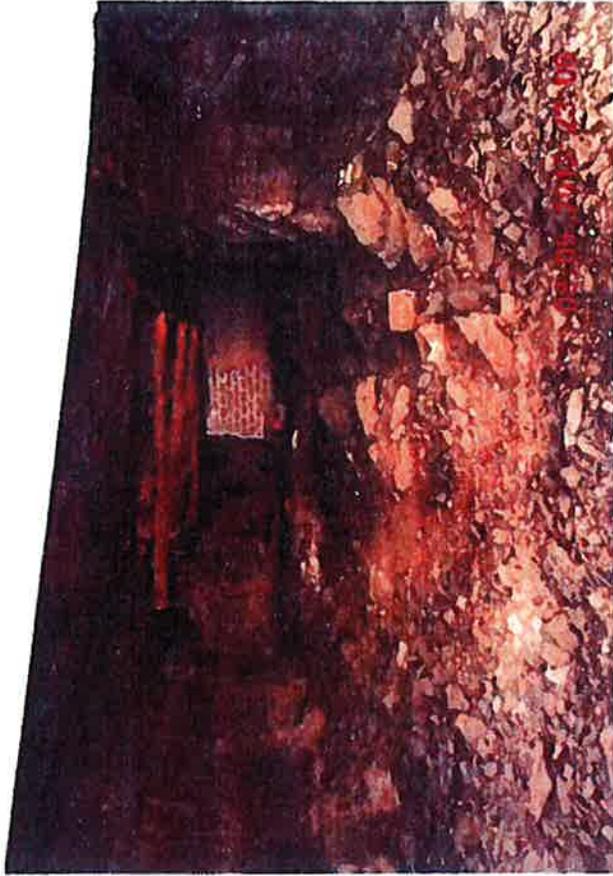
Sincerely,

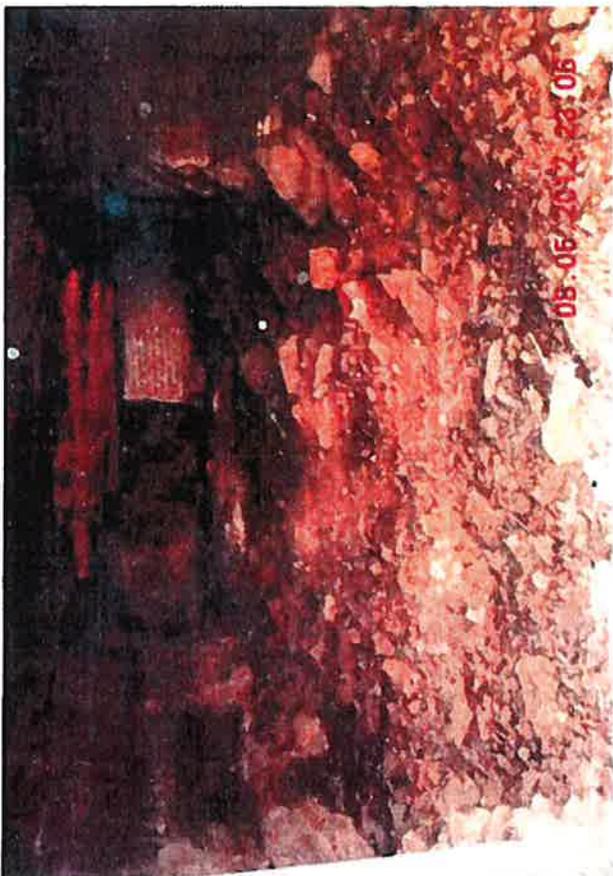
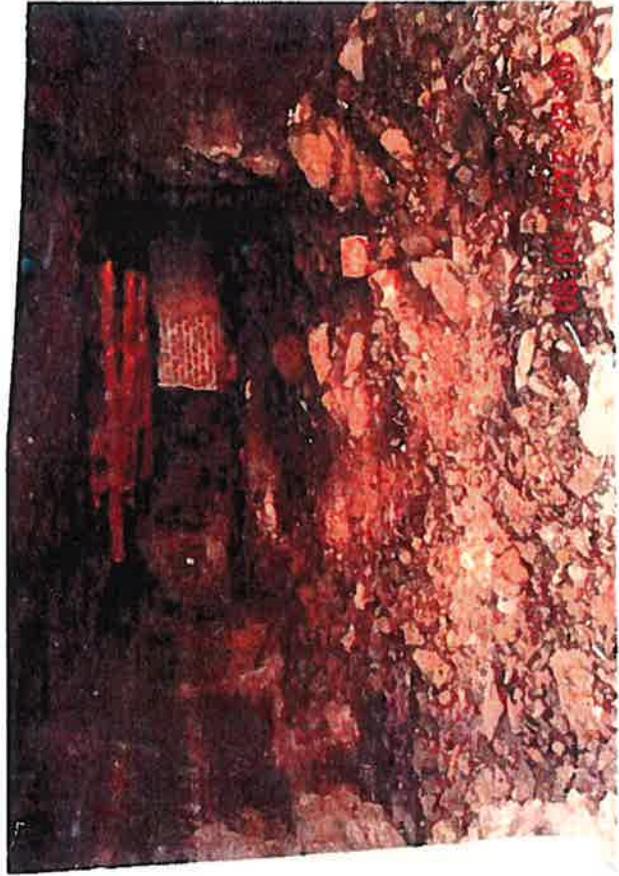
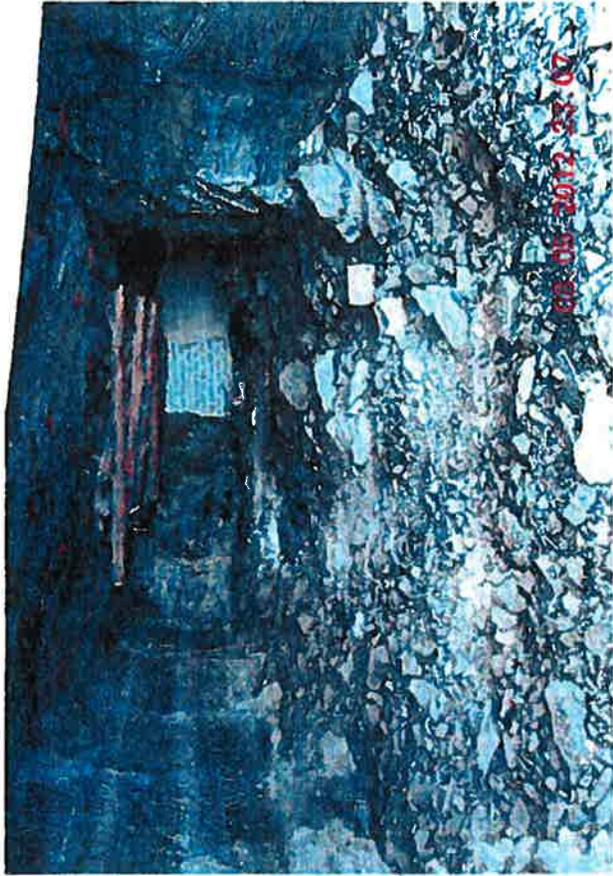


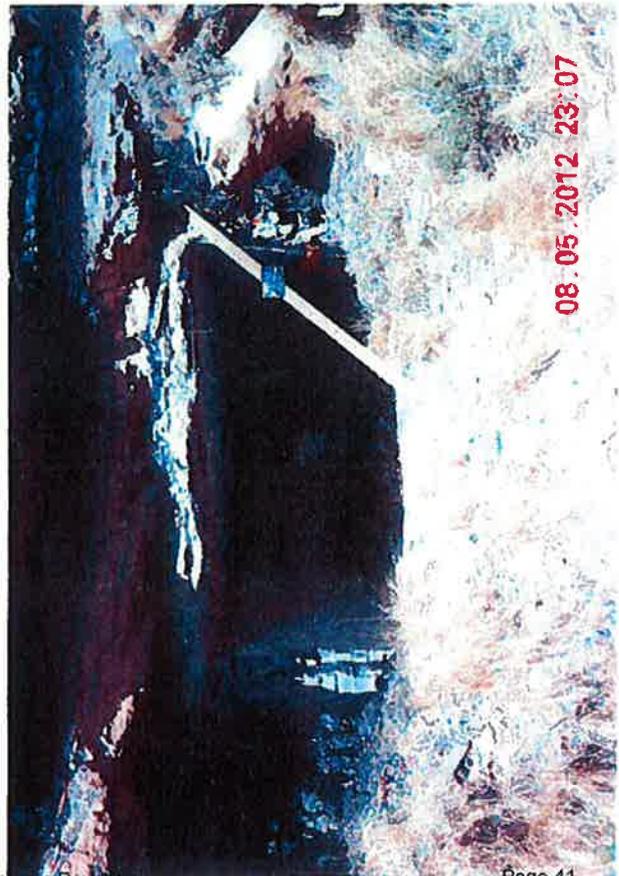
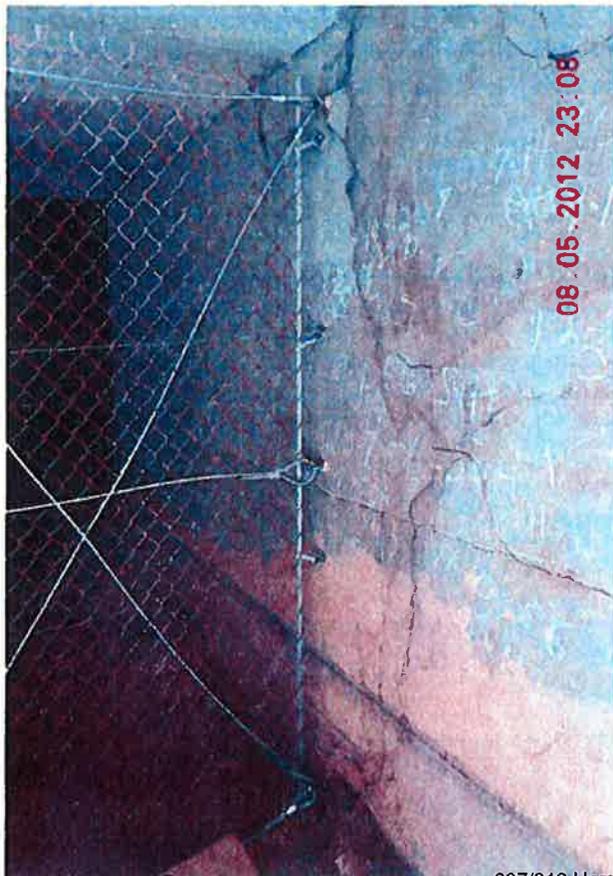
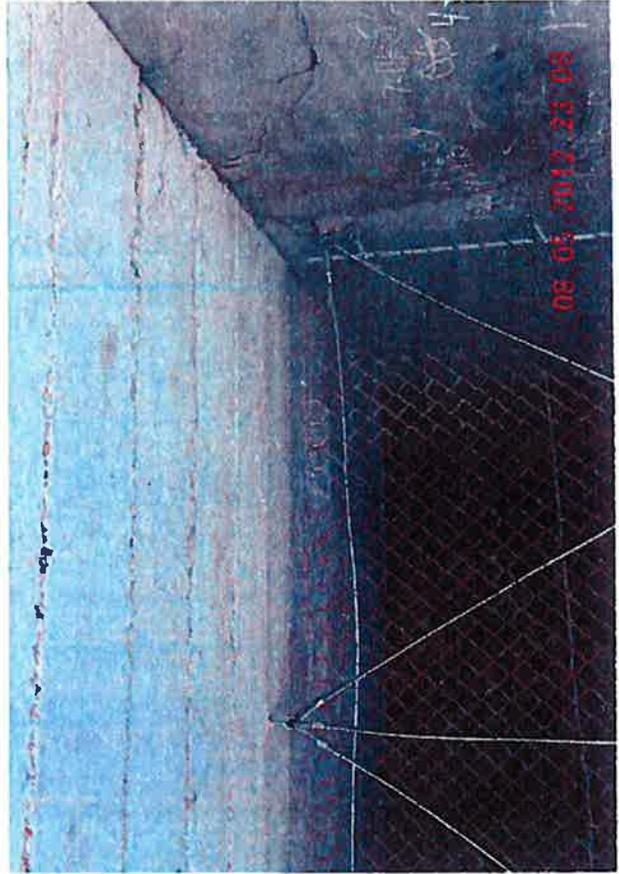
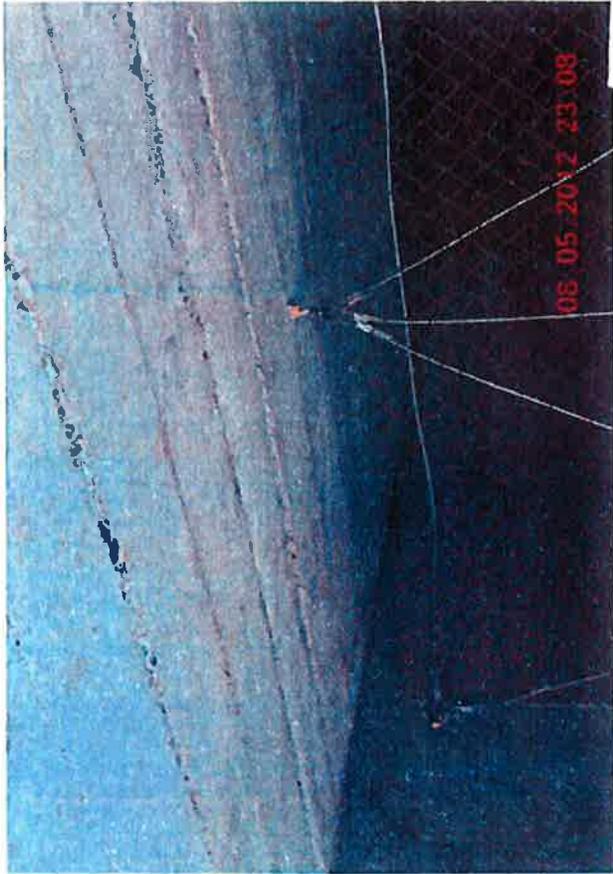
Michael A. Coonrod

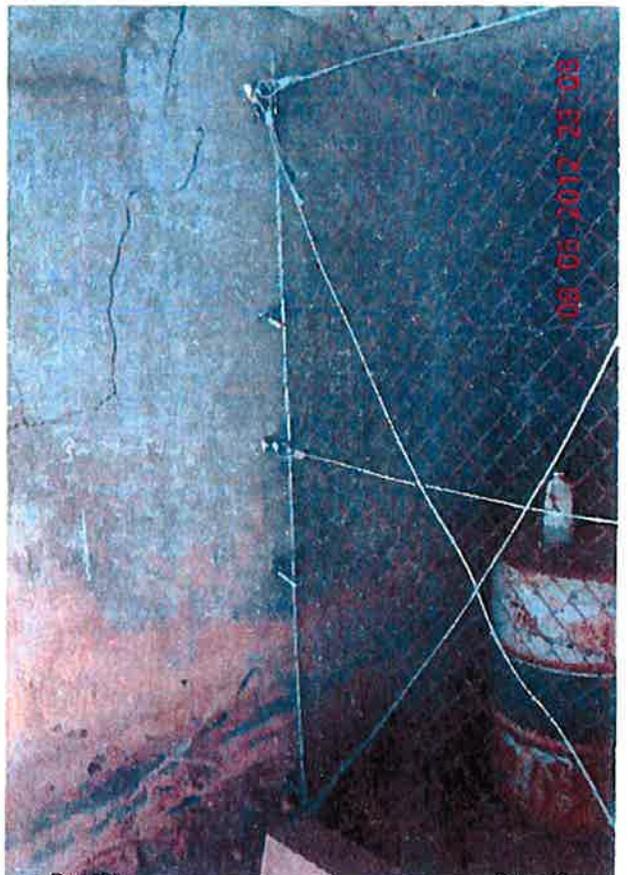
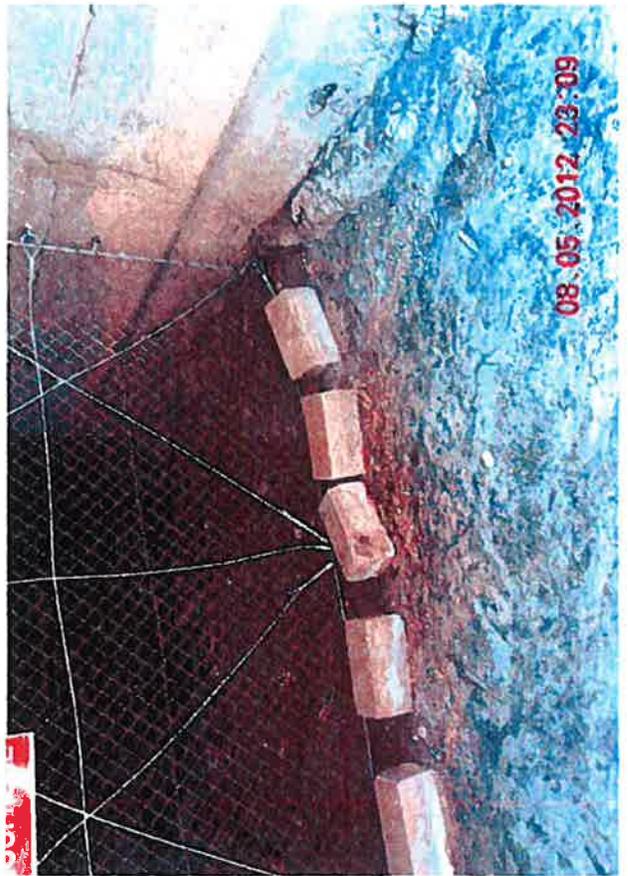
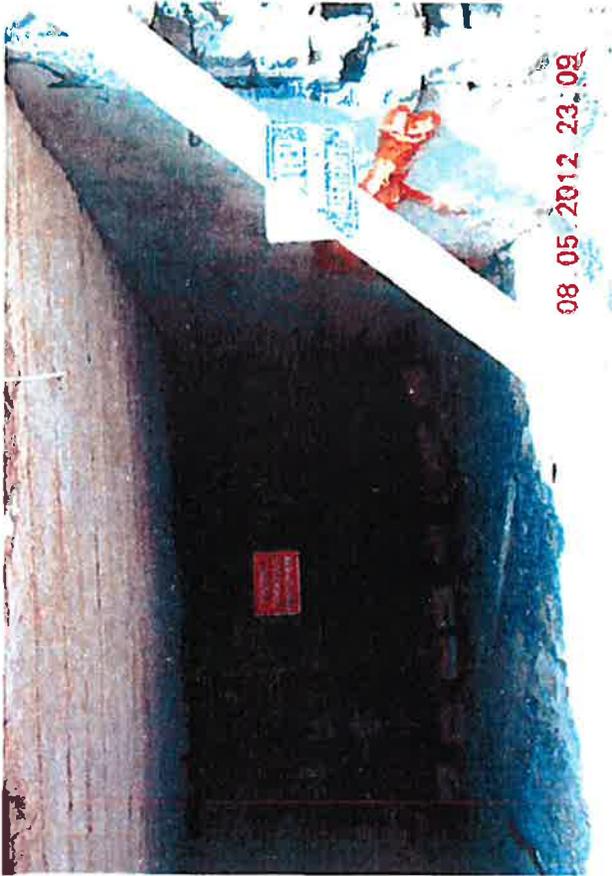
Project Inspector

EIS Environmental & Engineering Consulting













FUTURE COMMITMENTS AND CONDITIONS

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the "status" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

Title: SUBSOIL USE IN RECLAMATION

Objective: Subsoils found to be contaminated with oil, grease, or salts through visual evaluation will be hauled to a landfill site.

Frequency: Once

Status: Ongoing

Reports: None

Citation: MRP, part B, Section 232.500

Title: APPLICATION OF INNOCULUM

Objective: An inoculum will be applied to the reclaimed soil surface to re-establish bacteria, mycorrhiza and mycelium in the soil. At the time of permitting, the exact product to be applied to the soil is not defined, however, the Division expects that the best technology available at the time of reclamation will be employed, as per R645-301-333.

Frequency: During Reclamation

Status: Ongoing

Reports: Division consultation

Citation: MRP, Part B, Section 241.

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).

Title: LILA CANYON MINE SALVAGE OF CRYPTOGRAMS ON TOPSOIL PILE PRIOR TO RECLAMATION.

Objective: Salvaged cryptograms 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, Part B, Section 232.100, and Section 234.230

Title: VEGETATION MONITORING

Objective: Submit color infrared photography. Submit and implement a mitigation plan, if results indicate impact from mining operations.

Frequency: Prior to any mining, and every 5 years after.

Status: Ongoing. Baseline submitted in 2011. Next round of photos are due in 2016. A comparison between 2016 and 2011 photos will be required in 2016.

Reports: Annual Report

Citation: MRP, Part B, Section 332, page 14.

OPERATOR COMMENTS (OPTIONAL)

REVIEWER COMMENTS

REPORTING OF OTHER TECHNICAL DATA

Please list other technical data or information that was not included in the form above, but is required under the approved plan, which must be periodically submitted to the Division.

Please list attachments:

Reviewer Comments

MAPS

Copies of mine maps, current and up-to-date, are to be provided to the Division as an attachment to this report in accordance with the requirements of R645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

Map Name	Map Number	Included		Confidential	
		Yes	No	Yes	No
Annual subsidence map	Not Required	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mine Map	Immediately following this page	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reviewer Comments Met Requirements Did Not Meet Requirements

Mine maps need to include 5 year projections of mining. five year projections can be found on 5-3 confidential.