



# 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, August 19, 2014
Start Date/Time:	8/19/2014 9:00:00 AM
End Date/Time:	8/19/2014 4:00:00 PM
Last Inspection:	Thursday, July 17, 2014

Representatives Present During the Inspection:	
Company	Jay Marshall
OGM	Steve Demczak

Inspector: Steve Demczak

Weather: Cloudy, 70's

InspectionID Report Number: 3937

Accepted by: JHELFRIC

8/25/2014

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:

No coal was being ship during the inspection. There was a large stockpile of coal on the ground.

Stephen J.  
Demczak

Digitally signed by Stephen J. Demczak  
 DN: cn=Stephen J. Demczak, o, ou, email=stevedemczak@utah.gov, c=US  
 Date: 2014.10.08 12:58:46 -06'00'

Inspector's Signature:

Steve Demczak,  
Inspector ID Number: 39

Date Wednesday, August 20, 2014



**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 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 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 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 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 type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

The current DOGM permit remains valid through May 6, 2016. The current UPDES permit (UTG040024) is valid through August 31, 2018.

**2. Signs and Markers**

The Permittee had the proper identification signs in place. The ID signs were located at the point of access and included the name, address, telephone number, permit number and MSHA ID number. Disturbed area boundary, perimeter markers, and topsoil storage areas signs were correctly placed.

**3. Topsoil**

Topsoil pile was stable. There were no signs of wind or water erosion.

**4.a Hydrologic Balance: Diversions**

The permittee will be clean several diversions in the near future. Several diversions have sediment build-up. These diversions are still functioning as design.

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

The two sediment ponds were dry. No hazardous conditions were noticed during the inspection. The permittee inspected the sediment ponds on May 27, 2014. No hazardous conditions were reported.

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

The permittee submits quarterly water information to the Division. This information is reviewed and a report is written.

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

There has been no UPDES discharge at Lila Canyon.

**8. Noncoal Waste**

The mine site was clear of non-coal waste material.

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

No wildlife was observed during the inspection.

**10. Slides and Other Damage**

No slides or damage were observed or reported.

**14. Subsidence Control**

This information is in the annual report. There has been no second mining at Lila.

**16.b Roads: Drainage Controls**

The permittee has schedule the clean of road diversions and culvert. The diversions and culverts had the beginning of sediment build-up.

**17. Other Transportation Facilities**

The coal conveyor is schedule to be relocated in the near future.

**18. Support Facilities, Utility Installations**

No new facilities were constructed since the last inspection.

**20. Air Quality Permit**

The current air quality allows the mine to produce 4.5 million tons/year. The mine is currently only producing a small fraction of that due to the fact that it is still in development stages. The permit number is AN01218500002-08

**21. Bonding and Insurance**

The bond currently posted is adequate. The current liability insurance policy expires on 6/1/15. The insurance complany is Reschini Agency Inc. Policy number is 3711 54 55. There are two bonds inplace at Lila Canyon. XL Speciality Insurance Company, policy number 9905586, for the amuont of \$1,556,000, and Rockwood Casality Insurance Company, policy number ISM 2217, for the amount of \$130,000.