



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:	Wednesday, March 04, 2015
Start Date/Time:	3/4/2015 8:00:00 AM
End Date/Time:	3/4/2015 11:45:00 AM
Last Inspection:	Tuesday, February 03, 2015

Representatives Present During the Inspection:	
Company	Karen Odendahl
OGM	Karl Houskeeper

Inspector: Karl Houskeeper

Weather: Clear Skies, Temp 12 Deg. F.

InspectionID Report Number: 4120

Accepted by: JHELFRIC

3/5/2015

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	Total Permitted
42.60	Total Disturbed
74.26	Phase I
74.26	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:

The Division inspector Karl Houskeeper announced himself at the main office located at the West Ridge Mine. Karin Odendahl, UtahAmerican Energy, provided the paperwork for review. Karin Odendahl accompanied the Division inspector during the field inspection.

The annual portal inspection required by special condition in the DOGM permit was conducted on October 28, 2014. The report will be submitted in the 2014 annual report. The information was reviewed as part of the complete inspection. The report is attached to the PDF version of this inspection report.

Inspector's Signature:

Karl Houskeeper,
Inspector ID Number: 49

Date Wednesday, March 4, 2015



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 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 checked="" type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 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 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

Division of Oil, Gas and Mining Permit C/007/0013 was issued for the Horse Canyon/Lila Canyon Mine on May 6, 2011 and expires on May 6, 2016.

Surety bonds for Horse Canyon Mine/Lila Canyon mine is through Rockwood Causality Company and XL Specialty Insurance Company, respectively.

Insurance is covered by Federal Insurance Company. The policy was issued on April 4, 2014 and expires on June 1, 2015. Minimum coverage requirements have been met. Explosion coverage is part of the policy. The certificate holder is listed as the State of Utah. The cancellation clause is acceptable to the Division.

UPDES Permit General UTG-040000, site specific UTG_040024. Permit effective September 1, 2013 and expires at midnight on August 31, 2018. There are two outfalls or discharge points associated with this permit. 001 Is for Sediment Pond #1 (Larger Pond) and 002 (Smaller Pond).

Air Quality Permit DAQE-AN0121850002-08 issued October 23, 2000 and still remains in effect.

Reclamation agreement is signed by the company and the Division on December 14, 1998.

SPPC Plan is dated August 2012. The plan is P.E. dated, Stamped and Signed by a Utah P.E. on August 14, 2014.

2. Signs and Markers

The mine identification sign was checked at the entrance into the mining permit area from the public access road. The sign meets all of the requirements set forth in the Utah R645 Coal rules relative to mine identification signs. Several permit area perimeter markers were observed in place which show the extent of the permit area associated with the mining permit.

3. Topsoil

The topsoil berm was re-established in the fall of 2014 after additional material was placed there. The newly placed material needs to be seeded. Seed for this area has been acquired, but still needs to be applied.

4.a Hydrologic Balance: Diversions

Approximately five rocks have slid down into the main road diversion below the guard shack and above sediment pond #2. The Surface Maintenance Foreman, Dale Davis, was contacted during the inspection and arrangements were made to immediately remove the rocks from the diversion. The Division inspector worked with the operator according to the Division's Preference.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Both sediment pond #1 and #2 were visited during the inspection. Sediment pond #2 had a minimal amount of water/ice in the bottom of the pond, while sediment pond #1 is completely dry.

The first quarter 2015 sediment pond inspections were done on February 2, 2015 by Karin Odendahl. The results are as follows:

Sediment Pond #1 60% elevation is 5838.9'. The existing sediment elevation level is 5830.6'.

Sediment Pond #2 60% elevation is 5837.3'. The existing sediment elevation level is 5838.2'. The 100% elevation is 5838.4'.

The report indicates that the ponds were surveyed in November 2014 and that sediment pond #2 is scheduled to be cleaned in the spring of 2015.

The fourth quarter 2014 and annual 2014 inspection was done on November 13, 2014.

4.e Hydrologic Balance: Effluent Limitations

The discharge monitoring reports for October, November and December 2014 were reviewed along with the January 2015 report. No discharges occurred during any of the referenced months. The reports were submitted to DEQ.

5. Explosives

The powder and cap magazines were inspected during the inspection. The magazines and storage area are properly placarded with signs and the magazines are grounded.

8. Noncoal Waste

No noncoal waste items outside of the designated containments were observed during the inspection.

20. Air Quality Permit

Air Quality Permit DAQE-AN0121850002-08 issued October 23, 2000 and still remains in effect.

21. Bonding and Insurance

Three bonds are in place for this mining permit. The total current bond is \$1,799,000.00

22. Other

Surface construction at this site is still actively in progress.

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

October 28, 2014

Jay Marshall
UtahAmerican Energy, Inc.
PO Box 910
East Carbon, UT 84520

RE: Horse Canyon Mine Portal

On October 24, 2014, Joe Via from EIS Environmental and Engineering Consulting visited the closed Horse Canyon Mine portals in Lila Canyon to inspect the portal fence and closures for signs of vandalism and general status. Several photographs were taken of the portals.

There was no evidence of vandalism or tampering to the southern portal fence and there were no openings or structural damage to the fence. There was no evidence of vandalism to the northern portal. The northern portal was sealed with rock and could not be entered. The signs at both portals remain posted.

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



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



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

All Photographs Taken October 24, 2014

