

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, May 19, 2015
Start Date/Time:	5/19/2015 7:30:00 AM
End Date/Time:	5/19/2015 12:30:00 PM
Last Inspection:	Wednesday, April 22, 2015

Representatives Present During the Inspection:	
OGM	Karl Houskeeper

Inspector: Karl Houskeeper

Weather: Cloudy/Overcast, Temp. 48 Deg. F.

InspectionID Report Number: 4194

Accepted by: JHELFRIC

5/21/2015

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:

Checked in with the Secretary at the Utah American Main office located at the West Ridge Mine Site. Jay Marshall and Karin Odendahl were not present. Conducted the paperwork necessary for the Complete Inspection and then proceeded to the Lila Canyon Mine un-attended. At the completion of the inspection called the secretary at the West Ridge Mine and Checked out.

Contacted Karin Odendahl later by phone and e-mail to inform her of needed maintenance items.

Pictures taken during the Complete Inspection are attached to the PDF version of this inspection report.

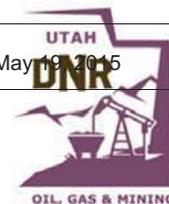
Karl R. Houskeeper

Inspector's Signature:

Date: Tuesday, May 19, 2015

Karl Houskeeper,
Inspector ID Number: 49

Note: This inspection report is an official record 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 checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 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 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 inspected upon entrance into the mining permit area from the county road used as public access. The sign contains all of the information required by regulation and is legible.

4.a Hydrologic Balance: Diversions

The majority of the diversions and diversion structures were inspected during the complete inspection. Items needing attention are listed below:

Plastic sack in road culvert inlet leading into Sediment Pond #2. (Still Functional)
Culvert inlet by new coal storage pad area that receives road runoff has tumble weeds and trash. (Still Functional)

Road culvert outlet by entrance into old coal storage pad area has sediment buildup. (Still Functional)

Road culvert inlet below portal area has sediment buildup. (Still Functional)

Road diversion above road culvert inlet portal area has sediment buildup. (Still Functional)

Road diversion below road culvert outlet portal area has sediment buildup. (Still Functional)

4.b Hydrologic Balance: Sediment Ponds and Impoundments

First quarter 2015 sediment pond inspection was done on February 2, 2015.
Sediemnt Pond #2 needs to be cleaned.

4.e Hydrologic Balance: Effluent Limitations

The discharge monitoring reports for January, February and March 2015 were reviewed. No discharge has occurred for any of the months listed.

5. Explosives

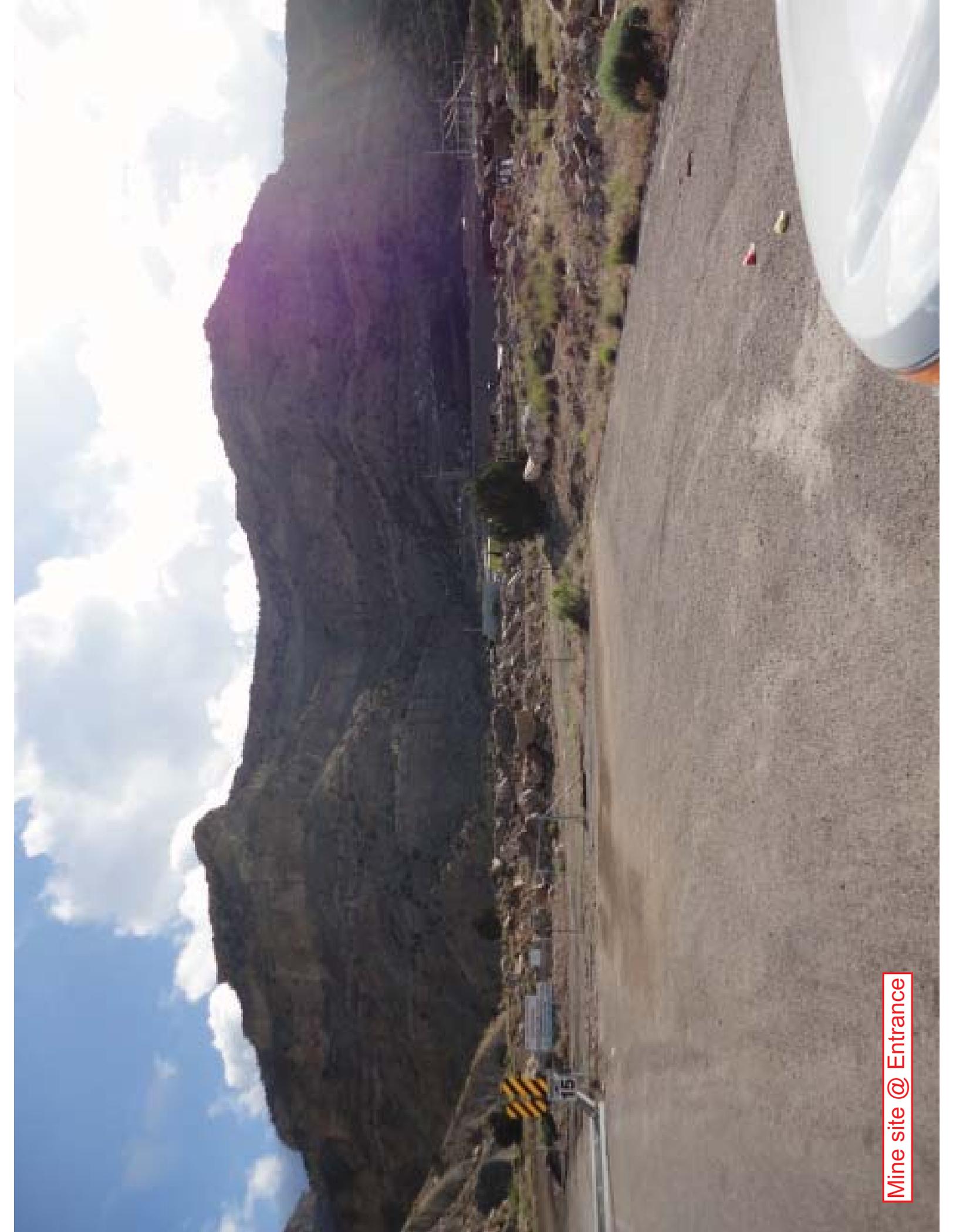
Powder and cap magazines are grounded and signed and are in compliance.

20. Air Quality Permit

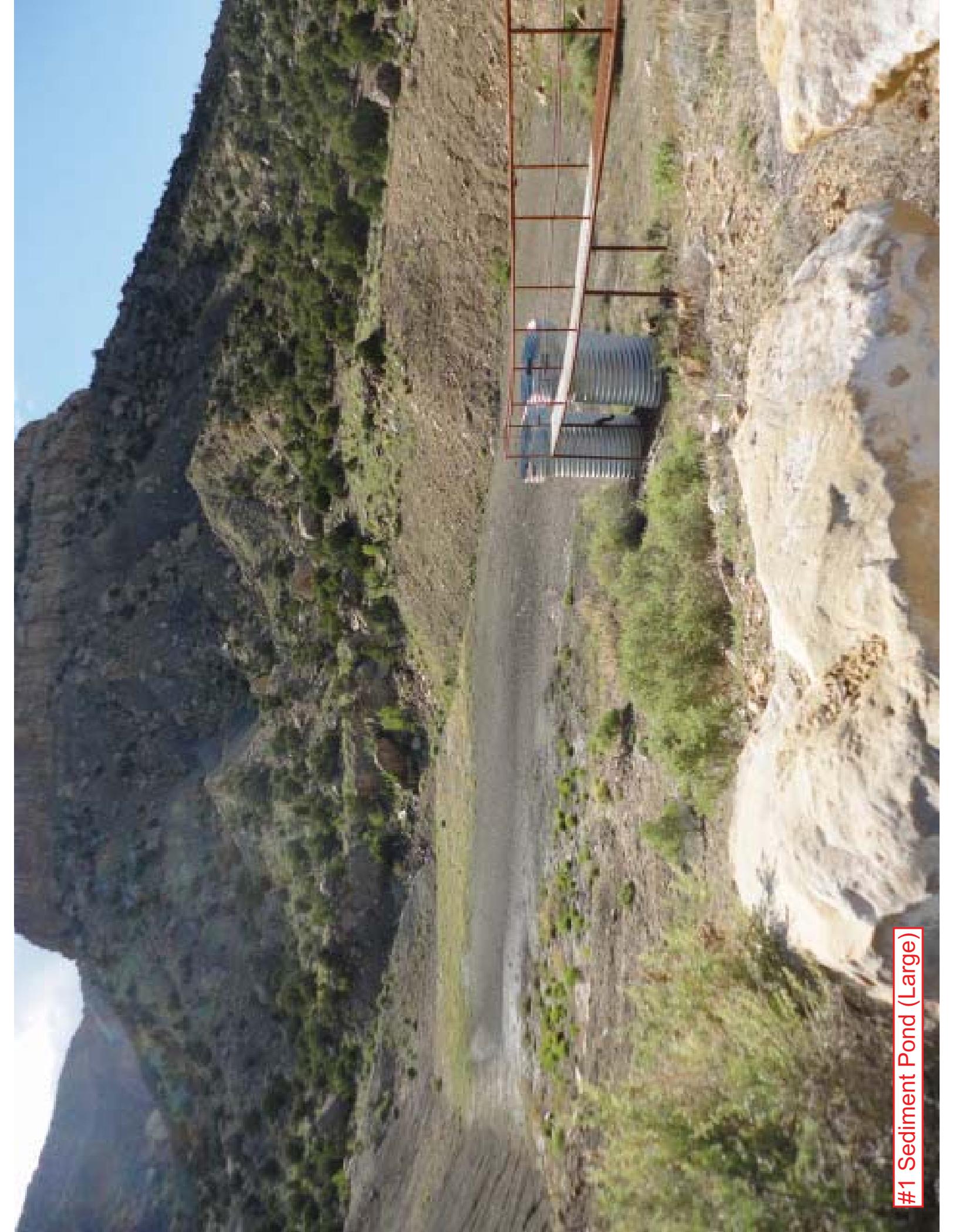
Air Quality Permit DAQE-AN0121850002-08 issued October 23, 2000 and still remains in effect.

21. Bonding and Insurance

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



Mine site @ Entrance



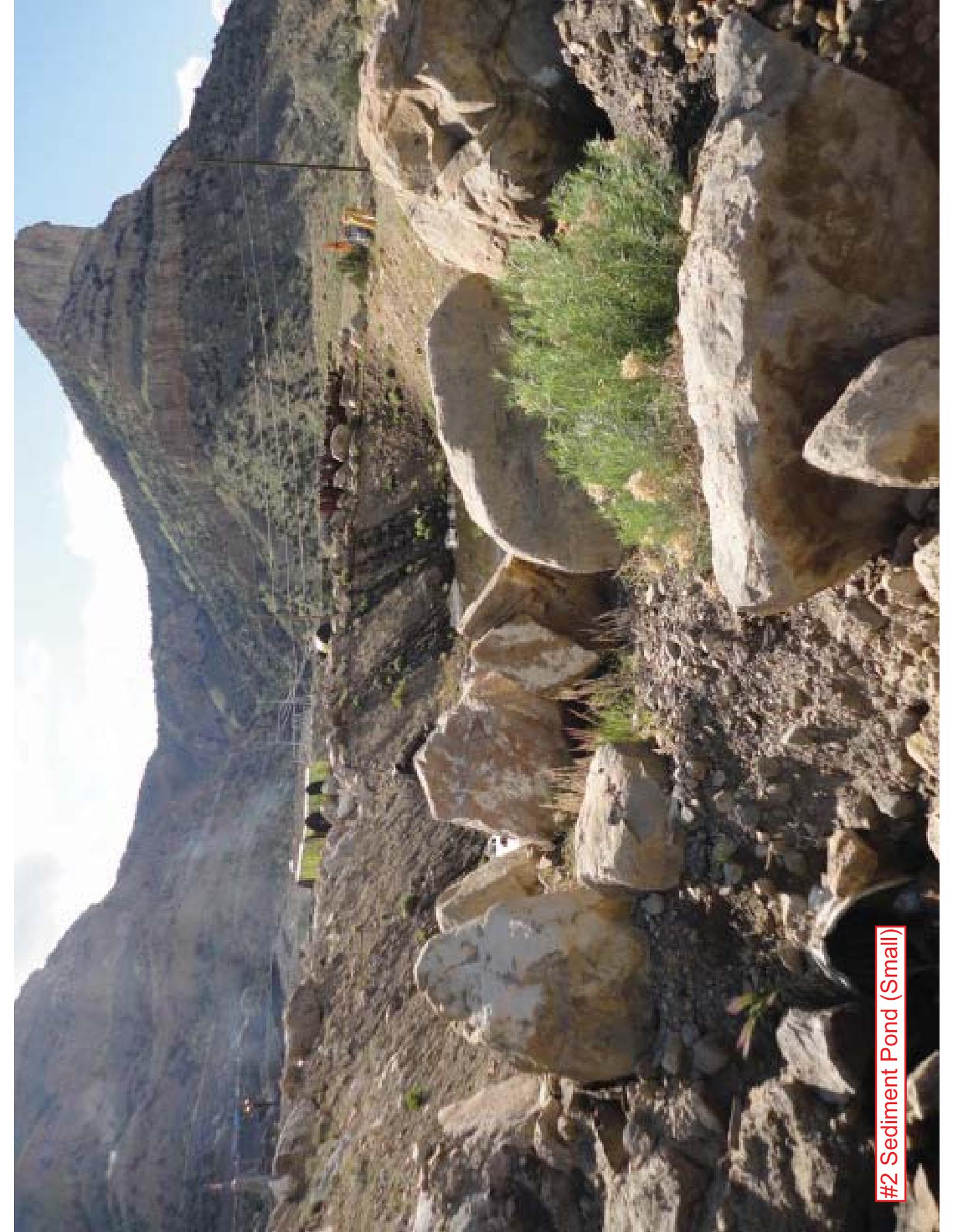
#1 Sediment Pond (Large)



Storage Drums Below Bath House



Plastic Sack in Road Inlet leading Into #2 Sediment Pond (Small)



#2 Sediment Pond (Small)



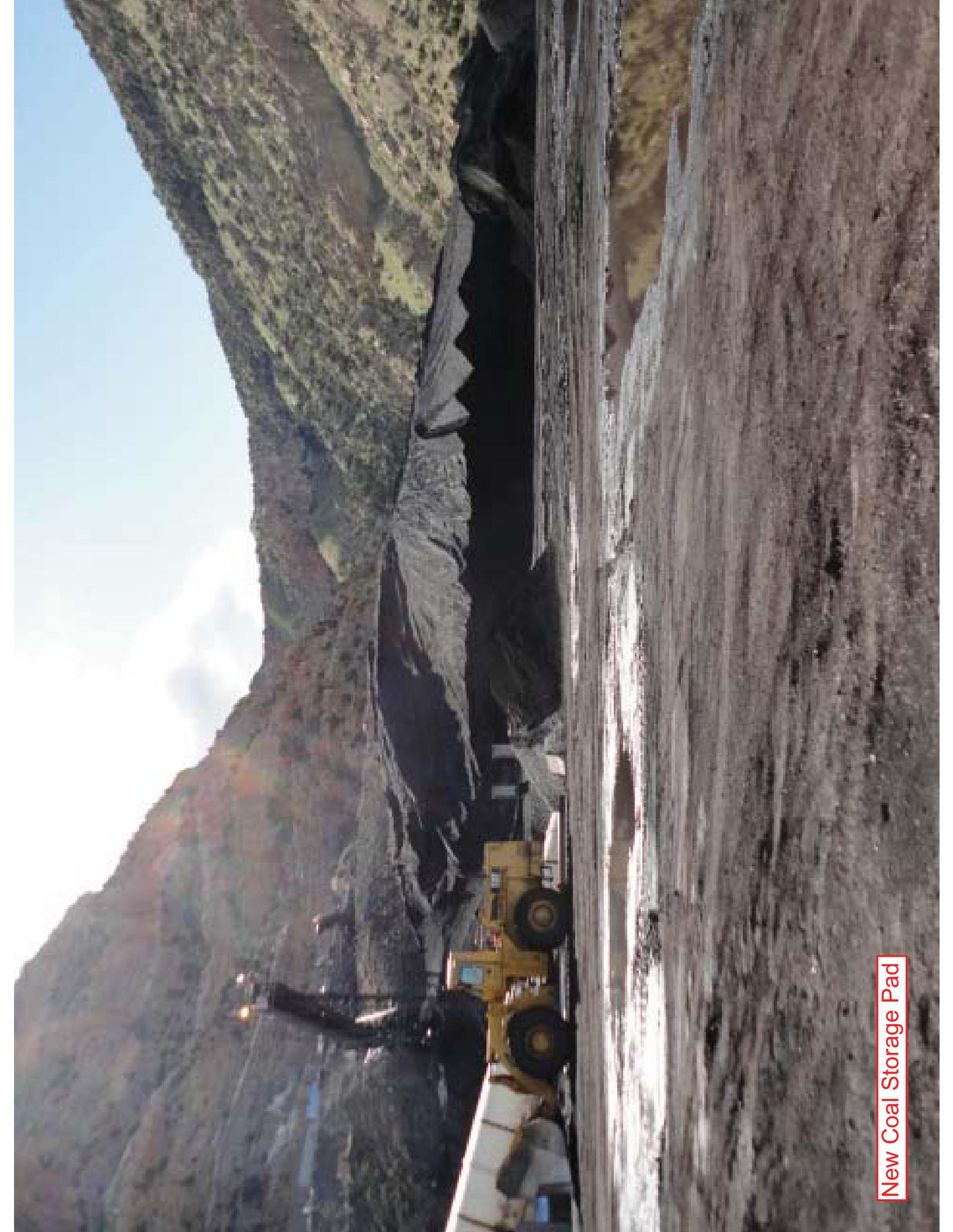
#2 Sediment Pond (Small)



Road Diversion To The Side Of Bath House



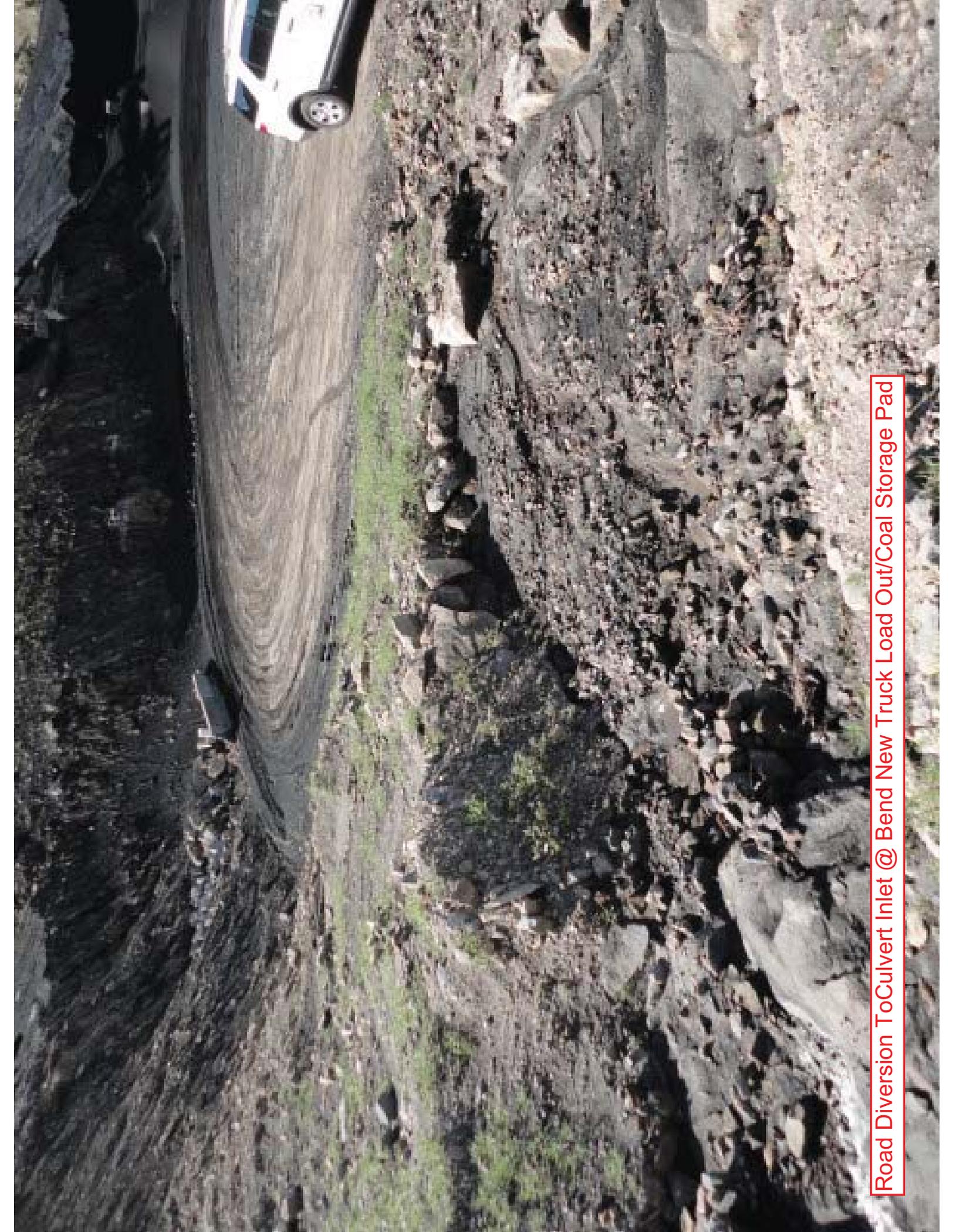
Road Diversion To The Side Of Bath House



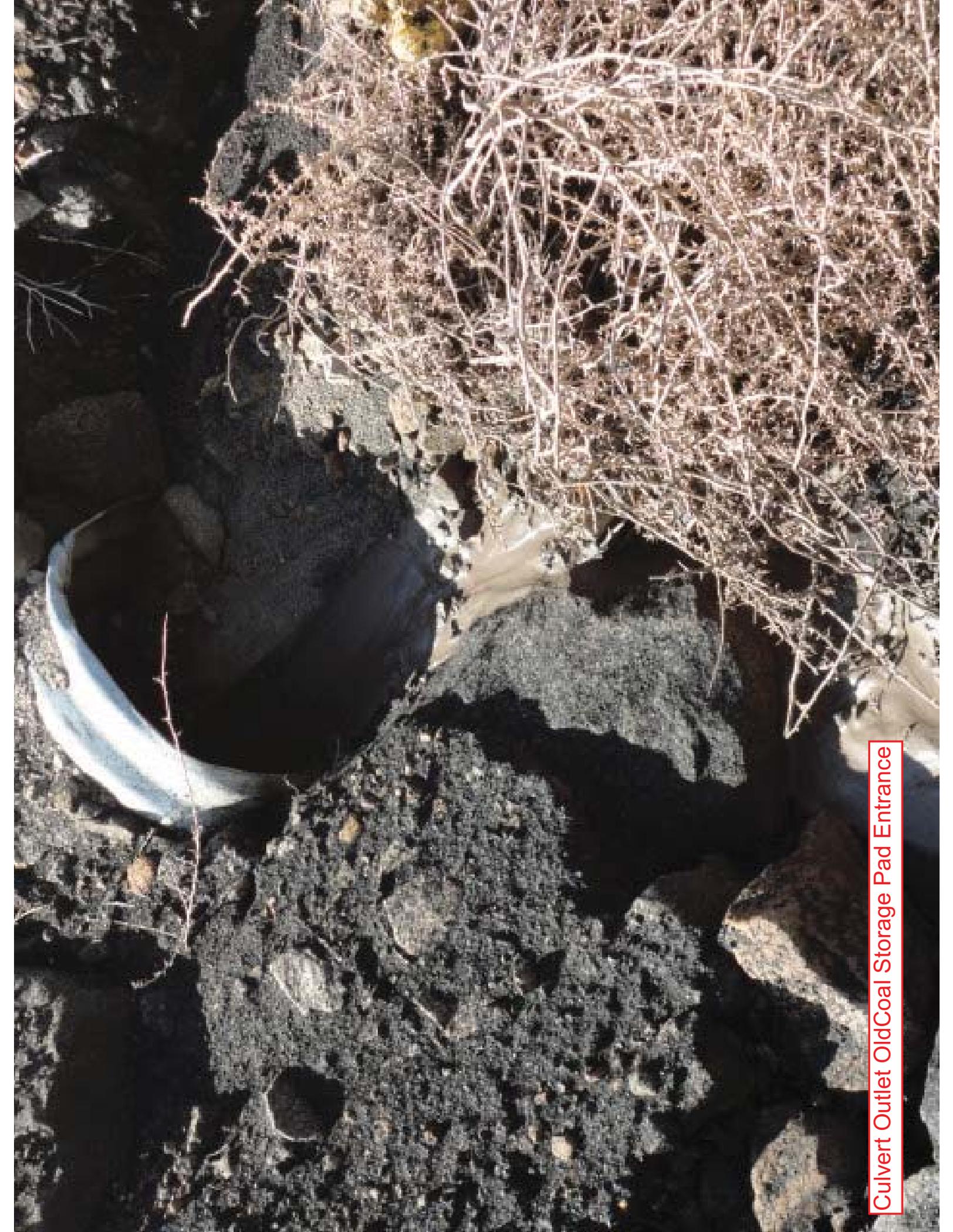
New Coal Storage Pad



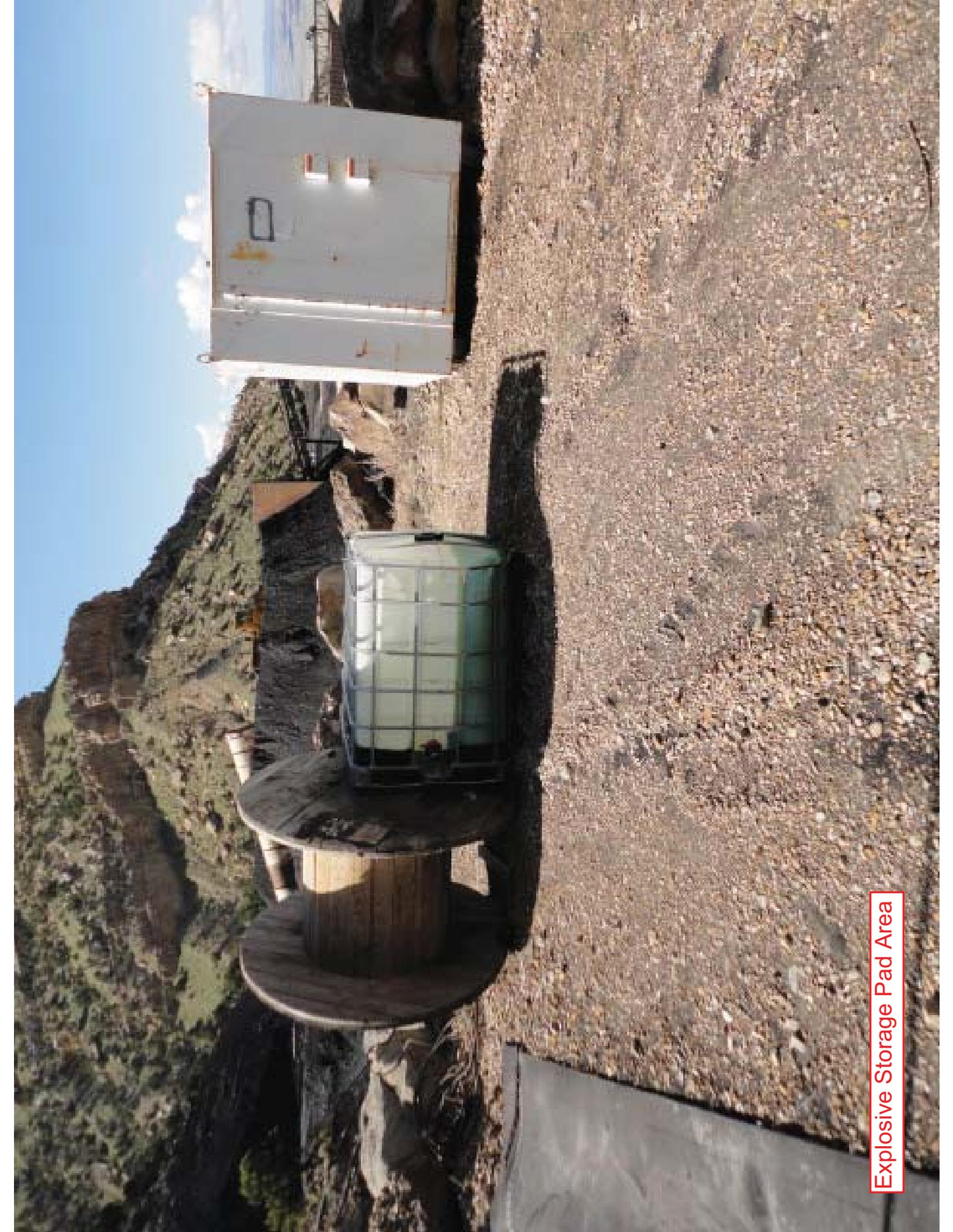
Culvert Inlet @ Bend New Truck Load Out/Coal Storage Pad



Road Diversion To Culvert Inlet @ Bend New Truck Load Out/Coal Storage Pad



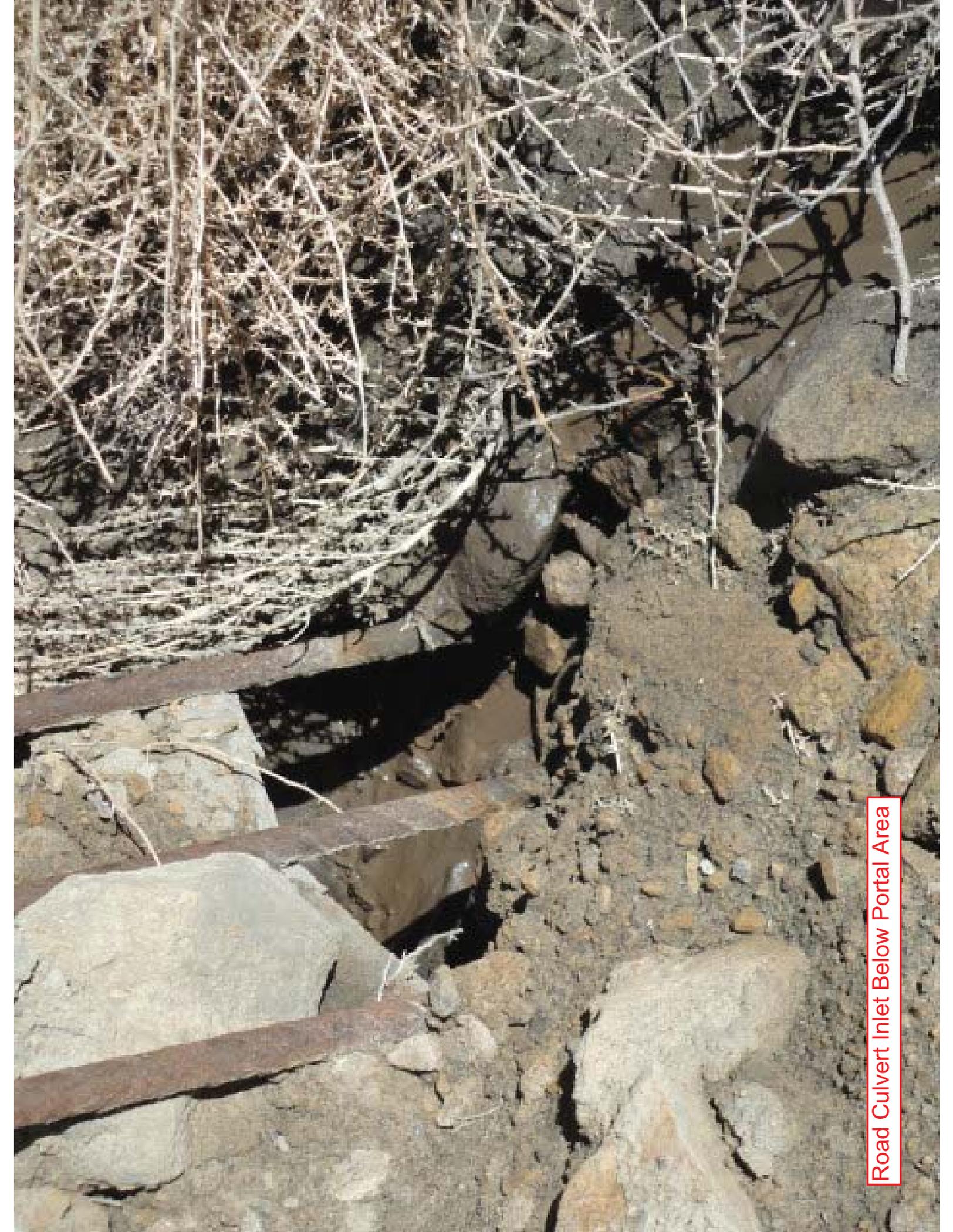
Culvert Outlet OldCoal Storage Pad Entrance



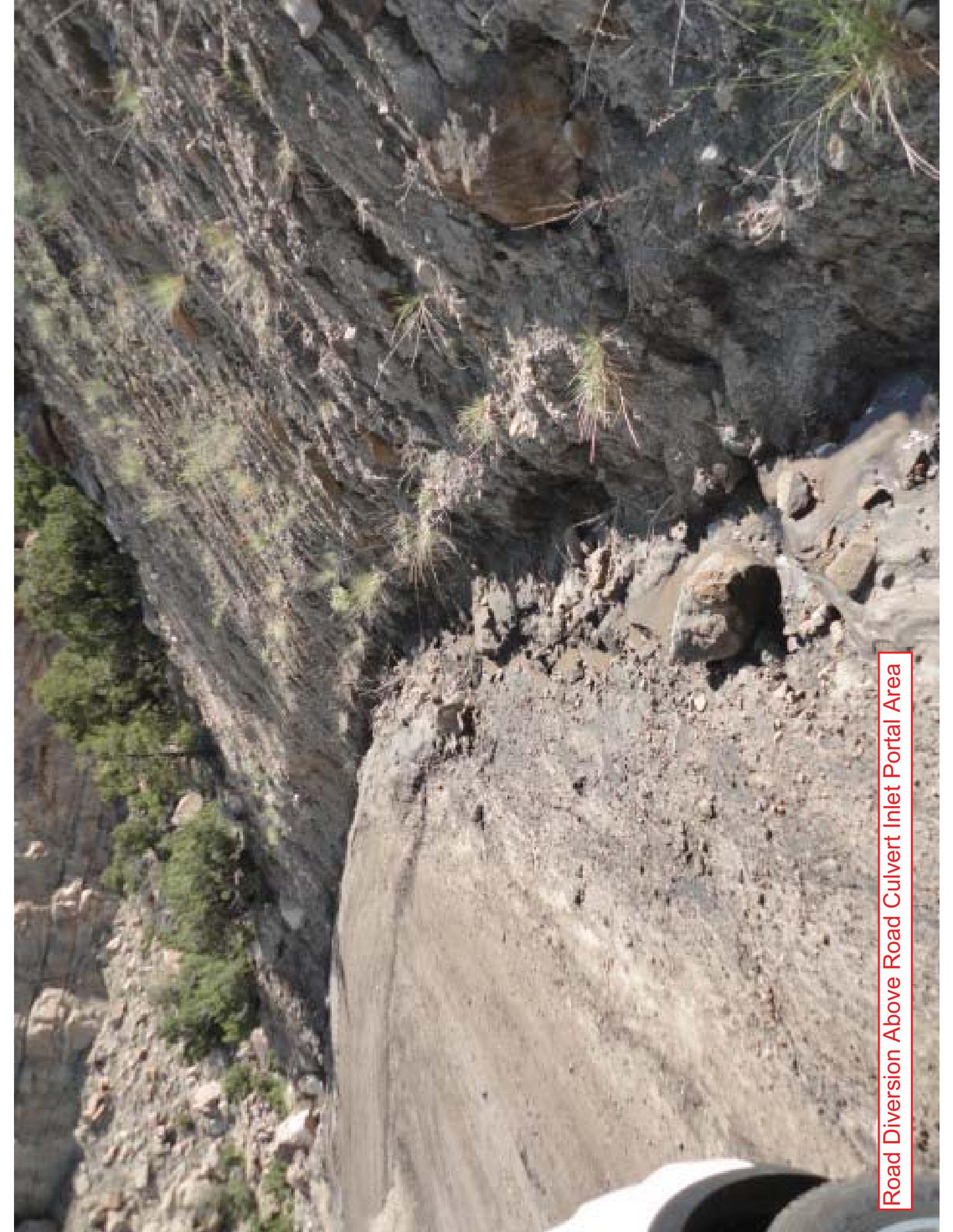
Explosive Storage Pad Area



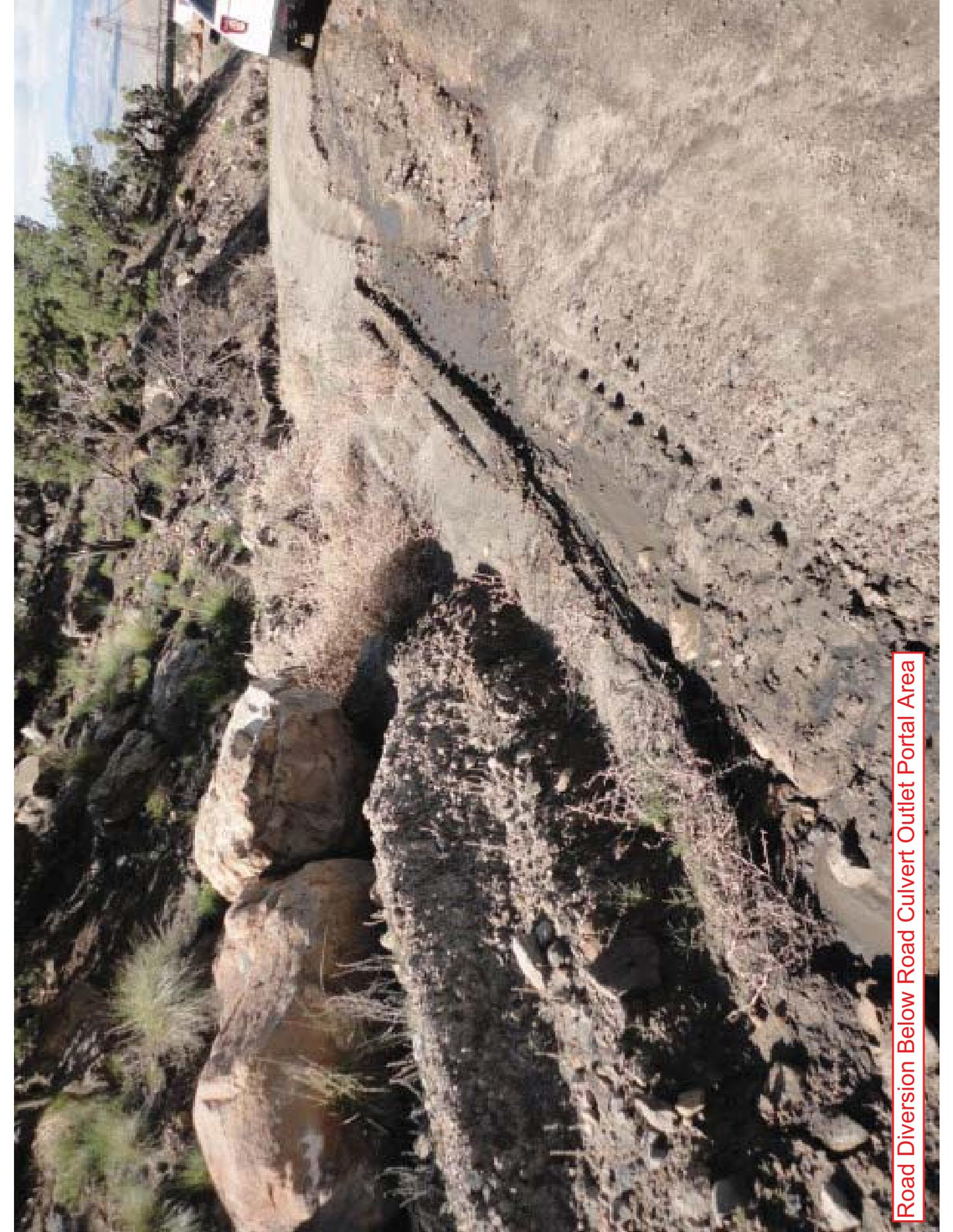
Explosive Storage Pad Area



Road Culvert Inlet Below Portal Area



Road Diversion Above Road Culvert Inlet Portal Area



Road Diversion Below Road Culvert Outlet Portal Area