

C007/013 Incoming



RECEIVED U.S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING Mine Site Evaluation State Program



DIV. OF OIL, GAS & MINING

1. Permittee/Person: UTAHAMERICAN ENERGY INC
2. Address: PO BOX 910
3. City: EAST CARBON 4. State: UT
5. Zip Code: 84520 6. Phone Number: (435) 888-4013
9. Permit Number: C0070013 10. Permit Type: PP
11. Field Visit Date: 3/2/2016 12. Purpose: OC 13. SRA Present: Y
14. Permit Status: A 15. Site Status: AP 16. Facility Type: B
17. OSM Office #: 140 18. CCID #: 19. Land Code: SF
20. M.S.H.A. ID #: 42-02241 21. State Abbrev.: UT 22. County/Burrough: CARBON
23. AVS Permittee Entity ID Number: 146487 24. State Office:

25. Hours
1.0 a. Permit Review
2.0 b. Site Visit Time
8.0 c. Travel Time
2.0 d. Report Writing

26. Signature Block
Signature: John Shumate
Printed Name: John Shumate, ID#545
Date: 4/15/2016

27. Reviewing Official:
Signature:
Review Date: 04-15-2016
Is Supplemental MSE Page Used Y/N: Y

Permit Type - Item 10 IP = Interim Program PP = Permanent Program NP = No Permit

Purpose Type Codes - Item 12
Oxx ..Oversight Rfx. Reclamation Fees CCR. Citizen Complaint Referral (non-site visit)
Axx ..Assistance Fxx ..Federal Actions CC ..Citizen Complaint (initial site visit)
CCF. Assistance

Joint Inspection - Item 13 A joint inspection is when a state inspector accompanies an OSM inspector at any time during the review of the mine site

Permit Status - Item 14
A Active: Coal mining activities occurring or permitted but not yet disturbed.
IN Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit): Coal mining completed and reclamation activities initiated
BR Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release).
AB Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840.11(g).
AB1 Bond Forfeiture: Bond forfeiture officially in process or completed and reclamation in progress or not yet commenced.
AB2 Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards
AB3 Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.
NA Not Applicable: When site is unpermitted

Site Status - Item 16
ND No Disturbance: No coal mining and reclamation operations have been started.
EX Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.
AP Active Coal Producing: Coal surface mining activities are occurring
AN Active Non-Producing: Active non-producing facility such as Upple or preparation plant.
NM No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.
MC Mining Complete: No mining activity on site, site regraded and awaiting bond release.
TC Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817-13(b).
P1 Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.
P2 Phase II Release: At least Phase II bond release for the entire permitted area
P3 Phase III Release: Reclamation completed and the RA has released all bond.
NS Non-Site Visit: Status of site not determined.
FP Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress.
FR Forfeited and Reclaimed: Forfeiture reclamation completed
FO Abandoned Site: Abandoned site that is permitted but there is no bond.
WC Widcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA

Facility Type Codes - Item 18
A...Surface D...Ancillary (Haulroad, Conveyor, and/or Rais) H...Exploration Permits K...Government Financed Construction Exemption
B...Underground E...Refuse and/or Impoundment I...Notice of Intent to Explore L...Remining site permitted under 30 CFR 785.25
C...Preparation Plant F...Loading Facility and/or Tipple J...Exempt 16 and 2/3
G...Stackpiles

Small Business Regulatory Enforcement Fairness Act (SBREFA) Your Comments are Important

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247)

**U.S. DEPT. OF THE INTERIOR
OFFICE OF SURFACE MINING
Mine Site Evaluation**

Permittee/ Person UTAHAMERICAN ENERGY INC	Permit Number C0070013	Field Visit Date 3/2/2016	State Program Continuation Page
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28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited, 7=Permit Defect

<p>A. Administrative</p> <ol style="list-style-type: none"> 1. <u>1</u> Mining within Valid Permit 2. <u>1</u> Mining within Bonded Area 3. <u>1</u> Terms & Conditions of Permit 4. <u>1</u> Liability Insurance 5. <u>1</u> Ownership and Control 6. <u>1</u> Temporary Cessation 7. <u> </u> AML Rec. Fees - Non-Respondent 8. <u> </u> AML Rec. Fees - Failure to Pay <p>B. Hydrologic Balance</p> <ol style="list-style-type: none"> 1. <u>1</u> Drainage Control 2. <u> </u> Inspections & Certifications 3. <u> </u> Siltation Structures 4. <u> </u> Discharge Structures 5. <u>1</u> Diversions 6. <u> </u> Effluent Limits 7. <u> </u> Ground Water Monitoring 8. <u>1</u> Surface Water Monitoring 9. <u> </u> Drainage - Acid-Toxic Materials 10. <u>1</u> Impoundments 11. <u> </u> Stream Buffer Zones <p>C. Topsoil & Subsoil</p> <ol style="list-style-type: none"> 1. <u> </u> Removal 2. <u> </u> Substitute Materials 3. <u>1</u> Storage and Protection 4. <u> </u> Redistribution 	<p>D. Backfilling & Grading</p> <ol style="list-style-type: none"> 1. <u> </u> Exposed Openings 2. <u> </u> Contemporaneous Reclamation 3. <u> </u> Approximate Original Contour 4. <u> </u> Highwall Elimination 5. <u> </u> Steep Slopes (includes downslope) 6. <u> </u> Handling of Acid and Toxic Materials 7. <u> </u> Stabilization (rills and gullies) <p>E. Excess Spoil Disposal</p> <ol style="list-style-type: none"> 1. <u> </u> Placement 2. <u> </u> Drainage Control 3. <u> </u> Surface Stabilization 4. <u> </u> Inspections & Certifications <p>F. Coal Mine Waste (Refuse Piles/Impoundments)</p> <ol style="list-style-type: none"> 1. <u> </u> Drainage Control 2. <u> </u> Surface Stabilization 3. <u> </u> Placement 4. <u> </u> Inspections & Certifications 5. <u> </u> Impounding Structures <p>G. Use of Explosives</p> <ol style="list-style-type: none"> 1. <u> </u> Blaster Certification 2. <u> </u> Distance Prohibitions 3. <u> </u> Blast Survey/Schedule 4. <u> </u> Warnings & Records 5. <u> </u> Control of Adverse Effects 	<p>H. Subsidence Control Plan</p> <p>I. Roads</p> <ol style="list-style-type: none"> 1. <u> </u> Road Construction 2. <u> </u> Certification 3. <u> </u> Drainage 4. <u> </u> Surfacing and Maintenance 5. <u> </u> Reclamation <p>J. Signs & Markers</p> <ol style="list-style-type: none"> 1. <u>1</u> Signs 2. <u>1</u> Markers <p>K. Distance Prohibitions</p> <p>L. Revegetation</p> <ol style="list-style-type: none"> 1. <u> </u> Vegetative Cover 2. <u> </u> Timing <p>M. Postmining Land Use</p> <p>N. Other</p> <p>General Performance Category</p> <p>_____</p> <p>_____</p> <p>_____</p>
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Performance Standard Categories 30 CFR Counterparts

<p>A. Administrative (816/817.71-74)</p> <ol style="list-style-type: none"> 1. Valid Permit 773.11 2. Mining within Bonded Area 773.11 3. Terms & Conditions of Permit 773.17 4. Liability Insurance 800.60 5. Ownership and Control 778.13 6. Temporary Cessation 842.11(e) & 816/817.131 7. AML Rec. Fees - Non-Respondent 870.15(b) 8. AML Rec. Fees - Failure to Pay 870.15(a) <p>B. Hydrologic Balance (816/817.41-57)</p> <ol style="list-style-type: none"> 1. Drainage Control 45 2. Inspections & Certifications 49(a)(10) 3. Siltation Structures 46 4. Discharge Structures 47 5. Diversions 43 6. Effluent Limits 42 7. Ground Water Monitoring 41(c) 8. Surface Water Monitoring 41(b) 9. Drainage - Acid-Toxic Materials 41(f) 10. Impoundments 49 11. Stream Buffer Zones 57 <p>C. Topsoil & Subsoil (816/817.22)</p> <ol style="list-style-type: none"> 1. Removal 22(a) 2. Substitute Materials 22(c) 3. Storage and Protection 22(c) 4. Redistribution 22(d) <p>D. Backfilling & Grading 816/817.95-107)</p> <ol style="list-style-type: none"> 1. Exposed Openings 816/817.13, 14, 15, & 823.11 & 21 2. Contemporaneous Reclamation 100 3. Approximate Original Contour 102(a)(1) 4. Highwall Elimination 102(a)(2) 5. Steep Slopes (includes downslope) 107 6. Handling of Acid & Toxic Materials 102(c) 7. Stabilization (rills and gullies) 95(b) 	<p>E. Excess Spoil Disposal (816/817.71-74)</p> <ol style="list-style-type: none"> 1. Placement 71(e) 2. Drainage Control 71(f) 3. Surface Stabilization 71(g) 4. Inspections & Certifications 71(h) <p>F. Coal Mine Waste (Refuse Pile/Impoundments) 816/817.81-84)</p> <ol style="list-style-type: none"> 1. Drainage Control 83(a) 2. Surface Stabilization 83(b) 3. Placement 83(c) 4. Inspections and Certifications 83(d) 5. Impounding Structures 84 <p>G. Use of Explosives (816/817.61-68)</p> <ol style="list-style-type: none"> 1. Blaster Certification 61(c) 2. Distance Prohibitions 61(d) 3. Blast Survey/Schedule 62-64 4. Warnings & Records 66 & 68 5. Control of Adverse Effects 67 <p>H. Subsidence Control Plan (817.121-122)</p> <p>I. Roads (816/817.150-151)</p> <ol style="list-style-type: none"> 1. Road Construction 150(c) 2. Certification 151(a) 3. Drainage 150(b)-151(d) 4. Surfacing and Maintenance 150(e)-151(f) 5. Reclamation 150(f) <p>J. Signs & Markers 816/817.11)</p> <ol style="list-style-type: none"> 1. Signs 11(a),(b),(c) 2. Markers 11(a),(b),(d),(e),(f) <p>K. Distance Prohibitions (761.11)</p> <p>L. Revegetation (816/817.111-116)</p> <ol style="list-style-type: none"> 1. Vegetative Cover 111 & 116 2. Timing 113 <p>M. Postmining Land Use (816/817.133)</p>
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Horse Canyon Mine Complete Oversight Inspection Report

Utah American Energy Inc.

Permit ID # C/007/0013

Date: 3/2/2016**Participants:**

Karin Madsen, Utah American Energy Inc.

Karl Houskeeper, Utah Division of Oil, Gas and Mining (DOGM)

Spencer Shumate, Office of Surface Mining Reclamation and Enforcement (OSMRE) Badge #541

Weather:

At the time of inspection, the weather conditions were clear, and sunny.

Administrative:

The DOGM inspector and I met with Karen at the mine site office for a complete records check, prior to conducting the field inspection.

- DOGM Permit-Issued on May 6, 2011 and expires May 6, 2016;
- Surety Bond-the bond is through Rockwood Casualty Co and XL Specialty Insurance. This bond is in the amount of \$2,617,328.00 and was reviewed as part of the DOGM 2013/2014 mid-term review;
- UPDES- 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;
- SPCC Plan is dated August 2012. The plan is P.E. dated, Stamped and Signed by a Utah P.E. on August 14, 2014;

Signs and Markers:

The mine site identification signs are clearly posted and they contained all the required information.

Topsoil Stockpiles:

Topsoil stockpile was inspected for overall stability and design. The stockpile was well vegetated, perimeter berms were intact and showed no signs of erosion at the time of inspection. The stockpile was properly marked with signage.

Hydrologic Balance:*Drainages*

A discussion regarding the drainages took place on site, as it appeared that maintenance was

needed at several locations. However, it was understood that the permittee has already submitted permit revisions to reconstruct drainages throughout the site. For this reason, any area of concern (i.e., erosion, culverts, etc.) were discussed as minor issues but the requirement to maintain them in the interim is still necessary.

Sediment Ponds

Two ponds were inspected overall stability and functionality. This included the inlet structure, principle spillway, and emergency spillway at each location. The larger of the two ponds has minor riling that has begun on the embankment. Although the riling is minor at this point, the fact that there is minimal vegetation establishment will only exacerbate the issue over time. BMP's for erosion control are recommended. In addition, both of the ponds inlets are in need of maintenance due to erosion/scouring.

Roads

Maintenance Items:

As discussed during the closeout meeting with Karin Madsen, OSMRE noted the following maintenance items that need to be addressed:

1. Erosion at Pond inlets;
2. Remove debris/mud from culverts;
3. Establish/maintain pond embankments via reseeding and proper use of approved BMP's.

NOTE: See Appendix A for photos

Enforcement Actions / Programmatic Compliance:

No enforcement actions were taken as a result of this inspection, nor are any pending.









