



# 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:	Thursday, February 18, 2016
Start Date/Time:	2/18/2016 8:00:00 AM
End Date/Time:	2/18/2016 12:00:00 PM
Last Inspection:	Thursday, January 21, 2016

Representatives Present During the Inspection:	
Company	Karin Madsen
OGM	Karl Houskeeper

Inspector: Karl Houskeeper

Weather: Overcast/Stormy, Temp. 42 Deg. F.

InspectionID Report Number: 5441

Accepted by: JHELFRIC  
2/18/2016

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:

Checked in at the UtahAmerican main office at the West Ridge Mine. Met with Karin Madsen and completed paper work at the main office then proceeded to do the field inspection at the Lila Canyon Mine.

Inspector's Signature:

Karl Houskeeper,  
Inspector ID Number: 49

Date Thursday, February 18, 2016



**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 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 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 June 1, 2015 and expires on June 1, 2016. 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.

SPCC 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 is clearly posted at the entrance into the Lila Canyon mining permit area. The sign contains the name, address, phone number and mining permit number as required by regulation.

### **4.a Hydrologic Balance: Diversions**

The uppermost culvert inlet needs maintenance. The Second culvert outlet from the top needs maintenance. Both are still functional, but are building sediment.

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

The fourth quarter 2015 and annual 2015 inspections of the sediment ponds was done on November 20, 2015. There is an elevation bust at the mine site that is being addressed in a permit amendment.

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

The discharge monitoring reports for October, November and December 2015 were reviewed. No discharges occurred.

**5. Explosives**

Powder and caps are stored in different magazines. The area is signed according to regulation and the magazines are properly grounded.

**8. Noncoal Waste**

Some wood items are left along side of the main road way that were used to block equipment. The items need to be gathered and disposed of or stored properly.

**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 \$2,617,328.00.