



**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:	<b>C0070013</b>
Inspection Type:	COMPLETE
Inspection Date:	Thursday, August 11, 2016
Start Date/Time:	8/11/2016 9:00:00 AM
End Date/Time:	8/11/2016 2:00:00 PM
Last Inspection:	Thursday, July 07, 2016

<b>Representatives Present During the Inspection:</b>
OGM Karl Houskeeper

Inspector: Karl Houskeeper  
 Weather: Clear Skies, Temp. 82 Deg. F.  
 InspectionID Report Number: 5601  
 Accepted by: JHELFRIC  
 8/29/2016

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		Mineral Ownership	Types of Operations
5,992.07	<b>Total Permitted</b>	<input checked="" type="checkbox"/> Federal	<input checked="" type="checkbox"/> Underground
42.60	<b>Total Disturbed</b>	<input checked="" type="checkbox"/> State	<input type="checkbox"/> Surface
74.26	<b>Phase I</b>	<input checked="" type="checkbox"/> County	<input type="checkbox"/> Loadout
74.26	<b>Phase II</b>	<input checked="" type="checkbox"/> Fee	<input type="checkbox"/> Processing
74.26	<b>Phase III</b>	<input type="checkbox"/> Other	<input type="checkbox"/> Reprocessing

**Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:**

The Division Inspector checked in at the Main Office located at the West Ridge Mine. Karin Madsen was out on an inspection at Crandall Canyon Mine. The paperwork was reviewed at the Main Office prior to the field inspection of Lila Canyon Mine. The field inspection was done by the Division Inspector Un-accompanied.

*Karl R. Houskeeper*

**Inspector's Signature:**

**Date** Thursday, August 11, 2016

Karl Houskeeper,  
 Inspector ID Number: 49



**Note:** This inspection report does not constitute an affidavit 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 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, 2016 and expires on May 6, 2021.

Surety bond for Lila Canyon mine is through XL Specialty Insurance Company.

Insurance is covered by Federal Insurance Company. The policy was issued on June 1, 2016 and expires on June 1, 2017. 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 was checked in conjunction with the complete inspection. The sign contained the name, address, phone number and mining permit number as required by regulation. The identification sign is in compliance with the requirements of the regulations.

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

The road diversions were inspected as part of the complete inspection. Several pictures were taken and are attached to the PDF version of this inspection report. The ditches and culvert inlets and outlets were all functional that were observed. No problems were noted during the inspection associated with the diversions.

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

The second quarter 2016 sediment pond inspections for the Lila Canyon Mine were done for the smaller pond #2 and the larger pond #1 on 5/23/2016. No problems were identified as a result of the inspection.

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

The discharge monitoring reports for the UPDES outfalls located at the Lila Canyon mine were reviewed for April, May and June 2016. No discharges occurred.

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**20. Air Quality Permit**

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

**21. Bonding and Insurance**

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

**UtahAmerican Energy, Inc.**

**HORSE CANYON MINE PART "B"**

**Lila Canyon Mine**

**PO BOX 910**

**EAST CARBON, UT 84520**

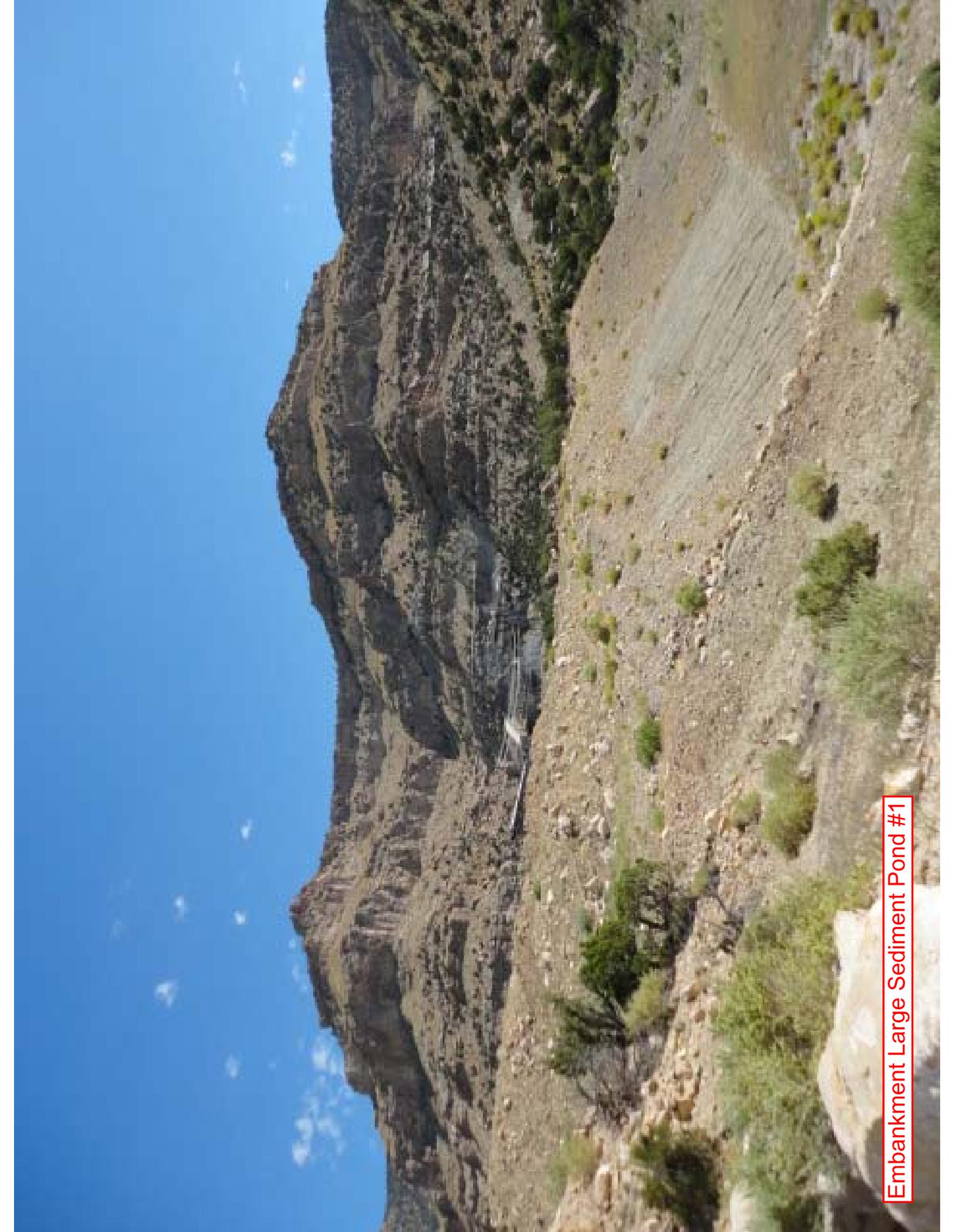
**(435) 888-4000**

**DOGM #C 007/013**

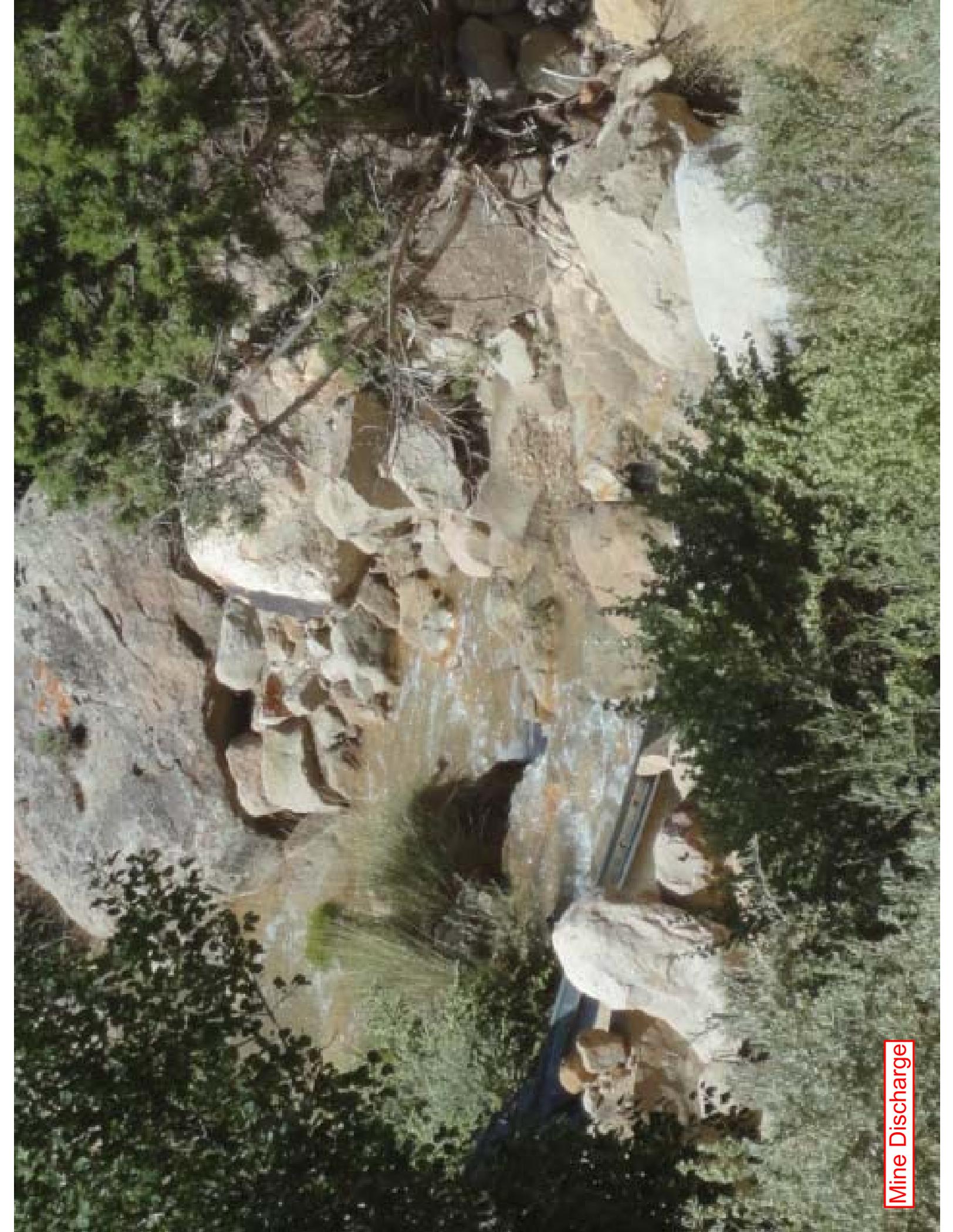
**MSHA ID# 42-02241**



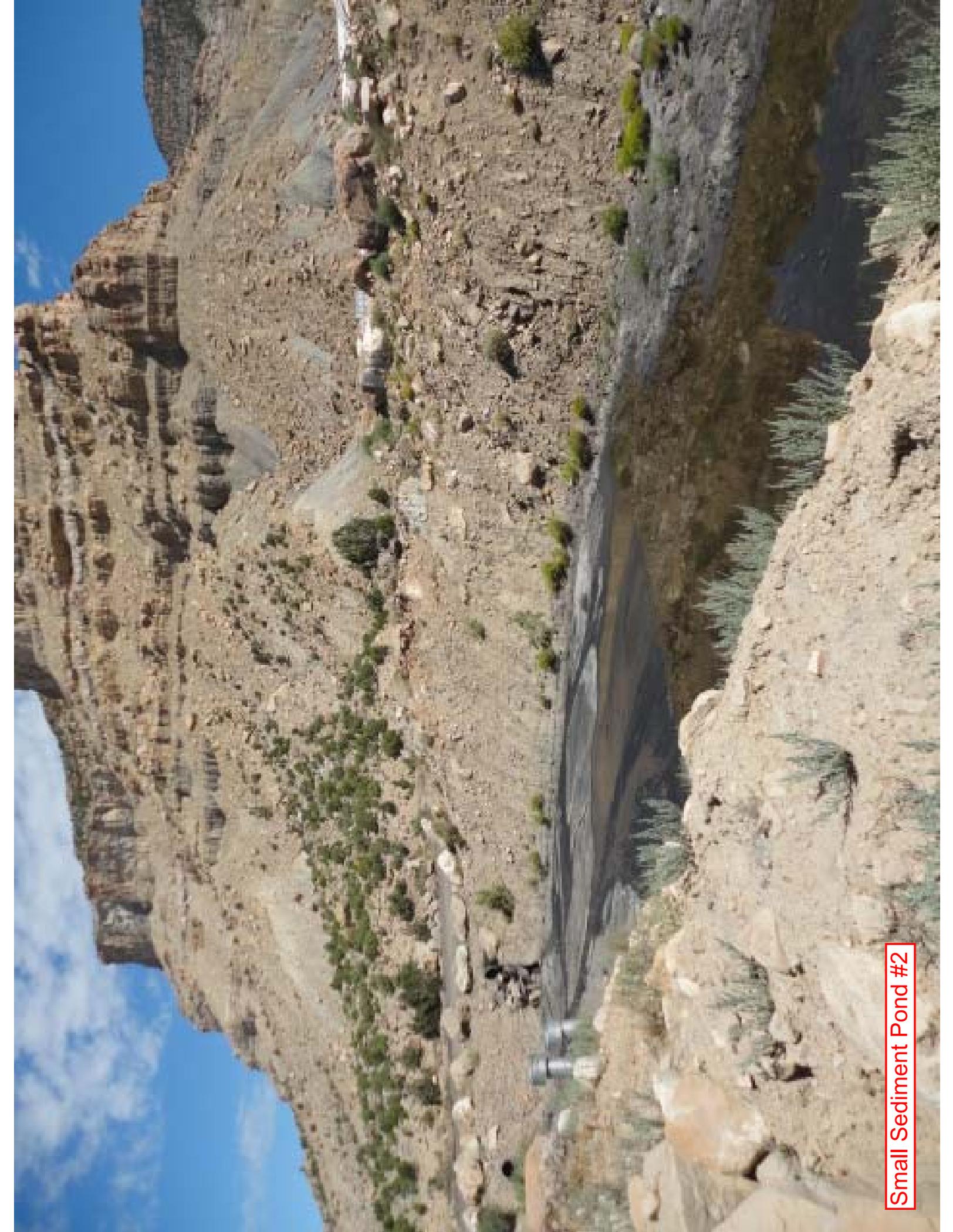
Large Sediment Pond #1



Embankment Large Sediment Pond #1



Mine Discharge



Small Sediment Pond #2



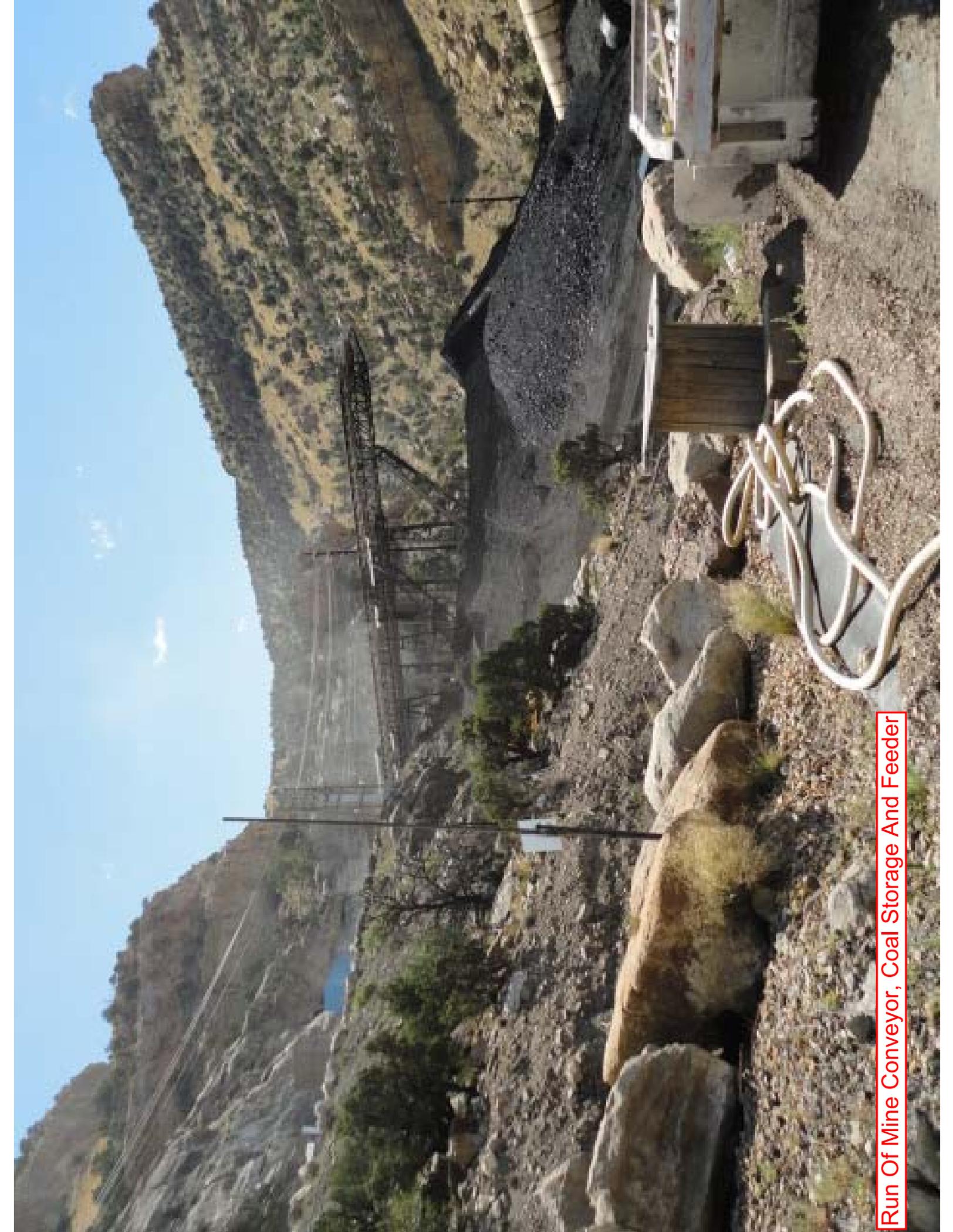
Diversion Below Main Portal. Staged Sediment Traps



Culvert Inlet Below Main Portal. Open and Functional



Powder & Cap Magazines. Explosive Storage Area



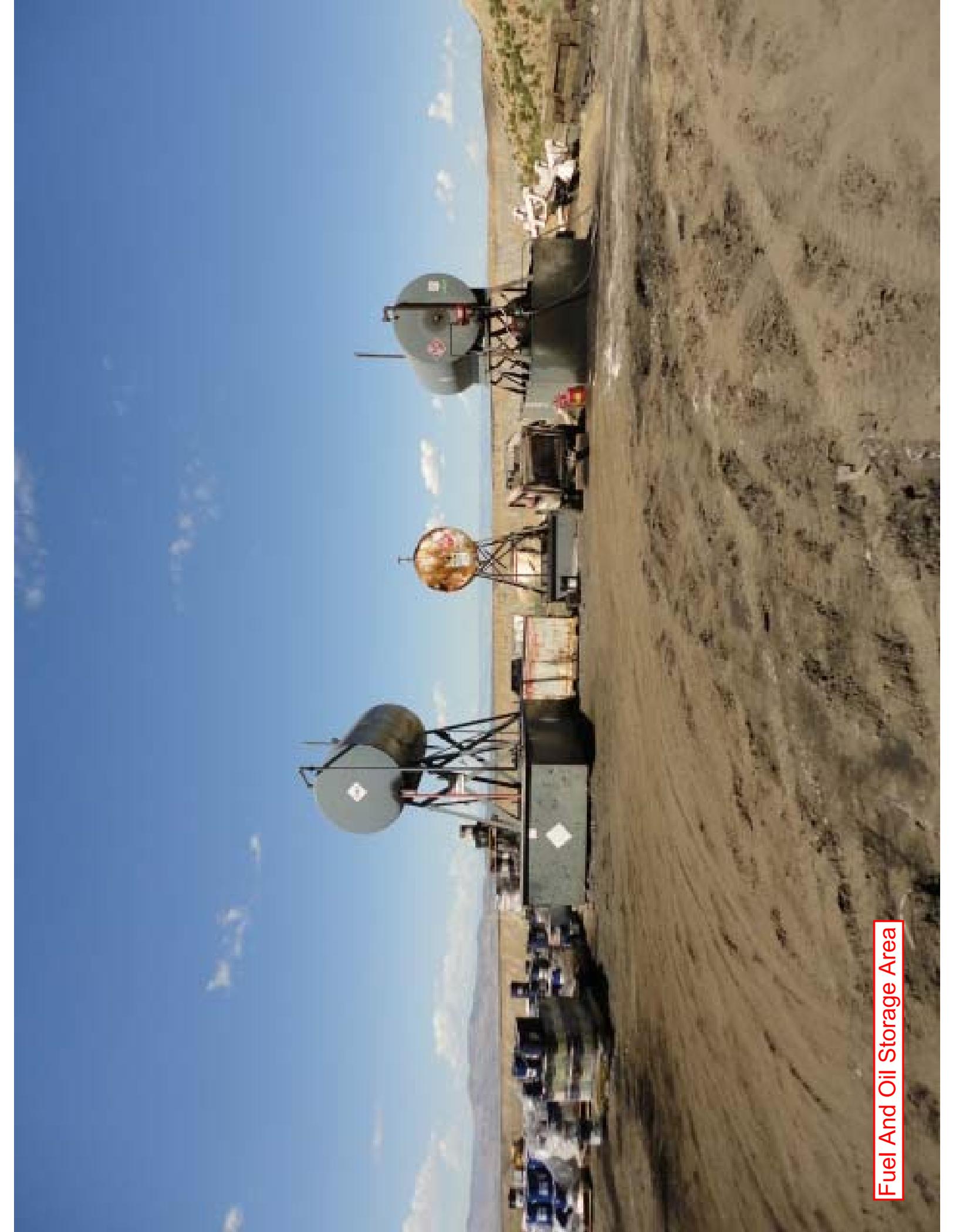
Run Of Mine Conveyor, Coal Storage And Feeder



Culvert Inlet By Run Of Mine Conveyor, Coal Storage And Feeder



Culvert Inlet By Truck Load Out And Coal Storage Pile



Fuel And Oil Storage Area



Truck Load Out And Coal Storage Pile



Culvert Inlet Leading Into The Smaller Sediment Pond #2