



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, November 15, 2016
Start Date/Time:	11/15/2016 7:30:00 AM
End Date/Time:	11/15/2016 12:00:00 PM
Last Inspection:	Tuesday, October 04, 2016

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

Inspector: Karl Houskeeper
 Weather: Hazy Skies, Temp. 38 Deg. F.
 InspectionID Report Number: 5696
 Accepted by: DHADDOCK
 11/22/2016

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	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 checked in at the Main Office located at the West Ridge Mine. Karin Madsen was present upon arrival. The paperwork was reviewed at the Main Office prior too the field inspection of Lila Canyon Mine. The field inspection was done by the Division Inspector and Karin Madsen.

Pictures were taken during the field inspection and are attached to the PDF version of this inspection report.

Karl R. Houskeeper

Inspector's Signature:

Karl Houskeeper,
 Inspector ID Number: 49

Date Tuesday, November 15, 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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 checked="" 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).

UPDES Sanitary Permit #UT0026018/Biosolids #UTL0000000 effective December 1, 2015 and expires at midnight on November 30, 2020.

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 found in the Utah R645 Coal Rules.

4.a Hydrologic Balance: Diversions

Two culvert inlets are impacted by sediment and require maintenance. The inlets are the first and second inlets along the portal access road from the portal coming down canyon. Diversion ditches are open and functional.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sediment pond #2 (smaller pond) has a sediment delta forming where the culvert outlet drops into the pond. Sediment pond #1 (larger pond) is still damp and muddy in the base of the pond from the storm events in September and October. An amendment is in process with the Division to address the plugged 60' undisturbed bypass culvert that is buried below sediment pond #1.

The third quarter 2016 sediment pond inspections for the Lila Canyon Mine were done for the smaller pond #2 and the larger pond #1 on 07/14/2016. No problems were identified as a result of the inspection. Current sediment elevations shown on the last annual inspection show that they are below the required 60% elevation that requires cleaning for both ponds.

4.e Hydrologic Balance: Effluent Limitations

The discharge monitoring reports for the UPDES outfalls located at the Lila Canyon mine were reviewed for August, September and October 2016. No discharges occurred during August and September. 001 sediment pond #1 discharged in October 2016 with the high intensity storms that hit the mine site. A sample was pulled and analyzed. No reportable exceedances occurred.

5. Explosives

The explosive storage area is located on a pad to the side of the portal access road. Powder and cap magazines are placed on this pad and are grounded against lightning strikes as required by law. The area is also signed in a manner that would prevent a bullet from entering the magazines if some one were to shoot at the identification signs according to the requirements set forth in the CFR.

7. Coal Mine Waste, Refuse Piles, Impoundments

There is no refuse pile currently constructed or associated with this mine site.

8. Noncoal Waste

The mine site was checked for noncoal waste items. No noncoal waste items were found outside of the approved storage containment facilities.

16.a Roads: Construction, Maintenance, Surfacing

The road ways were well maintained. The surface of the roadways is graded smooth and had been watered to prevent dust from vehicular traffic either by haul trucks or localized traffic.

20. Air Quality Permit

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

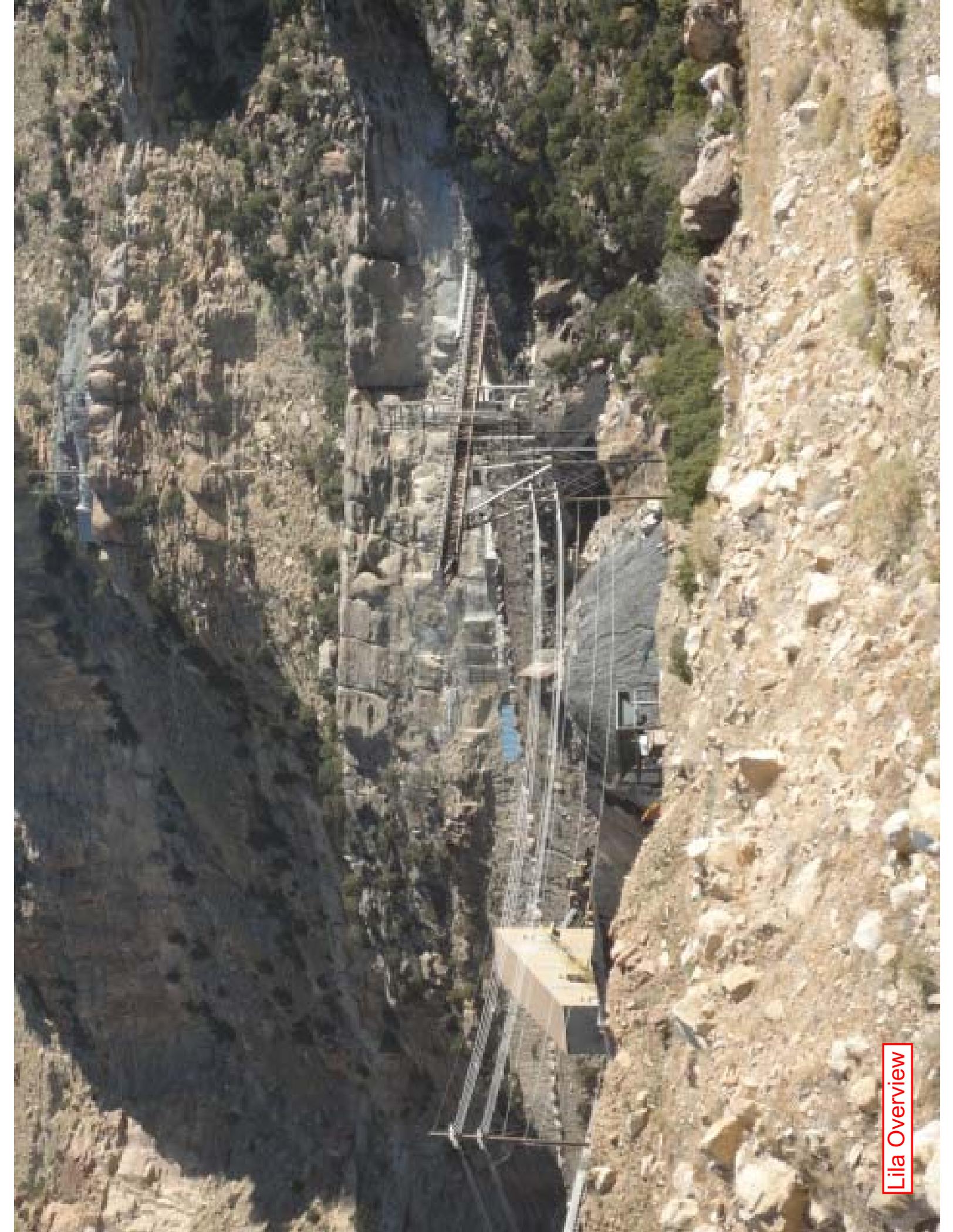
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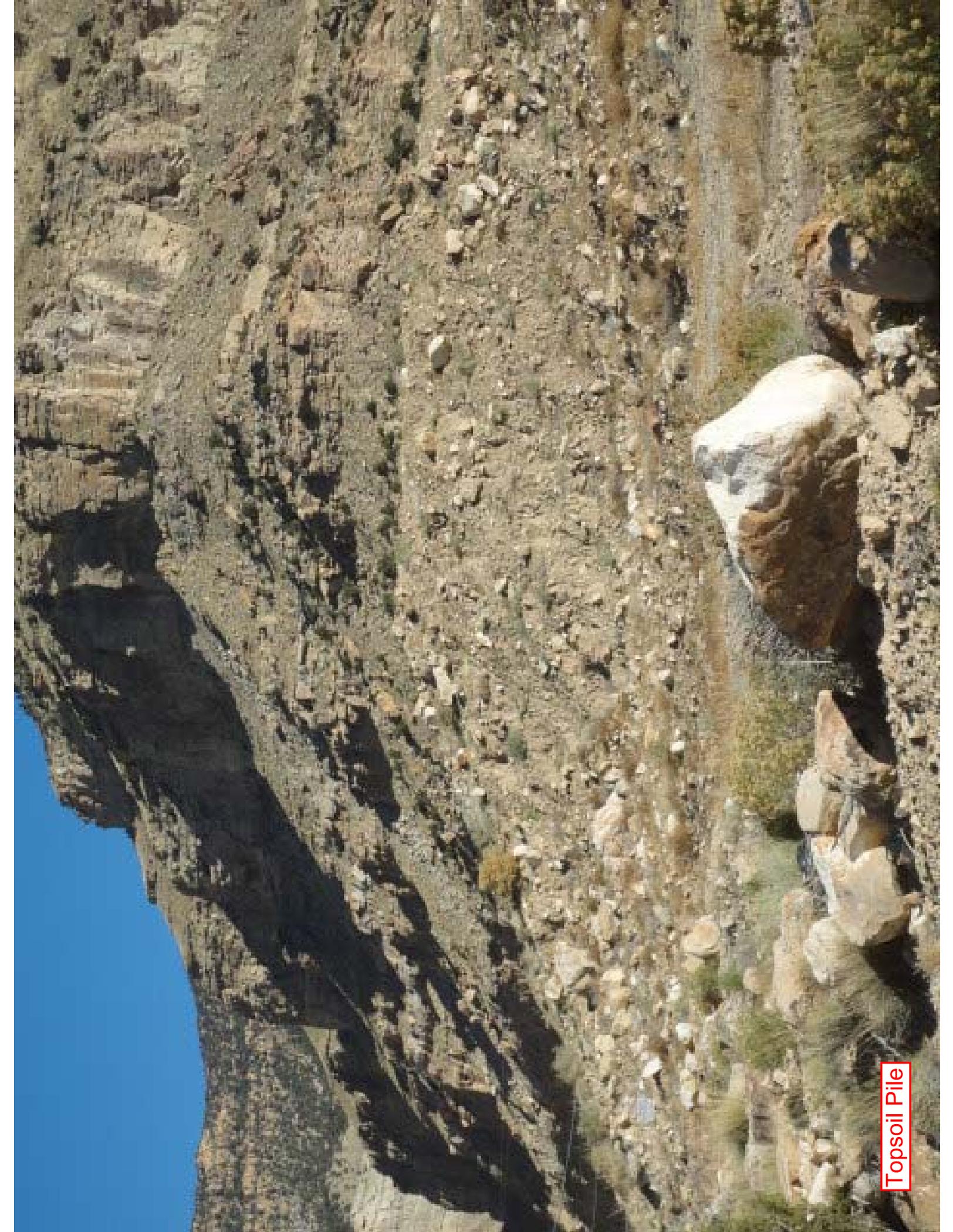
21. Bonding and Insurance

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

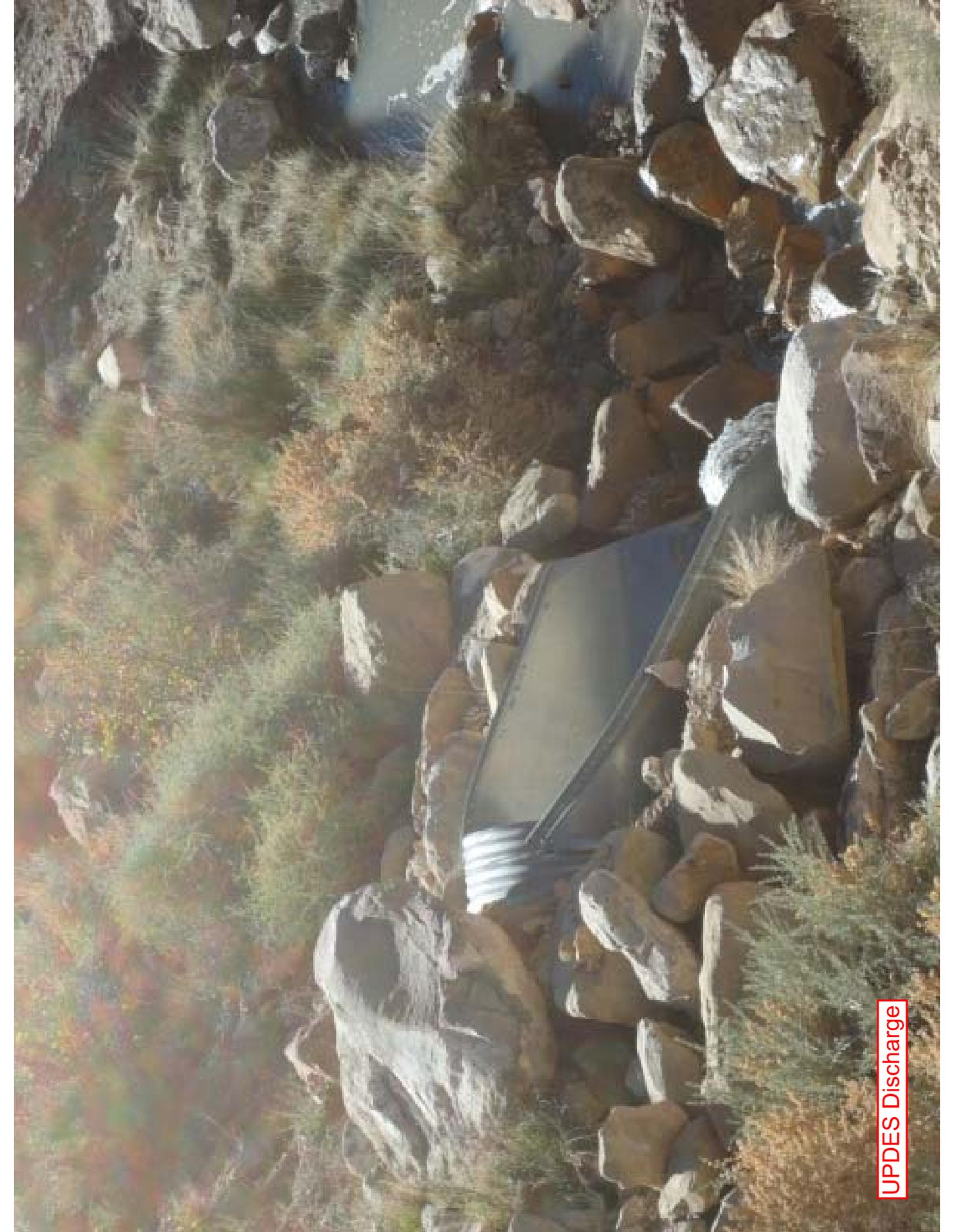


Large Sediment Pond #1

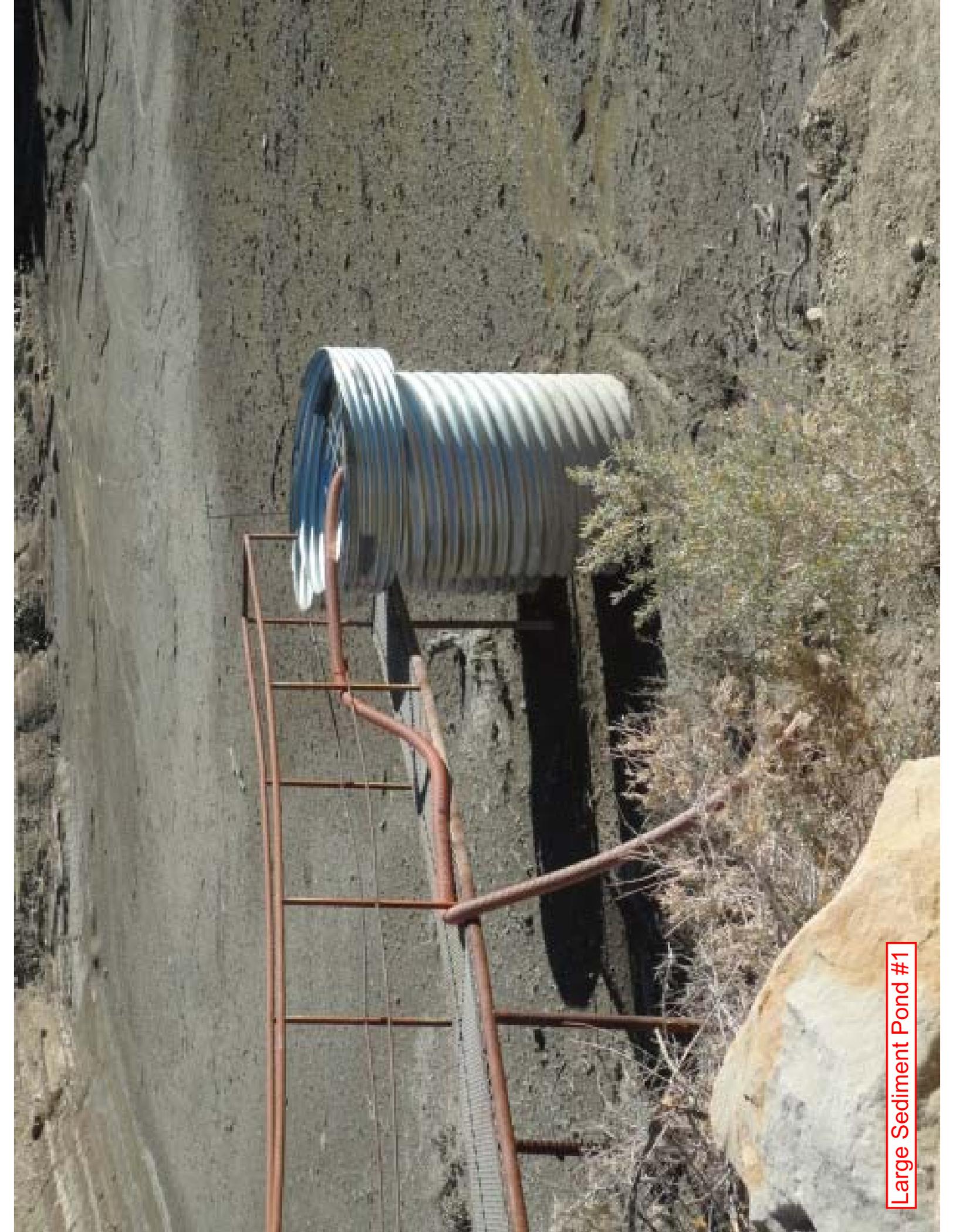




Topsoil Pile



UPDES Discharge



Large Sediment Pond #1