



# 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, February 13, 2018
Start Date/Time:	2/13/2018 7:30:00 AM
End Date/Time:	2/13/2018 2:00:00 PM
Last Inspection:	Wednesday, January 24, 2018

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

Inspector: Karl Houskeeper

Weather: Overcast/Snowy, Temp. 29 Deg. F.

InspectionID Report Number: 6071

Accepted by: DHADDOCK

2/22/2018

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

4,664.32	<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 main office at West Ridge Mine with the secretary and Karin Madsen. Done the required paperwork in the office and then proceeded to the Lila Canyon Mine together.

Pictures taken at the Lila Canyon Mine are attached to the PDF version of this complete inspection report.

*Karl R. Houskeeper*

Inspector's Signature:

Date Tuesday, February 13, 2018

Karl Houskeeper,  
Inspector ID Number: 49



**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 type="checkbox"/>	<input checked="" 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 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, 2017 and expires on June 1, 2018. 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 Mine Water.

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 during the inspection. A picture was taken. The sign identifies the name, address, phone number and mining permit number of the operator. The sign is in compliance.

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

Diversions were open and functional. At almost every culvert inlet there are numerous tumble weeds collected which can become problematic. These weeds should be removed and disposed of.

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

The fourth quarter/Annual 2017 inspections were done on 12/19/2017 for the small pond #2 and the large pond #1. The reports showed that the existing sediment level for the large sediment pond is .1' below the 60% elevation designated for cleaning. The pond has had work done on the interior since the survey. There are still culvert sections and rings in and around the pond. With the recently approved amendment the discharge culvert pipes are to be extended or lengthened. Once the construction is completed the remaining material will be removed.

The large pond construction is done with the exception of removing excess dirt. The existing sediment level will be evaluated after the pond is re-surveyed. The remaining soil in pond #1 is to be used to raise the dike on the road side of the pond and increase the capacity. An amendment for this proposal has been turned into the Division.

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

No discharges occurred for December or November 2017.

**5. Explosives**

The explosive magazines are well grounded and signs are placed in an appropriate way to comply with the regulations.

**7. Coal Mine Waste, Refuse Piles, Impoundments**

There are no refuse piles associated with this mine site.

**16.a Roads: Construction, Maintenance, Surfacing**

A road grader was actively grading the road ways on site.

**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**

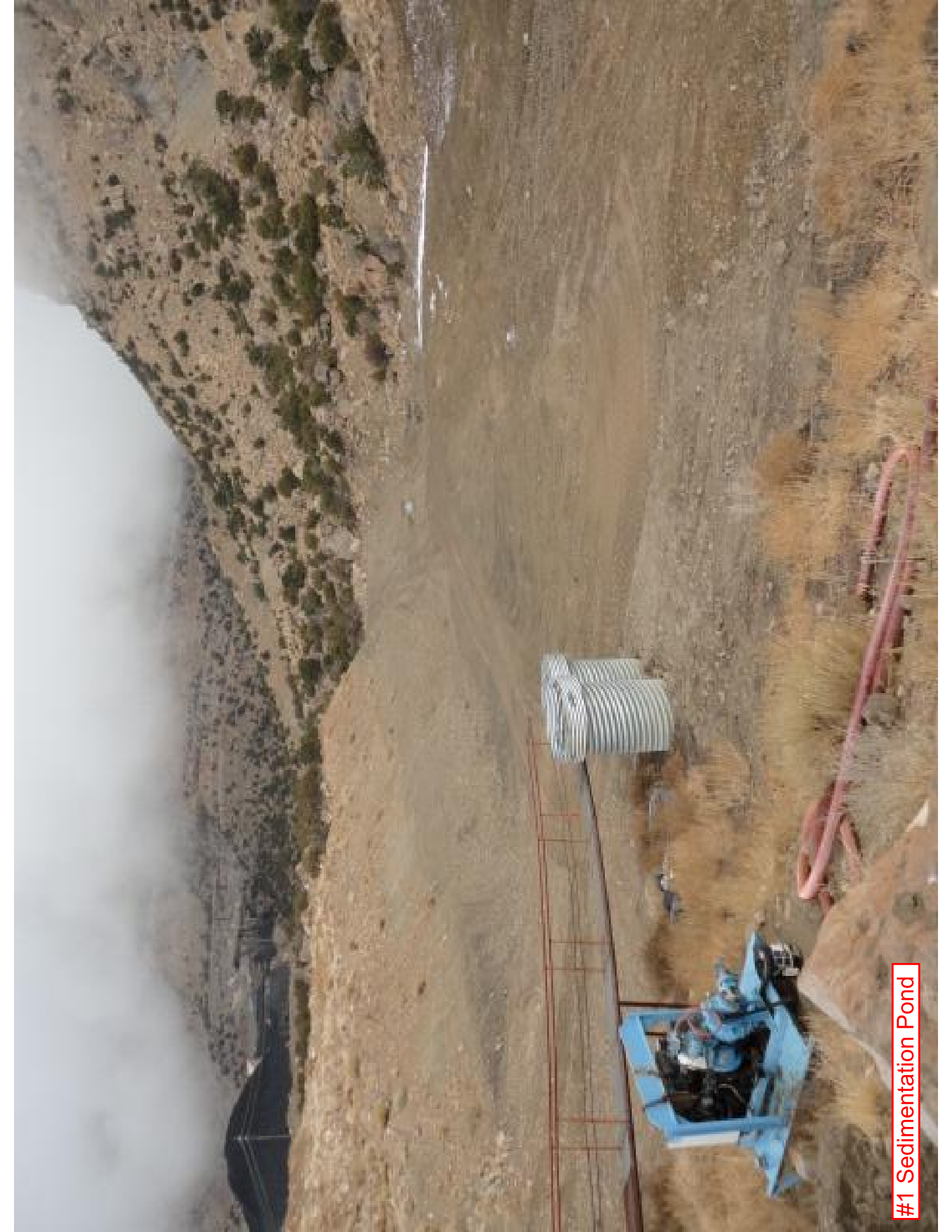
PO BOX 910

EAST CARBON, UT 84520

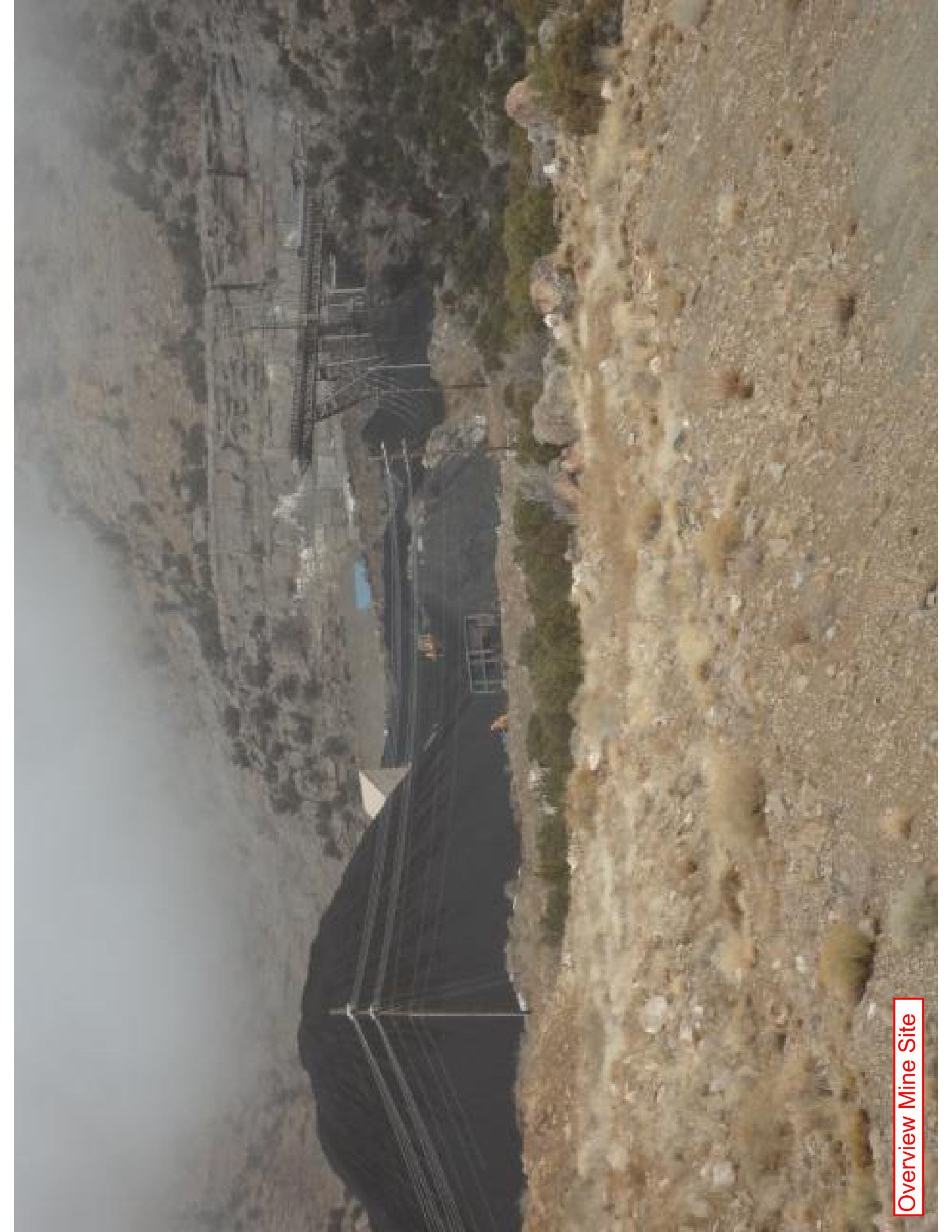
(435) 888-4000

DOG M #C 007/013

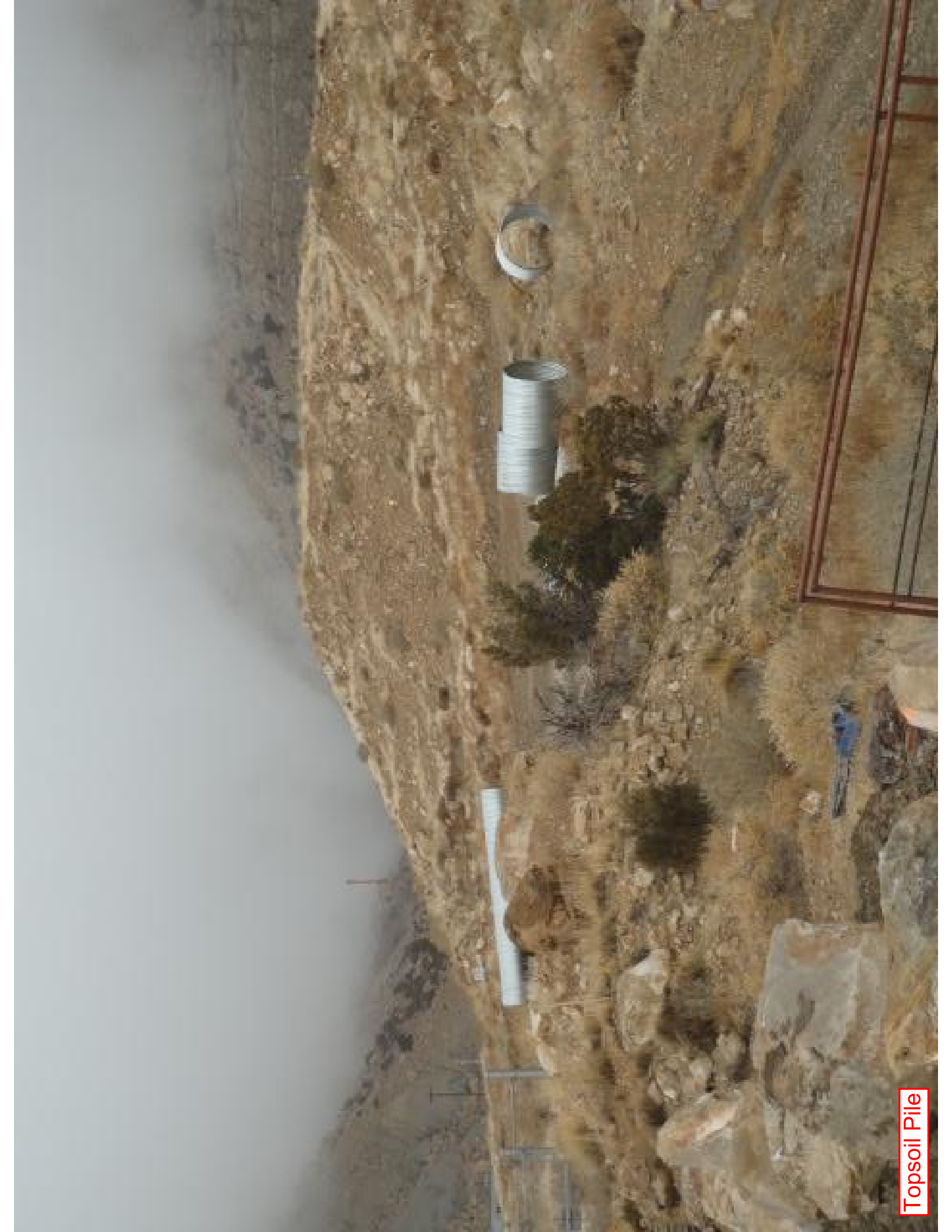
MSHA ID# 42-02241



#1 Sedimentation Pond



Overview Mine Site







#2 Sedimentation Pond



Overview Mine Site