# State of Utah
DEPARTMENT OF NATURAL RESOURCES

GARY R. HERBERT
*Governor*

GREG BELL
*Lieutenant Governor*

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, May 15, 2018 |
| Start Date/Time: | 5/15/2018 9:30:00 AM |
| End Date/Time: | 5/15/2018 1:00:00 PM |
| Last Inspection: | Tuesday, April 17, 2018 |

Inspector: Karl Houskeeper,

Weather: Clear Skies, Temp. 72 Deg. F.

InspectionID Report Number: 6140

Accepted by: DHADDOCK
5/15/2018

| Representatives Present During the Inspection: |
|---|
| OGM Karl Houskeeper |

Permitee: **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 | **Total Permitted** |
| 42.60 | **Total Disturbed** |
| 74.26 | **Phase I** |
| 74.26 | **Phase II** |
| 74.26 | **Phase III** |

**Mineral Ownership**

- [x] Federal
- [x] State
- [x] County
- [x] Fee
- [ ] Other

**Types of Operations**

- [x] Underground
- [ ] Surface
- [ ] Loadout
- [ ] Processing
- [ ] Reprocessing

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

Conducted the paperwork portion of the complete inspection at the West Ridge Mine Office with Karin Madsen. Andrew Rowell joined the Division Inspector at the Lila Canyon Mine site about half way through the Surface Inspection

Two NOV's were Issued #21204 & #21205. Prior warning was given during the previious inspection. See items #8 & #22.

Karl R. Houskeeper

**Inspector's Signature:**

Karl Houskeeper,
Inspector ID Number: 49

**Date** Tuesday, May 15, 2018

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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UTAH DNR OIL, GAS & MINING

***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 performace 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 | ☑ | ☐ | ☑ | ☐ |
| 2. Signs and Markers | ☑ | ☐ | ☐ | ☐ |
| 3. Topsoil | ☑ | ☐ | ☐ | ☐ |
| 4.a Hydrologic Balance: Diversions | ☑ | ☐ | ☑ | ☐ |
| 4.b Hydrologic Balance: Sediment Ponds and Impoundments | ☑ | ☐ | ☑ | ☑ |
| 4.c Hydrologic Balance: Other Sediment Control Measures | ☑ | ☐ | ☐ | ☐ |
| 4.d Hydrologic Balance: Water Monitoring | ☑ | ☐ | ☐ | ☐ |
| 4.e Hydrologic Balance: Effluent Limitations | ☑ | ☐ | ☑ | ☐ |
| 5. Explosives | ☑ | ☐ | ☑ | ☐ |
| 6. Disposal of Excess Spoil, Fills, Benches | ☑ | ☐ | ☐ | ☐ |
| 7. Coal Mine Waste, Refuse Piles, Impoundments | ☑ | ☑ | ☑ | ☐ |
| 8. Noncoal Waste | ☑ | ☐ | ☑ | ☑ |
| 9. Protection of Fish, Wildlife and Related Environmental Issues | ☑ | ☐ | ☐ | ☐ |
| 10. Slides and Other Damage | ☑ | ☐ | ☐ | ☐ |
| 11. Contemporaneous Reclamation | ☑ | ☐ | ☐ | ☐ |
| 12. Backfilling And Grading | ☑ | ☐ | ☐ | ☐ |
| 13. Revegetation | ☑ | ☐ | ☐ | ☐ |
| 14. Subsidence Control | ☑ | ☐ | ☐ | ☐ |
| 15. Cessation of Operations | ☑ | ☐ | ☐ | ☐ |
| 16.a Roads: Construction, Maintenance, Surfacing | ☑ | ☐ | ☐ | ☐ |
| 16.b Roads: Drainage Controls | ☑ | ☐ | ☐ | ☐ |
| 17. Other Transportation Facilities | ☑ | ☐ | ☐ | ☐ |
| 18. Support Facilities, Utility Installations | ☑ | ☐ | ☐ | ☐ |
| 19. AVS check | ☑ | ☐ | ☐ | ☐ |
| 20. Air Quality Permit | ☑ | ☐ | ☑ | ☐ |
| 21. Bonding and Insurance | ☑ | ☐ | ☑ | ☐ |
| 22. Other | ☑ | ☐ | ☑ | ☑ |

**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.

**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. The third culvert inlet from the top of the road way down has sediment building up in front of the trash rack and should be cleaned.

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

The first quarter 2018 inspections were done on 03/20/2018 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, NOV #21205 was issued With the recently approved amendment the discharge culvert pipes have been extended or lengthened. The county road used as the embankment has been raised as well.

The existing sediment level in sediment pond #1 will be evaluated after the pond is re-surveyed.

**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.

**8. Noncoal Waste**

NOV #20205 was issued for culvert sections, culvert rings, pipe, pump and various non coal waste items between and around the topsoil storage pile and sediment pond #1. Pictures were taken and are attached to the PDF version of this inspection report. The abatement date is set for June 14, 2018.

**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

**22. Other**

NOV #21204 was issued for a road grader being stored along side of an ancillary roadway between sediment pond #2 and the topsoil pile. Man trips and trailers were also in this area on the prior inspection. They were removed but the road grader was still there. There remained trash and wooden blocks from the other equipment removal. The road grader and trash needs to be removed by June 14, 2018.

Culvert and Culvert Rings by Sediment Pond #1

Culverts by Topsoil Pile & Sediment Pond #1

Culverts by Topsoil Pile & Sediment Pond #1

Pipe by Topsoil Pile & Sediment Pond #1

Hose, Pump & Trash by Sediment Pond #1

New Strorage Pad Construction

New Strorage Pad Construction

Equipment Storage Between Sediment Pond #2 and Topsoil Pile

Remnants from Equipment Storage Between Sediment Pond #2 and Topsoil Pile That Was Moved

Trash Between Sediment Pond #2 and Topsoil Pile

Trash Between Sediment Pond #2 and Topsoil Pile

Trash Between Sediment Pond #2 and Topsoil Pile