



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, June 23, 2020
Start Date/Time:	6/23/2020 10:00:00 AM
End Date/Time:	6/23/2020 3:00:00 PM
Last Inspection:	Wednesday, May 13, 2020

Representatives Present During the Inspection:
OGM Karl Houskeeper

Inspector: Karl Houskeeper
 Weather: Clear Skies, Temp. 80 Deg. F.
 InspectionID Report Number: 6698
 Accepted by: SCHRISTE
 7/1/2020

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
4,664.32	Total Permitted	<input checked="" type="checkbox"/> Federal	<input checked="" type="checkbox"/> Underground
42.60	Total Disturbed	<input checked="" type="checkbox"/> State	<input type="checkbox"/> Surface
74.26	Phase I	<input checked="" type="checkbox"/> County	<input type="checkbox"/> Loadout
74.26	Phase II	<input checked="" type="checkbox"/> Fee	<input type="checkbox"/> Processing
74.26	Phase III	<input type="checkbox"/> Other	<input type="checkbox"/> Reprocessing

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

A complete inspection was conducted. The paperwork for this inspection was obtained electronically or via e-mail. The field portion of this inspection was conducted un-attended. Needed maintenance items under section 4a. Were communicated to Karin Madsen (UEI) via text message. Pictures were taken during the complete inspection and are attached to the PDF version of this inspection report.

Inspector's Signature:

Date Tuesday, June 23, 2020

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 checked="" 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 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 Bond # N-6000363

Insurance is covered by Lloyds Underwriters of London Policy PC30400W was issued on June 1, 2020 and expires on June 1, 2021. 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 April 1, 2019 and expires at midnight on March 31, 2024. 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 June 12, 2019.

SPCC Plan is dated August 2012. The plan is P.E. dated, Stamped and Signed by a Utah P.E. on February 08, 2019.

Business License is through Emery County #128 expires 02/28/2021.

2. Signs and Markers

The mine identification signs is posted at the entrance into the mining permit area. The sign displays the name, address, phone number and Utah Mining Permit Number as required by law. The sign was found to meet the requirements of the law.

3. Topsoil

The topsoil material placed on the side of the topsoil pile last fall from the permit amendment on the pad area of the new warehouse amendment is showing signs of vegetative growth. The area was seeded in the spring of 2020. Other protection is provided by an earthen berm.

4.a Hydrologic Balance: Diversions

The diversions were checked throughout the mine site. Two sections of diversions need maintenance. The first area is along the road diversion near the bath house area. This diversion has cable in its reaches from a shuttle car that is parked in this area (See Photos 6 & 7)

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sediment pond #2 the smaller sediment pond near the mine identification sign needs to be cleaned. According to the last sediment pond inspection the pond is scheduled to be cleaned this construction season.

The second quarter 2020 sediment pond inspections were done on 06/04/2020. The report showed the following :

Sediment Pond #1 60% elevation 5843.6'. Existing sediment elevation 5838.1'.
Sediment Pond #2 60% elevation 5847.0'. Existing Sediment elevation 5848.0'.
(Pond Scheduled to be Cleaned).

4.e Hydrologic Balance: Effluent Limitations

Discharge reports are submitted to DEQ electronically. No problems were noted with the discharges.

5. Explosives

The explosive storage area is located on a bench off the side of the portal access road. This area contains the powder and cap magazines. This magazines are identified by explosive signs in accordance with the regulations. The magazines themselves are grounded against a lighting strike.

7. Coal Mine Waste, Refuse Piles, Impoundments

Currently there are no refuse piles associated with this mine 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 \$2,057,000.

ATTACHMENT A – Photos Lila Canyon June 23, 2020 site visit



PHOTO 1

Lila Canyon Identification Sign



PHOTO 2

Lila Canyon Sediment Pond #2 (Smaller Pond)



PHOTO 3

Lila Canyon Sediment Pond #1 (Larger Pond)



PHOTO 4

Lila Canyon Mine Overview

ATTACHMENT A – Photos Lila Canyon June 23, 2020 site visit



PHOTO 5

Lila Canyon Storage Yard



PHOTO 6

Lila Canyon Cable in Diversion (Up-Canyon View)



PHOTO 7

Lila Canyon Cable in Diversion (Down-Canyon View)

PHOTO 8

October 26, 2016