



**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:	Monday, August 17, 2020
Start Date/Time:	8/17/2020 9:30:00 AM
End Date/Time:	8/17/2020 1:00:00 PM
Last Inspection:	Tuesday, July 28, 2020

Representatives Present During the Inspection:
OGM Karl Houskeeper

Inspector: Karl Houskeeper  
 Weather: Clear Skies, Temp. 83 Deg. F.  
 InspectionID Report Number: 6749  
 Accepted by: SCHRISTE  
 9/14/2020

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	<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 Lila Canyon. Complete Inspection was conducted un-attended according to the Division's current policy during the COVID 19 pandemic.  
 Paperwork for the complete inspection was obtained electronically  
 Pictures were taken during the inspection and are attached as Attachment A to the PDF version of this inspection report

*Karl R. Houskeeper*

**Inspector's Signature:** \_\_\_\_\_ **Date** Monday, August 17, 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 checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" 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**

There is one mine identification sign associated with this site. The sign is posted at the access point from the county road into the mining permit area.

Regulations require that certain information be posted on the identification sign. These requirements are the name, address, phone number and permit number. All of these items were posted on the identification sign for Utah American Energy, Lila Canyon Mine.

The sign is in compliance.

### **3. Topsoil**

The topsoil storage pile was evaluated. Protection for this pile is provide by vegetative cover and supplemented by an earthen berm. Material from newly planned construction was placed on the pile late 2019 and was seeded early 2020. Pictures of the pile were taken and are attached in Attachment A of the PDF version of this inspection report.

The mine is going through a Longwall move. Some equipment was stored near the base of the topsoil pile along a pad subsequent to a roadway.

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

Diversions and inlets noted in the partial inspection done in July had been addressed. (DC-1, DC-4 & DD-2) Pictures of this work done in these ;locations were taken and are attached to the PDF version of this inspection report in Attachment A.

One culvert inlet at the first switch back down from the portal (DC-1) is building with sediment again and is about half full. This inlet need to be cleaned.

#### **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. This cleaning should occur as soon as possible as the sediment level is near to the discharge stand pipe. Retention time for any storm events has been greatly diminished.

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 monitoring reports are submitted to DEQ electronically. No problems were noted of the reports.

Karen Madsen with UEI was at the mine site performing WET Testing during the complete inspection

### **5. Explosives**

As part of the complete inspection the explosive storage area was checked. The powder and cap magazines are separated form each other. The magazines are grounded against a lighting strike. Signs are placed in accordance with the directions given in the regulations.

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

Currently there are no refuse piles associated with this mine site.

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

The majority of the roads at the Lila Canyon mine are dirt. The exception is that half (one lane) of the road way from the permit entrance up to the truck load out is asphalted.

**16.b Roads: Drainage Controls**

The road diversion near the bath house had the cable and wood removed from it's interior. This item was noted of the July inspection.

**18. Support Facilities, Utility Installations**

Construction on the new warehouse that was approved in 2019 still has not taken place. A pad area was built and soils savaged. No structure has been erected. The pad is currently being used to store equipment.

**20. Air Quality Permit**

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

**21. Bonding and Insurance**

**ATTACHMENT A – Photos Lila Canyon August 17, 2020 site visit**



**PHOTO 1**

Lila Canyon Identification Sign  
(Vegetation Removed From In Front Of Sign)



**PHOTO 2**

Lila Canyon Sediment Pond #2  
(Small Pond Needs to be Cleaned)



**PHOTO 3**

Lila Canyon Sediment Pond #1  
(Large Pond)



**PHOTO 4**

Lila Canyon Topsoil Pile

**ATTACHMENT A – Photos Lila Canyon August 17, 2020 site visit**



**PHOTO 5**

Lila Canyon Mine Overview



**PHOTO 6**

Lila Canyon Mine Overview



**PHOTO 7**

Lila Canyon Topsoil Pile  
(Most Recently Placed Soils)



**PHOTO 8**

Lila Canyon Storage Yard

**ATTACHMENT A – Photos Lila Canyon August 17, 2020 site visit**



**PHOTO 9**

Lila Cayon Shop Area



**PHOTO 10**

Lila Canyon New Warehouse Pad



**PHOTO 11**

Lila Canyon Road Diversion by Bath House  
(Cleaned After 07/28/2020 Inspection)



**PHOTO 12**

Lila Canyon DC-4  
(Cleaned After 07/28/2020 Inspection)

**ATTACHMENT A – Photos Lila Canyon August 17, 2020 site visit**



**PHOTO 13**

Lila Canyon DD-2  
(Cleaned After 07/28/2020 Inspection)



**PHOTO 14**

Lila Canyon Explosive Storage Pad



**PHOTO 15**

Lila Canyon DD-2  
(Cleaned After 07/28/2020 Inspection)



**PHOTO 16**

Lila Canyon DC-1  
(Partially Plugged Needs to be Cleaned)