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DEPARTMENT OF NATURAL RESOURCES

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June 30, 2020

Karin Madsen, Resident Agent
UtahAmerican Energy, Inc.
P.O. Box 910
East Carbon, Utah 84520

Subject: 2019 Annual Report Review Completion, UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/0013, Task #6093

Dear Ms. Madsen:

The Division has completed the review of the 2019 Annual Report. The Permittee must provide the following by July 14, 2020:

1. The Rain Gauge data (Attachment A) missing from the 2010 Rain Gauge Data Evaluation Report.
2. A revised subsidence survey to include a narrative describing the previous year's subsidence.
3. A subsidence map showing the location of subsided areas.

If you have any questions, please feel free to call me at (801) 538-5350.

Sincerely,

Steve Christensen
Coal Program Manager

SKC/sqs
Enclosure
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2019 ANNUAL REPORT

Submit the completed document and any additional information identified to the Division by March 31, 2020.

GENERAL INFORMATION

Company Name	UtahAmerican Energy	Mine Name	Horse Canyon Mine
Permit Number	C/007/0013	Permit Expiration Date	5-6-2021
Operator Name	UtahAmerican Energy, Inc.	Phone Number	+1 (435) 888-4000
Mailing Address	PO Box 910	Email	kmadsen@coalsource.com
City	East Carbon		
State	UT	Zip Code	84520

DOGM File Location or Annual Report Location

Excess Spoil Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	Not Required
Refuse Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	Not Required
Impoundments	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	Annual Pond Certifications Included for ponds 1&2
Other:		

OPERATOR COMMENTS

REVIEWER COMMENTS

Met Requirements Did Not Meet Requirements

The fourth quarter and annual 2019 sediment pond inspections for the #1(Large Pond) and the #2 (Smail Pond) were done on 12/18/2019. (KRH)

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the Mining and Reclamation Plan and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If additional written response is required, it should be filed as an attachment to this report.

Title: RAPTOR SURVEY & PROTECTION

Objective: Identify and monitor all raptors and nests. For possible subsidence impacts to raptor nests, develop a mitigation plan that must be submitted and approved. Apply for 'take permit' through USFWS 2 years prior to subsidence of the nests. Maintain escarpment barrier of at least 200' to prevent cliff habitat loss. **The text of Chapter 3, pg. 13, sect 332 (1) needs to be revised or clarified to demonstrate how the 200' barrier will be measured**

Frequency: Annually

Status: Ongoing since 2005. The map must clearly show raptor nests in relation to mining and subsidence.

Reports: Annual Reports

Citation: MRP, Part B, Section 322.220, page 10, Section 330, page 20, Section 358.100 page 38, Sec. 332 P.13.

OPERATOR COMMENTS

The 2019 raptor surveys were completed by EIS and the report is included in the Confidential folder. The required text change to Chapter 3 as requested above and in previous annual reports was made during the 2017 annual report and approved in the MRP in 1-25-2018.

REVIEWER COMMENTS



Met Requirements



Did Not Meet Requirements

The 2019 Lila lease raptor survey was conducted on May 15. Ten nests were observed, one nest was observed to be occupied: a raven nest. TM

Title: COLORADO RIVER ENDANGERED FISH RECOVERY PROGRAM

Objective: Report water depletion for the CO River Endangered Fish Recovery Program

Frequency: Annually

Status: Ongoing

Reports: Annual

Citation: MRP, Section 322.220, page 11

OPERATOR COMMENTS

The Water Depletion Calculations for the Colorado River Endangered Fish Recovery Program is included.

REVIEWER COMMENTS



Met Requirements



Did Not Meet Requirements

Total consumptive use for 2019 was 126.97 ac-ft. of water. This figure will be reported to the USFWS. TM

Title: VEGETATION MONITORING

Objective: Submit color infrared photography. Submit and implement a mitigation plan, if results indicate impact from mining operations.

Frequency: Prior to any mining, and every 5 years after.

Status: Ongoing

Reports: Annual Report

Citation: MRP, Part B, Section 332, page 14

OPERATOR COMMENTS

Not required in 2019.

REVIEWER COMMENTS

Met Requirements



Did Not Meet Requirements

Vegetation monitoring was not required in 2019. The next monitoring is to occur in 2021. TM

Title: MAINTAIN RECORDS OF SOIL SALVAGE

Objective: Records of soil salvage will be maintained and included in the annual report. A soil specialist will oversee the soil removal. Soil pedestals will be left to verify soil removal depths.

Frequency: During phase 1 and 2 construction, the soils specialist will record topsoil salvaged and placed in the topsoil stockpile and number of acres salvaged.

Status: Ongoing, Topsoil salvage will resume in 2012.

Reports: Provide an update to the number of acres salvaged and volumes salvaged in the Annual report "Topsoil Movement and Construction Record" and include a map of salvaged and undisturbed acreage.

Citation: R645-301-232.500 and R645-301-232.100 and N10045 abatement.

OPERATOR COMMENTS

Topsoil reports were completed by EIS and are included in this report.

REVIEWER COMMENTS

Met Requirements



Did Not Meet Requirements

In 2019, 7,520 cubic yards of topsoil was salvaged from 2.6 acres for the New Shop area. The location of salvage was immediately west of the substation as shown on Dwg 2-3a in Attachment 1. This volume and area of salvage translates to 20-21 inches depth of salvage.

The topsoil removal table was updated to include the 7,520 cubic yards. The table now lists a total volume of 78,700 CY in the topsoil stockpile. This is not a surveyed volume, it is an estimate based on truck counts. (The title of the table should read "as of 2019.")

Appendix 1 is the topsoil removal map (Dwg 2-3a) which shows the volume and area of salvage at the mine site over time. The map illustrates two islands of undisturbed areas, within the disturbed area, labeled UDA-1 and UDA-2. Together UDA-1 and UDA-2 total 0.34 acres. (PB - 5/7/2020).

Title: SUBSOIL USED FOR CONSTRUCTION FILL

Objective: To record location of subsoil placement for use in reclamation. The location of subsoil with suitable reclamation characteristics will be mapped for ease of recovery and replacement during reclamation.

Frequency: During construction

Status: Ongoing

Reports: Annual report, Submit As built maps showing where subsoil materials have been used as fill material.

Citation: MRP, Section 232.500, Section 241, and Section 242.100

OPERATOR COMMENTS

The subsoil location will be tracked when it is relocated and the project is complete.

REVIEWER COMMENTS

Met Requirements



Did Not Meet Requirements

The original mine plan called for over excavation of subsoil to develop a trench for rock slope waste placement and burial. When construction did not follow the plan, N10045 was issued. This commitment reflects the original plan. At this stage of construction, it is clear that salvaged topsoil (and a small volume of subsoil from the portal bench) is stored in the topsoil stockpile. Most of the subsoil remains in place, beneath the coal stockpile, office, shop and parking, warehouse, substation and storage pads.

This commitment is referenced in the MRP as follows:

Chapter 2, Section 232.500 states, "Records will be maintained to keep track of what materials are removed and where they are placed (topsoil storage or fill). An as-built map will be prepared. to show where soil materials have been used as fill material."

Chapter 2, Section 241 states, "Disturbed areas will be regraded using pad material. Subsoil from Soil Map Units SBJ, DSH, and VBJ that are used as construction fill will be identified and used during reclamation as root zone subsoils."

Chap 2, Section 242.100 states, "The backfill will include subsoil material which was used as fill during the operational phase. Using as-built drawings, refer to 232.500, the subsoil will be replaced to its approximate original position prior to replacement of topsoil from the topsoil stockpile. Subsoil will be replaced in its approximate position in the reconstructed soil profile."

Using a C1C2 form, the Permittee could remove the above commitments from the MRP, citing the current plan for achieving achieve four feet of cover over the waste. The Division will remove this commitment from the Annual Report form. (PB - 5/7/2020)

Title: MEXICAN SPOTTED OWL

Objective: Conduct two-year calling survey at least two years but no more than four years prior to undermining identified habitat. Results will be submitted to USFWS, DWR, and the Division immediately following each nighttime survey. If owls are observed, the agencies will immediately coordinate to determine appropriate measures.

Frequency: Dependent on habitat and mine plan

Status: Please keep confidential map 5-3 updated with correct mine workings to indicate when mining will occur under MSO habitat.

Reports: Submit final reports in annual report.

Citation: MRP, Part B, Section 333, page 17

OPERATOR COMMENTS

MSO Surveys were completed in 2019 by EIS. The reports are included in the Confidential folder.

REVIEWER COMMENTS

Met Requirements



Did Not Meet Requirements

Mexican spotted owl (MSO) call surveys were conducted in 4 sessions in the summer of 2019. No MSO's were heard or observed in any of the sessions. Data sheets are included in the annual report. TM

Title: GENEVA MINE/ LILA CANYON FAN PORTAL BARRICADES

Objective: Inspect the Geneva Mine fan portal Barricades annually and report findings to Division and BLM.

Frequency: Annually

Status: Ongoing

Reports: Annual Report.

Citation: MRP, Part B, Chapter 5, Section 529, page 54 and 55

OPERATOR COMMENTS

This inspection was done by EIS and the report is included.

REVIEWER COMMENTS



Met Requirements



Did Not Meet Requirements

The Lila Canyon fan portals were inspected by Mel Coonrod and ChristopherWalbank from EIS Environmental & Engineering Consulting on March 19, 2019. The results of that inspection revealed no signs of vandalism had occurred to either of the two breakouts. The rock slide that had closed the southern portal in 2015 remains in place with no signs of tampering or damage. The sites were accessed on foot and photographs were taken from an accompanying drone flight. Photographs from that drone flight were submitted along with a narrative confirming that the site appeared stable and unchanged from the previous year's inspection. (JE - 6/29/2020)

Title: SUBSIDENCE MONITORING

Objective: Aerial subsidence monitoring will be done annual while the significant subsidence is taking place. The subsidence monitoring will be initiated in an area prior to any 2nd mining being done within that area. Initial 12-16 control points, once per year a follow up aerial will be performed to determine the extent and degree of active subsidence for a minimum of 5 years. If any of the 3 prior years measures more than 10% of highest annual subsidence, monitoring will continue until 3 consecutive years less than 10%. A ground survey of the mine permit area where secondary extraction has occurred over the last year will be conducted in conjunction with the quarterly water monitoring program. Survey's will identify items listed within MRP Chapter 5 Section 525.440

Frequency: Annual/Quarterly

Status: Ongoing during 2nd mining or longwall mining

Reports: Annual Report

Citation: MRP Chapter 5 page 43

OPERATOR COMMENTS

Subsidence surveys were completed by Ware Surveying, however he has not released the report yet. Will provide when available.

REVIEWER COMMENTS

Met Requirements



Did Not Meet Requirements

A report from Ware Surveying and Engineering documents the results of a subsidence survey conducted in September 2019 and includes points over the most recently mined panels, 1 and 5 through 7. The largest vertical offset is 5.16 feet, centered over Panel 7. The report does not include a narrative describing the previous year's subsidence, nor a map that details where subsidence occurred as committed to in the MRP, Chapter 5, 525.440.
(JE 6/29/2020)

FUTURE COMMITMENTS AND CONDITIONS

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the "status" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

Title: WILDLIFE

Objective: Adhere to wildlife exclusionary periods: raptors (Feb 1 - July 1), bighorn sheep lambing, (May 1 - June 15), and pronghorn (May 15 - June 20).

Frequency: Prior to construction of any new facility projects, structures, and roads; and prior to reclamation.

Citation: MRP, Part B, Sec. 330, p. 20.

Title: LILA CANYON MINE SALVAGE OF CRYPTOGRAMS ON TOPSOIL PILE PRIOR TO RECLAMATION.

Objective: Salvaged cryptograms will be added to the wood fiber mulch and hydrosprayed on the surface of the reclaimed site.

Frequency: Immediately after seeding of the reclaimed site.

Status: During reclamation of the Lila Canyon Mine.

Reports: Success of cryptogamic establishment will be evaluated (by Division and Permittee) prior to collection from topsoil stockpile.

Citation: MRP, Part B, Section 232.100, and Section 234.230

Title: VEGETATION MONITORING

Objective: Submit color infrared photography. Submit and implement a mitigation plan, if results indicate impact from mining operations.

Frequency: Prior to any mining, and every 5 years after.

Status: Ongoing. Baseline submitted in 2011. Next round of photos are due in 2016. A comparison between 2016 and 2011 photos will be required in 2016.

Reports: Annual Report

Citation: MRP, Part B, Section 332, page 14

REPORTING OF OTHER TECHNICAL DATA

Please list other technical data or information that was not included in the form above, but is required under the approved plan, which must be periodically submitted to the Division.

Please list attachments:

Annual Opacity Survey was completed by Barr Engineering and the report is included.
Annual Rainfall analysis was completed by HydroPlot Engineering and the report is included.

REVIEWER COMMENTS

Met Requirements

Did Not Meet Requirements

The Annual Rainfall analysis was included in the report but is missing data. Attachment A is the "Annual Data Summary for Upper and Lower Rain Gauges" but there is no data included in the attachment. The report is also titled as 2010 Rain Gauge Data Evaluation. (KNH-6/22/2020)

A report documenting the annual opacity monitoring at the Lila Canyon Mine has been included in this report. The report details the results of an emission survey conducted by Joelle Dickson from Barr Engineering on September 26, 2019. The report concluded that visible emissions from viewed sources were less than half of the applicable limits and the Lila Canyon Mine is in compliance with the current Approval Order. (JE, 6/29/2020)

MAPS

Copies of mine maps, current and up-to-date, are to be provided to the Division as an attachment to this report in accordance with the requirements of R645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

Map Name	Map Number	Included		Confidential	
		Yes	No	Yes	No
Annual Subsidence Map		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mine Map		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Raptor Map	Confidential	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REVIEWER COMMENTS Met Requirements Did Not Meet Requirements

A mine map detailing where current mining activities has progressed and where planned mining will occur in the next 5 years has been included. Also included is a detailed topographic map that highlights where Raptor surveys were conducted in 2019. The raptor surveys were conducted by Mel Coonrod of EIS on May 15, 2019.

A map that shows the location of subsided areas as detailed in the MRP 525.440 is lacking in this report.
(JE, 6/29/2020)