



# 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, March 9, 2021
Start Date/Time:	3/9/2021 9:00:00 AM
End Date/Time:	3/9/2021 1:00:00 PM
Last Inspection:	Wednesday, February 10, 2021

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

Inspector: Karl Houskeeper

Weather: Clear Skies, Temp. 58 Deg. F.

InspectionID Report Number: 6888

Accepted by: SCHRISTE

3/30/2021

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:

The Lila Canyon. Complete Oversight Inspection was conducted according to the Division's current policy during the COVID 19 pandemic.

Pictures were taken during the inspection and are attached as Attachment A to the PDF version of this inspection report

Karin Madsen was on site during the inspection.

*Karl R. Houskeeper*

Inspector's Signature:

Date: Tuesday, March 9, 2021

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 type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 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 November 4, 2020 and expires at midnight on November 3, 2025. There are three outfalls or discharge points associated with this permit.

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 02/28/2022.

### **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 the 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.

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

All of the diversions, culverts inlets and outlets were checked during the inspection.

The diversions were open and functional.

The tumble weeds in front of the culvert inlet near the upper coal storage pad area have been removed. Sediment is starting to be build at the culvert inlet and should be cleaned..

The portal access road diversion near the explosive storage area hwas regraded, but traffic is staring to effect the diversion again. This diversion needs to be monitored.

The culvert inlet on the first switch back down from the portal pad needs to be cleaned..

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

First quarter 2021 sediment pond inspections were done on February 21, 2021.

There are two sediment ponds that service the Lila Canyon Mine. A smaller sediment pond adjacent to the main road, Sediment pond #2 and a larger sediment pond, sediment pond #1.

Sediment Pond #2 was recently cleaned. A sediment delta is still presetn at the back of the pond. The equipimnet used to clean the pond could not reach this area.

Both ponds were stable. Dikes were checked and no problems were found.

No visible hazards were observed.

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

Discharge Monitoring reports are submitted to DEQ electronically. No problems were noted on the reports. The mine discharge was observed during the Complete Oversight Inspection. No problems were found with the mine water discharge.

#### **5. Explosives**

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.

#### **8. Noncoal Waste**

The site was free of noncoal waste items.

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

Roadways were being watered for dust suppression.

**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. Construction of the new warehouse is currently scheduled for 2022.

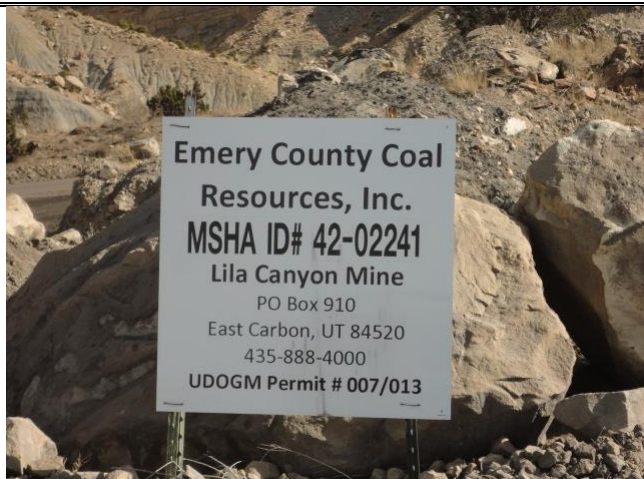
**20. Air Quality Permit**

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 \$2,335,000

**ATTACHMENT A – Photos Lila Canyon March 9, 2021 site visit**



**PHOTO 1**

Lila Canyon Identification Sign



**PHOTO 2**

Lila Canyon Small Sediment Pond



**PHOTO 3**

Lila Canyon Large Sediment Pond



**PHOTO 4**

Lila Canyon Topsoil Pile

**ATTACHMENT A – Photos Lila Canyon March 9, 2021 site visit**



**PHOTO 5**

Lila Canyon Storage Yard



**PHOTO 6**

Lila Canyon Warehouse Pad



**PHOTO 7**

Lila Canyon Shop



**PHOTO 8**

Lila Canyon Explosive Storage Area