



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, May 18, 2021
Start Date/Time:	5/18/2021 9:30:00 AM
End Date/Time:	5/18/2021 12:30:00 PM
Last Inspection:	Tuesday, April 13, 2021

Representatives Present During the Inspection:	
Company	Karin Madsen
OGM	Steve Demczak

Inspector: Steve Demczak
 Weather: Sunny, 70's, Dry Conditions
 InspectionID Report Number: 6940
 Accepted by: SCHRISTE
 5/27/2021

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		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:

The mine was operating mining and shipping coal. Coal pile was high.
 The permittee will be expanding the disturb area in the near future. An amendment has been submitted to the Division.

Stephen J. Demczak

Inspector's Signature:

Steve Demczak,
 Inspector ID Number: 39

Date Wednesday, May 19, 2021



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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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 checked="" 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 type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 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, 2021 and expires on May 6, 2026.

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

The identification sign was inspected and it meets the requirements of the R645 Coal Rules. See Photo

3. Topsoil

I inspected the topsoil piles and I did not see any signs of wind or water erosion. The topsoil piles appear to be stable and protected by a berm. See Photo

4.a Hydrologic Balance: Diversions

I inspected the diversions throughout the property. Several culverts throughout the property were partly filled with sediment. These diversion structures would still function but need cleaning out. Permittee stated culverts will be clean out.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

There are two sediment ponds at Lila Canyon. These ponds were dry, and no hazardous conditions were noticed. The embankments and outlets were stable. The permittee conducted a first quarter sediment pond inspection on February 15, 2021. No hazardous conditions were reported. The sediment ponds are annually surveyed for sediment level by a Certified Land surveyor. I inspected the sediment levels in both ponds. It appears these ponds 60 percent sediment level elevation is several feet above the current sediment level. These sediment ponds are normally dry except during a storm event.

4.d Hydrologic Balance: Water Monitoring

Water monitoring information is taken by the permittee and is sent electronically to the Division in Salt Lake City. This information is reviewed and analyzed by the Division staff. A report is written. The permittee was in compliance with the UPDES permit for the first quarter.

4.e Hydrologic Balance: Effluent Limitations

The permittee was complaint in the first quarter of 2021. Mine discharge water in the first quarter. Sediment ponds were dry.

8. Noncoal Waste

The property was basically clean of non-coal waste material. However, there were some trash near sediment pond #2.

10. Slides and Other Damage

No slides or other damage was notice during the inspection. The mine site including highwalls and cutslopes appear to be stable.

14. Subsidence Control

Subsidence survey information is in the annual report.

16.a Roads: Construction, Maintenance, Surfacing

The roads were compacted with no dust control problem.

16.b Roads: Drainage Controls

I inspected the road diversions and culverts throughout the property. Some of the diversions have some sediment build-up within. Diversions will need cleaning out in the near future.

18. Support Facilities, Utility Installations

No new construction since the last inspection.

19. AVS check

AVS checks are made in Salt Lake City.

21. Bonding and Insurance

The bond is in place for this mining permit. The total current bond is \$2,335,000. 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.

ATTACHMENT A – Lila Canyon



PHOTO 1
Identification Sign



PHOTO 2
Sediment Pond #1



PHOTO 3
Sediment Pond #2



PHOTO 4
Topsoil Pile