



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

K

Inspection Report

Permit Number:	C0070033
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, September 21, 2011
Start Date/Time:	9/21/2011 8:45:00 AM
End Date/Time:	9/21/2011 2:05:00 PM
Last Inspection:	Tuesday, August 23, 2011

Representatives Present During the Inspection:	
OGM	Pete Hess
Company	Kit Pappas
Company	Scott Dimick

Inspector: Pete Hess

Weather: Clear and cool; 70's F.

InspectionID Report Number: 2870

Accepted by: jhelfric
10/6/2011

Permittee: **INTERMOUNTAIN POWER AGENCY**

Operator: **AMERICA WEST RESOURCES, INC.**

Site: **WILDCAT LOADOUT**

Address: **3266 SOUTH 125 WEST, PRICE UT 84501**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

100.00	Total Permitted
78.45	Total Disturbed
	Phase I
	Phase II
	Phase III

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 site is actively receiving double trailer trucks from the Horizon Mine. The site has received numerous rainfall events over the past several weeks.

Inspector's Signature:

Pete Hess,

Inspector ID Number: 46

Date Thursday, September 22, 2011



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 type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 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 checked="" 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The current DOGM permit was issued on June 27, 2011 to Intermountain Power Agency; it remains in effect until May 5, 2014. The Permittee notified the Division on August 29, 2011 (date of notification letter) that it had entered into a lease agreement with America West Resources to store and load coal into trucks and trains acting as the "operator" of the facility. The AWR / IPA lease agreement runs from June 13, 2011 to June 12, 2012.

4.a Hydrologic Balance: Diversions

The Permittee has repaired the diversion structures identified as C-10 as well as ditch DD-8, which were identified as needing work in the August 23, 2011 inspection report. All other ditches at the site have been graded and appear to be capable of functioning as designed. All culverts had open inlets and outlets.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Mr. J.T. Paluso, Utah registered professional engineer, inspected the sites six sediment ponds, the depression area, and the permanent impoundment on August 18, 2011 (3rd Quarter impoundment inspections). All ponds were noted as being stable; a few minor maintenance items were identified by Mr. Paluso and these have been corrected. These reports were forwarded to the Division on September 19, 2011. Mr. Dimick cleared the inlet half-round located on the NE corner of Pond "F" of the weeds and coal fines. All ponds contained water on August 18, but as observed this day, were either dry or only had damp bottoms.

4.d Hydrologic Balance: Water Monitoring

The Second Quarter 2011 surface water monitoring data for the Wildcat Loadout permit area has been inserted into the DOGM data base pipeline and same is ready for uploading. As observed this day, none of the ponds were close to discharge, and Wildcat Wash did not have any flow.

4.e Hydrologic Balance: Effluent Limitations

None of the site ponds have recently discharged. IPA notified the Division on September 23, 2011 that a notification had been provided to the Utah Division of Water Quality of the change in ownership of the Wildcat Loadout and that a permit transfer of UTG-0400007 had been applied for. DWQ accepted that permit transfer application on 9/23/2011. America West Resources is the party responsible for the submittal of discharge monitoring reports and sampling for the six UPDES outfalls at Wildcat.

5. Explosives

AWR has not installed explosive or detonator storage magazines at the Wildcat facility.

7. Coal Mine Waste, Refuse Piles, Impoundments

Mr. J.T. Paluso, P.E. inspected the waste rock disposal facility on August 18, 2011. No safety hazards were identified. Mr. Paluso did note that the MSHA identification marker did need the owner name changed from UtahAmerican Energy, Inc. As observed on 9/21, the owner I.D. sign now lists Intermountain Power Agency as "owner" / permittee.

9. Protection of Fish, Wildlife and Related Environmental Issues

The Operator has removed the musk thistle plants identified adjacent to Pond "F" during the August inspection.

13. Revegetation

The area adjacent to Pond "B" where coal fines recovery was performed was evaluated for erosive action and runoff from the permit area. The wet fall and spring were beneficial for the re-vegetation of this area, and it appears to be doing very well. No erosion was noted within the area. Any runoff reporting toward the gas well road is treated by the vegetation and the excelsior logs (3 rows / installed in series) which parallel the road.

17. Other Transportation Facilities

America West is loading both unit trains and trucks from the facility. Lump and slack is being sold to private individuals.

19. AVS Check

To date, Intermountain Power has not responded with the requested update of the ownership and control information which was listed as Special Condition (See Attachment "A") of the Permit. The Permit was issued on June 27, 2011; this requirement is now eighty-five days past due.

20. Air Quality Permit

Mr. Dimick stated that he had ordered a load of water to be placed on the operational haul roads, but as of 2 PM, the contractor had not reported. IPA notified the Utah Division of Air Quality of the ownership change for the Wildcat Loadout and transferred the permit to IPA effective August 11, 2011.

21. Bonding and Insurance

As part of the permit transfer process, Intermountain Power Agency posted a bond in the amount of \$ 1, 144,000 with the Division and the U.S. Office of Surface Mining. Treasury Securities held by Wells Fargo Bank are the collateral supporting this bond. Also, Intermountain Power provided the Division with supporting information to support the requirement to allow for "self-insurance" of the Wildcat site for general liability insurance purposes. The Division has accepted this information as justifiably meeting the general liability insurance requirements listed under R645-301-890.400.

Permit Number: C0070033
Inspection Type: COMPLETE
Inspection Date: Wednesday, September 21, 2011

22. Other

The Division has discussed the need to transfer or obtain the appropriate surface water discharge and air quality approval orders through the appropriate Utah agencies with representatives of both AWR and IPA. These issues are critical.