

OK



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

Inspection Report

Permit Number:	C0070033
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, December 06, 2011
Start Date/Time:	12/6/2011 9:25:00 AM
End Date/Time:	12/6/2011 2:00:00 PM
Last Inspection:	Wednesday, November 02, 2011

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

Inspector: Pete Hess

Weather: Cold; high clouds. 6 degrees F @ 6:45 AM

InspectionID Report Number: 2948

Accepted by: jhelfric

12/8/2011

Permitee: **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 Wildcat site was receiving coal from the Horizon Mine this day.

Inspector's Signature:

Pete Hess,

Inspector ID Number: 46

Date Tuesday, December 6, 2011



Permit Number: C0070033
 Inspection Type: COMPLETE
 Inspection Date: Tuesday, December 06, 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 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 checked="" 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 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The State of Utah mining permit was transferred to the InterMountain Power Agency / LADWP on June 27, 2011. A copy of the permit is on file at the administrative offices of AmericaWest Resources, 3266 South 125 West, Price, Utah 84501. The Division initiated a Mid-term Permit Review of the Wildcat Loadout MRP on September 29, 2011, (Task ID # 3931). The review process remains pending.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Mr. J.T. Paluso, Utah P.E., performed the 4th Quarter impoundment inspections for the sites six sediment ponds, the permanent impoundment and the depression area on November 11, 2011. The results of those inspections are pending. As observed this day, only Pond "C" contained frozen melt water. All other ponds had either snow covered bottoms, or had no water volume visible. All primary and secondary spillways appeared capable of functioning as designed. None of the site's impoundments contain a sufficient volume to be close to discharge.

4.d Hydrologic Balance: Water Monitoring

There was no flow in any of the undisturbed drainage channels off the disturbed area.

4.e Hydrologic Balance: Effluent Limitations

The UPDES permit was transferred by the Utah Division of Water Quality to IPA on June 22, 2011 (E-mail from Mike Herkimer on October 17, 2011). The Permittee has completed and submitted discharge monitoring reports for the months of July, August, September and October of 2011. All outfalls at the site were reported as "no discharge" for each of the four reporting periods.

5. Explosives

There are no explosive or detonator storage magazines at this site.

7. Coal Mine Waste, Refuse Piles, Impoundments

AmericaWest has hauled and placed cleanup material (gob) from the Horizon Mine and placed it for temporary storage on the coal storage pad immediately west of Pond "D". Mr. Dimick stated that the material has too much combustible material in it to be placed on the Wildcat refuse pile. The material is tentatively in storage for shipment to Sunnyside Co-generation Associates in Sunnyside, Utah for blending and utilization. The Division informed Mr. Dimick that if AmericaWest wants to place coal mine waste on the Wildcat waste rock pile for disposal, both the Wildcat MRP and the Horizon Mine MRP must be amended to permit this. The material in temporary storage is very black, and the volume appears to be about 4 - 5 truck loads. The 4th Quarter waste rock pile inspection for the Wildcat disposal area was performed by J.T. Paluso, P.E., on November 11, 2011. Those results are pending at this time. As observed this day, the pile remains stable, and no water is impounded by the active lift. The berm on the active lift has been enhanced to keep water from running over the outslope, and to address MSHA requirements. The ID sign required by MSHA is in place. No indications of spontaneous combustion were identified. No non-coal waste material was observed within the coal waste material.

8. Noncoal Waste

Several flood lamp units and several concrete slabs remain where the West side truck dump belt reclaim was dismantled prior to the permit transfer. The Division requested that the flood lamp units be scrapped, or moved to the equipment storage area; the Division also suggested that the concrete be hauled and placed on the waste rock disposal area.

9. Protection of Fish, Wildlife and Related Environmental Issues

Mr. J.T. Paluso, P.E., updated the SPCC plan for the Wildcat facility on December 2, 2011. Mr. Scott Dimick is the responsible official for the Permittee and the Operator.

17. Other Transportation Facilities

The next IPA train is forecast for Sunday, December 11. The Division inquired as to whether the IPA rail cars were being treated with side release anti-freeze. To date, that treatment is not happening.

19. AVS Check

The Permittee responded to the Division's deficiency letter of November 3, 2011 relative to ownership and control / Chapter 1 information (Task ID # 3943) on December 5, 2011. This was required by a Special Condition included in Attachment "A" of the current State permit. The review of the received response (Task ID # 3985) is pending.

Permit Number: C0070033
Inspection Type: COMPLETE
Inspection Date: Tuesday, December 06, 2011

20. Air Quality Permit

The Utah Division of Air Quality transferred DAQE-AN0113007-04 to the InterMountain Power Agency on August 11, 2011 (this was prior to the site receiving any coal product from the Horizon Mine). The new IPA permit AO is DAQE-GN010113001OA-11. Permit requirements are believed to be identical to those which were in place when UtahAmerican Energy was operating the site.

21. Bonding and Insurance

As part of the pending Mid-term Permit Review (Task ID # 3931) the Permittee has been instructed to update the unit costs utilized in the reclamation cost estimate to 2011 R.S. Means standards. Receipt of that information is pending.