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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:	Thursday, March 15, 2012
Start Date/Time:	3/15/2012 8:12:00 AM
End Date/Time:	3/15/2012 10:35:00 AM
Last Inspection:	Wednesday, February 15, 2012

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

Inspector: Pete Hess

Weather: Low strato-cumulus clouds; warm.

InspectionID Report Number: 3046

Accepted by: jhelfric
3/20/2012

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:

There are two Special Conditions included as Attachment "A" of the current State permit. They are;

- 1) required quarterly water monitoring data must be submitted to the DOGM water monitoring data base in an electronic form.
- 2) As stipulated within the permit transfer requirements, the InterMountain Power Agency needed to update the Chapter 1, Ownership and Control information in the MRP. IPA is a political sub-division of the State of Utah. The Permittee met the requirements of this permit condition via Task ID # 3985 on December 13, 2011.

One Permit Commitment remains pending in the Wildcat MRP; the Permittee must quarterly monitor the accumulation of coal fines in the areas East of the main stockpile areas where the fines were graded off and deposited on the waste rock pile. The remaining topsoil was then disced, mulched and seeded in september of 2010. Reporting of the collected monitoring data is required within the Annual Report for the site.

Inspector's Signature:

Pete Hess,
Inspector ID Number: 46

Date

Thursday, March 15, 2012



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 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 checked="" 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 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 checked="" type="checkbox"/>	<input 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 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 mining permit was issued by the DOGM on June 27, 2011. It remains in effect through May 5, 2014.

3. Topsoil

The Permittee was instructed to enhance the berm on the NE corner of the topsoil pile located adjacent to sediment pond "E". Wildlife has traveled over the in-place berm reducing the height of the free board to the point that the 10 year 24 hour event could breach the berm.

4.a Hydrologic Balance: Diversions

The Permittee has recently redefined all of the site drainage ditches.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Mr. Tom Paluso, Utah registered P.E., completed the 1st Quarter 2012 impoundment inspections for the ponds A-F, the permanent impoundment and the depression area on March 14, 2012. The reports have, to date, not been completed. As observed this day, all impoundments were dry; some of the inlet spillways contained weeds; the Permittee is working on removing the weeds.

4.c Hydrologic Balance: Other Sediment Control Measures

There are seven alternate sediment control areas within the permit area. The straw bales which are utilized on the south end of topsoil storage piles "B" and "E" remain in good condition. Excelsior logs and vegetation treat any runoff on ASCA #3 at the permit boundary where the flow goes off the permit and enters a culvert under the gas well road. This area is well vegetated.

4.d Hydrologic Balance: Water Monitoring

4th Quarter 2011 water monitoring data has been inserted into the DOGM electronic data base pipeline, and it is ready for uploading. There was no flow reported in surface water monitoring stations WCW-1, 2, 3 or 4 during the 4th Quarter.

4.e Hydrologic Balance: Effluent Limitations

The current UPDES permit issued by the Utah Division of Water Quality remains in effect through April 30, 2013. Discharge monitoring reports for the months of December 2011, and January and February of 2012 were reviewed for parameter reporting and timeliness of the monthly reporting. All three months were reported as "no discharge" for the three monthly period for UPDES outfalls 001 through 006. All reports had been submitted to the appropriate government agencies prior to the monthly deadline of the 28th day of the month following the reporting month. As observed this day, all six sediment ponds at the Wildcat site were dry, with the exception of pond "C" (damp bottom).

7. Coal Mine Waste, Refuse Piles, Impoundments

The coal waste pile was well graded, having outslopes to a 2:1 configuration. No water was impounded on the active lift. Non-coal waste was not visible in the coal waste. There was no indication that spontaneous combustion was occurring within the pile. The MSHA hazard identification sign is in place. All drainage controls are well defined.

9. Protection of Fish, Wildlife and Related Environmental Issues

No wildlife was observed during today's inspection.

19. AVS Check

The Division performed an AVS check on June 23, 2011 for the Intermountain Power Agency prior to giving a recommendation for and approval of the transfer of the State permit C/007/033 to IPA. IPA had no outstanding violations identified within the AVS system.

20. Air Quality Permit

The air quality Approval Order formerly issued to UtahAmerican Energy was transferred to the InterMountain Power Agency on August 11, 2011 (DAQE-GN010113001A-11). The permit has an approved throughput of 5.5 million tons per 12 month rolling period.

21. Bonding and Insurance

The current general liability insurance coverage for the site is due for renewal on or before June 1, 2012. The MRP for the site is undergoing a mid-term permit review; this includes an evaluation of the reclamation bond estimate. The current bond amount posted to ensure the reclamation of the site is \$ 1,144,000.00

22. Other

Mr. Pappas indicated that the Permittee will meet the due date for the 2011 Annual Report for the Wildcat site.