



# 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:	<b>C0070033</b>
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, February 24, 2015
Start Date/Time:	2/24/2015 8:40:00 AM
End Date/Time:	2/24/2015 10:40:00 AM
Last Inspection:	Thursday, January 15, 2015

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

Inspector: Pete Hess

Weather: Clear, cold and breezy at start; below freezing

InspectionID Report Number: 4112

Accepted by: JHELFRIC

2/25/2015

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	<b>Total Permitted</b>
88.62	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<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 most recent shipment of coal via rail was made on February 5, 2015. The Permittee's representative indicated that approximately half a train remains in storage at the site in three separate piles. Mr. John C. "Kit" Pappas represented the Permittee during today's inspection. The Carbon County area is experiencing a very dry winter; the Price River - San Rafael water shed is reported at being at 67 % of normal snowpack.

Inspector's Signature:

Pete Hess,

Inspector ID Number: 46

Date Tuesday, February 24, 2015



**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 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 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 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 Division understands that the USDOJ / BLM is proposing to raise the yearly lease payment for the Wildcat site. This action is being appealed by the Permittee and others performing activities at the site. The Permittee is reluctant to add 23 acres of disturbance to the Wildcat disturbed area acreage (as requested by the Division) until the outcome of this lease payment adjustment is finalized.

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

Tom Paluso conducted the 4th Quarter and Annual Impoundment inspections and certifications for the sites six sediment ponds on December 9, 2014. All ponds are incised and there were no signs of instability or other types of hazard reported. All ponds had sediment storage volume remaining below the 60 % cleanout elevation. The inspections were certified by Mr. Paluso on December 23, 2014. It was noted that Pond "D" may require cleaning soon. Also, the Pond "D" emergency spillway outlet required the placement of additional rip-rap at the terminus of the conveyor belting. That work was confirmed as having been completed on February 26, 2015.

### **4.c Hydrologic Balance: Other Sediment Control Measures**

It was noted in the 4th Quarter Coal Fines Monitoring report authored by Mr. Tom Paluso (completed December 29, 2014) that the area about N-9 had 4.5 inches of coal fines surrounding it. The Permittee reported cleaning of this area on January 22, 2015. As observed this day, the area needed more work. Additional work was confirmed as having been performed on February 26, 2015.

### **4.d Hydrologic Balance: Water Monitoring**

Stream monitoring sites WCW-1 through WCW-4 were evaluated on the Division electronic data base. All four were reported as "no flow" for the last monitoring day in January 2015.

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

Discharge monitoring reports for UPDES outfalls 001 through 006 were reviewed. None of the sites six sediment ponds discharged during the month of January 2015. As observed this day, all ponds were dry.

## **7. Coal Mine Waste, Refuse Piles, Impoundments**

The 4th Quarter waste rock pile inspection was performed by Mr. J. Tom Paluso, P.E. of Environmental / Industrial Services, Helper, Utah on December 9, 2014. There were no indications of instability or hazardous conditions reported by Mr. Paluso. As observed this day, there is no water impounded on the highest lift. Water can not pass over the outslope in any area. There were no indications that spontaneous combustion was occurring within the pile. Noncoal waste was not observed in the material. Mr. Paluso certified his inspection report on December 24, 2014, in accordance with the requirements of R156-22-601, mandated by the Utah Division of Professional Licensing.

**9. Protection of Fish, Wildlife and Related Environmental Issues**

Deer tracks were prevalent throughout the site. A black tail deer was seen about 500 feet east of the PR-1 / County road junction.

**15. Cessation of Operations**

See comment under Section 22.

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

No activity is occurring for the construction of the rail transloading facility (to be located in the depression area on the west side of the tracks). Bulk oil shipments have dwindled to a trickle with this site receiving about three trucks per day.

**20. Air Quality Permit**

There is no activity at the site, with the exception of weekly permissibility checks, etc.

**21. Bonding and Insurance**

Intermountain Power Agency (the Permittee) has provided the necessary information to the State of Utah to meet the requirement for self-insurance under R645-301-890.400 (R645-301-890.100 to 890.300). A copy of the general liability insurance coverage held by Wild West Equipment and Hauling (the operator of the site) was also reviewed. That policy provides coverage through July 1, 2015. The coverage amounts for each occurrence and general aggregate are \$ 1,000,000 and \$ 2,000,000 respectively. Coverage for damage incurred from the use of explosives is provided, although there are no storage magazines at this site. The reclamation cost estimate of this site, including the proposed transloading / storage facility for bulk crude oil is \$ 1,481,000. An additional bond of \$ 340,000 was posted on December 14, 2014. To date, no construction has been initiated for the bulk oil facility.

**22. Other**

The placing of the Wildcat site into a "temporary cessation" status was discussed with the Permittee's representative. The possibility of this occurring is, at present, not considered to be an option. The Division understands that negotiations are occurring between several entities, who have looked at the site for using it as a possible "staging area" (i.e., coal blending, and possible rail shipping). It is not clear exactly what those negotiations have concluded at this time.