

C/007/006, C/007/011,
C/015/009, C/007/039

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United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050



April 3, 2012

Dear Mr. Haddock,

Enclosed for your records are copies of the Office of Surface Mining's (OSM) inspection reports for the Star Point, Hiawatha, Trail Mountain, and Dugout Mines conducted the week of ~~May 5,~~ ^{April 2012} 2012.

If you have any questions regarding the inspection reports, please contact me at eshaeffer@osmre.gov or (303) 293-5025.

Sincerely,

Elizabeth Shaeffer
Environmental Protection Specialist
Denver Field Division

RECEIVED
APR 09 2012
DIV. OF OIL, GAS & MINING



U.S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING Mine Site Evaluation State Program



1. Permittee/Person ENERGY WEST MINING COMPANY		9. Permit Number C-015-009	10. Permit Type PP
2. Address P.O. BOX 310		11. Field Visit Date 3/7/2012 <small>mm - dd - yyyy</small>	12. Purpose OC
3. City HUNTINGTON		14. Permit Status A	15. Site Status AN
4. State UT		16. Facility Type BF	17. OSM Office # 141
5. Zip Code 84528	6. Phone Number (435) 687-9821	18. CCID #	19. Land Code SF
7. Operator Name, if Different than Permittee		20. M.S.H.A. ID #	21. State Abbrev. UT
8. Mine Name TRAIL MOUNTAIN MINE		22. County/Burrough EMERY	23. AVS Permittee Entity ID Number
		24. State Office	

25. Hours	<input type="text" value="3.0"/> a. Permit Review	26. Signature Block  Signature: Elizabeth Shaeffer, ID#377 Printed Name: Date: <input type="text" value="3/29/2012"/>	27. Reviewing Official:  Signature: Review Date: <input type="text" value="3/29/12"/> <small>mm - dd - yyyy</small> Is Supplemental MSE Page Used Y/N <input checked="" type="checkbox"/>
	<input type="text" value="3.0"/> b. Site Visit Time		
	<input type="text" value="8.0"/> c. Travel Time		
	<input type="text" value="3.0"/> d. Report Writing		

Permit Type - Item 10 IP = Interim Program PP = Permanent Program NP = No Permit

Purpose Type Codes - Item 12
 Oxx...Oversight RFX...Reclamation Fees CCR...Citizen Complaint Referral (non-site visit)
 Axx...Assistance Fxx...Federal Actions CC...Citizen Complaint (initial site visit)
 CCF...Assistance

Joint Inspection - Item 13 A joint inspection is when a state inspector accompanies an OSM inspector at any time during the review of the mine site

Permit Status - Item 14

A Active: Coal mining activities occurring or permitted but not yet disturbed.	AB Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840:11(g).
IN Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit): Coal mining completed and reclamation activities initiated.	AB1 Bond Forfeiture: Bond forfeiture officially in process or completed and reclamation in progress or not yet commenced.
BR Bond Release: Reclamation completed and State Regulatory Authority(RA) has released all of the bond (Phase III Release).	AB2 Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.
	AB3 Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.
	NA Not Applicable: When site is unpermitted.

Site Status - Item 15

ND No Disturbance: No coal mining and reclamation operations have been started.	MC Mining Complete: No mining activity on site, site regraded and awaiting bond release.	NS Non-Site Visit: Status of site not determined. Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress.
EX Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.	TC Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817:13(b).	FR Forfeited and Reclaimed: Forfeiture reclamation completed.
AP Active Coal Producing: Coal surface mining activities are occurring.	P1 Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.	FO Abandoned Site: Abandoned site that is permitted but there is no bond.
AN Active Non-Producing: Active non-producing facility such as tipple or preparation plant.	P2 Phase II Release: At least Phase II bond release for the entire permitted area.	WC Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.
NM No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.	P3 Phase III Release: Reclamation completed and the RA has released all bond.	

Facility Type Codes - Item 16

A ...Surface	D ...Ancillary (Haulroad, Conveyor, and/or Rails	H ...Exploration Permits	K ...Government Financed Construction Exemption
B ...Underground	E ...Refuse and/or Impoundment	I ...Notice of Intent to Explore	L ...Remining site permitted under 30 CFR 785.25
C ...Preparation Plant	F ...Loading Facility and/or Tipple	J ...Exempt 16 and 2/3	
	G ...Stockpiles		

Small Business Regulatory Enforcement Fairness Act (SBREFA) Your Comments are Important

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247).

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APR 09 2012

DIV. OF OIL, GAS & MINING

U.S. DEPT. OF THE INTERIOR
OFFICE OF SURFACE MINING
Mine Site Evaluation

Permittee/ Person	Permit Number	Field Visit Date	State Program Continuation Page
ENERGY WEST MINING COMPANY	C-015-009	3/7/2012	

28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited, 7=Permit Defect

<p>A. Administrative</p> <ol style="list-style-type: none"> 1. <input type="checkbox"/> Mining within Valid Permit 2. <input type="checkbox"/> Mining within Bonded Area 3. <input type="checkbox"/> Terms & Conditions of Permit 4. <input checked="" type="checkbox"/> 1 Liability Insurance 5. <input checked="" type="checkbox"/> 1 Ownership and Control 6. <input checked="" type="checkbox"/> 1 Temporary Cessation 7. <input type="checkbox"/> AML Rec. Fees - Non-Respondent 8. <input type="checkbox"/> AML Rec. Fees - Failure to Pay <p>B. Hydrologic Balance</p> <ol style="list-style-type: none"> 1. <input checked="" type="checkbox"/> 1 Drainage Control 2. <input type="checkbox"/> Inspections & Certifications 3. <input type="checkbox"/> Siltation Structures 4. <input checked="" type="checkbox"/> 1 Discharge Structures 5. <input checked="" type="checkbox"/> 1 Diversions 6. <input type="checkbox"/> Effluent Limits 7. <input type="checkbox"/> Ground Water Monitoring 8. <input type="checkbox"/> Surface Water Monitoring 9. <input type="checkbox"/> Drainage - Acid-Toxic Materials 10. <input type="checkbox"/> Impoundments 11. <input type="checkbox"/> Stream Buffer Zones <p>C. Topsoil & Subsoil</p> <ol style="list-style-type: none"> 1. <input type="checkbox"/> Removal 2. <input type="checkbox"/> Substitute Materials 3. <input checked="" type="checkbox"/> 1 Storage and Protection 4. <input type="checkbox"/> Redistribution 	<p>D. Backfilling & Grading</p> <ol style="list-style-type: none"> 1. <input type="checkbox"/> Exposed Openings 2. <input type="checkbox"/> Contemporaneous Reclamation 3. <input type="checkbox"/> Approximate Original Contour 4. <input type="checkbox"/> Highwall Elimination 5. <input type="checkbox"/> Steep Slopes (includes downslope) 6. <input type="checkbox"/> Handling of Acid and Toxic Materials 7. <input type="checkbox"/> Stabilization (rills and gullies) <p>E. Excess Spoil Disposal</p> <ol style="list-style-type: none"> 1. <input type="checkbox"/> Placement 2. <input type="checkbox"/> Drainage Control 3. <input type="checkbox"/> Surface Stabilization 4. <input type="checkbox"/> Inspections & Certifications <p>F. Coal Mine Waste (Refuse Piles/Impoundments)</p> <ol style="list-style-type: none"> 1. <input type="checkbox"/> Drainage Control 2. <input type="checkbox"/> Surface Stabilization 3. <input type="checkbox"/> Placement 4. <input type="checkbox"/> Inspections & Certifications 5. <input type="checkbox"/> Impounding Structures <p>G. Use of Explosives</p> <ol style="list-style-type: none"> 1. <input type="checkbox"/> Blaster Certification 2. <input type="checkbox"/> Distance Prohibitions 3. <input type="checkbox"/> Blast Survey/Schedule 4. <input type="checkbox"/> Warnings & Records 5. <input type="checkbox"/> Control of Adverse Effects 	<p>H. Subsidence Control Plan</p> <p>I. Roads</p> <ol style="list-style-type: none"> 1. <input checked="" type="checkbox"/> 1 Road Construction 2. <input type="checkbox"/> Certification 3. <input checked="" type="checkbox"/> 1 Drainage 4. <input checked="" type="checkbox"/> 1 Surfacing and Maintenance 5. <input type="checkbox"/> Reclamation <p>J. Signs & Markers</p> <ol style="list-style-type: none"> 1. <input checked="" type="checkbox"/> 1 Signs 2. <input checked="" type="checkbox"/> 1 Markers <p>K. Distance Prohibitions</p> <p>L. Revegetation</p> <ol style="list-style-type: none"> 1. <input type="checkbox"/> Vegetative Cover 2. <input type="checkbox"/> Timing <p>M. Postmining Land Use</p> <p>N. Other</p> <p>General Performance Category</p> <p>_____</p> <p>_____</p> <p>_____</p>
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Performance Standard Categories 30 CFR Counterparts

<p>A. Administrative 773.11</p> <ol style="list-style-type: none"> 1. Valid Permit 773.11 2. Mining within Bonded Area 773.11 3. Terms & Conditions of Permit 773.17 4. Liability Insurance 800.60 5. Ownership and Control 778.13 6. Temporary Cessation 842.11(e) & 816/817.131 7. AML Rec. Fees - Non-Respondent 870.15(b) 8. AML Rec. Fees - Failure to Pay 870.15(a) <p>B. Hydrologic Balance (816/817.41-57)</p> <ol style="list-style-type: none"> 1. Drainage Control 45 2. Inspections & Certifications 49(a)(10) 3. Siltation Structures 46 4. Discharge Structures 47 5. Diversions 43 6. Effluent Limits 42 7. Ground Water Monitoring 41(c) 8. Surface Water Monitoring 41(e) 9. Drainage - Acid - Toxic Materials 41(f) 10. Impoundments 49 11. Stream Buffer Zones 57 <p>C. Topsoil & Subsoil (816/817.22)</p> <ol style="list-style-type: none"> 1. Removal 22(a) 2. Substitute Materials 22(c) 3. Storage and Protection 22(c) 4. Redistribution 22(d) <p>D. Backfilling & Grading (816/817.95-107)</p> <ol style="list-style-type: none"> 1. Exposed Openings 816/817.13, 14, 15, & 823.11 & 21 2. Contemporaneous Reclamation 100 3. Approximate Original Contour 102(a)(1) 4. Highwall Elimination 102(a)(2) 5. Steep Slopes (includes downslope) 107 6. Handling of Acid & Toxic Materials 102(c) 7. Stabilization (rills and gullies) 95(b) 	<p>E. Excess Spoil Disposal (816/817.71-74)</p> <ol style="list-style-type: none"> 1. Placement 71(e) 2. Drainage Control 71(f) 3. Surface Stabilization 71(g) 4. Inspections & Certifications 71(h) <p>F. Coal Mine Waste (Refuse Piles/Impoundments) (816/817.81-84)</p> <ol style="list-style-type: none"> 1. Drainage Control 83(a) 2. Surface Stabilization 83(b) 3. Placement 83(c) 4. Inspections and Certifications 83(d) 5. Impounding Structures 84 <p>G. Use of Explosives (816/817.61-68)</p> <ol style="list-style-type: none"> 1. Blaster Certification 61(c) 2. Distance Prohibitions 61(d) 3. Blast Survey/Schedule 62-64 4. Warnings & Records 66 & 68 5. Control of Adverse Effects 67 <p>H. Subsidence Control Plan (817.121-122)</p> <p>I. Roads (816/817.150-151)</p> <ol style="list-style-type: none"> 1. Road Construction 150(c) 2. Certification 151(a) 3. Drainage 150(b)-151(d) 4. Surfacing and Maintenance 150(e)-151(d) 5. Reclamation 150(f) <p>J. Signs & Markers (816/817.11)</p> <ol style="list-style-type: none"> 1. Signs 11(a),(b),(c) 2. Markers 11(a),(b),(d),(e),(f) <p>K. Distance Prohibitions (761.11)</p> <p>L. Revegetation (816/817.111-116)</p> <ol style="list-style-type: none"> 1. Vegetative Cover 111 & 116 2. Timing 113 <p>M. Postmining Land Use (816/817.133)</p>
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Trail Mountain Mine Complete Oversight Inspection
Utah Division of Oil, Gas, and Mining (DOGM) Permit ID # UT-015-009
Wednesday, March 7, 2012 8:30-

Operator: CAM Mining, LLC

Participants:

Pete Hess, DOGM
Elizabeth Shaeffer, OSM, Badge # 377
Guy Davis, Energy West Mining Co.

Weather conditions: upper 30's, partly cloudy, intermittent snow, ground conditions snow covered

This was a complete oversight inspection of the Trail Mountain mine site conducted jointly by Pete Hess of the DOGM Price Field Office and Elizabeth Shaeffer of OSM's Denver Field Division. Guy Davis, representing Energy West, joined us for the inspection. This site is currently in temporary cessation. There was no activity at the mine site during our inspection.

Availability of Records

We checked the mine records at the Energy West Mine Office located in Huntington, UT. The 3rd quarter water monitoring report was on file. The 4th quarter report for 2011 is not due until March, 2012. We also checked the discharge monitoring report; there are two permitted outfall locations at the mine (001A sediment pond and 002A mine water). During the 3rd quarter of 2011, there was no reported discharge from either outfall location. The liability insurance is current and expires on August 28, 2012. The reclamation cost estimate was revised in February of 2009 during the permit review performed by DOGM staff. All pond certifications were filed; each quarter the ponds are inspected and certified by a professional engineer, therefore no annual report is required. Trail Mountain Mine's UPDES permit is valid through December 31, 2012.

Signs and Markers

The mine ID sign was intact and contained all of the necessary information. The signs identifying the topsoil stockpile and buffer zones were intact.

Reclamation

There are slightly more than ten acres disturbed at this mine site. The mine portals were sealed in 2001.

Topsoil

We inspected the topsoil stockpile near the substation. The sign was intact and clearly visible. Vegetation was well-established and there were no signs of erosion or instability.

Hydrology/Drainage Control

We inspected the undisturbed bypass inlet that runs under the parking lot and facilities area (Photo 6666). The inlet structure was clear of debris and functioning as designed. We also inspected the side canyon underground bypass that is located near the substation (Photo 6667).

The facilities area is slightly sloped. In the past, erosion has formed rilling in this area. To control the erosion, Energy West constructed four temporary berms that direct the surface runoff into the ditch that eventually enters the sediment pond that is located at the end of the sloped facilities area. Riprap was installed at the end of each berm to control the speed of the runoff entering the ditch (Photo 6669). This has proven to be a very effective design.

Recently, the mine constructed a berm on the County Road that is located adjacent to the east perimeter fence/permit boundary using roto-mill material. This berm was constructed to prevent undisturbed drainage from coming into the permit area and encumbering the mine site ditches. Some of this material has made its way into the ditch, and will need to be removed to ensure that the ditch can function (Photo 6670). There is an area where the ditch runs under four large steel plates before it enters into the sediment pond. The ditch is not containing the water, and erosion is occurring on the edges of the plates where water is escaping the ditch (Photo 6671). Energy West committed to repairing the ditch (using roto-mill material is one possibility) and redirect the flow into the sediment pond.

Since mining has ceased, only storm runoff goes into the pond. There are two pond outlets; one that carries the undisturbed water coming from the underground bypass and side canyon bypass, and one that carries water coming from the mine surface (Photo 6672). Cottonwood Canyon Creek is the receiving stream for this water. Because the mine was sealed in 2001, there is no monitoring of underground or in-mine water. The pond is scheduled for cleaning during the 2nd quarter of 2012, but if weather permits, it will be cleaned sooner.

Roads

All roads were maintained.

Action Items:

- Energy West will remove the roto-mill material that has made its way into the ditch.
- Energy West will repair the ditch where it runs under the steel plates.

I&E Inspection Photos

Permit: C-015-009 Inspection Date: 3/7/2012

Permittee: ENERGY WEST MINING COMPANY



Notes:

Empty rectangular box for notes.

Photo ID: 6666

Photographer: SMESHAEFFER

Date Taken: 3/7/2012

State: UT

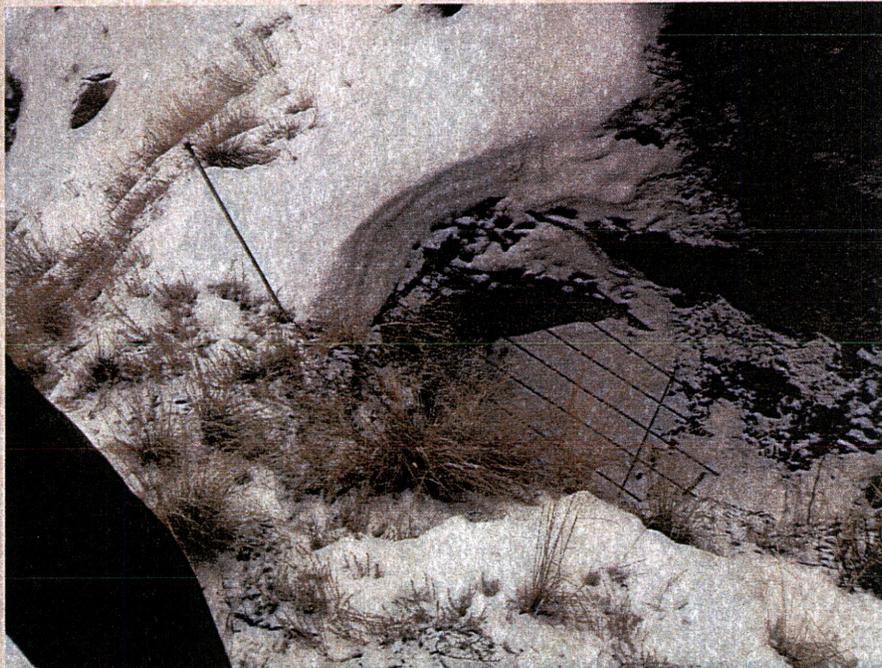
County: EMERY

Latitude: 0391900

Longitude: 1105700

Subject: UNDISTURBED BYPASS

Mine Name: TRAIL MOUNTAIN MINE



Notes:

Empty rectangular box for notes.

Photo ID: 6667

Photographer: SMESHAEFFER

Date Taken: 3/7/2012

State: UT

County: EMERY

Latitude: 0391900

Longitude: 1105700

Subject: SIDE CANYON UNDERGROUND BYPASS

Mine Name: TRAIL MOUNTAIN MINE

I&E Inspection Photos

Permit: C-015-009 Inspection Date: 3/7/2012

Permittee: ENERGY WEST MINING COMPANY



Notes:



Photo ID: 6669

Photographer: SMIESHAEFFER

Date Taken: 3/7/2012

State: UT

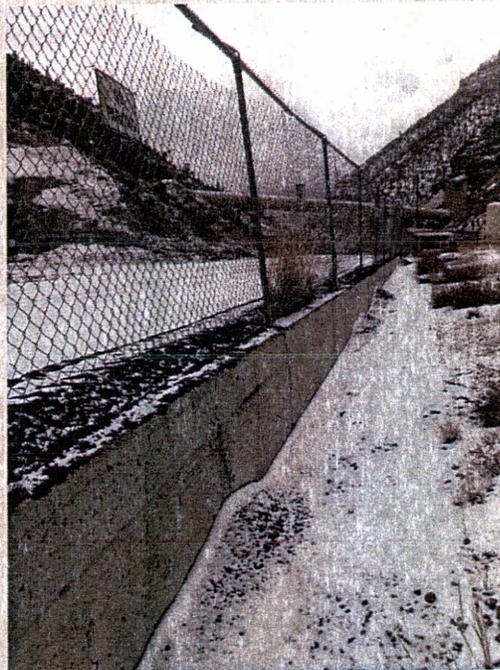
County: EMERY

Latitude: 0391900

Longitude: 1105700

Subject: BERM WITH RIPRAP

Mine Name: TRAIL MOUNTAIN MINE



Notes:



Photo ID: 6670

Photographer: SMIESHAEFFER

Date Taken: 3/7/2012

State: UT

County: EMERY

Latitude: 0391900

Longitude: 1105700

Subject: ROTO-MILL MATERIAL IN DITCH

Mine Name: TRAIL MOUNTAIN MINE

I&E Inspection Photos

Permit: C-015-009 Inspection Date: 3/7/2012

Permittee: ENERGY WEST MINING COMPANY



Notes:



Photo ID: 6671

Photographer: SMESHAEFFER

Date Taken: 3/7/2012

State: UT

County: EMERY

Latitude: 0391900

Longitude: 1105700

Subject: EROSION NEAR PLATES

Mine Name: TRAIL MOUNTAIN MINE



Notes:

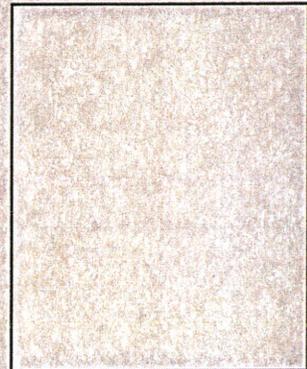


Photo ID: 6672

Photographer: SMESHAEFFER

Date Taken: 3/7/2012

State: UT

County: EMERY

Latitude: 0391900

Longitude: 1105700

Subject: TWO POND OUTLETS

Mine Name: TRAIL MOUNTAIN MINE