

0015/018 Incoming CC: PFO

0029



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



OCT 20 2009

1. Permittee/Person PACIFICORP		9. Permit Number UT-015-018-X	DIV. OF OIL, GAS & MINING	10. Permit Type PP
2. Address PO BOX 310		11. Field Visit Date 09/22/2009 mm - dd - yyyy	12. Purpose O	13. SRA Present Y
3. City HUNTINGTON	4. State UT	14. Permit Status A	15. Site Status AP	16. Facility Type B
5. Zip Code 84528	6. Phone Number (801) 653-2312	17. OSM Office # 140	18. CCID #	19. Land Code SF
7. Operator Name, if Different than Permittee ENERGY WEST MINING		20. M.S.H.A ID # 42-00121	21. State Abrev. UT	22. County Name EMERY
8. Mine Name DEER CREEK		23. AVS Permittee Entity ID Number 118429	24. State Office	

25. Hours	26. Signature Block	27. Reviewing Official:
<input type="checkbox"/> 3.0 a. Permit Review	<i>Christine Belka</i>	<i>James [Signature]</i>
<input type="checkbox"/> 3.5 b. Site Visit Time	Signature: Christine Belka ID # 182	Signature:
<input type="checkbox"/> 13.0 c. Travel Time	Printed Name:	Review Date: 10/13/2009 mm - dd - yyyy
<input type="checkbox"/> 4.0 d. Report Writing	Date: 10/05/2009	Is Supplemental MSE Page Used Y/N Y

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... Citizen Complaint Follow-up

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

Permit Status — Item 14
 A... Active: Coal mining and reclamation activities occurring or permitted but not yet disturbed.
 IN... Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit) Coal mining completed and reclamation activities initiated.
 BR... Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release.)
 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)
 AB1... Bond Forfeiture: Bond forfeiture officially in process or completed, and reclamation in progress or not yet commenced.
 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 Codes — Item 15
 ND... No Disturbance: No coal mining and reclamation operations have been started.
 EX... Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.
 AP... Active Coal Producing: Coal surface mining activities are occurring.
 AN... Active Non-Producing: Active non-producing facility such as tippie or preparation plant.
 NM... No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.
 MC... Mining Complete: No mining activity on site, site regraded and awaiting phase bond release.
 TC... Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817.131(b).
 P1... Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.
 P2... Phase II Release: At least Phase II bond release for the entire permitted area.
 P3... Phase III Release: Reclamation completed and the RA has released all bond.
 NS... Non-Site Visit: Status of site not determined.
 FP... 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.
 FR... Forfeited and Reclaimed: Forfeiture reclamation completed.
 FO... Abandoned Site: Abandoned site that is permitted but there is no bond.
 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.

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

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).

U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING

Mine Site Evaluation

State Program

Permittee/ Person **PACIFICORP**

Permit Number **UT-015-018-X**

Field Visit Date **09/22/2009**

Continuation Page

28. Performance Standard Categories

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

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|---|--|---|---------|-----|-----|-------------|-----|-----|----------|-----|-----|
| <p>A. Administrative</p> <ol style="list-style-type: none"> 1. <u>1</u> Mining within Valid Permit 2. <u>1</u> Mining within Bonded Area 3. <u>1</u> Terms & Conditions of Permit 4. <u>1</u> Liability Insurance 5. <u>1</u> Ownership and Control 6. ___ Temporary Cessation 7. ___ AML Rec. Fees -- Non-Respondent 8. ___ AML Rec. Fees -- Failure to Pay <p>B. Hydrologic Balance</p> <ol style="list-style-type: none"> 1. <u>1</u> Drainage Control 2. <u>1</u> Inspections & Certifications 3. <u>1</u> Siltation Structures 4. <u>1</u> Discharge Structures 5. <u>1</u> Diversions 6. <u>1</u> Effluent Limits 7. <u>1</u> Ground Water Monitoring 8. <u>1</u> Surface Water Monitoring 9. <u>1</u> Drainage -- Acid-Toxic Materials 10. <u>1</u> Impoundments 11. <u>1</u> Stream Buffer Zones <p>C. Topsoil & Subsoil</p> <ol style="list-style-type: none"> 1. ___ Removal 2. ___ Substitute Materials 3. <u>1</u> Storage and Protection 4. ___ Redistribution | <p>D. Backfilling & Grading</p> <ol style="list-style-type: none"> 1. ___ Exposed Openings 2. ___ Contemporaneous Reclamation 3. ___ Approximate Original Contour 4. ___ Highwall Elimination 5. ___ Steep Slopes (includes downslope) 6. ___ Handling of Acid & Toxic Materials 7. ___ Stabilization (rills and gullies) <p>E. Excess Spoil Disposal</p> <ol style="list-style-type: none"> 1. <u>1</u> Placement 2. <u>1</u> Drainage Control 3. <u>1</u> Surface Stabilization 4. <u>1</u> Inspections & Certifications <p>F. Coal Mine Waste (Refuse Piles/Impoundments)</p> <ol style="list-style-type: none"> 1. <u>1</u> Drainage Control 2. <u>1</u> Surface Stabilization 3. <u>1</u> Placement 4. <u>1</u> Inspections and Certifications 5. <u>1</u> Impounding Structures <p>G. Use Of Explosives</p> <ol style="list-style-type: none"> 1. ___ Blaster Certification 2. ___ Distance Prohibitions 3. ___ Blast Survey/Schedule 4. ___ Warnings & Records 5. ___ Control of Adverse Effects | <p>H. Subsidence Control Plan</p> <p>I. Roads</p> <ol style="list-style-type: none"> 1. ___ Road Construction 2. ___ Certification 3. ___ Drainage 4. ___ Surfacing and Maintenance 5. ___ Reclamation <p>J. Signs & Markers</p> <ol style="list-style-type: none"> 1. <u>1</u> Signs 2. <u>1</u> Markers <p>K. Distance Prohibitions</p> <p>L. Revegetation</p> <ol style="list-style-type: none"> 1. ___ Vegetative Cover 2. ___ Timing <p>M. Postmining Land Use</p> <p>N. Other</p> <table border="0" style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 60%;">General</td> <td style="width: 20%; text-align: center;">___</td> <td style="width: 20%; text-align: center;">___</td> </tr> <tr> <td>Performance</td> <td style="text-align: center;">___</td> <td style="text-align: center;">___</td> </tr> <tr> <td>Category</td> <td style="text-align: center;">___</td> <td style="text-align: center;">___</td> </tr> </table> <p style="margin-top: 10px;">___ 1) _____</p> <p style="margin-top: 10px;">___ 2) _____</p> <p style="margin-top: 10px;">___ 3) _____</p> | General | ___ | ___ | Performance | ___ | ___ | Category | ___ | ___ |
| General | ___ | ___ | | | | | | | | | |
| Performance | ___ | ___ | | | | | | | | | |
| Category | ___ | ___ | | | | | | | | | |

Performance Standard Categories 30 CFR Counterpart

<p>A. Administrative.....(816/817.71-74)</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-Respondant.....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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Deer Creek Complete Joint Inspection

Utah Permit ID # C-015-0018

September 22, 2009 10:30 - 2:00

Weather conditions: clear, sunny, warm

Participants:

Karl Housekeeper, Division of Oil, Gas and Mining (DOGGM)

Dennis Oakley, Energy West Mining (EWM)

Christine Belka, Office of Surface Mining (OSM Badge ID #182)

This was a complete inspection of the Deer Creek Mine.

Records review: The Impoundment Inspection and Certification report dated June 30th, 2009 indicates that sediment ponds are over cleanout level and will be scheduled to be cleaned. Mr. Oakley informed us that the ponds have been scheduled to be drained in late September and cleaned in early October.

Second quarter certified engineering reports for the Deer Creek Waste Rock Site were provided. Monthly discharge reports show compliance with quantities, concentrations and loading restrictions (latest date September 11, 2009). The certificate of liability insurance - Acord policy ID # X0720A1A09 dated 08/28/2009, indicates a \$20,000,000 limit of liability per occurrence.

Travelers bond ID #103908970 was increased by \$3,000,000 to \$4,113,000 on July 26, 2005. This increase was to cover the Rilda Canyon facilities. Mr. Oakley informed us that he has committed to revising the permit this year because not all facilities approved have been / will be constructed. Those not constructed will be removed from the permit and the bond may then be adjusted accordingly.

DAQE-AN0239003-02 Air Quality Approval Order 926-96 increased the throughput limit at the Deer Creek Tipple. UPDES #UT0023604 Minor industrial permit issued November 20, 2007 became effective December 30, 2007 and expires November 30, 2012. The current SPCC plan was certified by John Christensen 01/27/2009.

Field inspection: We began at the waste rock site. Pond clean-out refuse is being stored in Cell 1 (north pile). Cell 2 has been approved; however, Mr. Oakley prefers not to begin storing material in the second cell because the surface is still undisturbed. Runoff from the waste rock pile is split - half reports to a total containment pond designed to contain two 10-year 24 hour storm events. This pond was dry at the time of inspection (see Figure 1). Half is treated by silt fence then runs down a diversion to a sediment trap. Undisturbed area runoff is diverted around the waste rock piles using diversion ditches and silt fence. A large berm around a portion of the waste rock pile has silt fence at the toe of disturbance. Disturbance of the area was conducted in the 1980's. Silt fences in the area have been replaced numerous times; however, silt fences show normal signs of wear (see Figure 2). Sediment is accumulating in diversions and in silt fences. This appears normal in such an erosive environment. The permit area is fenced and topsoil markers are in place.

The Deer Creek Pond contained water at the time of inspection and was discharging through the primary discharge structure (see Figure 3). Runoff coming from the tipple area was draining directly down into the pond (see Figure 4). The pipe system collecting water and transmitting it to the

primary treatment cells was disconnected. Mr. Oakley stated that cleaning the primary treatment cells was difficult. All runoff reports to the approved sediment pond - EWM will need to clean the pond more frequently as a result of not employing the primary treatment cells. A delta was formed where water enters the pond.

Near the main portal area, we inspected the material storage area, the vent fan above, and the run-of-mine conveyor belt running from the mine to the stockpile. From there coal is gravity-fed down through the hopper to be crushed, screened, and conveyed to the power plant via the C1 / C2 conveyor system.

We briefly inspected the Rilda facilities area including the sediment pond (dry), fan house, and material storage area. Mr. Oakley is committed to revising the permit to better reflect what has been and will be built from the approved plan.

Photographs taken:

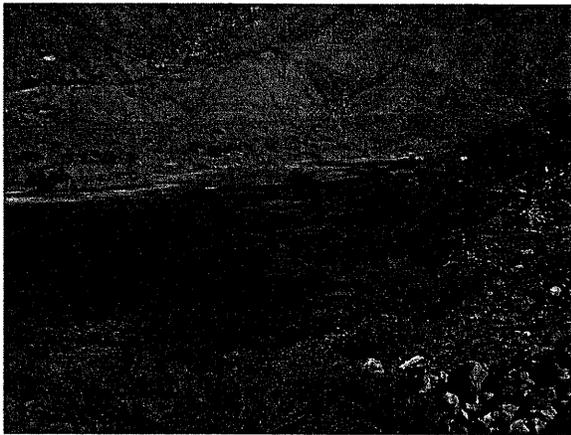


Figure 1: Total containment pond (dry)



Figure 2: Silt fence showing normal signs of wear



Figure 3: Deer Creek Pond discharging

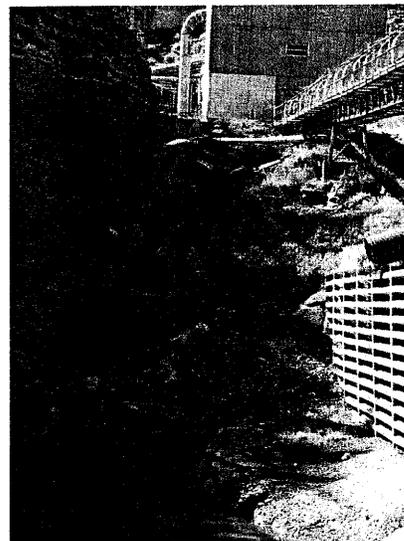


Figure 4: Runoff reporting directly to Deer Creek Pond