



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:   | C0150018                     |
| Inspection Type: | COMPLETE                     |
| Inspection Date: | Thursday, September 23, 2010 |
| Start Date/Time: | 9/23/2010 8:00:00 AM         |
| End Date/Time:   | 9/23/2010 1:00:00 PM         |
| Last Inspection: | Thursday, August 19, 2010    |

Inspector: Karl Houskeeper

Weather: Clear, Temp. 70 Deg. F.

InspectionID Report Number: 2505

Accepted by: jhelfric

9/28/2010

| Representatives Present During the Inspection: |                 |
|--|-----------------|
| Company  | Ken Fleck       |
| Company  | Guy Davis       |
| OGM  | Karl Houskeeper |

Permitee: **ENERGY WEST MINING CO**  
 Operator: **ENERGY WEST MINING CO**  
 Site: **DEER CREEK MINE**  
 Address: **PO BOX 310, HUNTINGTON UT 84528**  
 County: **EMERY**  
 Permit Type: **PERMANENT COAL PROGRAM**  
 Permit Status: **ACTIVE**

### Current Acreages

|           |                 |
|-----------|-----------------|
| 19,740.78 | Total Permitted |
| 98.05     | Total Disturbed |
| 0.60      | 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:

Completed Paperwork Review with Guy Davis Energy West. Ken Fleck Energy West was in attendance during the field inspection.

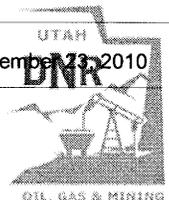
Inspector's Signature:

Date Thursday, September 23, 2010

Karl Houskeeper,

Inspector ID Number: 49

Note: This inspection report does not constitute an official statement of compliance with the regulatory program of the Division of Oil, Gas and Mining. telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov



**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 checked="" 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 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 6. Disposal of Excess Spoil, Fills, Benches                      | <input checked="" type="checkbox"/> | <input 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 type="checkbox"/>            | <input type="checkbox"/> |
| 10. Slides and Other Damage                                      | <input checked="" type="checkbox"/> | <input 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 checked="" type="checkbox"/> | <input 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 15. Cessation of Operations                                      | <input checked="" type="checkbox"/> | <input 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 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 type="checkbox"/>            | <input type="checkbox"/> |

**1. Permits, Change, Transfer, Renewal, Sale**

The current DOGM permit C/015/0018 was issued effective 02/07/2006 and expires 02/07/2011.

-Certificate of Insurance policy number X0720A1A10, issued 08/28/2010 and terminates 08/28/2011.

-UPDES permit # UT0023604 effective 12/01/2007 and expires @ midnight 11/30/2012.

-Air Quality permit DAQE-AN0239003-02, issued June 14, 2002.

-SPCC Plan dated 01/27/2009. The Plan is P.E. certified, stamped, signed and dated by a Utah P.E.

**2. Signs and Markers**

The mine identification signs are located at points of public access to the permit area. The signs contain the required information.

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

Second quarter 2010 sediment pond inspections were done on June 14,, 2010.

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

Reviewed the August 2010 discharge monitoring reports. No parameters were exceeded.

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

Second quarter 2010 refuse pile inspections were done on June 14, 2010.

**8. Noncoal Waste**

Several items of noncoal were present through out the mine site. The items were picked up during the inspection.

**20. Air Quality Permit**

Approval order AN0239003-02 was issued on 06/14/2002 and remains in effect.

**21. Bonding and Insurance**

The bond is set at \$4,118,000. It includes the new Rilda Facilities. The bond was recently raised by \$5,000 by the installation of the approved switch gear in Rilda Canyon. There are 19,722.21 permitted acres of which 98.05 are disturbed acres.