



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:	PARTIAL
Inspection Date:	Wednesday, August 15, 2012
Start Date/Time:	8/15/2012 8:15:00 AM
End Date/Time:	8/15/2012 2:00:00 PM
Last Inspection:	Wednesday, July 11, 2012

Representatives Present During the Inspection:
OGM Karl Houskeeper

Inspector: Karl Houskeeper

Weather: Clear Skies, Temp. 67 Deg. F.

InspectionID Report Number: 3199

Accepted by: jhelfric
9/6/2012

Permitee: **PACIFICORP**
 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

19,936.88	Total Permitted
91.63	Total Disturbed
0.60	Phase I
0.60	Phase II
0.60	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:

Checked in at the Main Office located on Huntington's Main Street. No one was present at the main office. Most offices were dark. Guy Davis's office had a light on. Waited approximately 15 to 20 minutes, but no one showed up. Proceeded to the Deer Creek Mine unattended to conduct the Partial Field Inspection. (see item 22 for additional comments to large for this page)

Karl R. Houskeeper

Inspector's Signature:

Date Wednesday, August 15, 2012

Karl Houskeeper,
Inspector ID Number: 49

Note: This inspection report is an official record 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 type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Permit Number: C0150018
Inspection Type: PARTIAL
Inspection Date: Wednesday, August 15, 2012

2. Signs and Markers

All sign and markers observed were found to be in compliance with the R645 Coal Rules and the approved Mining and Reclamation Plan.

4.a Hydrologic Balance: Diversions

Several diversions and/or diversions structures were found to be out of compliance. A list of the noted diversions that were found to be non-compliant are provided below with the associated problem:

The culvert inlet located below the old truck load-out that leads into the slotted trench that crosses the main access road is complete Plugged (100%). This culvert inlet needs to be cleaned immediately.

Belting is with the reaches of the diversion that wraps around the old truck load-out. The belting needs to be removed from the interior of the diversion and placed back on the storage pad.

The culvert inlet located on the Run Of Mine (ROM) pad near the MCC building and old fan is approximately 70% plugged. This culvert inlet is not in compliance with the design criteria in the approved MRP or R645 Coal Rules. This culvert inlet needs to be cleaned immediately.

The culvert inlet located at the base of the fan access road, below the water tank and adjacent to the bath house is approximately 70% plugged with sediment. The culvert inlet is not in compliance with the design criteria in the approved MRP or the R645 Coal Rules. This culvert inlet needs to be cleaned immediately.

The diversion ditch from the gate entrance along the right side of the access road looking up canyon at the Rilda Facility is impacted with road sand. This sand is used during the winter as a treatment on the road for traction and to aid in snow melt. The rip rap channel is completely inundated with the road sand. Along some portions of the diversion the road sand is above the asphalt surface of the road preventing any road drainage from entering the diversion. This item has been a topic of discussion for over a year with several warnings being issued. The diversion was to be cleaned in the spring of 2012. This problem has been documented in several previous inspection reports. The cleaning has not taken place to date, This diversion needs to be cleaned immediately

The Culvert Inlet on the ROM pad was cleaned on the afternoon of 08/15/2012. The Culvert Inlet at the base of the main fan access road was cleaned on the afternoon of 08/15/2012.

Cleaning of the sediment basin at the C1/C2 transfer (see item 4c), 100% plugged culvert inlet below the old truck load out, and Rilda diversion were scheduled with a contractor on the afternoon of 08/15/2012 with equipment to be mobilized and work to begin on the morning of 08/16/2012. The belting by the old truck load out was being removed during the 08/16/2012 inspection.

The Rilda diversion was being cleaned during the 08/16/2012 inspection by a track hoe and loader from Nielson Construction Co. This equipment upon completion of

this diversion will be taken to Deer Creek to address the remaining compliance items.

4.c Hydrologic Balance: Other Sediment Control Measures

The sediment basin located along side of the access road to the C1/C2 Transfer is complete full. The sediment trap below the sediment basin is now receiving the flow and sedimentation as all flow and sedimentation is overtopping the sediment basin during any storm event. The sediment basin needs to be cleaned out so that it can function as designed to retain the sediment in the basin.

8. Noncoal Waste

The roadways, pad areas, parking areas, facilities areas are covered with noncoal waste items. This has been a continual problem at this site. It was believed that the problem existed from the noncoal waste items being air borne. Several violations have been issued on this issue. Numerous warnings have been given. OSM expressed concerns of this problem during their complete oversight. The mine indicated that it would build a new noncoal waste storage facility. The new noncoal waste storage facility has been constructed and in use for approximately 2-3 months. This same problem was identified on the July 2012 inspection. At that time the company representative Ken Fleck picked up two full garbage bags of trash. It is evident that this problem does not stem from air borne dispersion of noncoal waste items, but from employees lack of care or concern. The noncoal waste items need to be picked up immediately and a way to educate employee's and change their behavioral patterns developed. Continued disregard will lead to violations and cessation orders.

Noncoal waste items were gathered and disposed of on the afternoon of 08/15/2012.

22. Other

(Carry over items from comment section front page.)

Returned to the Energy West Main Office after the inspection and spoke with Guy Davis about compliance issues. Called Ken Fleck and related the compliance issues to him.

Ken Fleck Called me about 4:10 pm 08/15/2012 and scheduled a meeting at the PFO for 6:00 am 08/16/2012.

Several compliance issues existed on the 08/15/2012 inspection. The inspection was kept open through 08/16/2012. Most compliance issues were addressed or scheduled to be addressed on the afternoon of 08/15/2012. A meeting was held at the PFO at 6:00 am with Ken Fleck and Dennis Oakley from Energy West. A follow-up inspection of the Deer Creek and Rilda Facilities was conducted on 08/16/2012 beginning at 2:30 pm to verify that the listed items had been addressed or were scheduled to be addressed.

08/15/2012 took 68 pictures which will be stored electronically for documentation. (19 pictures included in report).

08/16/2012 took 6 pictures (included in report).

08/16/2012 rain gauge information from Energy West from 6:00 am meeting at PFO (included in report).

08/16/2012 purchase order for Rilda for work done on 04/30/2012 from 2:30 pm inspection (included in report).

A potential of eight (8) violations were avoided. No violations were issued since a large majority of the work was completed on 08/15/2012 and or scheduled. Information was presented to show that large storm events had occurred on 07/15/2012 (see rain gage chart). There was a lapse in time from the event until DOGM discovered sedimentation build up. The company needs to be more proactive in the future. A PO was provided from Energy West showing that efforts were made to clean the Rilda diversion on 04/30/2012 (see PO). It is obvious that those efforts were not successful and a more aggressive attempt to place the diversion back into compliance was needed.

Less leniency will be given in the future for related non-compliance.

(Thistle under Other category not tied to front page comments.)

The Rilda Facility area has numerous stands of Thistle on both sides of the access road. The heaviest concentration of thistle is on the right side of the access road looking up canyon in the area that fans out toward the hillside. This area is near to the pad site in an area covered by rock. This item was identified on the July 2012 inspection. No work has been done to remove the heads and dispose of them properly and/or treat or remove the plants. The removal of the heads with proper disposal and the removal and/or treatment of the thistle needs to be done immediately to prevent further spreading of this plant.



Sediment Basin C1/C2 Transfer
08/15/2012

Sediment Basin C1/C2 Transfer
08/15/2012





Culvert Inlet below old Truck Load Out (Connects to slotted road trench). 100% Plugged. Noncoal Waste. 08/15/2012



Belting in Diversion adjacent to old Truck Load Out.
08/15/2012



Noncoal Waste items along side of access slope road to Main Parking Lot.
08/15/2012



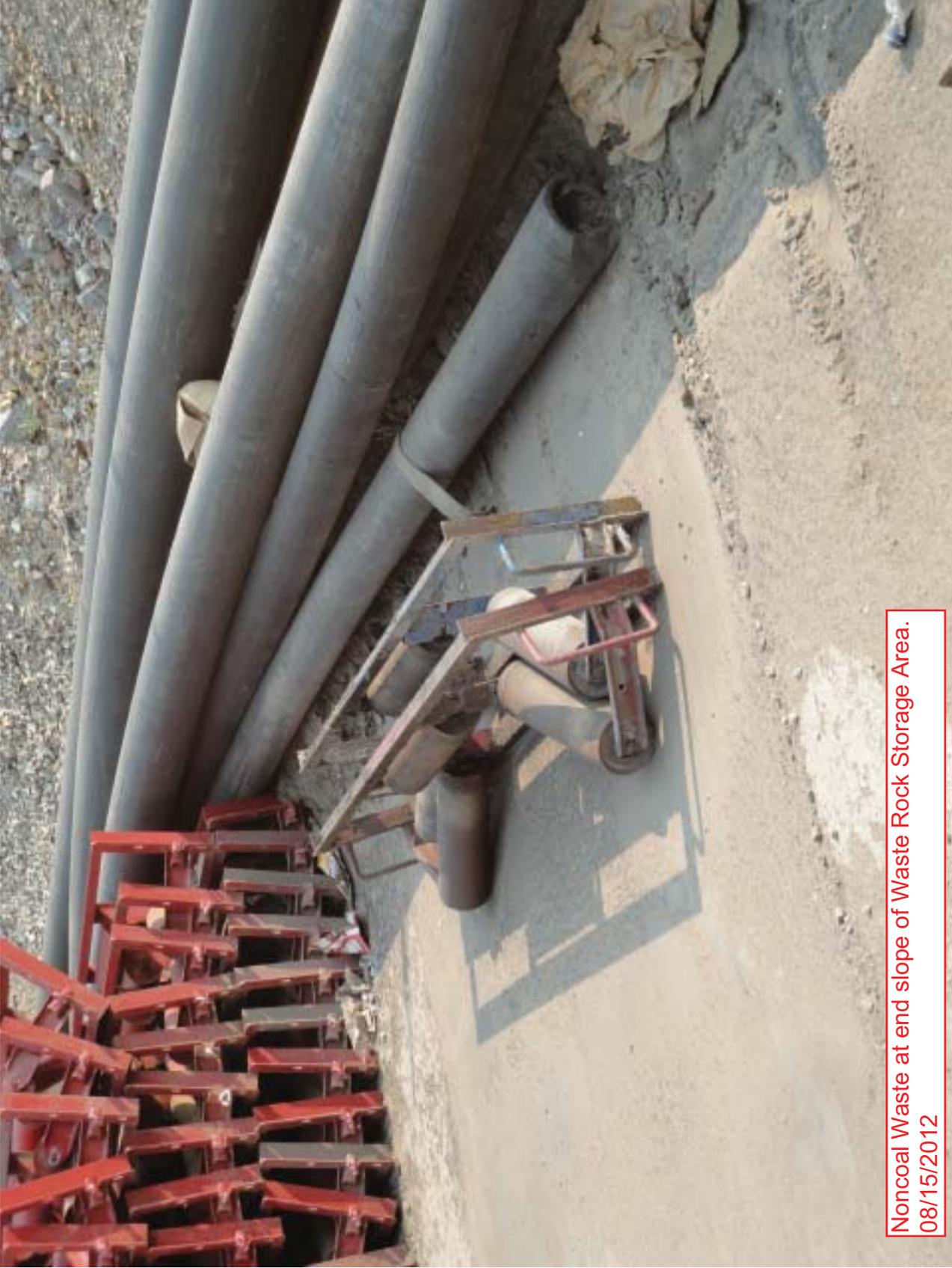
Noncoal Waste Drop Inlet crest of Main Parking Lot.
08/15/2012



Noncoal Waste Items Main Parking Lot diversion.
08/15/2012



Noncoal Waste at end slope of Waste Rock Storage Area.
08/15/2012



Noncoal Waste at end slope of Waste Rock Storage Area.
08/15/2012



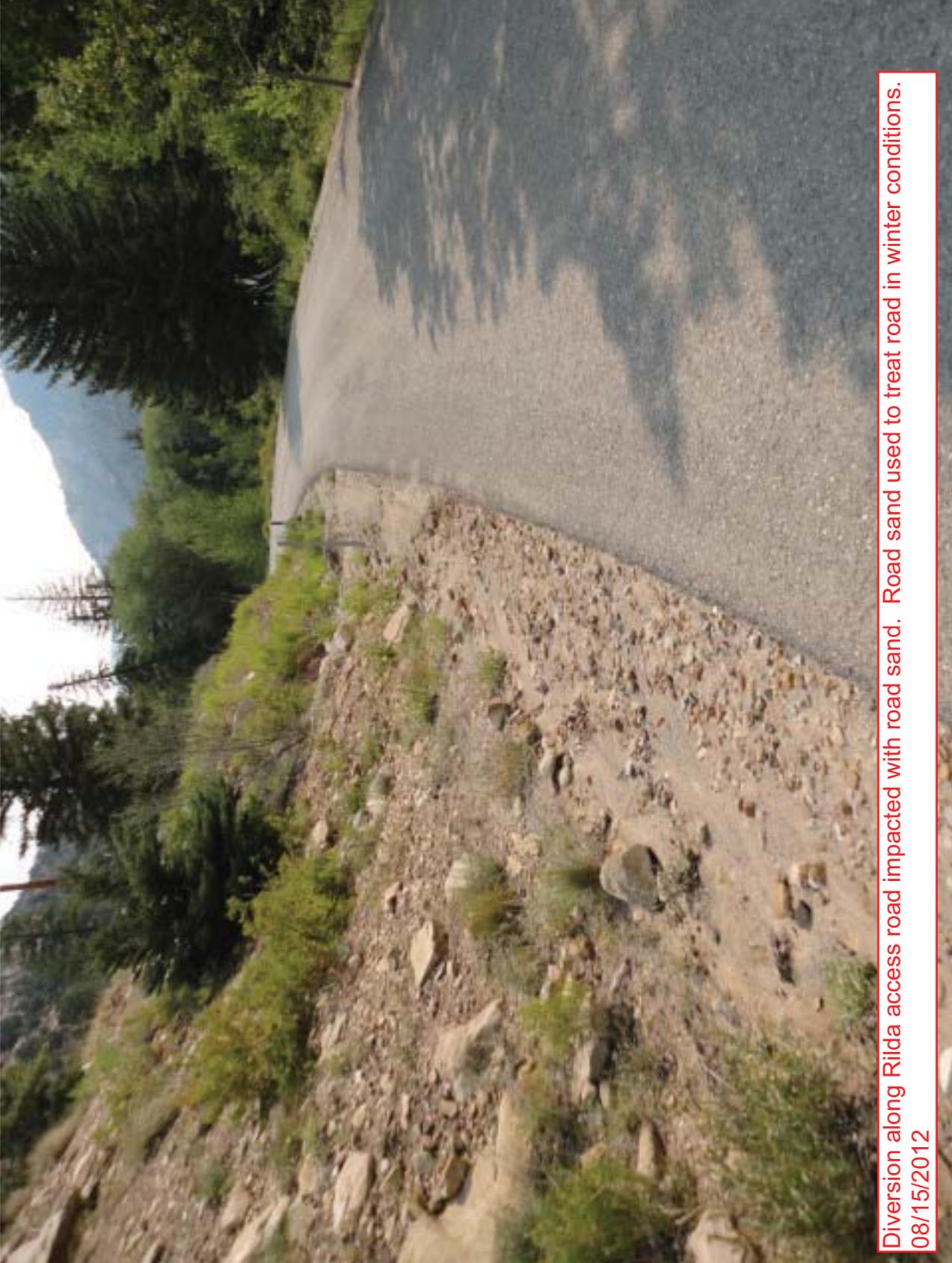
Noncoal Waste Salt Storage Bin.
08/15/2012



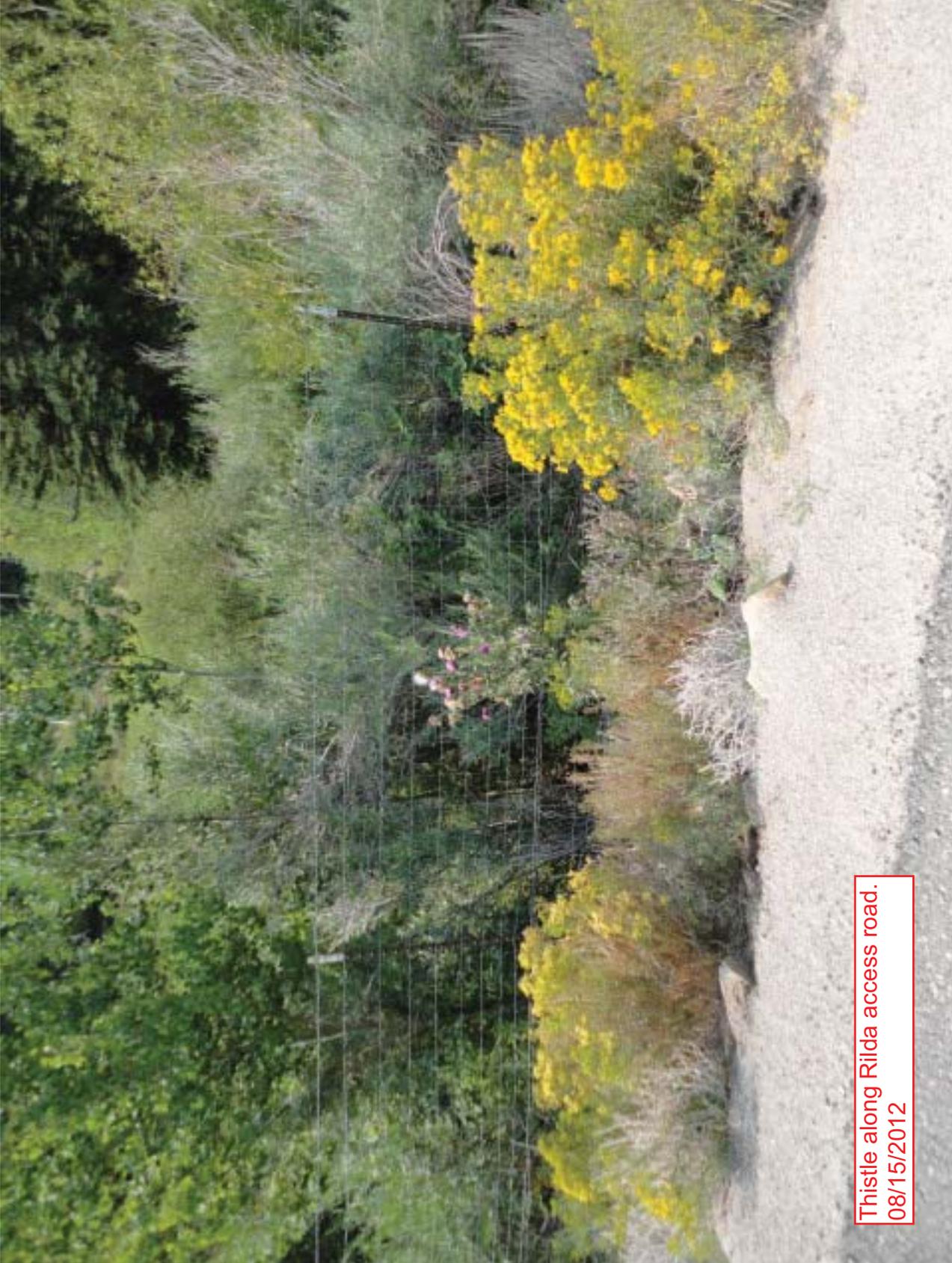
Culvert Inlet ROM Pad approximately 70% plugged.
08/15/2012



Culvert Inlet at the base of the Main Fan access Road approximately 70% plugged.
08/15/2012

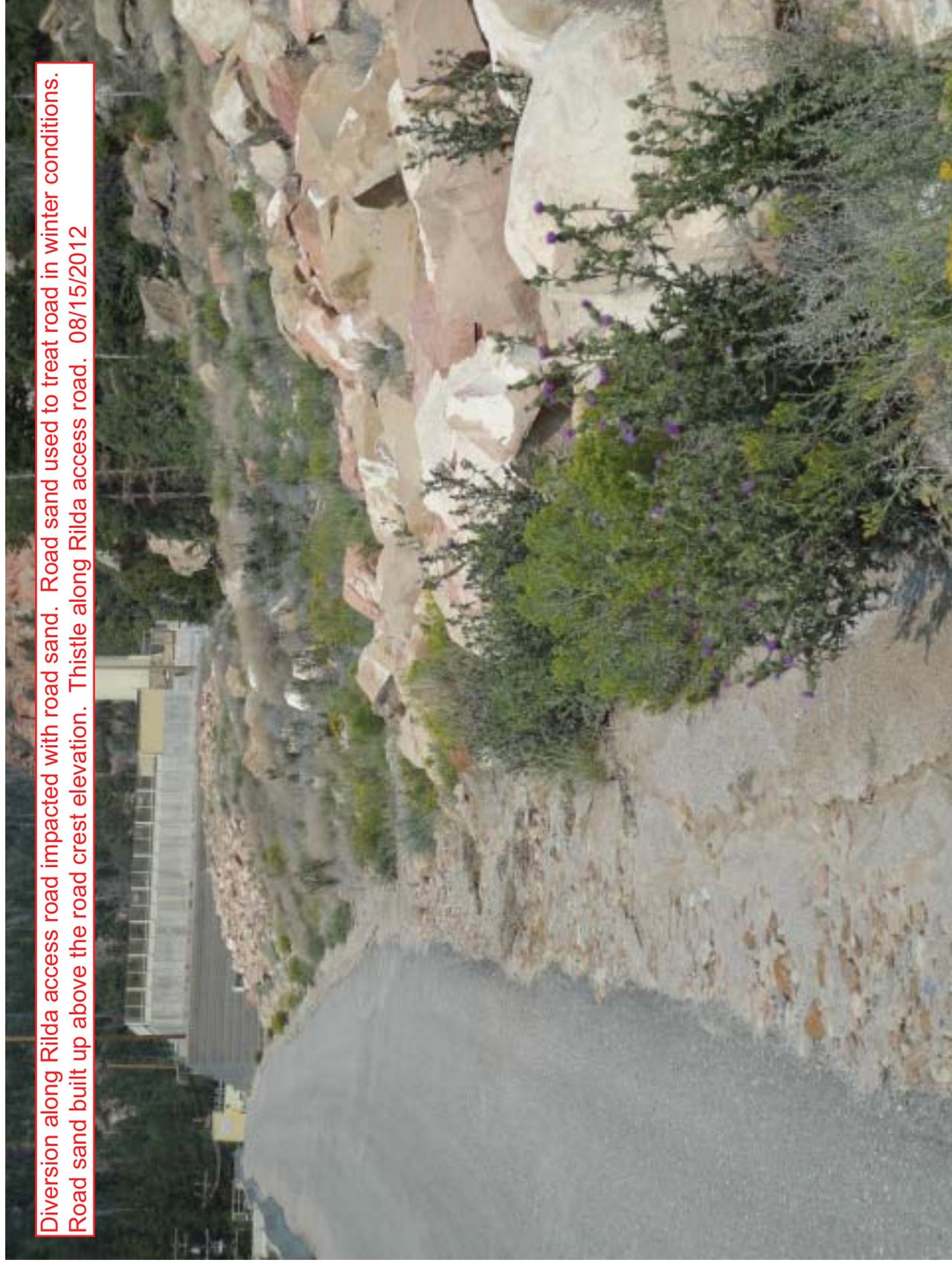


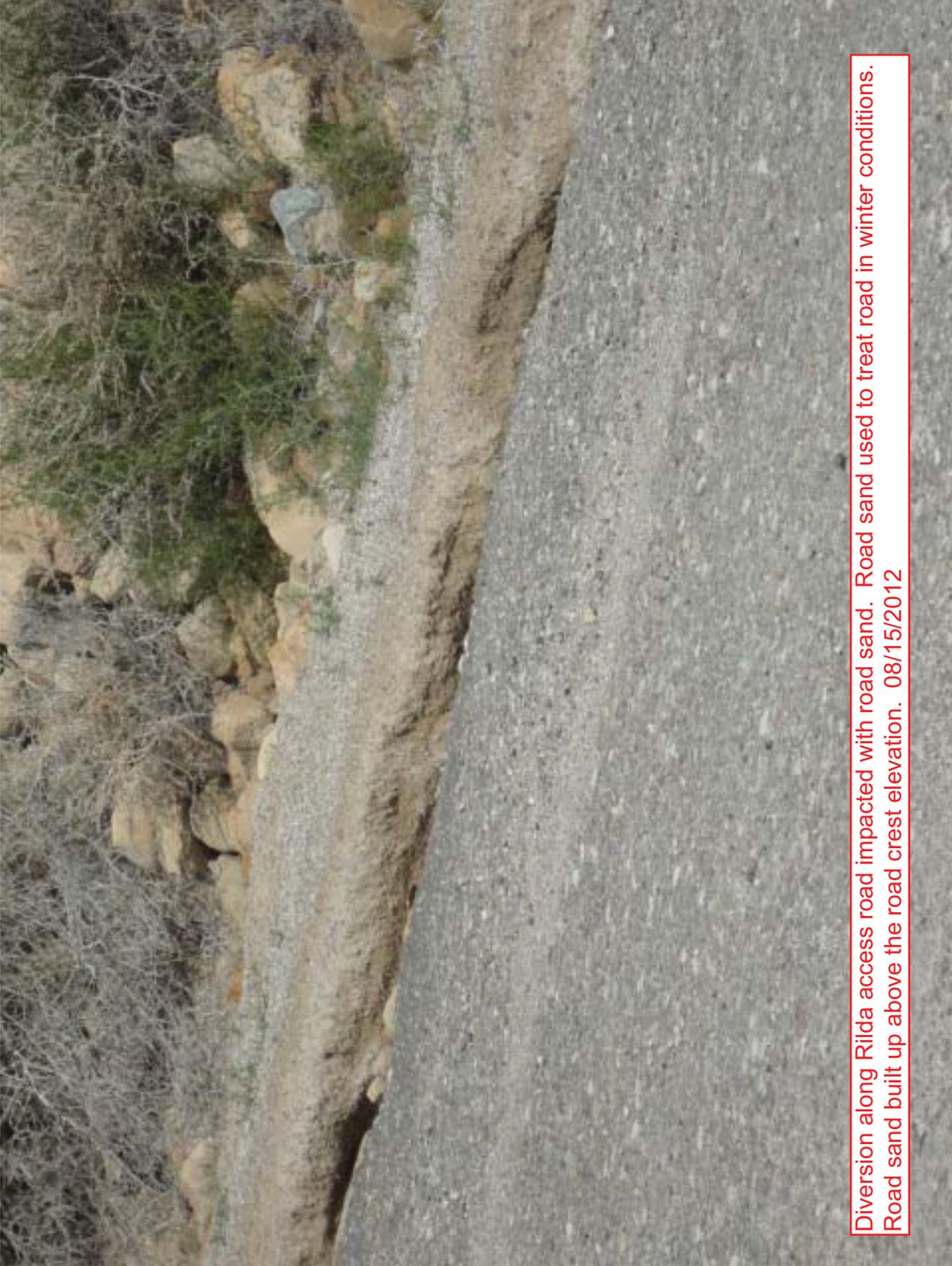
Diversion along Rilda access road impacted with road sand. Road sand used to treat road in winter conditions.
08/15/2012



Thistle along Rilda access road.
08/15/2012

Diversion along Rilda access road impacted with road sand. Road sand used to treat road in winter conditions. Road sand built up above the road crest elevation. Thistle along Rilda access road. 08/15/2012



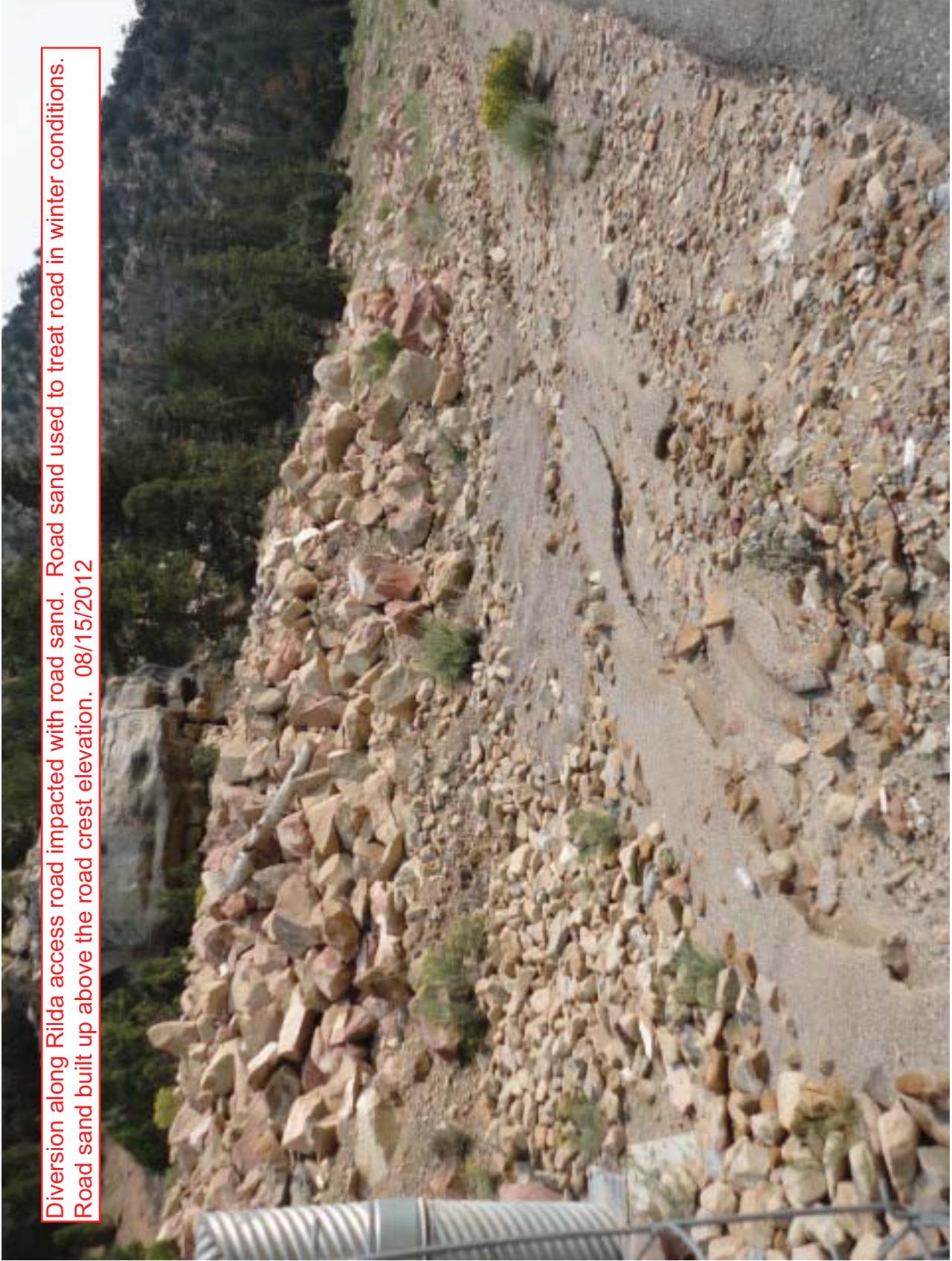


Diversion along Rilda access road impacted with road sand. Road sand used to treat road in winter conditions. Road sand built up above the road crest elevation. 08/15/2012

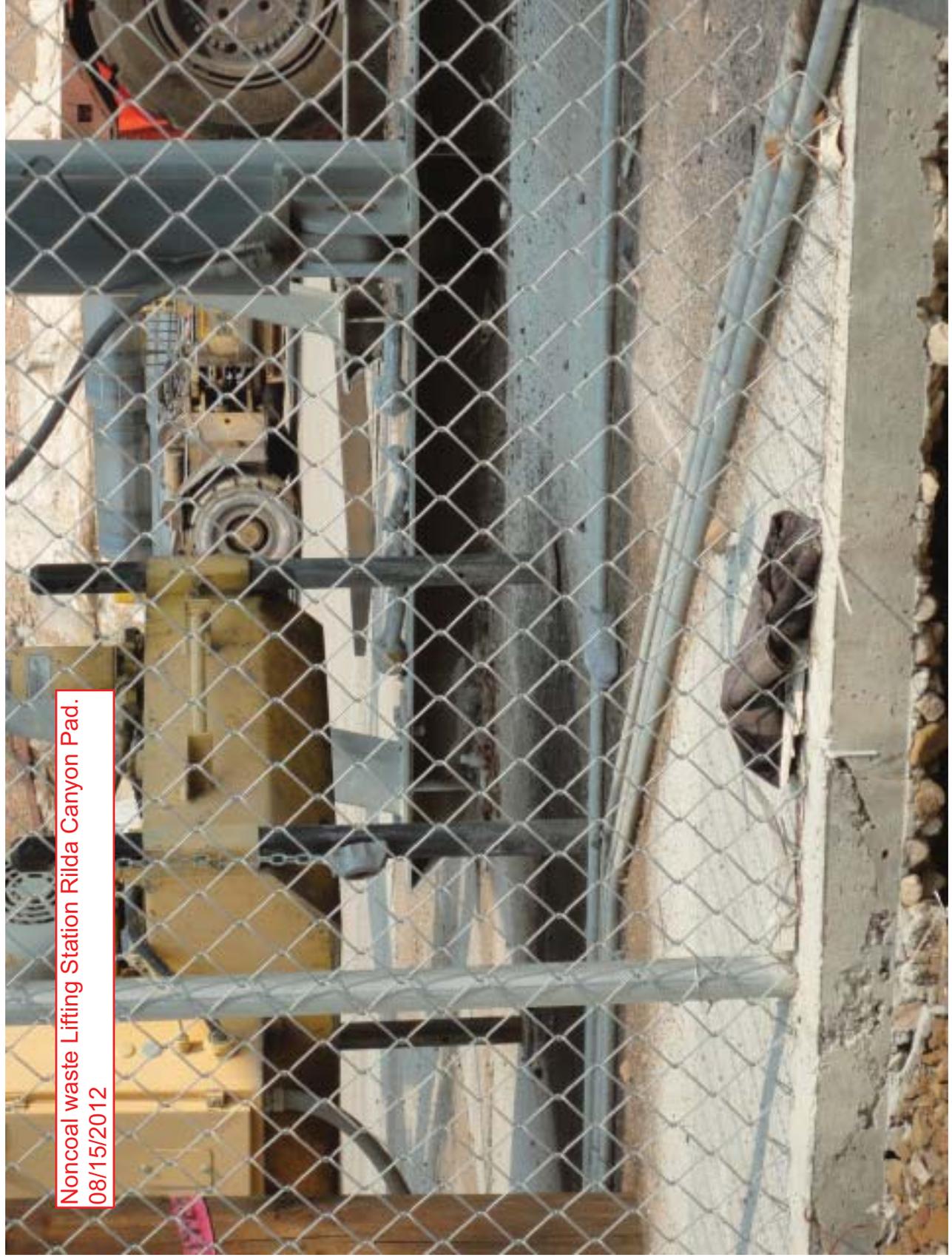


Culvert inlet covered with tumble weeds along side of Rilda access road.
08/05/2012

Diversion along Riida access road impacted with road sand. Road sand used to treat road in winter conditions. Road sand built up above the road crest elevation. 08/15/2012



Noncoal waste Lifting Station Rilda Canyon Pad.
08/15/2012



OBSERVER *R. Cullum*
 STATION *East Mt*
 ON 100 A.M. 7-1-2012
 OFF 1053 P.M. 8-3-2012

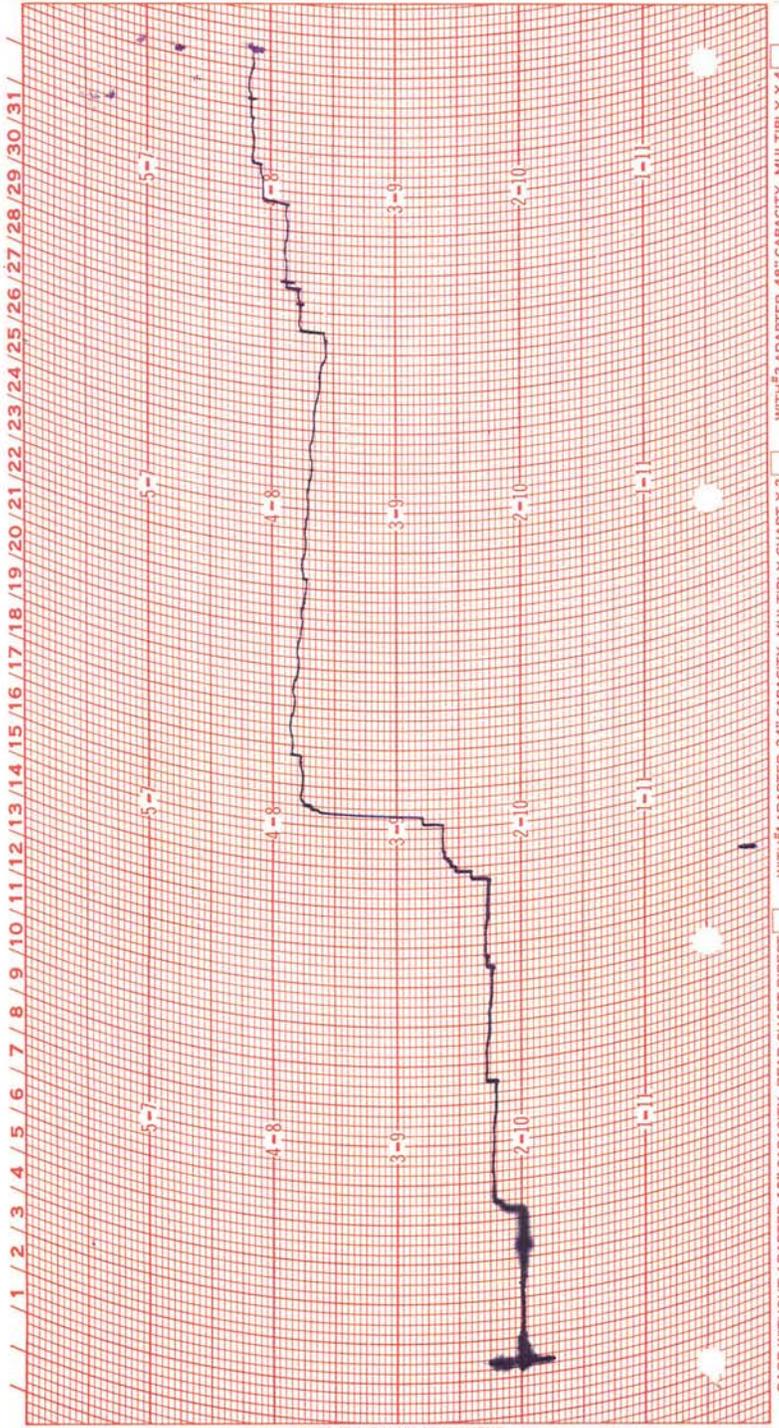


CHART NO. 15668
 12-INCH DUAL TRAVERSE MONTHLY 861 HRS.
 UNIVERSAL RAIN GAGE
 BELFORT INSTRUMENT COMPANY
 BALTIMORE, MARYLAND, U.S.A.



Noncoal Waste removed from Drop Inlet crest of Main Parking Lot.
08/16/2012



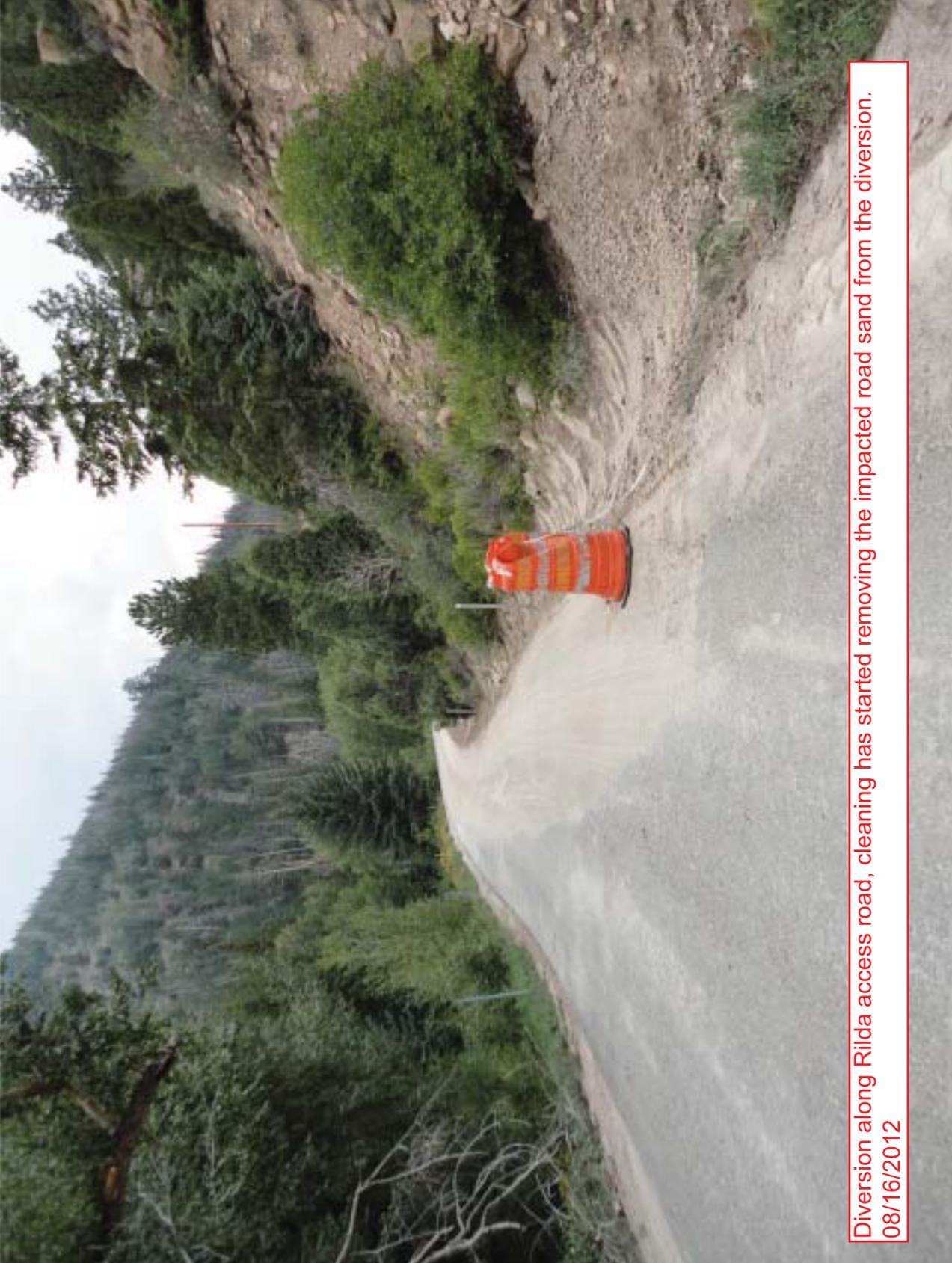
Noncoal Waste Items removed from Main Parking Lot diversion.
08/16/2012



Culvert Inlet ROM Pad partially cleaned.
Now Compliant. 08/16/2012



Culvert Inlet at the base of the Main Fan access Road cleaned.
Now Compliant (Fully Functional). 08/16/2012



Diversion along Rilda access road, cleaning has started removing the impacted road sand from the diversion.
08/16/2012



Diversion along Rilda access road, cleaning has started removing the impacted road sand from the diversion.
08/16/2012

NIELSON CONSTRUCTION

DAILY RECORD

Customer: Deer Creek mine

Date: Mon 4-30-2012

Job No.: 5533

75-8081

NAME	REG. HRS.	O.T. HRS.	WAGE	TOTAL
Lynn Minchey	5 1/2			
Ray Howell	5 1/2			
Riley Logan	5 1/2			

TOTAL LABOR _____

-EQUIPMENT-

DESCRIPTION AND MODEL	HOURS	RATE	SUB TOTAL
P-279 Lynn M	5 1/2		
BR-7 ROAD ROOM Riley L	5 1/2		

TOTAL EQUIPMENT _____

-MATERIAL-

DESCRIPTION	VENDOR	INVOICE/UNIT	RATE	COST
STARS ROAD TAX CHARGES				

TOTAL MATERIAL _____

TOTAL COST THIS DAY _____

COMMENTS: Tax check + Room used at Deer Creek

Mark Reynolds
OWNER REPRESENTATIVE

5-31-12
DATE

Lynn Minchey
NIELSON CONSTRUCTION REPRESENTATIVE

4-30-12
DATE

69449

NIELSON CONSTRUCTION

DAILY RECORD

Customer: JWR

Date: 4-30-12

Job No.: 5838
25-8001

NAME	REG. HRS.	O.T. HRS.	WAGE	TOTAL
Shawn Wood				

TOTAL LABOR _____

-EQUIPMENT-

DESCRIPTION AND MODEL	HOURS	RATE	SUB TOTAL
T-232 LowBoy 2 ton	2		

TOTAL EQUIPMENT _____

-MATERIAL-

DESCRIPTION	VENDOR	INVOICE/UNIT	RATE	COST
Broom				

TOTAL MATERIAL _____

TOTAL COST THIS DAY _____

COMMENTS: Moved Broom from yard to Rilda

Mark Reynolds
OWNER REPRESENTATIVE

5-31-12
DATE

69872