



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: | Tuesday, May 05, 2015 |
| Start Date/Time: | 5/5/2015 8:00:00 AM |
| End Date/Time: | 5/5/2015 12:00:00 PM |
| Last Inspection: | Thursday, April 09, 2015 |

| Representatives Present During the Inspection: | |
|--|-----------------|
| OGM | Karl Houskeeper |
| Company | Rick Cullum |

Inspector: Karl Houskeeper

Weather: Overcast, Temp. 54 Deg. F.

InspectionID Report Number: 4182

Accepted by: DHADDOCK
6/15/2015

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:

The division inspector checked in at the Energy West Main Office at the beginning of the inspection. Dennis Oakley and Ken Fleck were not available. Kerry Larsen and Rick Cullum assisted with the information needed (paperwork) for the complete inspection.

Rick Cullum accompanied the Division Inspector Karl Houskeeper for the field inspection.

The Main Portals now have pipes protruding past the portal face up and are covered by wire mesh. The only accessible portals are at the Rilda Facility. The main portals were closed off approximately two weeks ago.

Inspector's Signature:

Date: Tuesday, May 05, 2015

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 checked="" 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 checked="" 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

Division of Oil, Gas & Mining Permit C/015/0018 issued January 10, 2014 and expires February 7, 2016.

UPDES Permit Ut0023604 effective February 1, 2015 and expires at midnight on January 31, 2020.

SPCC Plan is dated December 2010. The spill plan is P.E. dated, stamped and signed by a registered P.E. in the State of Utah.

Air Quality Permit DAQE-AN0239003-02 issued on June 14, 2002 still remains effective for the mine site.

The current bond is \$3,374,000.

Insurance coverage is through Associated Electric and Gas Insurance Service LTD. The insurance is effective 10/01/2014 and expires 10/01/2015. Minimum required insurance coverage amounts have been met. The certificate holder is The State of Utah. The cancel clause is in accordance with Division policy. The insurance coverage includes explosion coverage.

Reclamation agreement is covered with Bond # 103908970. Signed by both parties July 25, 2005.

2. Signs and Markers

The mine identification signs were observed at the following locations:

Main Facility

Waste Rock Site

Rilda Facility

All signs were posted at access points from the public into the mining permit area.

The signs contained the required information that is required by regulation for public information.

Random checks for other signs was done during the complete inspection (Refuse Pile signs, Disturbed Area Signs, Topsoil Signs).

4.a Hydrologic Balance: Diversions

Numerous diversions and diversion structures were checked during the complete inspection. The culvert outlet by the water tank leading up to the main fan was almost completely closed (Crushed). A picture was taken and is enclosed in the PDF version of this inspection report. No offsite impact occurred or will occur. The diversion lies within the disturbed area and even in complete failure the water will still be treated by other structures. Water may still flow in the diversion in a diminished capacity similar to the diversions at the Skline Mine where Citation #15149 was issued and subsequently vacated.

Hence no enforcement action was taken.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The first quarter 2015 sediment pond inspections were done on 3/18/15. No problems were noted in the reports.

Rilda Pond
60% Sediment Level 7503.1'
Existing Sediment Level 7501.4'

Mine Site Pond
60% sediment level 7213.1
Existing sediment level 7210.69'

Waste Rock Pond
60% sediment Level 6312.7'
Existing sediment level None

4.e Hydrologic Balance: Effluent Limitations

The discharge monitoring reports for January, February and March 2015 were reviewed as part of the complete inspection. The reports were completed and submitted to DEQ. No parameters were exceeded for any of the referenced months.

7. Coal Mine Waste, Refuse Piles, Impoundments

The waste rock (refuse) inspections were done on 3/18/15 for the Main Waste Rock Site and on 3/12/15 for the Elk Canyon/Original sites. No structural problems were noted. The reports were P.E. certified by a Utah P.E. as required.

8. Noncoal Waste

Noncoal waste was observed in the main parking lot diversion. The amount of noncoal waste has increased. This is the fourth consecutive month that noncoal waste has been observed. The noncoal waste is confined to the disturbed area. No offsite impact has occurred. The Division Inspector has followed the admonition given by the Division Director/Informal Conference Officer for Citation #13157 at the SUFCO Mine " The actions or conditions for which the NOV were written were such minor deficiencies in the context of the operation, that they do not constitute a violation of the MRP and did not justify an NOV being issued. The matter would have been more properly addressed by a communication from the inspector to the operator about conditions that the operator should attend to ...".

The Division Inspector communicated with the company representative Rick Cullum about the noncoal waste during the complete inspection.

Hence no enforcement action was taken.

Pictures of the noncoal waste are attached to the PDF version of this inspection report.

20. Air Quality Permit

Air Quality Permit DAQE-AN0239003-02 issued on June 14, 2002 still remains effective for the mine site.

21. Bonding and Insurance

The current bond is \$3,374,000.



Noncoal Waste items Main Parking Lot



Noncoal Waste items Main Parking Lot



Noncoal Waste items Main Parking Lot



Crushed Culvert Along Side of Main Fan Access Road



Noncoal Waste items Undisturbed Inlet C1 to C2 Transfer