



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:	C0150019
Inspection Type:	COMPLETE
Inspection Date:	Monday, September 19, 2011
Start Date/Time:	9/19/2011 9:10:00 AM
End Date/Time:	9/19/2011 1:30:00 PM
Last Inspection:	Tuesday, June 14, 2011

Representatives Present During the Inspection:	
Company	Guy Davis
OGM	Pete Hess

Inspector: Pete Hess

Weather: Clear and cool: 70's to 80's F.

InspectionID Report Number: 2868

Accepted by: jhelfric

10/6/2011

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

Current Acreages

4,128.43	Total Permitted
45.28	Total Disturbed
21.29	Phase I
21.29	Phase II
21.29	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 site remains in temporary cessation status; the Division recently received information that the remaining reserves in the Cottonwood lease had been returned to PacifiCorp. The future plans for the Cottonwood Mine coal processing tipple and site are unknown at this time.

Inspector's Signature:

Pete Hess,

Inspector ID Number: 46

Date

Tuesday, September 20, 2011



Note: This inspection report was prepared by the Division of Oil, Gas and Mining. For more information, contact the Division of Oil, Gas and Mining, 1600 East 1200 South, Salt Lake City, Utah 84143, telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

OIL, GAS & MINING

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 type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The current DOGM permit remains in effect through July 2014.

3. Topsoil

All topsoil storage piles located in the Cottonwood/Wilberg permit area are stable; runoff on the piles is treated with silt fence / Excelsior log combinations. Erosive action was not noted on any of the piles.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The second quarter of 2011 impoundment inspections for the North and South ponds, and the waste rock site pond were performed by Mr. John Christensen, P.E. and Mr. Rick Cullum on June 17, 2011. None were reported as having any indication that hazards or unsafe conditions relative to stability existed. No ponds were observed as discharging. Relative to remaining sediment storage, the following volumes which remain prior to the 60% cleanout were reported; North pond, 0.24 AF. 2) South pond, 0.19 AF. 3) Waste rock pond, 0.14 AF. The pond inspection reports were P.E. certified by Mr. Christensen on July 14, 2011. All requirements for certification, (R156-22-601) are being met. As observed this day, all ponds contained water, with the waste rock pond containing the largest volume. Water in the North pond was observed to be 4.2 feet deep; the South pond only had a small amount adjacent to the vertical stand pipe.

4.d Hydrologic Balance: Water Monitoring

Second quarter 2011 surface and ground water monitoring data has been inserted into the Division data base pipeline, but, to date, the Permittee has not approved the data for uploading. As observed this day, the left fork of Grimes Wash was flowing, but the right was not. Cottonwood Creek above the Trail Mountain Mine site was flowing.

4.e Hydrologic Balance: Effluent Limitations

Monitoring reports for July 2011 were reviewed. Only outfall 001 was reported as having flow, with no parameter exceedances.

7. Coal Mine Waste, Refuse Piles, Impoundments

The 2nd quarter waste rock pile inspection was completed by John Christensen on June 17, 2011. No waste is currently being produced from coal processing, as the Deer Creek Mine is the only active mining site. Sediment pond material is disposed of here from the Trail Mountain, and Cottonwood Mine pond cleaning activities. Mr. Christensen performed the P.E. certification of the inspection report on July 14, 2011. As observed this day, the pile appears stable; no water is impounded, and there are no indications that spontaneous combustion is occurring within the pile.

9. Protection of Fish, Wildlife and Related Environmental Issues

No wildlife was observed during today's inspection of the Cottonwood Mine disturbed areas.

14. Subsidence Control

The Cottonwood / Wilberg Mines were sealed off in May/June 2001 after completion of mining activities at the Trail Mountain Mine. Subsidence monitoring reports are submitted as part of the required Annual Report for this site.

15. Cessation of Operations

This site remains in temporary cessation status. All gates are locked, and AC power has been de-energized. Water monitoring activities continue.

21. Bonding and Insurance

The current general liability insurance coverage remains in effect through August 28, 2012. The coverage amounts for the general aggregate and each occurrence categories are both \$ 2, 000,000; these amounts exceed the minimum amounts required under R645- 301-890.100 for the aforementioned categories. The posted bond amount which is in place amounts to \$ 2, 964,000.