



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:	Tuesday, December 11, 2012
Start Date/Time:	12/11/2012 2:00:00 PM
End Date/Time:	12/11/2012 3:30:00 PM
Last Inspection:	Tuesday, September 25, 2012

Representatives Present During the Inspection:	
OGM	Kenneth Hoffman
Company	Guy Davis

Inspector: Kenneth Hoffman

Weather: clear

InspectionID Report Number: 3330

Accepted by:

Permitee: **PACIFICORP**
 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

4,114.18	Total Permitted
45.27	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 Cottonwood / Wilberg Mine remains in temporary cessation status; there is no activity at the site. All electrical power has been disconnected and there are no reclamation activities occurring.

Inspector's Signature:

Date: Monday, December 11, 2012

Kenneth Hoffman,

Inspector ID Number: 66

Note: This inspection report is an official record of the Division of Oil, Gas and Mining. It is subject to audit and review. For more information, contact 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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 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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The Permittee is still in the process of the UPDES permit renewal.

2. Signs and Markers

During the last inspection it was suggested that one additional disturbed area perimeter marker / sign be placed at the Trail Mountain Access disturbed area (located in Cottonwood Canyon) to delineate the DAB on the south side of the belt conveyor tube. Mr. Davis had not yet completed this work at the time of the inspection but emailed that the work had been completed the day following the inspection.

4.a Hydrologic Balance: Diversions

The Permittee had improved the facility runoff control by placement of rotomill to create berms to direct runoff.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The third quarter 2012 impoundment inspections for the North and South ponds, as well as the active waste rock site pond were completed by Mr. Mark Reynolds, P.E. and Mr. Rick Cullum, Utah registered land surveyor on September 14, 2012. There were no signs of structural hazard or signs of instability identified for any of the impoundments. Both the North and South ponds were reported as having sufficient remaining sediment storage capacity below the 60 % cleanout elevation. The waste rock pond was reported as having sufficient remain storage capacity. All spillways and inlet ditches were reported as capable of functioning as designed. As observed this day, the South pond was dry, and the North pond was dry. The waste rock pond was dry. Mr. Davis indicated that the 4th Quarter 2012 impoundment inspections had been completed as of this day, but the engineering reports had not been completed. The monthly inspections for the North and South ponds (MSHA ponds) were current, with the last being completed on November 15, 2012. No issues were identified. Mr. Davis is the MSHA certified impoundment inspector for the Permittee.

4.c Hydrologic Balance: Other Sediment Control Measures

At the upper belt area one silt fence was observed to be very weathered and Mr. Davis committed to installing a waddle at the base of this fence during the next field season. During the last inspection The basin / waddle installation at the end of the ditch dropping into the active waste rock site pond had about 2 inches of freeboard remaining. The Permittee had cleaned this out and installed new waddles.

4.d Hydrologic Balance: Water Monitoring

The Permittee is currently entering 3rd Quarter 2012 water monitoring data into the DOGM electronic data base pipeline. All data is due by December 31, 2012.

4.e Hydrologic Balance: Effluent Limitations

The current UPDES permit is due to expire October 31, 2012. The Permittee submitted an application for renewal on February 15, 2012 to the Utah DWQ. All of the Permittees UPDES permits come due at the same time. Due to the devastation caused by the Seeley fire during the summer, the Permittee has hired a consultant to revise sections of the Deer Creek UPDES permit, before that permit can be renewed. Energy West has requested that the Utah DWQ extend the conditions and parameters of the current permit until the requested / proposed changes can be completed (expected to occur by January / February 2013). To date, DWQ has not responded to the Permittees request.

5. Explosives

There are no explosives or detonators in storage at the Cottonwood / Wilberg Mine. 2 magazines are permanently mounted adjacent to the Wilberg Fan installation; these have not been used for many years and are empty. All active storage for explosive materials occurs at the Central Warehouse location near Orangeville.

6. Disposal of Excess Spoil, Fills, Benches

7. Coal Mine Waste, Refuse Piles, Impoundments

Mr. Mark Reynolds, Utah registered professional engineer, conducted the 3rd Quarter 2012 waste rock pile inspections of the active waste rock and the reclaimed waste rock pile on September 18th and 17th respectively. No hazards were identified. No material is being placed on the "active" pile at this time, with the exception of pond cleanout material from the 3 Cottonwood / Wilberg ponds and the Trail Mountain mine site pond. The last material placed occurred in June of 2012 when the Trail Mountain mine site sediment pond was cleaned. The material has dried; spreading and compaction needs to be completed. The Permittee continues to inspect the reclaimed waste rock pile (old site); to date, MSHA has not acknowledged that the refuse disposal facility has been reclaimed. The disturbed area at this site (Federal lease # U-37642) contains areas for soil storage and rock storage, and this is why total bond release has not been granted for the area.

15. Cessation of Operations

There has not been any change in the temporary cessation status of this site.

16.a Roads: Construction, Maintenance, Surfacing

During the last inspection The Permittee's representative pointed out several holes in the asphalt paving where holes have developed, flushing the supporting road base down gradient. Nielson Construction has been scheduled to make the needed repairs to these voids to prevent further road damage. This work has been completed.

16.b Roads: Drainage Controls

Roto-Mill berms have been utilized along several reaches of road to divert water away from slopes, and reduce sediment loading.

18. Support Facilities, Utility Installations

All AC power has been disconnected for many years.

20. Air Quality Permit

DAQE-694-95 was last revised in August of 1995.

21. Bonding and Insurance

The Permittee has changed the term of its fiscal operating year to go from October 1 to September 30. Previous general liability coverage ran from August 28th to the following year. As a result of the operating fiscal year change, a new term policy coverage period has been installed to cover the period from August 28 through to October 1, 2012. A new policy has been implemented to provide annual liability coverage from October 1, 2012 to September 30, 2013. Coverage amounts for each occurrence and general aggregate amount to \$ 2,000,000 for each. Coverage for damage incurred from the use of explosives is provided, as is coverage for the repair of subsidence damage caused by mining. A Midterm review of the Cottonwood / Wilberg MRP including a re-evaluation of the reclamation cost estimate was completed as part of Task ID # 4078. The reclamation cost, escalated through 2016 was estimated at \$ 2,779,000. The posted bond \$2,964,000. Adequate bond coverage is in place.

22. Other

The chain link barricades at each of the portals are intact.

















