



State of Utah

Department of Natural Resources

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Executive Director

Division of Oil, Gas & Mining

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Division Director

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Governor

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Lieutenant Governor

April 10, 2006

TO: John R. Baza, Director *Noted 4/14/06 JRB*

THRU: Mary Ann Wright, Associate Director, Mining *MAN*

FROM: Pamela Grubaugh-Littig, Permit Supervisor *pgl*

RE: Coal Regulatory Program 2006 First Quarter Status Report – Permitting, Compliance and Administrative

PERMITTING

New Mines/Permit Extensions/Incidental Boundary Changes (IBC)

Lila Canyon Tract - Horse Canyon Mine (UtahAmerican Energy, Inc.)

Utah AmericanEnergy, Inc. acquired the Horse Canyon Mine permit on December 21, 1998. The application for the permit extension to the Horse Canyon Mine was received on September 8, 1998. This application was determined incomplete on November 6, 1998 and returned to the applicant. The applicant resubmitted this application on December 21, 1998. This application was determined administratively complete on February 26, 1999.

A concern letter about loss of surface water was received on March 30, 1999 from Josiah K. Eardley in response to the publication notice. The Division responded in a letter to Mr. Eardley on April 7, 1999 with more information and notified him that he could request an informal conference if need be. No conference was requested.

The technical adequacy of this application involved six rounds of deficiencies from May 27, 1999 to March 9, 2001. Responses were received through May 24, 2001. All findings were made and the revised permit was issued on July 27, 2001. The Mining Plan Approval was signed by the Secretary on November 5, 2001.

Southern Utah Wilderness Alliance (SUWA) filed an objection to the permit on September 4, 2001 with the Board of Oil Gas, and Mining. Determination of the type of hearing and the administrative record was heard during