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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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January 19, 1999

R. Jay Marshall, Resident Agent
UtahAmerican Energy, Inc.
P. O. Box 986
Price, Utah 84501

Re: Status of Phase II Bond Release (for 55 Acres) at the Horse Canyon Mine - Full Size Maps Needed, UtahAmerican Energy, Inc., Horse Canyon Mine, ACT/007/013-BR97B, Folder #4, Carbon County, Utah

Dear Mr. Marshall:

Intermountain Power Agency (IPA) completed reclamation on 55 acres of 68 acres of disturbance at the Horse Canyon Mine in the fall of 1991. The remaining 13 unreclaimed disturbed acreage will potentially be used for future mining activities. Phase I Bond Release for this 55 reclaimed acres was approved on February 5, 1997.

IPA submitted a Phase II bond release application for this Horse Canyon Mine on December 19, 1997. IPA responded to the initial deficiency document dated April 28, 1998 on October 8, 1998 (there were delays in the response due to concerns that were discussed during field visits on May 27, 1998 and September 14, 1998).

Prior to scheduling the Phase II bond release inspection, full-size maps clearly showing the areas of the Phase II bond release must be submitted. Acreage excluded from the bond release need to be clearly identified and verified.

If you have any questions, please call me.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Pamela Grubaugh-Littig'.

Pamela Grubaugh-Littig
Permit Supervisor