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

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October 18, 1999

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

Re: 2nd Technical Review of Lila Canyon Revision with Deficiencies, UtahAmerican Energy, Inc., Horse Canyon Mine, ACT/007/013-98-1, Folder #3, Carbon County, Utah

Dear Mr. Marshall:

The Division has completed a 2nd technical analysis (TA) of your application to permit the Lila Canyon Facilities as part of the Horse Canyon Mine. A copy is enclosed for your records. The purpose of this TA is to determine the technical adequacy of your application. As you will note, there are areas of deficiency in your application that prevent us from approving it at this time.

Please review the TA carefully to make sure you understand the concerns. The deficiencies will need to be adequately addressed before your application can be approved. In responding, please use the redline, strike-out editing method to identify additions and deletions to the previous submittal.

Another concern that was raised during the review (and not really discussed in the TA) was the inadequate identification of the plan. Currently the plan only references the "Lila Canyon Mine" and does not tie into the Horse Canyon Mine. It should be made clear that this application is a revision to the Horse Canyon Mine permit and is not an application for permitting a separate mine. There must be a clear tie to the Horse Canyon Mine Plan.

In order for us to further process your application, please provide a response by no later than December 20, 1999. You may submit it sooner if you are prepared and so desire. At that time you should plan on compiling your response into your application so that we have a complete and accurate plan to review. We will be happy to assist you in accomplishing this.

Please call if you have any questions.

Sincerely,

Daron R. Haddock
Permit Supervisor

Enclosure

cc: Dave Darby
Price Field Office

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Refer to:
 Confidential
 Shelf
 Expandable
Date 10/18/99 for additional information