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

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

December 28, 2000

Melvin Coonrod, Resident Agent  
Environmental Industrial Services  
31 North Main Street  
Helper, Utah 84526

Re: Findings for Change in Lease Ownership, UtahAmerican Energy Inc., Horse Canyon Mine, C/007/013-LF00C, Outgoing File

Dear Mr. Coonrod:

The above-referenced amendment has been reviewed and there are deficiencies that must be adequately addressed prior to approval. A copy of our technical analysis is enclosed for your information. Please respond to these deficiencies by January 29, 2001, or the Division will return your application.

If you have any questions, please feel free to call me at (801) 538-5268 or Paul Baker at (801) 538-5261.

Sincerely,

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

Pamela Grubaugh-Littig  
Permit Supervisor

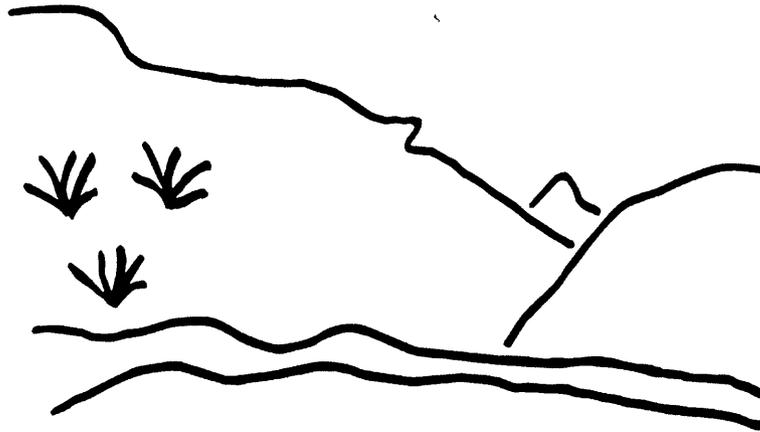
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Enclosure:

cc: Price Field Office

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# State of Utah



## Utah Oil Gas and Mining

### Coal Regulatory Program

Horse Canyon Mine  
Change in Lease Ownership  
C/007/013-LF00C  
Technical Analysis  
December 28, 2000

## GENERAL CONTENTS

### IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

#### **Analysis:**

In July 2000, UtahAmerican Energy, Inc., purchased all of Intermountain Power Agency's holdings associated with the Horse Canyon Mine. The application includes updated land ownership information to reflect these changes.

The existing mining and reclamation plan contains ownership and control information for UtahAmerican, including its officers and directors and information about affiliated companies and their coal mining and reclamation operations.

The applicant has updated the surface ownership map, Plate I-1, and the ownership information on this plate is in agreement with the text of the application. Plate I-1 does not provide complete subsurface ownership information. The revised Appendix 1-2 contains legal descriptions and coal ownership information for the permit area, but regulation R645-301-521.131 requires that the plan include a map showing present owners of record of those lands, both surface and subsurface, in and contiguous to the permit area. Plate I-2 in the current mining and reclamation plan has subsurface ownership information, but this plate is outdated and needs to be replaced.

General legal descriptions for the permit area and contiguous areas in the revised Appendix 1-2 were checked as far as possible against the revised Plate I-1. Although Plate I-1 contains some subsurface ownership information, it was impossible to make a complete check for subsurface ownership. The legal descriptions in Appendix 1-2 do not apply strictly to the permit area; if they did, they would have to be metes and bounds descriptions. Appendix 1-2 simply identifies lands within which the permit area lies and lands adjacent to the permit area. Because the legal descriptions are not precise, the descriptions for the permit area overlap in many cases with those of the contiguous area..

A table like that found in Appendix 1-2 is not required by regulation, but if it is included in the mining and reclamation plan, it needs to be accurate. The Division found the following discrepancies between the information in Appendix 1-2 and what is shown on Plate I-1:

For the permit area:

1. In Section 4, Township 16 South, Range 14 East, the legal description includes both SE $\frac{1}{4}$  NE $\frac{1}{4}$  and the S $\frac{1}{2}$  SE $\frac{1}{4}$  NE $\frac{1}{4}$ . These areas overlap.
2. Also in Section 4, Township 16 South, Range 14 East, there is no description for anything in the SE $\frac{1}{4}$  although Plate I-1 shows a portion of the permit area there.

For contiguous areas:

1. Section 4, Township 16 South, Range 14 East, should include the NE $\frac{1}{4}$  SW $\frac{1}{4}$  and the NW $\frac{1}{4}$  SE $\frac{1}{4}$ .
2. Section 9 , Township 16 South, Range 14 East, should include the SE $\frac{1}{4}$  NE $\frac{1}{4}$ .
3. Section 10, Township 16 South, Range 14 East, should include the NE $\frac{1}{4}$  NE $\frac{1}{4}$ , the SW $\frac{1}{4}$  SE $\frac{1}{4}$ , and possibly the SE $\frac{1}{4}$  SW $\frac{1}{4}$ .
4. In Section 11, Township 16 South, Range 14 East, there are three quarter quarter sections listed that do not appear to be contiguous to the permit area. These are the NW $\frac{1}{4}$  NE $\frac{1}{4}$ , the NE $\frac{1}{4}$  SE $\frac{1}{4}$ , and the SE $\frac{1}{4}$  SE $\frac{1}{4}$ .
5. Also in Section 11, the W $\frac{1}{2}$  W $\frac{1}{2}$  contains land that is contiguous to the permit area but is not listed in the appendix.

**Findings:**

Information in the proposal is not adequate to meet the requirements of this section of the regulations. Prior to final approval, the applicant must supply the following information in accordance with:

**R645-301-112.500; R645-301-121.100, and R645-301-521.131,** The land ownership information on Plate I-2 in the current mining and reclamation plan needs to be updated and must correspond with information in the text.

**R645-301-112.500, R645-301-112.600, and R645-300-133.100,** The legal descriptions of the permit area and contiguous areas needs to correspond with what is shown on Plate I-1.

**RIGHT OF ENTRY**

Regulatory Reference: 30 CFR 778.15; R645-301-114

**Analysis:**

The application says UtahAmerican Energy purchased IPA's interest in the federal leases in July 2000 and that the Bureau of Land Management (BLM) is assigning all rights directly to UtahAmerican Energy. On September 11, 2000, the Division received a letter from the BLM with copies of assignments from IPA to UtahAmerican of six federal leases. A portion of only one of these, SL-066145, is in the permit area.

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**GENERAL CONTENTS**

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Revised : December 28, 2000

There is one area in Section 34, Township 15 South, Range 14 East, where the subsurface owner is not known, so it appears the applicant does not have right of entry for this area. While this is an unusual situation, it is not essential for the applicant to have right of entry for this area unless it is proposing to extract coal.

**Findings:**

Information in the application is adequate to meet the requirements of this section of the regulations.

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