



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)

Via fax on 3/26/2002  
 (435) 587-2193

March 26, 2002

W. Herbert McHarg  
 Southern Wilderness Alliance  
 Monticello Office  
 P.O. Box 401  
 Monticello, Utah 84535

RE: Lila Canyon Extension Application, Horse Canyon Mine, C/007/013, Request for an Informal Conference.

Dear Mr. McHarg:

This letter is written in response to your letter of March 15, 2002. In that letter you have requested an informal conference. Our rules require that a conference be held within 30 days following the receipt of the request (R645-300-123.200). From your letter, I understand that you are specifically asking that such conference not be held until after April 22, 2002. If I am incorrect in this regard, please contact me immediately so we may have a hearing scheduled within 30 days of March 21, 2002, the receipt date of your letter.

I note your comments regarding the naming of this submittal as an "extension". For us the name is not as important as how the application is processed. Under our rules, at R645-303-220, permit changes (which includes the Lila Canyon application) are categorized as either Significant Permit Revisions or Permit Amendments which include Incidental Boundary Changes. We have in the past used terminology of Significant Revision. We have determined to accept the more generic term of "extension" which has no size criteria associated with it. Even a "small extension" except for an Incidental Boundary Change would be processed under the rules for new permits, significant revisions and permit renewals at R645-300-100. By the way, the prior submittal from UEI, the Lila Canyon Significant Revision was also processed under R645-300-100.

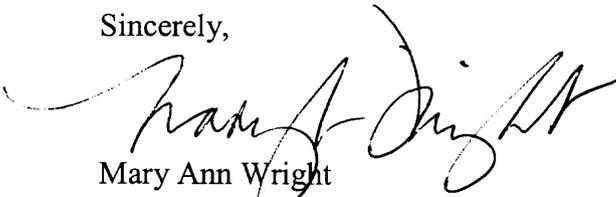
You are correct that this Division has made a determination of 'administrative completeness', but not of 'technical adequacy'. We are currently making an initial review for technical adequacy and when complete, that letter and information will be available in our Public Information Center files here in the OGM Salt Lake office.

The rules allow that "any person having an interest which is or may be adversely affected by the decision on the application...may request that the Division hold an informal conference on the application for a permit, significant revision..." The rules and our review process do not provide for a "sit in with the Division as the Division perform(s)[ed] its review." What we can do, however, is hold informal discussions in conjunction with the informal conference which you have requested. We would schedule that meeting on that same day immediately preceeding the actual informal hearing. In addition, we can also schedule informal discussion meetings prior to the date of the informal hearing. In all such cases of informal meetings, the applicant will also be invited to attend. Please make your request for an informal meeting or discussion by contacting me at 801-538-5306.

The Division does not use or maintain mailing lists of affected parties. Such lists always spell difficulty as addresses and parties change and become outdated. The public notice requirements are spelled out clearly in our rules and my best suggestion is that subscriptions to newspapers in areas of interest for mining would provide adequate notice to all parties. We are also working on an internal system that will post public notice on our website.

Ms. Vickie Southwick will be contacting you to establish a time and date for a conference. Please call me if you have questions in the interim. Again I am at (801) 538-5306 and Vickie Southwick's number is (801) 538-5304.

Sincerely,



Mary Ann Wright  
Associated Director, Mining

vs

Cc: UEI Resident Agent, Jay Marshall  
P:\GROUPS\COAL\WP\007013.HOR\FINAL\mchargdraft2.doc