



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)

January 24, 2002

Jay Marshall, Project Engineer
Utah American Energy, Inc.
P.O. Box 986
Price Utah 84501

Re: Phase II Bond Release and Inspection of Horse Canyon Mine, Utah American Energy, Inc., Horse Canyon Mine, C/007/013-BR97B, Outgoing File

Dear Mr. Marshall:

The inspection conducted on December 21, 2001 by David Darby and Karl Houskeeper found problems with the reclamation of the Refuse Pile Channel and #2 Sedimentation Pond that need to be remediated before the Division can issue final approval for Phase II bond release.

During the inspection it was noted that there is a two-foot elevation difference (drop) from the contact point between the rebuilt channel and Horse Canyon Creek. The drop is sudden and occurs in soft soil type material, and is not protected by riprap. The contact between channels should be gradual; otherwise it establishes a nickpoint where headcutting can begin. The lower end of the channel will require reshaping and riprap protection.

It was also noted during the inspection of the #2 Sedimentation Pond that some stands of rebar were sticking out of the ground. They need to be removed. Although, snow on the ground prevented a thorough check that day to see how deep the concrete was buried, the rebar must be removed and you should ensure all concrete is buried sufficiently to allow root growth, assuring maximum vegetation cover.

If you have any questions, please call me at (801) 538-5268.

Sincerely,

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

Pamela Grubaugh-Littig
Permit Supervisor

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cc: Dave Darby, DOGM
Karl Houskeeper, DOGM
Price Field Office

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