



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

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February 26, 2002

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

Re: Lila Canyon Extension, Utah American Energy, Inc., Horse Canyon Mine, C/007/013-PM02B, Outgoing File

Dear Mr. Marshall:

The Division approved your previous application for the Lila Canyon Mine on July 27, 2001. The Board of Oil Gas and Mining overturned the decision, denying the permit, on December 14, 2001. We received your new application for the Lila Canyon Extension to the Horse Canyon Mine on February 11, 2002. It was determined to be administratively complete on February 19, 2002 and the technical review portion of the permitting process is now underway. We anticipate completing this review by April 30, 2002. Priscilla Burton has been assigned as the Lead on this project. Since your application involved updating the July 27, 2001 version of the plan, which is already on file, we are forwarding copies of the updated information to the Office of Surface Mining, and the Bureau of Land Management so they will have a current version of the application for their review and concurrence.

If you have any question, please call Priscilla Burton at (801)-538-5288 or me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Permit Supervisor

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cc: Larry Kline, OSM w/application
Richard Manus, BLM w/o
Mark Page, Water Rights w/o
Dave Ariotti, DEQ w/o
Derris Jones, DWR w/o
Price Field Office w/o
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