



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

OK

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April 11, 2002

Jay Marshall
UtahAmerican Energy, Inc.
P.O. Box 968
Price, Utah 84501

Re: Approval of Phase II Bond Release, UtahAmerican Energy, Inc. (UEI), Horse Canyon Mine, C/007/013-97BR, Outgoing File

Dear Mr. Marshall:

The phase II bond release for a portion of the Horse Canyon Mine is approved. OSM concurrence was received for this phase II bond release on November 9, 1999 (see attachment). This bond release is for 51.56 acres of disturbance in the amount of \$191,672. The amount of \$88,492 is being held back as the amount necessary to revegetate the 51.56 acres in the event of revegetation failure during the remainder of the permittee's liability period for this area.

Currently, a bond for \$2,809,000 is posted (which includes the Lila Canyon extension, as well as the increased amount for the permit renewal). Therefore, the posted amount will be \$2,617,328.

This bond release was conditionally approved on November 10, 1999, conditioned upon the removal of culverts and sedimentation ponds. This work was recently done by UEI and signed off during an inspection done by the Division on March 21, 2002 (see attached field visit report).

If you have any questions, please call Pamela Grubaugh-Littig at 801-538-5268.

Sincerely,

Lowell P. Braxton
Director

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Enclosures

cc Carbon County (certified mail) (w/o)
Emery County (certified mail) (w/o)
Jim Fulton
Price Field Office

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