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

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OK

September 6, 2002

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

Re: Approval of Phase II Pond #1 As Built, UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/013-AM02C, Outgoing File

Dear Mr. Marshall:

The above-referenced amendment is approved effective September 5, 2002. A stamped incorporated copy is enclosed for your copy of the Mining and Reclamation Plan.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Pamela Grubaugh-Littig'.

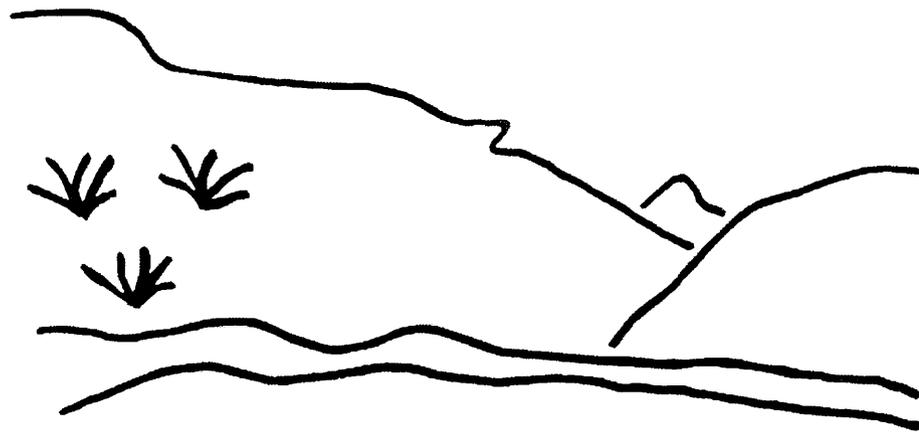
Pamela Grubaugh-Littig
Permit Supervisor

an
Enclosure

cc Ranvir Singh, OSM
Tom Rasmussen, BLM
Mark Page, Water Rights w/o
Dave Ariotti, DEQ w/o
Derris Jones, DWR w/o
Price Field Office

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Horse Canyon Mine
Phase II Pond #1 As Built
C/007/013-AM02C
Technical Analysis
September 5, 2002

TECHNICAL ANALYSIS

The Division regulates the Surface Mining Control and Reclamation Act of 1977(SMCRA). When mines submit a Permit Application Package or an amendment to their Mining and Reclamation Plan, the Division reviews the proposal for conformance to the R645-Coal Mining Rules. This Technical Analysis is such a review. Regardless of these analyses, the permittee must comply with the minimum regulatory requirements as established by SMCRA.

Readers of this document must be aware that the regulatory requirements are included by reference. A complete and current copy of these regulations and a copy of the Technical Analysis and Findings Review Guide can be found at <http://ogm.utah.gov/coal>

This Technical Analysis (TA) is written as part of the permit review process. It documents the Findings that the Division has made to date regarding the application for a permit and is the basis for permitting decisions with regard to the application. The TA is broken down into logical section headings which comprise the necessary components of an application. Each section is analyzed and specific findings are then provided which indicate whether or not the application is in compliance with the requirements.

Often the first technical review of an application finds that the application contains some deficiencies. The deficiencies are discussed in the body of the TA and are identified by a regulatory reference which describes the minimum requirements. In this Technical Analysis we have summarized the deficiencies at the beginning of the document to aid in responding to them. Once all of the deficiencies have been adequately addressed, the TA will be considered final for the permitting action.

It may be that not every topic or regulatory requirement is discussed in this version of the TA. Generally only those sections are analyzed that pertain to a particular permitting action. TA's may have been completed previously and the revised information has not altered the original findings. Those sections that are not discussed in this document are generally considered to be in compliance.

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TECHNICAL ANALYSIS

INTRODUCTION

INTRODUCTION

UtahAmerican Energy, Inc. submitted final as built drawings for the #1 Sedimentation Pond on July 22, 2002 in response to a letter from the Division of June 20, 2002, reminding them to do so. The drawings depict the final configuration of the hillside and drainage.

In a letter dated November 10, 1999, UEI was granted conditional approval for Phase II bond release.

Reclamation work began on the sedimentation pond on November 23, 2001. A review of the reclamation work was conducted on December 21, 2001.

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September 5, 2002

INTRODUCTION

RECLAMATION PLAN

RECLAMATION PLAN

MAPS, PLANS, AND CROSS SECTIONS OF RECLAMATION OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-323, -301-512, -301-521, -301-542, -301-632, -301-731.

Analysis:

Reclamation Facilities Maps

The permittee submitted a topographic map and cross-sections of the reclaimed #1 Sedimentation Pond. The drawings depict the reclaimed surface and final grade of the drainage and hillside.

Findings:

The applicant has submitted sufficient information to address Phase II Bond release. The information will be placed in the Mining and Reclamation Plan.