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Date: 9/7/2004 11:47:42 AM
Subject: Mine Plan Determination - Horse Canyon

Attached is OSM's final decision regarding the need for a Mining Plan Modification for the above subject. A signed copy will be sent to you in today's mail.

In accordance with the Federal regulations under 30 CFR 740.13(d), other Federal agencies that may have an interest in, or jurisdiction over, the above subject operation have also been notified of OSM's decision electronically.

No responses to this transmittal are necessary.

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CC: "Mitchell Rollings" <MROLLING@osmre.gov>, "Ranvir Singh" <RSINGH@osmre.gov>

UT-0020

September 7, 2004

Utah Division of Oil, Gas, & Mining
Coal Regulatory Program
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: UtahAmerican Energy, Inc. "Horse Canyon Mine" - Application for a Permit
Revision, Revegetation Standards

Dear Sir or Madam:

This in response to the Utah Division of Oil, Gas, & Mining's (UT-DOG M) September 2, 2004, request for a decision, under 30 CFR 944.30, whether the above subject permit revision constitutes a mining plan modification.

Mining plan approvals by the Secretary of the Interior are required under the Mineral Leasing Act of 1920, 30 U.S.C. 181, *et seq.* before coal mining can occur on Federal lands. This letter serves to document OSM's determination whether or not a mining plan approval from the Secretary is required for the above permitting action.

OSM's review of the Application for a Permit Revision, Revegetation Standards, has determined that it proposes to revise the revegetation standards, as a result of a Phase II bond release at the Horse Canyon mine, Utah State permit C/007/013. In addition, the Application for a Permit Revision included an updated Certificate of Public Liability Insurance and updated the permittee's corporate address.

Based on a review of the activities associated with the permit revision, OSM has determined that the proposal does not meet the requirements of 30 CFR 746.18(d). Therefore, the proposed permit revision does not constitute a mining plan action requiring Secretarial approval.

OSM's decision was based solely upon the Federal regulations under 30 CFR PART 746 and not the technical aspects of the revision application itself. Consequently, OSM's decision does not relieve UT-DOG M from coordinating the review and approval of the Application for a Permit Revision, Revegetation Standards with other Federal agencies for compliance with other Federal regulations.

OSM also electronically transmitted the September 2, 2004 request to the Bureau of Land Management and the U.S. Forest Service for their review and comment.

In an electronic transmittal dated September 7, 2004, the U.S. Forest service stated it had no comments regarding the application for a permit revision.

In an electronic submittal dated September 7, 2004, the Bureau of Land Management stated in its opinion the Application for a Permit Revision, Revegetation Standards did not constitute a change that would warrant a mining plan modification.

Should you have any questions regarding this letter or approval, please contact Carl R. Johnston, Utah Federal Lands coordinator, at (303) 844-1400, extension 1500.

Sincerely,

Ranvir Singh
Manager, Northwest Branch

cc: Denver Field Division