



southern
utah
wilderness
alliance

VIA ELECTRONIC MAIL AND FIRST CLASS MAIL

November 23, 2005

John Baza
Director - Utah Division of Oil, Gas and Mining
1594 West North Temple
P.O. Box 145801
Salt Lake City, Utah 84114

*Incoming
C/007/0013*

Re: *Response to Utah American Energy Inc. November 23 Letter
Horse Canyon Mine, Lila Canyon Extension C/007/013*

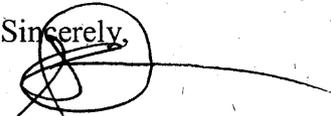
Dear Director Baza:

This letter responds to Utah American Energy's (UEI) November 23rd letter to you requesting that UEI be permitted to attend a meeting scheduled for December 8th between Southern Utah Wilderness Alliance (SUWA) and Division staff. To put this meeting in context, at the end of the Informal Conference hearing held on November 8th, SUWA agreed to a request by the Division to sit down informally and discuss some lingering issues of concern to SUWA regarding UEI's application. On November 22nd, I received a call from Ms. Dragoo asking whether SUWA would object to UEI participating in the December 8th meeting. I told Ms. Dragoo that I would consider her request and get back to her shortly. After reflecting on UEI's request and reviewing Ms. Dragoo's letter, SUWA believes that UEI's presence and participation would hinder, rather than facilitate, an open discussion and dialogue between SUWA and the Division and thus do not agree that UEI should be permitted to attend this informal meeting.

As for Ms. Dragoo's suggestion that you had directed SUWA to respond to the letter provided by the Division through its counsel to SUWA at the informal conference on November 8th (a four-page letter raising 17 separate points), there is simply no basis for this argument. SUWA did not commit to respond to Mr. Alder's letter and you did not direct SUWA to do so. At end of the informal conference, you stated that SUWA would have until November 18th to review the records previously unavailable in the public information center and provide the Division with any additional comments. SUWA hand delivered a letter to you on November 18th with those comments. I have attached the relevant pages from the Informal Conference transcript that confirms this point.

Feel free to contact me with any questions: (801) 486-3161.

Sincerely,


Stephen Bloch
Staff Attorney

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DIV. OF OIL, GAS & MINING

425 East 100 South
Salt Lake City, Utah 84111
Phone: 801-486-3161
Fax: 801-486-4233
Website: www.suwa.org

Rec'd. 11/18/05 ANU

COPY OF TRANSCRIPT

BEFORE THE DIVISION OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES

STATE OF UTAH

IN THE MATTER OF THE
LILA CANYON, SUPPLEMENTAL CAUSE NO. C/007/013
HORSE CANYON MINE,
CARBON COUNTY, UTAH

~~~~~  
INFORMAL CONFERENCE

~~~~~  
TAKEN AT: Department of Natural Resources
1594 West North Temple
Salt Lake City, Utah 84114-5801

DATE: November 9, 2005

TIME: 9:03 a.m.

REPORTER: Nancy A. Fullmer, RMR



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1 HEARING OFFICER BAZA: Was it a motion
2 to strike?

3 MR. ALDER: I don't think there is a
4 thing for an informal conference. I think the
5 record should be clear that it really doesn't have
6 anything to do with the decision process and it's
7 nothing new.

8 HEARING OFFICER BAZA: Very well. I
9 would like to take ten minutes with Heather and
10 discuss this. So if you'll all just hang loose
11 for a few minutes, we'll go off the record and
12 come back in a few minutes.

13 (Recess taken.)

14 HEARING OFFICER BAZA: Okay. We'll go
15 back on the record now. Let me start my comments
16 by saying that I appreciate all the parties who
17 have been involved in this for their efforts. I
18 think that the--any decisions that the Division
19 will make will have added value because of this
20 the efforts of the various parties and the
21 communication that has occurred and the comments
22 that have been made. So I really appreciate
23 everyone taking the time and making the effort to
24 do this.

25 As I indicated in the beginning, and



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1 I'll paraphrase what I said initially, the purpose 1
2 of this proceeding in my mind is to determine 2
3 whether the application fulfills the intent of the 3
4 administrative process and whether there was any 4
5 new information to be gained or added information 5
6 that could be provided during the informal 6
7 conference. There's been a lot of water under 7
8 the bridge on this. And there's been a lot of 8
9 effort and time put in by all the parties in 9
10 trying to present information. However, what I've 10
11 heard today doesn't necessarily indicate that the 11
12 informal conference needs to be continued or 12
13 extended. There is a process yet remaining with 13
14 the Division where they have to issue a permanent 14
15 decision within 60 days of the close of the 15
16 informal conference. And I would expect that the 16
17 parties would continue to dialogue and communicate 17
18 during that period of time. But in fairness to 18
19 Mr. Bloch and the fact that he explored our 19
20 record last week and was not able to find certain 20
21 documents that he felt would have added to his 21
22 presentation, I'm going to allow that this 22
23 informal conference will remain open, the record 23
24 remain open until November 18th, which is about 24
25 ten days from now. So, Mr. Bloch, what I'll 25



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1 instruct you to do is to make whatever further
2 analysis or comment or anything that you think
3 would add to--value to the Division's decision
4 making by the close of business on November 18th.
5 And then at that point this informal conference
6 will close and that is my decision. With that we
7 know that the Division will then have no more
8 than 60 days in which to render a decision on the
9 permit. And, of course, the Division should
10 continue to communicate with the parties involved,
11 to get answers to their questions, and to ensure
12 that they've got all the information they need to
13 render that decision. And I think that that
14 tries to split the baby a little bit. It's
15 longer than five days maybe not as much as thirty
16 days, but it will allow this record to remain
17 open until close of business on November 18th.
18 So, again, I thank everyone involved. I
19 appreciate you being here. Again, it has added to
20 the process to have these meetings and these
21 conferences, and we'll try to progress very
22 quickly and expeditiously from this point.

23 One more thing on the record: I think I
24 have to do a written decision, and that decision
25 will be issued within a reasonable time after the



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