

June 5, 2006

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

Subject: Phase III Bond Release UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/0013, Task ID #2409, Outgoing File

Dear Mr. Marshall:

The above-referenced amendment has been reviewed. There are deficiencies that must be adequately addressed prior to approval. In order for us to continue to process your application, please respond to these deficiencies by July 7, 2006.

The deficiencies are as follows:

R645-301-762.100 The Permittee must reconstruct the Refuse Pile channel to meet the standard for a 100 yr-24 hr precipitation event prior to receiving Phase III bond release.

R645-301-880.130, The Permittee must include a notarized statement that certifies that all applicable reclamation activities have been accomplished in accordance with the requirements of the R645-Rules.

R645-301-880.120, The Permittee must state in the newspaper advertisement the type of bond, such as surety, letter of credit or collateral and describe the 6.5-acre area and the 0.02-acre area. The Permittee must state in the letters sent to adjoining property owners and government agencies • the correct acreage (the letters state that 51.56 acres are scheduled for bond release instead of 74.26 acres), • that bond release will occur on four subareas and what those subareas are, • the location of the property, • a description of the results achieved during reclamation and • that the recipient can submit objections to a request for a public hearing or informal conference to the Division.

R645-301-121.100, The Permittee must include information in the bond release package that discusses the 6.5-acre area and 0.02 acre area. The Permittee must provide documentation that the 6.5-acre area was

not disturbed in the past ten years or that the areas or subareas meet the requirements for Phase I and Phase II bond release. The Permittee must also provide documentation that the 0.02-acre has an alternative postmining land use.

R645-301-412.100, The Permittee must include detailed information in the bond release package about the postmining land use and how it will be achieved. The Division needs specific information on the 6.5-acre area and the 0.02-acre area. In addition, the Permittee did not include information on the road that was deeded to the County. Even though the transfer took place bond release on the road must take place.

R645-301-542.620, The Permittee must show that the bridge abutments are part of the postmining land use.

R645-301-553.100, The Permittee must include detailed information in the bond release package about how the 6.5-acre area and the 0.02-acre area met the AOC requirements.

R645-301-880.310 and R645-301-880.320, The Permittee must show how they met all of the requirements for Phase I and Phase II bond release on the 6.5 acre area that was not part of the Phase I and Phase II bond release.

R655-301-542.710 and R645-301-551, The Permittee must include a narrative that states how all underground openings including the portals were permanently seal unless they were needed for the postmining land use.

R645-301-542.600, The Permittee must include a narrative of which roads were retained, and which roads were reclaimed and how each effort met the regulatory requirements. For example, the Permittee must state how the main mine road was deeded to the County. Unless the County road was given Phase III bond release then the Permittee must include that area in the Phase III bond application.

R645-301-542.200 The Permittee must include as built maps and cross sections for the areas that were no part of the Phase II bond release.

R645-301-542.320 The Permittee must label and show all surface and subsurface manmade features that they will leave at Phase III bond release.

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If you have any questions, please call me at (801) 538-5268 or
Wayne Western at (801) 538-5263.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

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cc: Price Field Office
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