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ddragoo@swlaw.com

March 28, 2007

**HAND DELIVERED**Ms. Pamela Grubaugh-Littig  
Utah Division of Oil, Gas and Mining  
1594 West North Temple  
Salt Lake City, Utah 84114**RE: Horse Canyon Mine, C/007/013**

Dear Ms. Grubaugh-Littig:

Enclosed is a petition to suspend monitoring at one groundwater site (RS-2) and two surface water sites (HC-1 and RF-1) in Horse Canyon because these monitoring sites are no longer necessary. Mining at the Horse Canyon Mine has been completed since October 14, 1982. The petition to suspend water monitoring sites will be added to Appendix VI-5. Enclosed are five copies of the petition and Forms C-1 and C-2 which have been executed by Jay Marshall on behalf of UtahAmerican Energy, Inc..

We appreciate your assistance in this matter.

Very truly yours,



Denise A. Drago

DAD:jmc:436675  
Enclosures  
cc: ✓ Jay Marshall

SALT LAKE CITY, UTAH

PHOENIX, ARIZONA

TUCSON, ARIZONA

IRVINE, CALIFORNIA

DENVER, COLORADO

LAS VEGAS, NEVADA

*Jay Marshall*  
C/007/0013  
#2810

RECEIVED  
MAY 18 2007

DIV. OF OIL, GAS &amp; MINING

# APPLICATION FOR PERMIT PROCESSING

<input type="checkbox"/> Permit Change	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: ACT/007/013
Title of Proposal: Horse Canyon Mine 07-007 (suspend water monitoring)						Mine: Horse Canyon
						Permittee: UtahAmerican Energy, Inc.

Description, include reason for application and timing required to implement:

**Instructions:** If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation

<input type="checkbox"/> Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input type="checkbox"/> No	2. Is the application submitted as a result of a Division Order? DO # _____
<input type="checkbox"/> Yes	<input type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	9. Is the application submitted as a result of a Violation? NOV # _____
<input type="checkbox"/> Yes	<input type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain: _____
<input type="checkbox"/> Yes	<input type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)
<input type="checkbox"/> Yes	<input type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

**X Attach 5 complete copies of the application.**

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

*Ryan Marshall* Chief Engineer 5/10/07  
Signed Name - Position - Date

Subscribed and sworn to before me this 10 day of May, 2007.

*Rochelle Wood*  
Notary Public

My Commission Expires: 06-16-2010  
Attest: STATE OF UTAH COUNTY OF Cochise



**ROCHELLE WOOD**  
NOTARY PUBLIC - STATE OF UTAH  
90 NORTH 400 EAST PO BOX 544  
WELLINGTON, UT 84142  
COMM. EXP. 06-16-2010

Received by Oil, Gas & Mining

**RECEIVED**  
**MAY 18 2007**

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER



## **Petition to suspend water monitoring sites**

### **Appendix VI-5**

UEI hereby requests to terminate monitoring at one groundwater site (RS-2) and two surface water sites HC-1 and RF-1 in Horse Canyon. UEI contends that monitoring these sites is no longer necessary for the following reasons. Mining at the Horse Canyon Mine (Geneva Mine) has been completed since October 15 1982. All changes from subsidence and influences to groundwater should have taken place and stabilized by now. The current discharge rate of Redden Spring reflects the post-mining water supply. No impacts have been found or identified.

#### WATER MONITORING

Reclamation water monitoring consists of monitoring ground water site RS-2 (Redden Spring), and surface water monitoring sites RF-1 (Right Fork of Horse Canyon Wash), H-1 (main channel of Horse Canyon Wash) and B1 (H-2)(main channel). Sites RS-2, RF-1 and HC-1 are located above the mine facilities in Horse Canyon. Site. Flow and water quality have been monitored quarterly, as access allowed. The sites are identified on Plate VI-1 and the monitoring plan is shown in Table 1.

#### Ground Water

UEI petitions to suspend monitoring of Redden Spring. The spring has history of monitoring from 2/1981 to 3/07, which has established trends in flow and water quality (see attached graphs). The water right was owned by UEI until it was transferred to the College of Eastern Utah on 13 September 20005. The recharge source to the spring is from the east and will not be influenced by the remaining activities at the mine.

#### Surface Water

UEI also petitions to suspend monitoring at surface water sites HC-1 and RF-1. The surface sites have a history of monitoring from 3/81 to 3/07 (see attached graphs). Monitoring at the sites generally measures flows from springs that are a short distance above them. There is generally no flow in the channels above the springs. The channels of Horse Canyon are identified as intermittent, but function as ephemeral drainages. The springs will flow for a distance then seep into the channel.

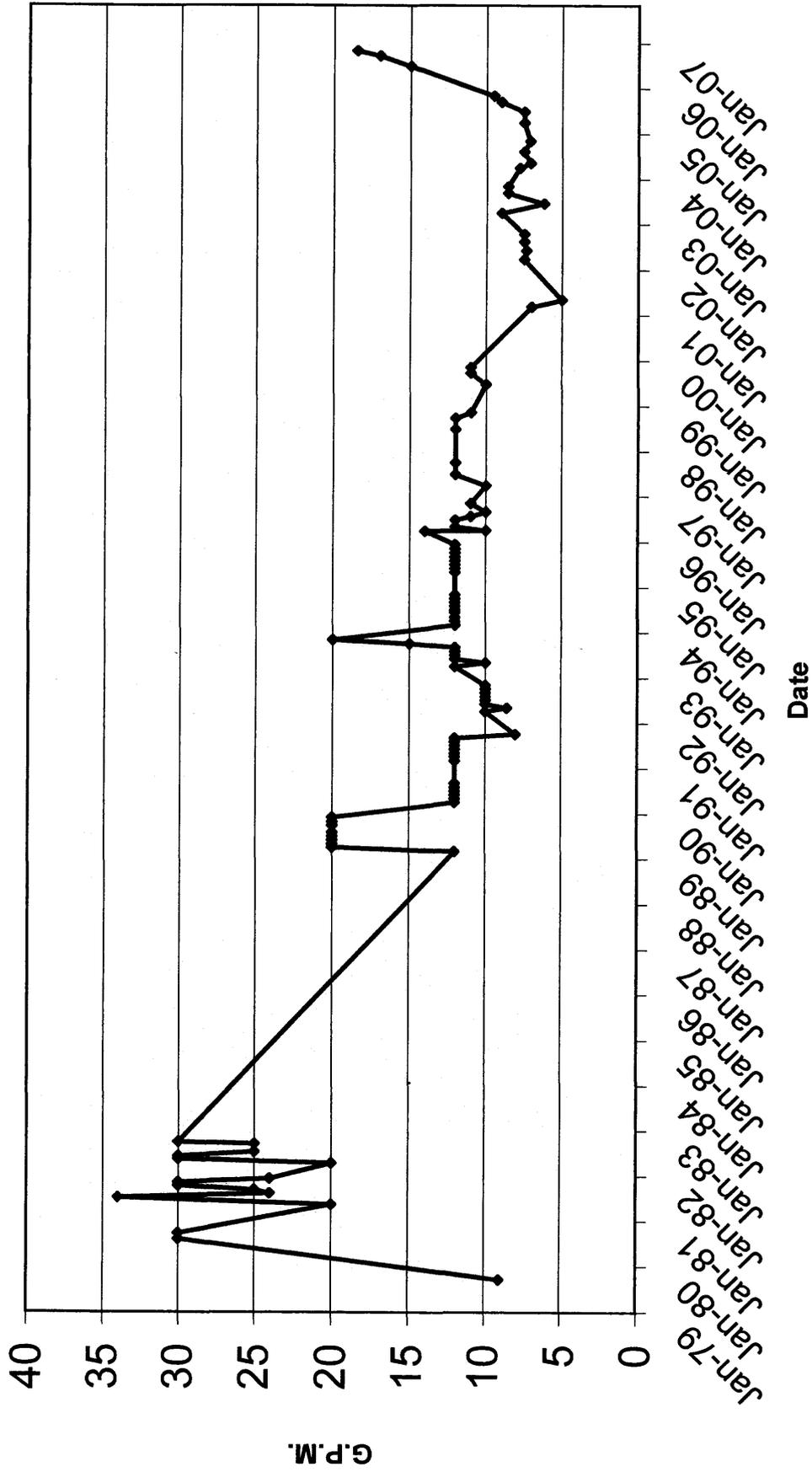
Monitoring site B-1 is located in Horse Canyon Wash below the reclaimed mine surface facilities. The surface facilities have either been reclaimed or donated to the college. There is one site, the Refuse Pile Channel, that was reconstructed in August of 2006, because runoff from a large thunder storm had damaged it. This site will remain under Phase III bond until 2011. Site B-1 will remain and continued to be monitored according the monitoring schedule, until the bond is released.

**Table 1****Surface Water Monitoring Parameters  
Operational and Post-Mining**

Field Measurements	Reported As
Flow	GPM
pH	Standard Units
Specific Conductivity (ohms/cm)	umhos/cm @ 25° C
Temperature	° F
Laboratory Measurements	Reported As
Total Settleable Solids	mg/l
Total Dissolved Solids	mg/l
Total Suspended Solids	mg/l
Total Hardness (CaCO <sub>3</sub> )	mg/l
Total Alkalinity	mg/l
Carbonate	mg/l
Bicarbonate	mg/l
Calcium (Ca) (Dissolved)	mg/l
Chloride (Cl <sup>-</sup> )	mg/l
Iron (Fe) (Dissolved)	mg/l
Iron (Fe) (Total)	mg/l
Magnesium (Mg) (Dissolved)	mg/l
Manganese (Mn) (Dissolved)	mg/l
Manganese (Mn) (Total)	mg/l
Potassium (K) (Total)	mg/l
Sodium (Na) (Dissolved)	mg/l
Sulfate (SO <sub>4</sub> <sup>-2</sup> )	mg/l
Cations	meq/l
Anions	meq/l

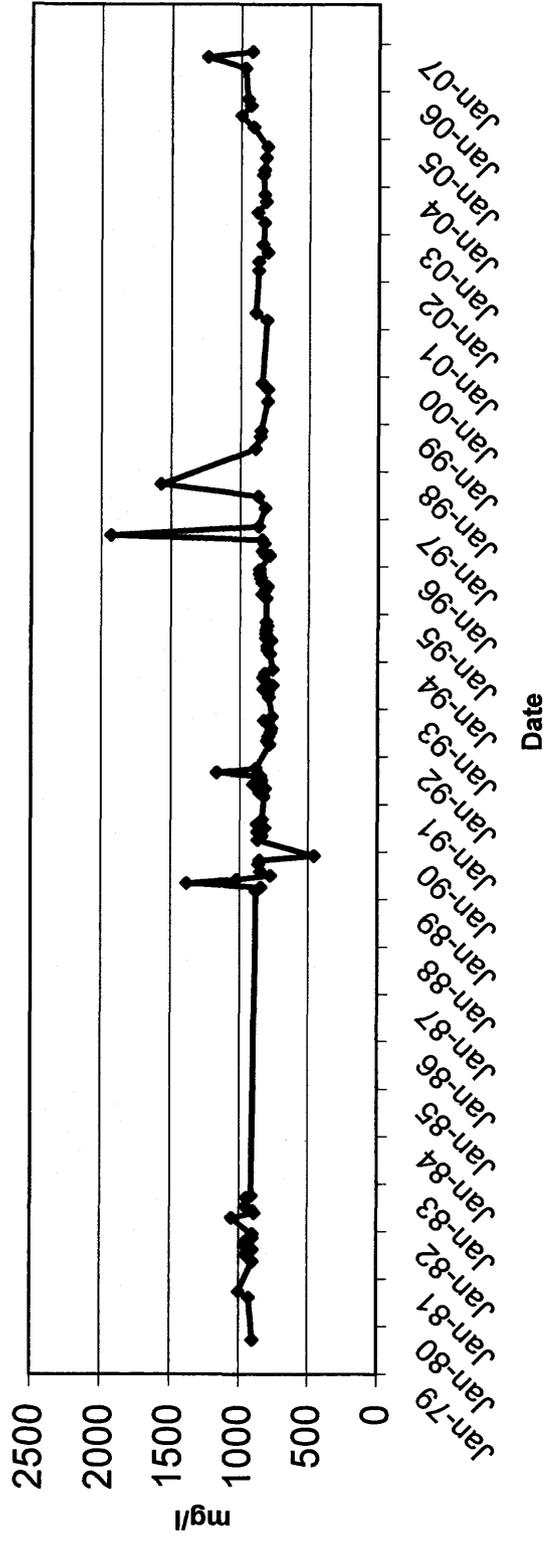
Redden Spring  
Monitoring History

RS-2 Flow



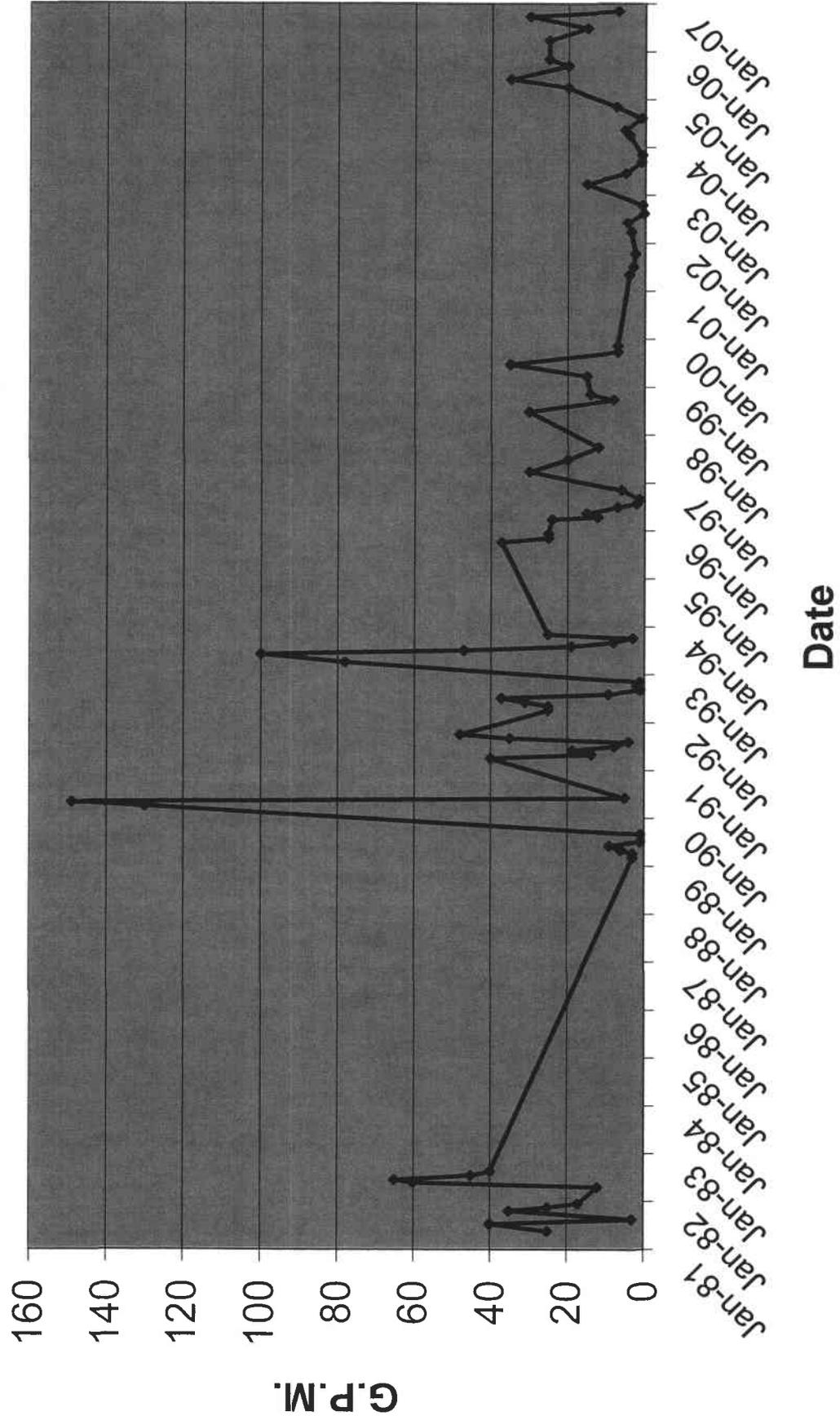
**Redden Spring**  
Monitoring History

RS-2 TDS



HC-1  
Monitoring History

# HC-1 Flow

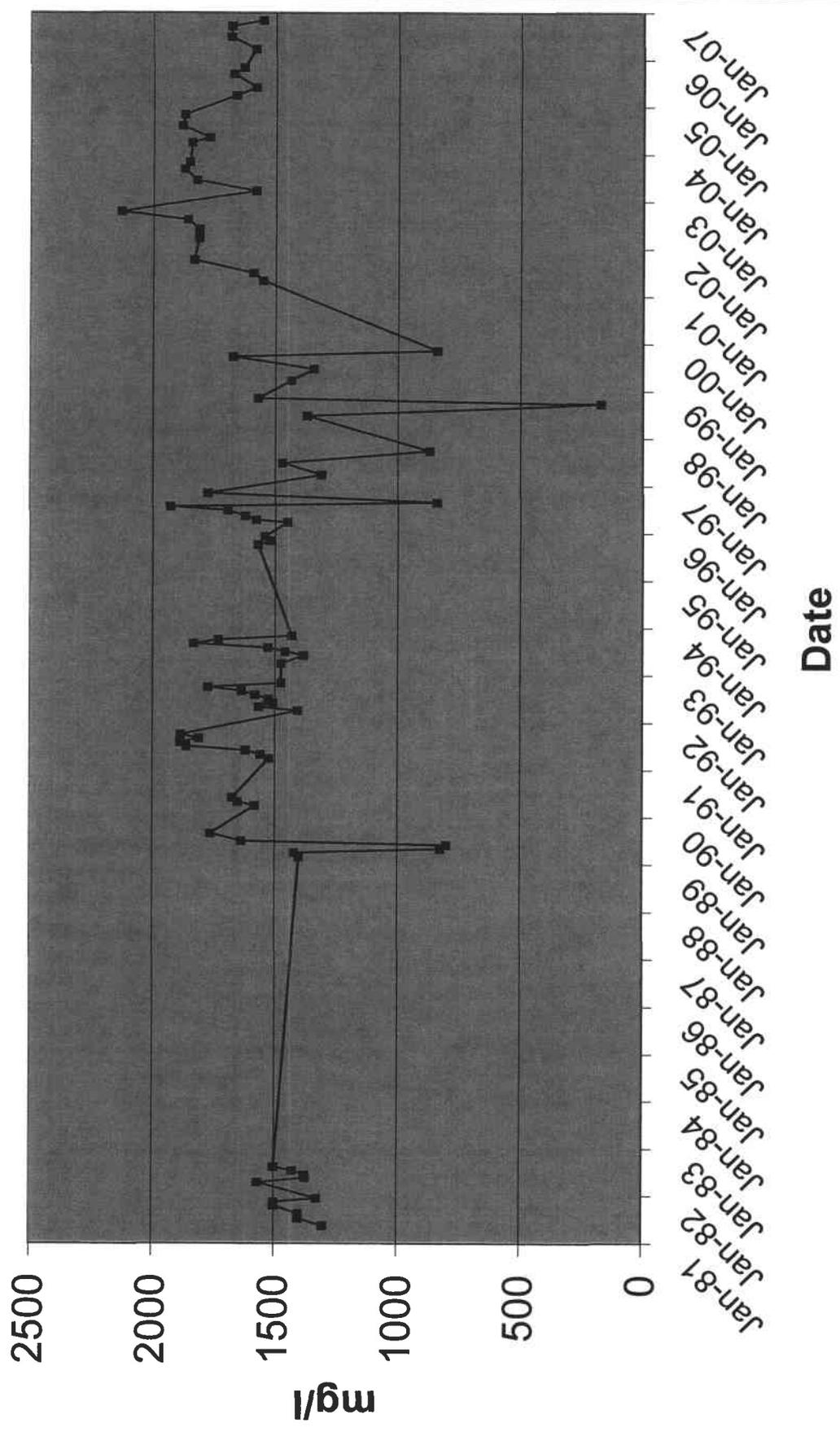




HC-1

Monitoring History

# HC-1 TDS

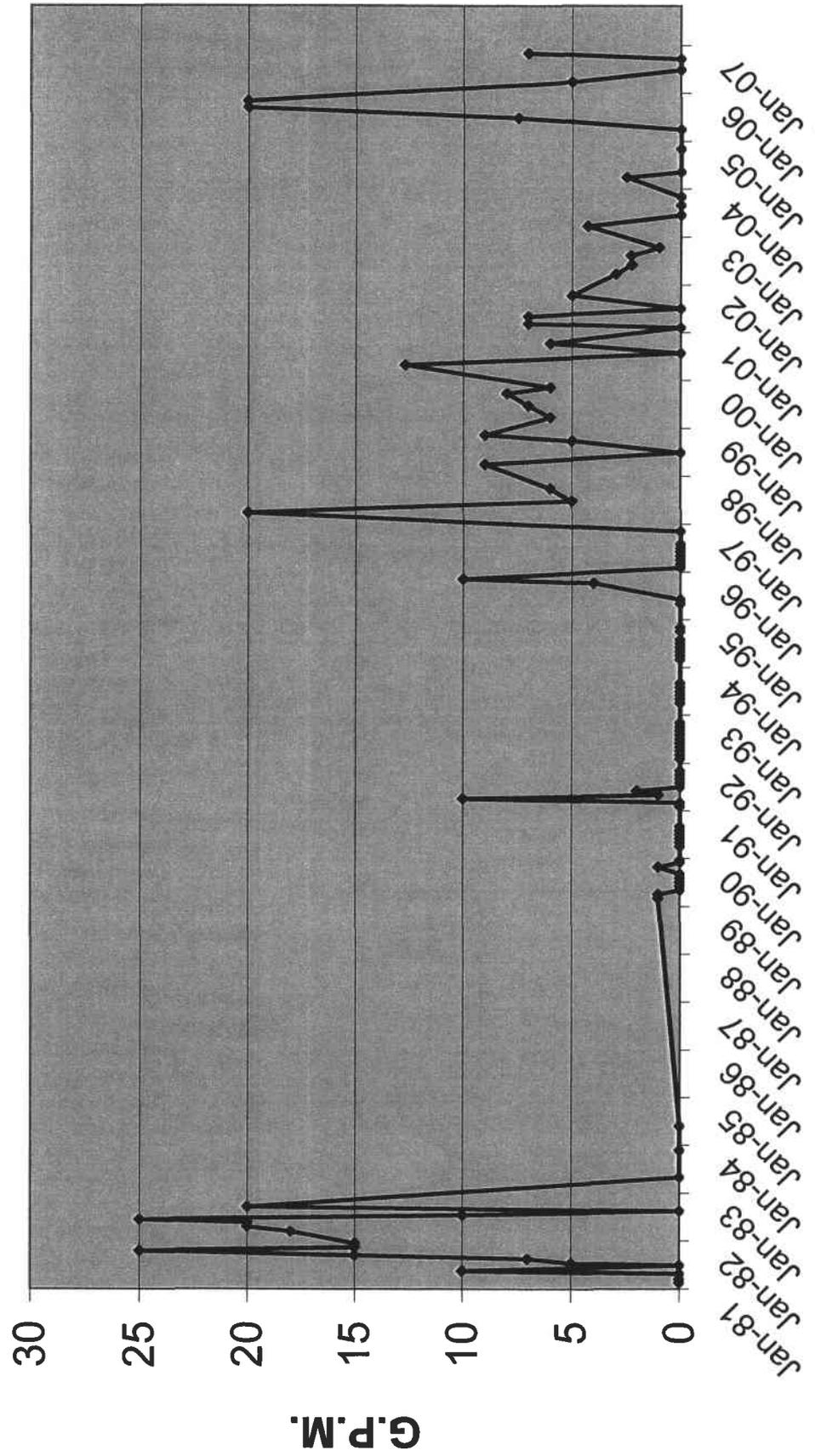




RF-1

Monitoring History

# RF-1 FLOW



Date

**RF-1**  
Monitoring History

