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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing

C0070013

#3254

R

July 20, 2009

CERTIFIED MAIL

7005 25720 0000 4801 6874

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

Subject: Final Assessment for Violation #10035 UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/0013

Dear Mr. Marshall:

On July 15, 2009, an Informal Assessment Conference was held to review the assessment for Violation #10035. As a result of a review of all pertinent data and facts, including those presented in the Informal Conference, the attached document constitutes the final assessment.

Within fifteen (15) days of your receipt of this letter, you or your agent may make a written appeal to the Board of Oil, Gas and Mining. To do so, you must escrow the assessed civil penalties with the Division within thirty (30) days of receipt of this letter, but in all cases prior to the Board Hearing. Failure to comply with this requirement will result in a waiver of your right of further recourse.

If no timely appeal is made, this assessed civil penalty of \$550.00 must be tendered within thirty (30) days of your receipt of this letter. Please remit payment to the Division of Oil, Gas and Mining, c/o Vickie Southwick at the address listed below.

Sincerely,

John R. Baza
Director

Assessment Conference Officer

dd/vs

Enclosures

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UTAH DIVISION OF OIL, GAS AND MINING
WORKSHEET FOR FINAL ASSESSMENT OF PENALTIES

COMPANY: UtahAmerican Energy, Inc.
PERMIT: C/007/013
VIOLATION: 10035

ASSESSMENT CONFERENCE OFFICER: John R. Baza *JRB*
7/20/09

	Proposed Assessment	Final Assessment
(1) History/Previous Violations	<u>0</u>	<u>0</u>
(2) Seriousness	<u>20</u>	<u>10</u>
(3) Negligence	<u>30</u>	<u>30</u>
(4) Good Faith	<u>-8</u>	<u>-15</u>
Total Points	<u>42</u>	<u>25</u>

TOTAL ASSESSED FINE \$550.00

NARRATIVE: The Conference Officer reduced the seriousness points by 10 because the bond never lapsed, and there was no threat of having to call the bond. The concern and reason for the CO was the rating of the bonding company. More credit for good faith was given because the Permittee had a replacement bond in place the day he received the violation. Finalization of the process took six days only because the Division required a new Reclamation Agreement, which took time to get signed by Corporate Officers. The negligence points were not lowered because the Permittee had over 120 days to change bonding companies after the Division notified him of the need by letter. The inspector felt this indifference to the DOGM regulations warranted a greater degree of fault, the assessment and conference officers agreed.