



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

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
#3454
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December 8, 2009

Jay Marshall, Resident Agent
UtahAmerican Energy, Inc.
P.O. Box 910
East Carbon, Utah 84520-0910

Subject Division Order to Provide a Schedule for Closure of the Lila Canyon Remote Portals, UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/0013-DO09A, Outgoing File

Dear Mr. Marshall:

The Division and the Bureau of Land Management have been working with you to develop plans for the closure of the remote portals in Lila Canyon. Plans have been approved for the closure, but a timetable for the completion of the closure needs to be established. In order to ensure that closure plan gets implemented so that the public and the resources are protected, you will need to provide a schedule for completing the mine closure. We recognize that scheduling a helicopter to do the work may take time and you may need to work around other projects involving the helicopter. We are allowing until September 1, 2010 for the work to be completed. Please see the enclosed Division Order.

If you have any questions, please contact Dana Dean at (801) 538-5320 or Daron R. Haddock at (801) 538-5325.

Sincerely,

John R. Baza
Director

JRB/DRH/sqs

Enclosure

cc: Price Field Office

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**STATE OF UTAH
DIVISION OF OIL, GAS AND MINING**

<p>PERMITTEE</p> <p>Jay Marshall, Resident Agent UtahAmerican Energy, Inc. P.O. Box 910 East Carbon, Utah 84520-0910</p> <p>PERMIT NUMBER <u>C/007/0013</u> DIVISION NUMBER <u>DO09A</u></p>	<p>ORDER & FINDINGS OF PERMIT DEFICIENCY</p>
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PURSUANT to R645-303-212, the DIVISION ORDERS the PERMITTEE, UtahAmerican Energy, Inc., to make the requisite permit changes enumerated in the findings of Permit Deficiency in order to be in compliance with the State Coal Program. These findings are to be remedied in accordance with R645-303-220.

FINDINGS OF PERMIT DEFICIENCY

A review of the current Mining and Reclamation Plan (MRP) and field investigations have revealed that certain activities associated with the mine are not adequately addressed. The reclamation plan for the Horse Canyon Mine (Lila Canyon) does not adequately address the management of mine openings, specifically the closure of the remote portals at Lila Canyon. A schedule for closure of the remote portals has not been provided.

UtahAmerican Energy, Inc. is required to provide a schedule for managing and closing the portals in accordance with R645-301-529, R645-301-541.300, and R645-301-542.700.

ORDER

UtahAmerican Energy, Inc. is hereby ordered to make the requisite permit changes in accordance with R645-303-220 and to submit a complete, adequate application for permit change to address the findings of permit deficiency within 30 days of the date of receipt of this order. A schedule must be provided, which indicates that the remote portals will be closed by September 1, 2010.

Ordered this 8th day of December 2009, by the Division of Oil, Gas and Mining.



John R. Baza, Director
Division of Oil, Gas and Mining