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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0070013
#3406
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December 14, 2009

Mr. James Fulton, Chief
Denver Field Division
Office of Surface Mining
P. O. Box 46667
Denver, Colorado 80201-6667

Subject: Request for Concurrence on Phase III Bond Release, Horse Canyon Mine, Utah American Energy, Inc., Task #3080 & #3406, Carbon County, Utah, Outgoing

Dear Mr. Fulton:

The Division has processed Utah American Energy Inc.'s application for Phase III bond release at the Horse Canyon Mine in the amount of \$1,061,328.00. The application requests release on 74.26 acres associated with the reclaimed "Geneva" portion of the Horse Canyon Mine. This would release all of the Geneva site except for 0.49 acres associated with a repaired diversion ditch (Ditch 31), where \$8000.00 continues to be held through the liability period.

A bond release inspection was conducted at the site on December 17, 2008. Numerous persons from State and Federal agencies participated including Henry Austin from your office. The inspection identified a few deficiencies that were subsequently corrected by UEI and the application for bond release was considered to be complete on November 30, 2009. A Decision Document has previously been sent to you, which more fully explains the Division's findings regarding the Phase III application and recommends release of the bond as applied for.

Your concurrence in the Division's determination to grant Phase III bond release is hereby requested.

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

Sincerely,

John R. Baza
Director

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