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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

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April 6, 2010

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

Subject: Deficiencies for Lila Canyon Detailed Design Changes, UtahAmerican Energy, Inc., Horse Canyon Mine, Permit C/007/0013, Task ID # 3498

Dear Mr. Marshall:

The Division has reviewed your Lila Canyon Detailed Design Changes application. The Division has determined that there are some deficiencies that must be addressed before a determination can be made that the requirements of the R645 Coal Mining Rules have been met, and an approval can be granted. Those deficiencies are listed as an attachment to this letter.

Each deficiency identifies its author by their initials so that your staff can directly communicate with that individual should any questions arise relative to the preparation of UtahAmerican Energy, Inc.'s response to the deficiencies.

[PHH]
[PWB]

Pete Hess
Priscilla Burton

The plans as submitted are denied. Please resubmit the entire application.

If you have any questions, please call me at 801-538-5262, Priscilla Burton at 435-613-3733, or Pete Hess at 435-613-3731.

Sincerely

James D. Smith
Permit Supervisor

JDS/sqs
Attachment
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Deficiency List
Task ID # 3498
Horse Canyon Mine, Lila Canyon Detailed Design Changes

- R645-301-812.700**, UtahAmerican Energy, Inc. must post an additional \$113,000.00 of bond. [PHH]
- R645-301-525.440, 525.450, 525.454**, The Permittee must clearly describe what is meant by “first mining only” within the 200-foot barrier width. [PHH]
- R645-301-525.440, 525.450, 525.454**, The Permittee must describe how points of deepest penetration will be monitored to prevent breakouts through to the outcrop. [PHH]
- R645-301-525.440, 525.450, 525.454**, The Permittee, in consultation with the BLM, must determine which single method will be used to determine barrier pillar width and load bearing capacity for the barrier pillar designs, which will be implemented in the Lila Canyon Mine. [PHH]
- R645-301-525.440, 525.450, 525.454**, The Permittee must clearly designate what will be a minimum thickness of coal to be left between the “first mining only” points of deepest penetration and the coal outcrop. The thickness must be sufficient to prevent break through to the outcrop because of crushout. [PHH]
- R645-301-525.440, 525.450, 525.454**, The Permittee must provide R2P2 information, which describes pillar sizes to be retained within the 200-foot barrier. [PHH]
- R645-301-233.340**, Information received from the 10/28/2009 analysis appears incomplete. It is missing the % sulfur and the calculated acid potential in Tons CaCO₃. [PWB]