



GARY R. HERBERT  
Governor

GREGORY S. BELL  
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  
#3408  
R

August 19, 2010

#### CERTIFIED MAIL

7005 2570 0000 4801 6454

Jay Marshall  
UtahAmerican Energy, Inc  
P O Box 910  
East Carbon, Utah 84520

Subject: Final Assessment for Violation #10045 UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/0013, Carbon County, Outgoing

Dear Mr. Marshall:

On December 16, 2009, an Informal Conference was held to review the fact of violation and assessment for Violation #10045. As a result of a review of all pertinent data and facts, including those presented in the Informal Conference, the Violation was upheld. A follow-up letter, dated February 4, 2010, stated: "I am withholding final decision on reversing any or all of the NOV including the assessment of penalty based on UEI's efforts with regard to [the terms of abatement]." Now that the violation has been abated, I have reviewed the assessment and have reduced the fine, as explained on the enclosed sheet, to \$550.00.

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

JRB/dd/vs

Enclosures

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LETTER DATED 8/19/2010

JAY MARSHALL

UEI C0070013

FINAL ASSESSMENT LETTER

NOV 10045

HOSE CANYON

Return  
(Endorseme

Restricted  
(Endorseme.

JAY MARSHALL

P O BOX 910

EAST CARBON, UTAH 84520

See reverse for instructions

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

COMPANY: UtahAmerican Energy, Inc.  
PERMIT: C/007/0013  
VIOLATION: NOV 10045

ASSESSMENT CONFERENCE OFFICER: John Baza

	Proposed Assessment	Final Assessment
(1) History/Previous Violations	<u>5</u>	<u>5</u>
(2) Seriousness	<u>32</u>	<u>10</u>
(3) Negligence	<u>20</u>	<u>10</u>
(4) Good Faith	<u>0</u>	<u>0</u>
Total Points	<u>57</u>	<u>25</u>

TOTAL ASSESSED FINE \$550.00

Seriousness points were reduced because further information provided as part of the NOV abatement showed that there will be enough topsoil in UEI's salvage plans to allow for adequate redistribution at the time of reclamation. The original assessment assigned the maximum of 20 points in probability of occurrence, stating that a standard had been violated. It also assigned 12 points for the extent of damage. The probability is reduced to 10 (border of likely/unlikely) and damage to 0.

Negligence points were reduced from 20 (greater degree of fault), to 10 (negligence). The Conference Officer felt that Mr. Marshall's explanation for doing things the way he had showed no desire to willingly circumvent the terms of his permit.