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State of Utah

DEPARTMENT OF NATURAL RESOURCES

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Outgoing
C0070013
#3822
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June 7, 2011

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

Subject: Water Monitoring Revisions, Utah American Energy, Inc., Horse Canyon - Lila Canyon Mine, Permit #C/007/0013, Task ID #3822

Dear Mr. Marshall:

The Division has reviewed your application to revise the water monitoring plan at the Lila Canyon Mine. The Division has determined that there are deficiencies that must be addressed before it can make a determination that the requirements of the R645 Coal Mining Rules have been met and grant an approval for this amendment.

The deficiencies are listed in an attachment to this letter. Each deficiency identifies its author by their initials in parentheses 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.

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

Sincerely,

James D. Smith
Permit Supervisor

JDS/sqs
Attachment
cc: Price Field Office
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Deficiency List
Task ID #3822.
Water Monitoring Revisions

The members of the review team include the following individuals:

[JDS] James D. Smith 801 538 5262

R645-301-731.220, Monitoring on a monthly schedule at sites LS-1, LS-2, and LS-3 is perhaps excessive, but monitoring on a quarterly schedule with no regard to in-stream conditions could be pointless. As these three sites are readily accessible from the mine office, a suggested monitoring schedule would be to report flow volume and duration whenever flow occurs at these sites and to measure field parameters and collect samples for lab analysis from the first flow – if any – to occur each quarter. [JDS]

R645-301-731.200, **Table 7-3 indicates that the Permittee has already implemented this reduced data collection plan without approval from the Division. The soonest this plan can be implemented, if approved, is the third quarter 2011.** Furthermore, Table 3 does not indicate which suspensions are temporary – the same language is used for springs L-6-G and L-10-G, where monitoring was permanently suspended in 2003, and for those sites to be suspended temporarily. The Permittee needs to distinguish between temporary and permanent suspension of monitoring in Table 7-3 [JDS]

R645-301-731.200, The Division expects the commitment in Section 731.200 to monitor for baseline parameters every five years to still apply, including all sites that are in temporary suspension; the Permittee needs to clarify this in the proposed changes. [JDS]

R645-301-731.200, Water monitored by the IPA wells is in close proximity to the coal seam, if not in direct contact. Suspension of monitoring of these wells while the mine is not encountering water is understandable, but once the mine encounters water, water levels in these wells should be monitored. The Permittee needs to include a commitment to resume monitoring of these wells during mine development when water is encountered in the mine or when the mine workings cross the projected intercept of the coal seam and piezometric surface, as shown on Plate 7-1. [JDS]

R645-301-731.200, Because of the importance of L-16-G and L-17-G to wildlife, the Division does not accept the proposed suspension of monitoring at these two sites. The Permittee needs to retain the monitoring of these two seeps as currently described in the MRP. [JDS]

R645-301-521.141, -729.100, The Permittee proposes to temporarily cease monitoring at several sites, with resumption of monitoring two years before second mining is anticipated. Plate 5-5 shows the dates and locations for mining as they were projected in June 2010. When compared to the Coal Production map in the 2010 Annual Report, Plate 5-5 is already out of date and totally inadequate to determine the location and timing of mining. Plate 5-5 must be updated and the Permittee must commit in the MRP to updating this plate on a regular basis, annually at a minimum and whenever there is a substantial change in the layout or timing of mining, and to provide to Division inspectors a copy of the most recent map when they are on-site for inspections. [JDS]