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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

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Division Director

Outgoing,
C0070013
#4005
K

March 6, 2012

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

Subject: Update Drainage Plan, Task ID #4005, Utah American Energy, Horse Canyon Mine, C/007/0013

Dear Mr. Marshall:

The Division has reviewed your application to update the Horse Canyon Mine drainage plan.

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 that author's initials in parentheses; such that your staff can directly communicate with that individual should any questions arise relative to the preparation of Canyon Fuel Company's response to that particular deficiency.

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

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/JCO/sqs
Attachment
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Deficiency List
Task No. 4005
Updated Drainage Plan

The members of the review team include the following individuals:

Amanda Daniels (AD)
James Owen (JO)

R645-301.742.240 The ventilation breakout areas cannot be considered "Non-ASCA Areas" as described in the application. The runoff encountered on the breakout pads is being treated through underground sumps in accordance with R645-301.742.126. The amendment must be modified to include ventilation breakouts area's as ASCA's or as Small Area Exemptions (SAE's). According to the Division's definitions, an ASCA can be considered for SAE when the minimal surface disturbance is covered with non-erodible cover, the area produces no runoff, or if effluent limits will be met. In this case the Division expects that effluent limitations will be met via the mine discharge outfall. Please modify pages 59-63 to include the ventilation breakouts as Small Area Exemptions. (JO)

R645-301.731.511.3 The applicant states that water quality standards and effluent limitations would be met. For completeness and clarity please include definitive commitments that these standards and limits will be met for the breakout pads via the mine discharge outfall. (JO)

R645-301.512.130 & 140 Maps 5-2 and 7-5 must be updated to include the ventilation breakouts areas as SAE's (Small Area Exemptions). These cannot be considered Non-ASCA's. They are ASCA's but also qualify as SAE's. Please include this designation on both maps. (JO)