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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

June 25, 2012

Outgoing
0070013
#4090
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R. Jay Marshall, Project Manager/Chief Engineer
Utah American Energy, Inc.
P.O. Box 910
East Carbon, UT 84520-0910

Subject: Conditional Approval of Phase III bond release of the Horse Canyon Ditch #31 Area, C/007/0013, Task ID #4090

Dear Mr. Marshall:

The Division has completed the review of the above-referenced application which proposes to release 0.49 acres of the Horse Canyon permit through the bond release process. Enclosed you will find our Decision Document and Technical Analysis for this project. We are coordinating our review with the BLM and OSM and are awaiting their concurrence on the approval of the application as well. The application is hereby conditionally approved. The Division finds that prior to final bond release approval, the Horse Canyon Mining and Reclamation Plan must be updated to reflect the changes as a result of the bond release. This includes the following:

- Replacing Table of Contents of Appendix III-1 of the Horse Canyon Mine Plan Part "A".
- Adding Appendix III-1-7 to Appendix III-1 of the Horse Canyon Mine Plan Part "A".

This application is conditionally approved upon receipt of 8 clean copies of the above items prepared for incorporation, as well as receipt of notifications of concurrence from BLM and OSM. Please submit these copies by July 23, 2012. Once the Division receives these copies, as well as the above mentioned notifications of concurrence, final approval will be granted.

A stamped incorporated copy of the approved plans will also be returned to you at that time, for insertion into your copy of the Mining and Reclamation Plan.

If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/JCO/sqs
cc: Price Field Office
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