



GARY R. HERBERT
Governor

SPENCER J. COX
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

May 2, 2018

Karin Madsen, Resident Agent
UtahAmerican Energy, Inc.
P.O. Box 910
East Carbon, Utah 84520

Subject: Conditional Approval of Bathhouse Structure Addition, UtahAmerican Energy, Inc.,
Horse Canyon Mine, C/007/0013, Task #5669

Dear Ms. Madsen:

The above-referenced amendment is approved conditioned upon receipt of 2 clean copies prepared for incorporation. Please submit these copies by June 1, 2018. Once we receive these copies, 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/sqs
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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0070013
TaskID: 5669
Mine Name: HORSE CANYON MINE
Title: ADD BATHHOUSE STRUCTURE

Reclamation Plan

Bonding Determination of Amount

Analysis:

The amendment meets the State of Utah R645 requirements for Determination of Bonding Amount.

The amendment proposes to increase the current bond liability because of the addition of a gantry and new bathhouse structure. Redline changes to the narrative have been submitted in addition to an updated facilities map (Plate 5-2) and amended bonding calculations. The new bathhouse structure will increase the facilities bond by \$8,244 dollars, and the newly added gantry structure will increase it by \$5,727 dollars.

Overall, the proposed changes will increase the direct costs for facilities demolition by \$13,971. The total escalated reclamation cost was increased to \$1,651,000, a \$17,000 dollar increase over the old bond amount of \$1,634,000. No additional bond needs to be posted since the current amount filed with The Division is \$1,799,000 dollars.

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