



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

July 27, 2018

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

Subject: Conditional Approval of Road Paving Bond, UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/0013, Task #5723

Dear Ms. Madsen:

The above-referenced amendment is approved conditioned upon receipt of 2 clean copies prepared for incorporation. Please submit these copies by August 30, 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: 5723
Mine Name: HORSE CANYON MINE
Title: ROAD PAVING BOND

Reclamation Plan

Bonding Determination of Amount

Analysis:

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

Permittee proposes to pave half of the Mine Facility Road with 6 inches of asphalt to minimize damage to the current road surface caused by coal trucks. The proposed section of paved road will start at the cattle guard and extend toward the temporary loadout loop. The plans to pave this section of road are included in the original narrative in Appendix 5-4 of the Mining and Reclamation Plan. The purpose of this amendment is to clarify intentions to execute these plans, and increase the surety bond to account for the demolition and disposal of the asphalt upon reclamation.

Within the bonding calculations included in this submittal, the direct cost line item for mine roads has been changed to account for the proposed road construction. The unit costs for pavement removal and on site disposal have been augmented to account for the additional 97 cubic yards of asphalt that will be required to pave the proposed section of road. The proposed changes will increase the reclamation bonding liability by \$13,000 from \$1,651,000 to \$1,664,000. Division records indicate that the current posted reclamation bond is \$1,799,000, well above the newly determined bond liability. Consequently, it is not necessary that the Permittee augment the posted bond to execute the plans within this amendment.

jeatchel