



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 22, 2019

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

Subject: Conditional Approval for Temporary Office Trailer Addition, UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/0013, Task #5932

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 21, 2019.

This amendment is also conditioned upon a bond increase of \$3,000, from a posted bond of \$2,054,000 to \$2,057,000. Please submit the bond rider to increase your bond along with the required exhibits to revise the Horse Canyon Reclamation Agreement to the Division. If you have any questions, please contact Suzanne Steab, Bond Coordinator at (801) 538-5265.

Once these conditions have been met, 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) 538-5350.

Sincerely,

Steve Christensen
Coal Program Manager

SKC/sqs

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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0070013
TaskID: 5932
Mine Name: HORSE CANYON MINE
Title: TEMPORARY OFFICE TRAILER ADDITION

Operation Plan

Mining Operations and Facilities

Analysis:

The application meets the State of Utah R645 requirements for Mining Operations and Facilities.

The application satisfies the requirements of R645-301-521.121 because narrative on page 10 of Chapter 5 describes the proposed facility that will be constructed within the permit area. The proposed structure consists of a temporary office trailer identical to the one already in use on the lower pad. The trailer is prefabricated and may be moved using a vehicle with a tow hitch. In addition to the narrative describing the dimensions and intended purpose of the structure Plate 5-2 also details the proposed location of this structure within the permit area.

jeatchel

Topsoil and Subsoil

Analysis:

The application meets the requirements of the Utah R645 Coal Rules for topsoil handling, because topsoil salvaged for the warehouse pad extension has been accounted for (approved as Task 5910). There is no additional soil salvage proposed for this trailer placement as shown on Plate 5-2.

pburton

Hydrologic General

Analysis:

The amendment meets the State of Utah R645 requirements for Hydrology.

The amendment states a temporary office trailer will be placed on the Lower Pad. The placement of the trailer will not alter surface drainage within the disturbed area. The addition of the trailer to the lower pad does not change catchment sizes within the disturbed area so all currently approved narratives, tables, maps and calculations are adequately designed to meet the minimum requirements for Hydrology.

kstorrar

Reclamation Plan

Bonding Determination of Amount

Analysis:

The application satisfies the State of Utah R645 requirements for Determination of Bonding Amount.

The application meets the requirements of R645-301-830 because detailed bonding calculations have been included to account for the demolition and removal of the proposed facility upon reclamation. The direct costs for Demolition and Removal were increased by \$2,425 as a result of the proposed changes, and the Earthwork and Revegetation costs were unaffected. After applying indirect costs, an inflation factor of 2.32% was added and escalated to 2021. All unit costs were obtained from the 2017 R.S. Means Heavy Construction Cost manual, and include overhead and profit for all direct costs. The total bond amount in 2021 dollars amounts to \$2,057,000, which is an overall increase of \$3,000. The current bond posted with the Division amounts to \$2,054,000, therefore the Permittee must post an additional \$3,000 to account for the proposed changes to the permit and remain adequately bonded.

jeatchel