



# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

BRIAN STEED  
*Executive Director*

### Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

September 24, 2019

Karin Madsen, Resident Agent  
Utah American Energy, Inc.  
Post Office Box 910  
East Carbon, Utah 84520-0910

Subject: Minor Coal Exploration, Utah American Energy Inc, C/007/013, Task ID #5989, Outgoing File

Dear Ms. Madsen:

The Division of Oil, Gas and Mining (the Division) has completed its review of the recently submitted Minor Exploration Letter of Intent. Requirements of the State of Utah R645 Rules for exploration (R645-301-201, -202) have not been adequately addressed.

The following information must be provided to the Division relative to the Minor Coal Exploration project:

- 1) Documentation from the surface owner that permission has been granted to conduct exploration activity.
- 2) The R645-202 regulations must be addressed.
- 3) The extent of disturbance associated with the exploration must be provided.
- 4) Documentation that the Utah Division of Water Rights requirements have been addressed for the completion of the water monitoring wells must also be provided.

Additionally, a separate amendment to the Horse Canyon Mining and Reclamation Plan (MRP) must also be submitted and approved prior to the installation of the water monitoring wells at the proposed borehole locations. It's our understanding that the wells are to be utilized in establishing baseline groundwater conditions and also for potential water monitoring during operational mining activity in connection with future mine plan modifications (i.e. expansion into federal coal lease areas). As a result, the disturbance associated with the water monitoring well completions must also be reviewed/approved through the MRP amendment process.



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If you have any questions, please feel free to call me at (801) 538-5350 or Stephen J. Demczak at (435) 613-3732.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Christensen", with a long horizontal flourish extending to the right.

Steve Christensen  
Coal Program Manager