



State of Utah

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Department of Natural Resources
Division of Oil, Gas and Mining

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Division Director

April 14, 2021

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

Subject: Upper Pad Extension, UtahAmerican Energy, Inc., Horse Canyon Mine,
C/007/0013, Task #6291

Dear Ms. Madsen:

The Division has reviewed your application. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. The plans as submitted are denied. Please resubmit the entire application by no later than May 14, 2021..

If you have any questions, please call me at (801) 538-5350.

Sincerely,

Steve Christensen
Coal Program Manager

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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0070013
TaskID: 6291
Mine Name: HORSE CANYON MINE
Title: UPPER PAD EXTENSION

Operation Plan

Hydrologic Impoundments

Analysis:

This application does not meet the State of Utah R645 requirements for Hydrologic Impoundments.

The application does not satisfy the requirements of R645-301-733 because the Sediment Yield Calculation total for Sediment Pond 1 needs to be updated, or the values in the table need to be re-evaluated again. The total for sediment yield calculations equals 0.9248 ac-ft and has been updated to 0.9376 ac-ft. The runoff volume in table 11a has been changed from 3.51 (from table 5, 10yr/24 hr Vol) to 3.60 ac-ft (not on table 5 as stated). If the runoff volume has changed to 3.60 ac-ft, Table 5 needs to be updated to reflect this total. If values change in table 11a again, table 12a needs to be updated as well. Because the Runoff volume and the sediment storage volume changed, the summary in Appendix 7-4 section 3.4 needs to be updated with the correct values.

Deficiencies Details:

The application does not meet the State of Utah R645 requirements for Hydrologic Impoundments. The following deficiency must be addressed prior to final approval:

R645-301-733: The Permittee must update the Sediment Yield Calculations Table, Table 5, Table 11a, Table 12a and the summary in Appendix 7-4 section 3.4. All values within these tables and the summary must correlate with one another to ensure all calculations and summary values are accurate.

khinton

Reclamation Plan

Bonding Determination of Amount

Analysis:

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

The application satisfies the requirements of R645-301-830 because a detailed cost breakdown is included that addresses the increased bond liability from the proposed culvert installation. The direct unit costs were increased by \$56,642 and the entire bond escalated by 2.95% to 2023, the date of the next Midterm permit review. The application was previously found deficient because the cost summary page contained outdated information. The last amendment that required a bond increase was Task #6147 in June of 2020. In that amendment, the bond was escalated for an extra year beyond what was required, resulting in a bond surplus. The bond increase from the current amendment will consume the entirety of that surplus with a small amount remaining.

The total escalated reclamation cost has been increased to \$2,334,000 in 2023 dollars. Since the current posted bond amounts to \$2,335,000, the Permittee will not be required to post additional bond.