



State of Utah

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Lieutenant Governor

Department of  
Environmental Quality

Amanda Smith  
Executive Director

DIVISION OF WATER QUALITY  
Walter L. Baker, P.E.  
Director

2007/041 Incoming  
cc: Steve C.  
R

November 27, 2012

**CERTIFIED MAIL**  
**(Return Receipt Requested)**

Mr. David Hibbs, President  
UtahAmerian Energy, Inc.  
P.O. Box 910  
East Carbon, UT 84520

Dear Mr. Hibbs:

Subject: Salinity-Offset Program Funding Agreement for UPDES Permit Numbers  
UT00224368-Crandall Canyon Mine; and UT0025640-West Ridge Mine

As you are aware, the UtahAmerian Energy, Inc. (UEI) mine facilities, as referenced above by their respective UPDES Permits, are required to participate in and/or fund a salinity-offset program to compensate for the amount of salinity discharged from each facility which is above the one-ton/day permit limits.

A plan for the two mine facilities to fund a salinity-offset program was drafted by UEI and submitted to the Division of Water Quality (DWQ) in early 2012 and subsequently finalized by March 12, 2012. The plan, titled "Colorado River Salinity Offset Program Participation Plan", which is also "Exhibit A" to the Salinity-Offset Program Funding Agreement, was previously approved by DWQ and has been appended to each of the UPDES permits referenced above effective March 1, 2012 as appropriate.

The Salinity-Offset Program Funding Agreement includes a payment schedule. The first payment was received on or about May 7, 2012. Therefore, the second payment of \$75,746.00 is due by December 31, 2012. A separate invoice has been prepared and included herewith. Therefore, please remit the full invoice amount by December 31, 2012 to:

Department of Environmental Quality  
Division of Water Quality  
Attn: Randy Sargent  
P.O. Box 144870  
Salt Lake City, UT 84114-4870

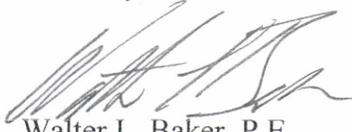
195 North 1950 West • Salt Lake City, UT  
Mailing Address: P.O. Box 144870 • Salt Lake City, UT 84114-4870  
Telephone (801) 536-4300 • Fax (801) 536-4301 • T.D.D. (801) 536-4414

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Please make check payable to "Utah Division of Water Quality" and be sure to include the invoice number with you remittance. DWQ expects the three payments from UEI to be made in accordance with the payment schedule as outlined in paragraph 2 of the Salinity-Offset Program Funding Agreement.

Your continued efforts to remain in compliance with the provisions of your UPDES permits are appreciated. If you have any questions, please contact Jeff Studenka of this office at (801) 536-4395, or by e-mail at [jstudenka@utah.gov](mailto:jstudenka@utah.gov) .

Sincerely,



Walter L. Baker, P.E.  
Director

WLB: JAS: fb

Enclosure

cc (w/o enclosure): Amy Clark, EPA Region VIII  
Laura Lockhart, Utah Office of Attorney General  
Claron Bjork, SE Utah District Health Department  
Dave Ariotti, DEQ District Engineer  
Daron Haddock, DOGM  
Mark Quilter, UDAF  
Mike Herkimer, DWQ  
Robert King, Division of Water Resources  
Don Barnett, Colorado River Basin Salinity Control Forum