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TELEFAX



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
PRICE FIELD OFFICE
125 SOUTH 600 WEST, PRICE UTAH 84501

OUR PHONE NUMBER: (435)636-3600
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Incoming
7/27/01 SP98(1)

TO: Attention: Pam G.
Branch/Office: _____
Company/Agency: _____
Destination Fax Number: _____

FROM: Tom Casmasser

SUBJECT: Lila Cyn Row

DATE AND TIME: 7/27/01 1133

NUMBER OF PAGES, INCLUDING THIS COVER SHEET: _____

COMMENTS: _____

RECEIVED
JUL 27 2001
DIVISION OF
OIL, GAS AND MINING

FORM 2800-14
(August 1985)

Issuing Office
Utah State Office
Price Field Office

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
RIGHT-OF-WAY
SERIAL NUMBER UTU-76614

-
1. A right-of-way is hereby granted pursuant Title V of the Federal Land Policy and Management Act of October 21, 1976 (90 Stat. 2776; 43 U.S.C. 1761).
 2. Nature of Interest:
 - a. By this instrument, the holder:

Utah American Energy Inc
P. O. Box 986
Price, Utah 84501

receives a right to construct, operate, maintain and terminate a 46 kV powerline right-of-way on public lands described as follows:

Salt Lake Meridian, Utah
T.16 S., R.14 E.

| | | |
|---------|----|---------|
| Section | 15 | S2SW4; |
| | 21 | N2N2; |
| | 22 | NW4NW4. |
 - b. The right-of-way granted herein for the is feet 50 feet wide, 6864 feet long, and contains 7.8 acres, more or less.
 - c. This instrument shall terminate thirty (30) years from its effective date unless, prior thereto, it is relinquished, abandoned, terminated, or modified pursuant to the terms and conditions of this instrument or of any applicable Federal law or regulation.
 - d. This instrument may be renewed. If renewed, the right-of-way or permit shall be subject to the regulations existing at the time of renewal and any other terms and conditions that the authorized officer deems necessary to protect the public interest.

- c. Notwithstanding the expiration of this instrument or any renewal thereof, early relinquishment, abandonment, or termination, the provisions of this instrument, to the extent applicable, shall continue in effect and shall be binding on the holder, its successors, or assigns, until they have fully satisfied the obligations and/or liabilities accruing herein before or on account of the expiration or prior termination of the grant.

3. Rental:

For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management fair market value rental as determined by the authorized officer, unless specifically exempted from such payment by regulation. Provided, however, the rental may be adjusted by the authorized officer, whenever necessary, to reflect changes in the fair market rental value as determined by the application of sound business management principles, and so far as practicable and feasible, in accordance with comparable commercial practices.

4. Terms and Conditions:

- a. This grant or permit is issued subject to the holder's compliance with all applicable regulations contained in Title 43 Code of Federal Regulations, part 2800.
- b. Upon grant termination by the authorized officer, all improvements shall be removed from the public lands within 90 days, or otherwise disposed of as provided in paragraph (4)(d), or as directed by the authorized officer.
- c. Each grant issued for a term of 20 years or more shall, at a minimum, be reviewed by the authorized officer at the end of the 20th year and at regular intervals thereafter not to exceed 10 years. Provided, however, a right-of-way or permit granted herein may be reviewed at any time deemed necessary by the authorized officer.
- d. The stipulations, plans, maps, or designs set forth in Exhibit A and Exhibit B, dated July 23, 2001, attached hereto are incorporated into and made a part of this grant instrument as fully and effectively as if they were set forth herein in their entirety. All commitments referenced in Chapter 2, Alternative B, all mitigation outlined in Chapter IV and all other applicable sections of the environmental assessment for the project entitled *Development of the Lila Canyon Project, Emery County, Utah* (EA NO. UT-070-99-22, July 2000) are to be incorporated into a Plan of Development and approved by BLM prior to issuance of a notice to proceed. This plan of development will be incorporated into and made a part of this grant instrument as fully and effectively as if set forth herein in its entirety.
- e. Failure of the holder to comply with applicable law or any provision of this right-of-way grant or permit shall constitute grounds for suspension or termination thereof.
- f. The holder shall perform all operations in a good and workmanlike manner so as to ensure protection of the environment and the health and safety of the public.

- g. Ninety (90) days prior to termination of the right-of-way, the holder shall contact the authorized officer to arrange a joint inspection of the right-of-way area. This inspection will be held to agree to an acceptable termination (and rehabilitation) plan. This plan shall include, but is not limited to, removal of facilities, drainage structures or surface material, recontouring, topsoiling, or seeding. The authorized officer must approve the plan in writing prior to the holder's commencement of any termination activities.

IN WITNESS WHEREOF, The undersigned agrees to the terms and conditions of this right-of-way grant or permit.

[Handwritten Signature]
 (Signature of Holder)

[Handwritten Signature] (Acting)
 (Signature of Authorized Officer)

President
 (Title)

Field Manager
 (Title)

7/27/01
 (Date)

7/27/01
 (Effective Date of Grant)

JUL 29 2001

2850
UTU-76614
(UT-070)

Exhibit A
Stipulations

1. The holder shall construct, operate, and maintain the facilities, improvements, and structures within this right-of-way/permit in strict conformity with its plan of development. A Plan of Development shall be submitted and approved prior to issuance of a notice to proceed as outlined in stipulation No.4. **Note: only that part of the proposed action related to the construction operation, maintenance and reclamation of the 46 kV powerline located on public lands apply. Construction schedule dates have changed.** Any relocation, additional construction, or use that is not in accord with the approved plan(s) of development, shall not be initiated without the prior written approval of the authorized officer. A copy of the complete right-of-way grant/permit, including all stipulations and approved plan(s) of development, shall be made available on the right-of-way/permit area during construction, operation, and termination to the authorized officer. Noncompliance with the above will be grounds for an immediate temporary suspension of activities if it constitutes a threat to public health and safety or the environment.
2. The holder shall contact the authorized officer at least fourteen (14) days prior to the anticipated start of construction and/or any surface disturbing activities. The authorized officer shall require and schedule a preconstruction conference with the holder prior to the holder's commencing construction and/or surface disturbing activities on the right-of-way/permit. The holder and/or his representative shall attend this conference. The holder's contractor, or agents involved with construction and/or any surface disturbing activities associated with the right-of-way, shall also attend this conference to review the stipulations of the grant including the plans(s) of development.
3. The holder shall designate a representative(s) who shall have the authority to act upon and to implement instructions from the authorized officer. The holder's representative shall be available for communication with the authorized officer within a reasonable time when construction or other surface disturbing activities are underway.
4. The holder shall not initiate any construction or other surface disturbing activities on the right-of-way/permit without the prior written authorization of the authorized officer. Such authorization shall be a written notice to proceed issued by the authorized officer. Any notice to proceed shall authorize construction or use only as therein expressly stated and only for the particular location or use therein described. A notice to proceed shall not be issued until the mine plan is approved by the Office of Surface Mining Reclamation and Enforcement.

5. The authorized officer may suspend or terminate in whole, or in part, any notice to proceed which has been issued when, in his judgement, unforeseen conditions arise which result in the approved terms and conditions being inadequate to protect the public health and safety or to protect the environment.
6. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.
7. Unless otherwise agreed to by the authorized officer in writing, powerlines shall be constructed in accordance to standards outlined in "Suggested Practices for Raptor Protection on Powerlines," The State of the Art in 1997, by the Avian Powerline Interaction Committee. The holder shall assume the burden and expense of proving that pole designs not shown in the above publication are "eagle safe." Such proof shall be provided by a raptor expert approved by the authorized officer. The BLM reserves the right to require modifications or additions to all powerline structures placed on this right-of-way/permit, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.
8. Use of pesticides shall comply with the applicable Federal and state laws. Pesticides shall be used only in accordance with their registered uses and within limitations imposed by the Secretary of the Interior. Prior to the use of pesticides, the holder shall obtain from the authorized officer written approval of a plan showing the type and quantity of material to be used, pest(s) to be controlled, method of application, location of storage and disposal of containers, and any other information deemed necessary by the authorized officer. Emergency use of pesticides shall be approved in writing by the authorized officer prior to such use.
9. The holder shall survey and clearly mark the centerline and/or exterior limits of the right-of-way/permit area, as determined by the authorized officer.
10. The holder shall conduct all activities associated with the construction, operation, and termination of the right-of-way/permit within the authorized limits of the right-of-way/permit.

11. The holder shall permit free and unrestricted public access to and upon the right-of-way/permit for all lawful purposes except for those specific areas designated as restricted by the authorized officer to protect the public, wildlife, livestock, or facilities constructed within the right-of-way/permit.
12. The holder shall seed all disturbed areas with the seed mixture(s) included in its plan of development. Seeding shall take place from October through mid November. The seed mixture(s) shall be planted in the amounts specified in pounds of pure live seed (PLS)/acre. There shall be no primary or secondary noxious weed seed in the seed mixture. Seed shall be tested and the viability testing of seed shall be done in accordance with State law(s) and within six (6) months prior to purchase. Commercial seed shall be either certified or registered seed. The seed mixture container shall be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed shall be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area. (Smaller/heavier seeds have a tendency to drop to the bottom of the drill and are planted first. The holder shall take appropriate measures to ensure this does not occur.) Where drilling is not possible, seed shall be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre noted below are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of the second growing season after seeding. The authorized officer is to be notified a minimum of seven (7) days prior to seeding of the project.

13. No construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support construction equipment. If such equipment creates ruts in excess of six (6) inches deep, the soil shall be deemed too wet to adequately support construction equipment.
14. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder(s) shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, et seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-way/permit or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, Section 102b.

A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

15. The Holder shall retain a contractor for third party compliance. The compliance contractor shall be separate, independent from, and not subcontracted by anyone preparing the engineering plans, design, construction or operation of the holder's project.

All costs incurred by the compliance contractor in connection with this project shall be the sole responsibility of the holder, and the holder agrees to hold harmless and indemnify BLM with respect to any and all claims, demands, cause(s) or action and the like which may arise from the performance of the compliance contractor or any services utilized in the compliance of the project.

16. Ninety (90) days prior to termination of the right-of-way/permit, the holder shall contact the authorized officer to arrange a joint inspection of the right-of-way/permit. This inspection will be held to agree to an acceptable termination (and rehabilitation) plan. This plan shall include, but is not limited to, removal of facilities, drainage structures, or surface material, recontouring, topsoiling, or seeding. The authorized officer must approve the plan in writing prior to the holder's commencement of any termination activities.

FORM 2800-14
(August 1985)

Issuing Office
Moab District
Price Field Office

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
RIGHT-OF-WAY
SERIAL NUMBER UTU-77122

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1. A right-of-way is hereby granted pursuant to Title V of the Federal Land Policy and Management Act of October 21, 1976 (90 Stat. 2776; 43 U.S.C. 1761).
 2. Nature of Interest:
 - a. By this instrument, the holder:

Utah American Energy Inc
P. O. Box 986
Price, Utah 84501

receives a right to construct, operate, maintain and terminate a mine facility right-of-way on public lands described as follows:

Salt Lake Meridian, Utah,

T.16 S., R.14 E.,
Section 15, NW4SE4,S2SE4, E2SW4.
 - b. The right-of-way granted herein is for mine site facilities and encompasses 40.0 acres, more or less within the described subdivisions.
 - c. This instrument shall terminate thirty (30) years from its effective date unless, prior thereto, it is relinquished, abandoned, terminated, or modified pursuant to the terms and conditions of this instrument or of any applicable Federal law or regulation.
 - d. This instrument may be renewed. If renewed, the right-of-way or permit shall be subject to the regulations existing at the time of renewal and any other terms and conditions that the authorized officer deems necessary to protect the public interest.

- e. Notwithstanding the expiration of this instrument or any renewal thereof, early relinquishment, abandonment, or termination, the provisions of this instrument, to the extent applicable, shall continue in effect and shall be binding on the holder, its successors, or assigns, until they have fully satisfied the obligations and/or liabilities accruing herein before or on account of the expiration or prior termination of the grant.

3. Rental:

For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management fair market value rental as determined by the authorized officer, unless specifically exempted from such payment by regulation. Provided, however, the rental may be adjusted by the authorized officer, whenever necessary, to reflect changes in the fair market rental value as determined by the application of sound business management principles, and so far as practicable and feasible, in accordance with comparable commercial practices.

4. Terms and Conditions:

- a. This grant or permit is issued subject to the holder's compliance with all applicable regulations contained in Title 43 Code of Federal Regulations, part 2800.
- b. Upon grant termination by the authorized officer, all improvements shall be removed from the public lands within 90 days, or otherwise disposed of as provided in paragraph (4)(d), or as directed by the authorized officer.
- c. Each grant issued for a term of 20 years or more shall, at a minimum, be reviewed by the authorized officer at the end of the 20th year and at regular intervals thereafter not to exceed 10 years. Provided, however, a right-of-way or permit granted herein may be reviewed at any time deemed necessary by the authorized officer.
- d. The stipulations, plans, maps, or designs set forth in Exhibit A and Exhibit B, dated July 23, 2001, attached hereto are incorporated into and made a part of this grant instrument as fully and effectively as if they were set forth herein in their entirety. All commitments referenced in Chapter 2, Alternative B, all mitigation outlined in Chapter IV and all other applicable sections of the environmental assessment for the project entitled *Development of the Lila Canyon Project, Emery County, Utah* (EA NO. UT-070-99-22, July 2000) are incorporated into and made a part of this grant instrument as fully and effectively as if they were set forth herein in their entirety.
- e. Failure of the holder to comply with applicable law or any provision of this right-of-way grant or permit shall constitute grounds for suspension or termination thereof.

- f. The holder shall perform all operations in a good and workmanlike manner so as to ensure protection of the environment and the health and safety of the public.
- g. Ninety (90) days prior to termination of the right-of-way, the holder shall contact the authorized officer to arrange a joint inspection of the right-of-way area. This inspection will be held to agree to an acceptable termination (and rehabilitation) plan. This plan shall include, but is not limited to, removal of facilities, drainage structures or surface material, recontouring, topsoiling, or seeding. The authorized officer must approve the plan in writing prior to the holder's commencement of any termination activities.

IN WITNESS WHEREOF, The undersigned agrees to the terms and conditions of this right-of-way grant or permit.

[Handwritten Signature]
 (Signature of Holder)

[Handwritten Signature] (Acting)
 (Signature of Authorized Officer)

President
 (Title)

Field Manager
 (Title)

7/25/01
 (Date)

7/27/01
 (Effective Date of Grant)

JUL 28 2001

2890
UTU-77122
(UT-070)

Exhibit A

1. The holder shall operate, and maintain the facilities, improvements, and structures within this right-of-way in strict conformity with its mine permit plan (Utah Division of Oil Gas and Mining No. ACT/007/013). When approved this grant is made part of the permit. Any relocation, additional construction, or use that is not in accord with the approved mine plan shall not be initiated without the prior written approval of the authorized officer. A copy of the complete right-of-way grant, including all stipulations and mine plan, shall be made available on the right-of-way area during construction, operation, and termination to the authorized officer. Noncompliance with the above will be grounds for an immediate temporary suspension of activities if it constitutes a threat to public health and safety or the environment.
2. The holder shall contact the authorized officer at least fourteen (14) days prior to the anticipated start of construction and/or any surface disturbing activities. The authorized officer will require and schedule a preconstruction conference with the holder prior to the holder's commencing construction and/or surface disturbing activities on the right-of-way. The holder and/or his representative shall attend this conference. The holder's contractor, or agents involved with construction and/or any surface disturbing activities associated with the right-of-way, shall also attend this conference to review the stipulations of the grant including the plans(s) of development.
3. The holder shall not initiate any construction or other surface disturbing activities on the right-of-way without the prior written authorization of the authorized officer. Such authorization shall be a written notice to proceed issued by the authorized officer. Any notice to proceed shall authorize construction or use only as therein expressly stated and only for the particular location or use therein described. A notice to proceed shall not be issued until the mine plan is approved by the Office of Surface Mining Reclamation and Enforcement.
4. The authorized officer may suspend or terminate in whole, or in part, any notice to proceed which has been issued when, in his judgement, unforeseen conditions arise which result in the approved terms and conditions being inadequate to protect the public health and safety or to protect the environment.
5. The holder shall designate a representative who shall have the authority to act upon and to implement instructions from the authorized officer. The holder's representative shall be available for communication with the authorized officer within a reasonable time when construction or other surface-disturbing activities are underway.

6. The holder shall conduct all activities associated with the construction, operation and maintenance of the right-of-way within the authorized limits of the right-of-way.
7. The holder shall survey and clearly mark the centerline and or exterior limits of the right-of-way, as determined by the authorized officer.
8. No construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support construction equipment. If such equipment creates ruts in excess of six (6) inches deep, the soil shall be deemed to be too wet to adequately support construction equipment.
9. Construction sites shall be maintained in a sanitary condition at all times: waste material at the site shall be disposed of promptly at an appropriate waste disposal facility. "Waste" means all discarded matter including human waste, trash, garbage, refuse, oil drums, petroleum products, ashes, and equipment.
10. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.
11. The Holder shall retain a contractor for third party compliance. The compliance contractor shall be separate, independent from, and not subcontracted by anyone preparing the engineering plans, design, construction or operation of the holder's project.

All costs incurred by the compliance contractor in connection with this project shall be the sole responsibility of the holder, and the holder agrees to hold harmless and indemnify BLM with respect to any and all claims, demands, cause(s) or action and the like which may arise from the performance of the compliance contractor or any services utilized in the compliance of the project.

12. Thirty (30) days prior to termination of the right-of-way, the holder shall contact the authorized officer to arrange a joint inspection of the right-of-way. This inspection will be held to agree to an acceptable termination and rehabilitation plan. This plan shall include, but is not limited to, removal of facilities, recontouring, topsoiling, or seeding. The authorized officer must approve the plan in writing prior to the holder's commencement of any termination activities.