

**UtahAmerican Energy, Inc.**

February 19, 2004

Pam Grubaugh-Littig  
Permit Supervisor  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

*Indoring  
C/007/0013  
Midterm*

Re: Response to Conditional Approval of Midterm Review, UtahAmerican Energy, Inc.  
(UEI), Horse Canyon Mine, C/007/013. =

Dear Ms. Grubaugh-Littig,

Attached you will find five (5) copies of the response to the Conditional Approval for the Horse Canyon Midterm Review.

I have included completed C1 and C2 forms.

Should you have any questions please call.

Sincerely,

*R. Jay Marshall*

R. Jay Marshall  
Project Engineer

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FEB 20 2004

DIV. OF OIL, GAS & MINING

# APPLICATION FOR PERMIT PROCESSING

Permit Change   
  New Permit   
  Renewal   
  Transfer   
  Exploration   
  Bond Release

Permit Number: ACT/007/013

of Proposal: 04-003, 1750, 1813, Response to Conditional Approval 1 Mid Term

Mine: Horse Canyon

Permittee: UtahAmerican Energy, Inc.

Description, include reason for application and timing required to implement:

**Instructions:** If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation

- |   |                             |  |
|---|-----------------------------|--|
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO #  |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?  |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 4. Does application include operations in hydrologic basins other than as currently approved?  |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?  |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 6. Does the application require or include public notice/publication?  |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information?  |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?  |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV #  |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? Explain:  |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use?  |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)                                    |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information?  |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?  |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 15. Does application require or include soil removal, storage or placement?  |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities?   |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities?  |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures?   |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 19. Does the application require or include certified designs, maps, or calculations?  |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring?  |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 21. Have reclamation costs for bonding been provided for?  |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?   |
| <input type="checkbox"/> Yes            | <input type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities?  |

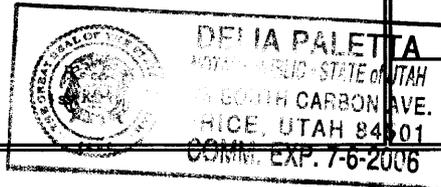
**X Attach 5 complete copies of the application.**

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

*R. Jay Marshall* Project Engineer 2/19/04  
 Signed - Name - Position - Date

Subscribed and sworn to before me this 19 day of February, 2004

*Debra Paletta*  
 Notary Public  
 My Commission Expires: 7-6 2006  
 Attest STATE OF UTAH COUNTY OF CARSON



Received by Oil, Gas & Mining

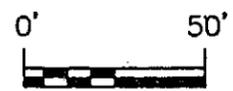
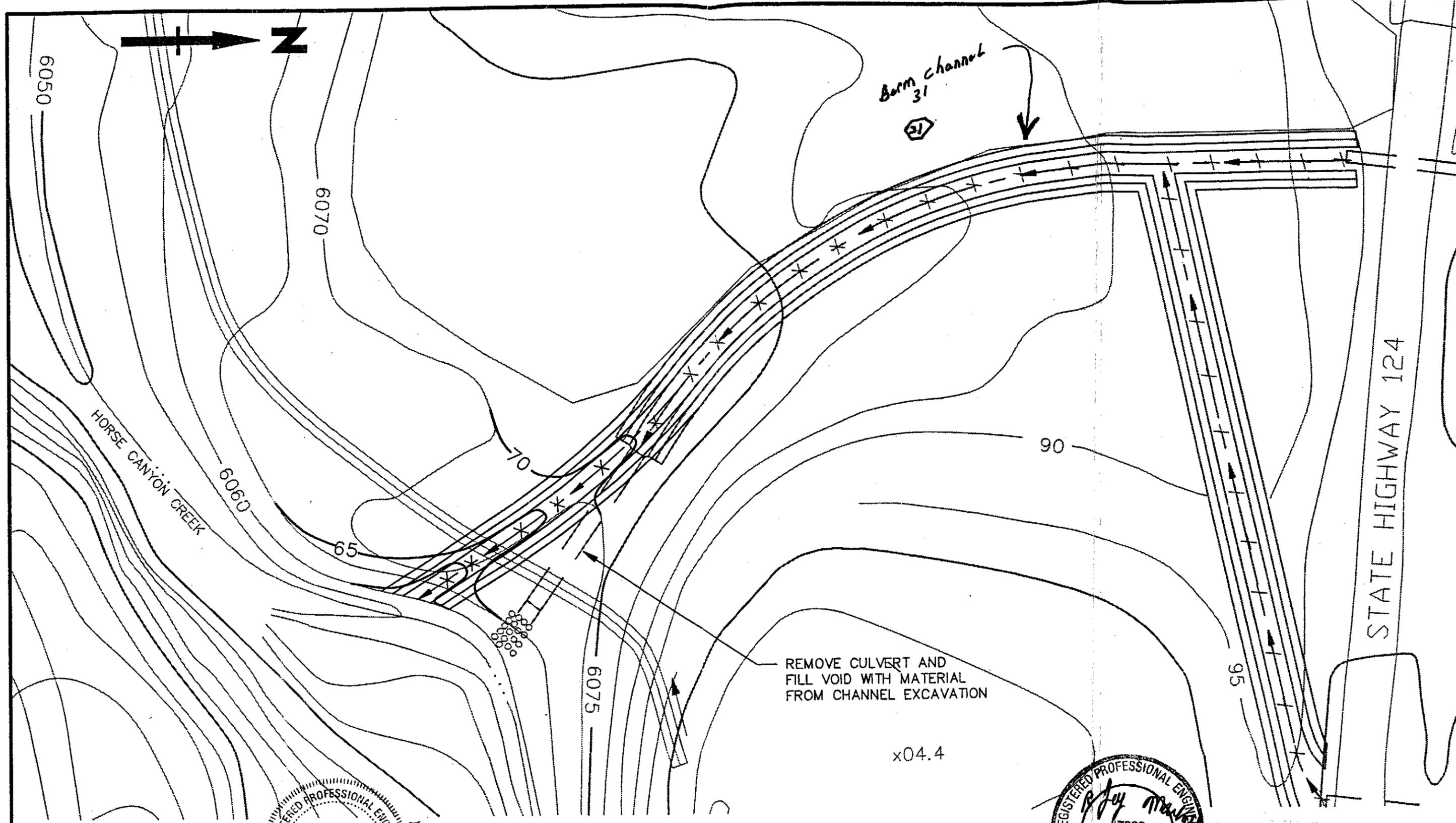
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**FEB 20 2004**

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER





REGISTERED PROFESSIONAL ENGINEER  
 NO. 11350  
 WILLIAM S. HENDRICKSON  
 STATE OF UTAH

REGISTERED PROFESSIONAL ENGINEER  
 #7933  
 R. JAY MARSHALL  
 01/13/04  
 STATE OF UTAH

DRAWING III-1A-1  
 MODIFICATIONS TO DRAWING III-1A  
 FINAL GRADING AND DRAINAGE FOLLOWING CULVERT REMOVAL  
 HORSE CANYON MINE

FEB 20 2004



REFER TO APPENDIX VI - 3 FOR THE  
 MODIFICATION DESIGN CALCULATIONS

DRAWING III-1A-1