



UtahAmerican Energy, Inc.

August 24, 2004

Pam Grubaugh-Littig
Permit Supervisor
Utah Division of Oil, Gas & Mining
Coal Program
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

*Incoming
C/007/0013
Task ID#2022*

Re: 04-006 HORSE CANYON REVEGATION STANDARDS CLAIRIFICATION,
ADDRESS CHANGE, LIABILITY INSURANCE UPDATE

Dear Ms. Grubaugh-Littig,

Enclosed you will find (4) copies of changes UEI would like to make in the Horse Canyon Permit C/007/013.

Copies of the updated certificate of liability insurance has been submitted for review. Revisions to the revegetation standards, as suggested by the Phase II bond release, have also been submitted for review. The Corporate Office address has been changed and is reflected in the changed text. .

Should you have any questions please call.

Sincerely,

R. Jay Marshall

R. Jay Marshall
Project Manager

File in: C/00700132004. Incoming
Refer to:
 Confidential
 Shelf
 Expandable
Date: 082404 for additional information

RECEIVED

AUG 26 2004

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: UtahAmerican Energy, Inc.

Line: Horse Canyon

Permit Number: C/007/013

Title: Horse Canyon Revegation Standards Clairification, Address Change, Liability Insurance Update

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

Phase III bond release items needed to be cleaned up, corporate address change, liability insurance update

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

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

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

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.

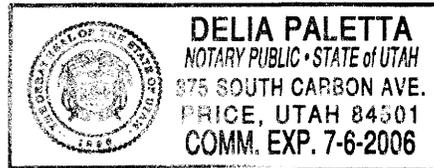
R. Jay Marshall
Print Name

R. Jay Marshall Project Manager 8/27/04
Signature, Position, Date

Subscribed and sworn to before me this 24th day of AUGUST, 2004

Delia Paletta
Notary Public

My commission Expires: 7-6, 2004
Attest: State of UTAH } ss:
County of CARBON



For Office Use Only:

Assigned Tracking Number:

Received by Oil, Gas & Mining

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AUG 26 2004

DIV. OF OIL, GAS & MINING

UtahAmerican Energy, Inc.
153 Highway 7 South
Powhatan Point, OH 43942

New Resident Agent

The new Resident Agent is the person that all correspondence relating to the permit or permitting process shall be sent to will be as follows:

R. Jay Marshall
UtahAmerican Energy, Inc.
P.O. Box 986
Price, Utah 84501
(435) 637-5032 ext. 724

Either the Resident Agent or an official appointed by the resident agent will be the individual that will be the on-site contract for Division inspections and will accompany the Division on inspections.

Registered Agent

The Registered Agent will be the operator in legal matters.

Abandoned mine land reclamation fee

The abandoned mine reclamation fee will be paid by:

Robert E. Murray
UtahAmerican Energy, Inc.
Box 139
30799 Pinetree Road
Pepper Pike, Ohio 44124

Ownership and Control

The ownership and control of UtahAmerican Energy, Inc. Is shown in Appendix I-

7.

Surface Ownership

Josiah K. Eardley:
2433 S HWY 10
Route 1, Box 119
Price, Utah 84501

Robert K. Peper:
975 W 600 S
Orem, Utah 84058

UtahAmerican Energy, Inc.
153 Highway 7 South
Powhatan Point, OH 43942

Subsurface Ownership

UtahAmerican Energy, Inc.
153 Highway 7 South
Powhatan Point, OH 43942

STATE OF UTAH:

Department of Natural Resources
Division of Sovereign Lands & Forestry
1594 W. North Temple, Suite 3520
P.O. box 145703
Salt Lake City, Utah 84114-5703

UNITED STATES DEPARTMENT OF THE INTERIOR:

Bureau of Land Management
Utah State Office
324 South State
Salt Lake City, Utah 84111

Robert K. Peper:
975 W 600 S
Orem, Utah 84058

8.4.2.6 Revegetation Standards

The post-mining land use is wildlife habitat. The objective is to achieve a plant cover sufficient to control erosion and provide a plant community useful as wildlife habitat. The perennial grasses and forbs growing under the moderating influence of the shrubs will stabilize the soil surface. The shrubs, especially the large rubber rabbitbrush, will provide cover for small animals. Additional wildlife enhancement features include planted pinyon pine and juniper trees and rock piles. All of the plants will provide forage for wildlife, especially in a terrain that is sparsely covered with forage species.

The standard for the revegetation will be the reference site. This site was evaluated in 1985, a normal precipitation year by Susan Hasenyager of Kaiser Coal Corporation. The reference site is a Pinyon-Jupiter Woodland and has ground cover of 26.3% and a diversity of 2 shrubs, 1 forb, and 3 grasses (over 5% relative cover). The composition of the present cover is 83% grasses, 9.7% trees and shrubs, and 6.8% fobs. In the summer of 1991 the reference site will again be sampled by methods found in the DOGM Vegetation Guidelines.

The revegetation will be considered a success when the following conditions are met:

- The plant cover is 90% of the present range site cover at the 90% confidence level.
- Diversity will be determined a success when the total number of species in

each of the revegetated sites equal or exceed that of the reference area. And the number of species in the reclaimed area, contributing more than 5 percent of the relative importance, will equal or exceed the number of species contributing more than 5 percent in the reference area. No one species will make up greater than 50% of the importance value.

$$\textit{Relative Cover (\%)} = \frac{\textit{Cover (\%)} \textit{ for Species}}{\textit{Total Vegetation Cover (\%)}}$$

$$\textit{Relative Cover} = \textit{Relative Importance}$$

The revegetation sampling methods are those used to identify the undisturbed plant communities in the Permit Area. The continuity of the sampling method will allow for the ease of comparison of data from the communities and revegetation sites.

The qualitative sampling will take place annually in the summer months. The first year will require monthly visits from April to September to closely follow the progress of the seedlings and plantings. The second year will require visits in the spring and late summer to continue tracking the progress of the seedlings and plantings. The visits in years three (3) through ten (10) will occur annually in the summer or be coordinated with the quantitative sampling schedule.

The qualitative sampling will consist of visiting each reclamation treatment area

and recording growth, species success, soil conditions, erosion, livestock or wildlife use, insect damage, and other special conditions. The qualitative sampling will incorporate needs identified under the DOGM inspection program.

The quantitative sampling will take place in years two (2), three (3), five (5), nine (9) and ten (10) in the undisturbed communities and the revegetated sites. All of the measurements for cover, diversity, and woody stem densities will be taken in each year scheduled for quantitative sampling. Eighty percent of the measurements for woody stem density at bond release will be taken only from shrubs and trees that have existed for eight consecutive growing seasons. The productive measurements will be taken in years nine (9) and ten (10). The qualitative and quantitative data will be included in the annual reports.

Cover estimates will use the Point Intercept method. Transects will be run at each revegetation site to determine percent cover. Transects will be located using coordinates selected from a random number table. Coordinates will be paced off and a compass direction selected using the random number table as well. At each sample location, the percent slope, aspect, soil texture and depth, animal use, and other environmental conditions will be recorded.

Woody plant densities will be estimated using the belt transect method (DOGM 1992). The density of woody plant species will be sampled by tabulating plants and stems in 100 ft., 10 feet- wide belt transects. This method will be used both in the undisturbed communities and the revegetated sites.

Productivity measurements are not required for a post-mining land use of wildlife habitat.

Sampling adequacy on the revegetated sites and woodland communities will be maintained at 90% of the samples within 10% of the mean. All the revegetated sites will be sampled individually as defined on the reclamation treatments maps and compared with the results of the undisturbed communities and for sample adequacy. The comparisons will use the one-tailed t-test. Because the post-mining use is wildlife, the revegetation will be considered successful when ground cover and diversity are within 90% of the undisturbed communities at a 90% statistical confidence. The stem density on the revegetated sites must meet the goal of 2,000 stems/acre at a 90% statistical confidence in order to be considered successful.

Table 8.4.2.6-1

Reclamation Monitoring Schedule

Sampling	Years									
	1	2	3	4	5	6	7	8	9	10
Qualitative	x	x	x	x	x	x	x	x	x	x
Quantitative										
Cover		x	x		x				x	x
Frequency		x	x		x				x	x
Woody Plant Density		x	x		x				x	x
Transplant Survival	x	x	x		x					
Productivity										