

**UtahAmerican Energy, Inc.**

February 24, 2004

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

Accounting
C/007/013

Re: Response to the Letter of Deficiency -Lila Canyon Extension, UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/013 Task ID#2055

Dear Ms. Grubaugh-Littig:

Attached you will find UtahAmerican Energies response to the technical deficiencies dated November 30, 2004. To simplify the review process, UEI included has included a list of the original DOGM comment with UEI's response immediately following in red.

UEI has reviewed SUWA issues raised at the informal conference and have determined that all issues were or have been addressed by the PAP. A separate response to SUWA's issues will be submitted by our legal counsel in the near future.

In the near future I will submit a CD disk with the text and maps of the contained within the November 2004 TA response as well as a CD with the complete MRP.

A completed C1 and C2 form is included.

Sincerely,

R. Jay Marshall

R. Jay Marshall
Project Manager

RECEIVED

FEB 25 2005

DIV. OF OIL, GAS & MINING

APPLICATION FOR PERMIT PROCESSING

<input checked="" type="checkbox"/> Permit Change	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: ACT/007/013
Title of Proposal: 05-001 Response to Nov 30, 2005 TA						Mine: Horse Canyon
Horse Canyon Mine - Lila Canyon Extension ID#2055						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 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 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.

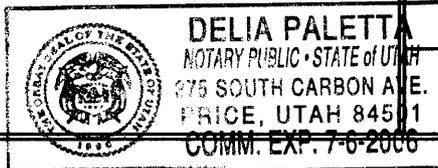
I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Ryan Marshall Project Manager 2/23/05
 Signed - Name - Position - Date

Subscribed and sworn to before me this 23 day of FEBRUARY, 2005.

Delia Paletta
 Notary Public

My Commission Expires: July 6, 2006
 Attest: STATE OF UTAH
 COUNTY OF CARBON



Received by Oil, Gas & Mining

RECEIVED

FEB 25 2005

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER

Application for Permit Processing Detailed Schedule of Changes to the MRP

Title of Application: 05-001 Response to Nov 30, 2005 TA

Permit Number: ACT/007/013

Horse Canyon Mine - Lila Canyon Extension ID#2055

Mine: Horse Canyon

(Page 1)

Permittee: UtahAmerican Energy, Inc.

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. **Include page, section and drawing numbers as part of the description.**

	DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	All Text in Chapter 1
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	Appendix 1-1 with new Appendix 1-1 dated 9/27/04
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	Secretary of Corporation's Certification Letter to front of Appendix 1-1
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	Appendix 1-3 with new Appendix 1-3
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	Affidavits of Publication to the end of Appendix 1-5
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	Plate 1-2 with new Plate 1-2
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	All Text in Chapter 2
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	Plate 2-3
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	All Text in Chapter 3
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	Appendix 5 of Appendix 3-1
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	EIS letter dated 3/1/00 From Appendix 3-2
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	Cook Letters dated 7/26/99 and 7/08/98 From Appendix 3-2
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	The EIS letter 7/29/99 with new 10/19/04 letter before BA in Appendix 3-4
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	Page 2 of the MSO Survey in Appendix 3-4
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> MOVE	Appendix 3-5 to The CONFIDENTIAL FILE
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> MOVE	Plate 3-1 to The CONFIDENTIAL FILE
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	Plate 3-2 with new Plate 3-2
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	All Text in Chapter 4
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> MOVE	Pages 11-15 of Chapter 4 Text to the CONFIDENTIAL FILE
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> MOVE	Appendix 4-1 to the CONFIDENTIAL FILE
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	All Text in Chapter 5
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	Certification Page and Facilities Access / Loadout road drawing in Appendix 5-4 with the new drawing showing A-A'
<input type="checkbox"/> ADD <input type="checkbox"/> REPLACE <input type="checkbox"/> REMOVE	Cross Section A-A' behind Facilities Access / Loadout drawing in Appendix 5-4

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

Application for Permit Processing Detailed Schedule of Changes to the MRP

Title of Application: 05-001 Response to Nov 30, 2005 TA

Permit Number: ACT/007/013

Horse Canyon Mine - Lila Canyon Extension ID#2055

Mine: Horse Canyon

(Page 2)

Permittee: UtahAmerican Energy, Inc.

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. **Include page, section and drawing numbers as part of the description.**

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	New Certification Page and Page 5 of Text in Appendix 5-5
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Page 7A to Appendix 5-5
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	AGEC Test Results to End of Appendix 5-5
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Page 5 (Table 2) to Appendix 5-7
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Page 3 of Appendix 5-8
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-1
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-1A
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-2
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-3
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-3 CONFIDENTIAL to the CONFIDENTIAL Binder
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-5
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-6
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	All Text in Chapter 6
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 6-2
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	All Text in Chapter 7
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> MOVE	Move Figure 7-1 from the end of Chapter 8 to the end of Chapter 7
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Figure 7-1 Water Level Map with the New Figure 7-2A
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Piezometer water depths with new Figure 7-2B Piezometer water depths
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> MOVE	Appendix 7-3 with new Appendix 7-3 (January 2005)
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> MOVE	Table 4 Page 16 with new Table 4 in appendix 7-4
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	DA-9 Calculations from the end of Appendix 7-4
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	DA-1 Calculations from the end of Appendix 7-4
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	UA-5 and UA-6 Calculations to end of Appendix 7-4

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

Application for Permit Processing Detailed Schedule of Changes to the MRP

Title of Application: 05-001 Response to Nov 30, 2005 TA

Permit Number: ACT/007/013

Horse Canyon Mine - Lila Canyon Extension ID#2055

Mine: Horse Canyon

(Page 3)

Permittee: UtahAmerican Energy, Inc.

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			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Pages 7,8,and 18 of Appendix 7-7 Text
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 7-1A
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 7-2
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 7-3
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 7-5
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 7-7
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	All Text in Chapter 8
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Worksheet AsphaltNo13 found in Appendix 8-1
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
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<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?