

0173

Snell & Wilmer

L.L.P.
LAW OFFICES

15 West South Temple, Suite 1200
Gateway Tower West
Salt Lake City, Utah 84101
(801) 257-1900
Fax: (801) 257-1800
www.swlaw.com

Denise A. Dragoo (801) 257-1998
ddragoo@swlaw.com

SALT LAKE CITY, UTAH
PHOENIX, ARIZONA
TUCSON, ARIZONA
IRVINE, CALIFORNIA
DENVER, COLORADO
LAS VEGAS, NEVADA

September 14, 2006

HAND DELIVERED

Pamela Grubaugh-Littig
Permit Supervisor
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Denise A. Dragoo
c/007/0013 OK
#2642

RE: Horse Canyon Mine, Part "A," ACT/007/013

Dear Ms. Grubaugh-Littig:

Enclosed on behalf of UtahAmerican Energy, Inc. ("UEI"), are replacement calculations regarding the redesign of Ditch 31 in the Horse Canyon file. Also enclosed are the C1 and C2 forms.

Please contact Dave Shaver, Jay Marshall or me if you have any questions.

Very truly yours,



Denise A. Dragoo

DAD:jmc:412552

Enclosures

- cc: Mary Ann Wright (via e-mail, without enclosures)
- Steve Alder, Esq. (via e-mail, without enclosures)
- Dave Shaver (via e-mail, without enclosures)
- Jay Marshall (via e-mail, without enclosures)
- Tom Suchoski (via e-mail, without enclosures)

Refer to Expandable 09142006
file in 0070013. 2006. Incoming
for additional information

RECEIVED
SEP 14 2006
DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change [X] New Permit [] Renewal [] Exploration [] Bond Release [] Transfer []

Permittee: UtahAmerican Energy, Inc.

Mine: Horse Canyon Mine "A"

Permit Number: ACT/007/013

Title:

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

Redesign Ditch 31 in Horse Canyon File, Replacement pages and calculations

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

- 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ [] increase [] decrease.
2. Is the application submitted as a result of a Division Order? DO# _____
3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
4. Does the application include operations in hydrologic basins other than as currently approved?
5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
6. Does the application require or include public notice publication?
7. Does the application require or include ownership, control, right-of-entry, or compliance information?
8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
9. Is the application submitted as a result of a Violation? NOV # _____
10. Is the application submitted as a result of other laws or regulations or policies? Explain: _____
11. Does the application affect the surface landowner or change the post mining land use?
12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
13. Does the application require or include collection and reporting of any baseline information?
14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
15. Does the application require or include soil removal, storage or placement?
16. Does the application require or include vegetation monitoring, removal or revegetation activities?
17. Does the application require or include construction, modification, or removal of surface facilities?
18. Does the application require or include water monitoring, sediment or drainage control measures?
19. Does the application require or include certified designs, maps or calculation?
20. Does the application require or include subsidence control or monitoring?
21. Have reclamation costs for bonding been provided?
22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
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.

Denise A. Dragoo, Attorney Representing UEI
Print Name

Denise A. Dragoo, Attorney, 09/14/06
Sign Name, Position, Date

Subscribed and sworn to before me this 14 day of September, 2006

Notary Public

My commission Expires:

Attest: State of Utah

} ss:

County of Salt Lake

July 31, 2007



NOTARY PUBLIC
JENNIFER E. AMES
15 W. South Temple, Ste. 1200
Salt Lake City, Utah 84101
My Commission Expires
July 31, 2007
STATE OF UTAH

RECEIVED
SEP 14 2006

