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November 22, 2006

SALT LAKE CITY, UTAH

PHOENIX, ARIZONA

TUCSON, ARIZONA

IRVINE, CALIFORNIA

DENVER, COLORADO

LAS VEGAS, NEVADA

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED
and
HAND DELIVERY

Director John R. Baza
 Utah Division of Oil, Gas & Mining
 1594 West North Temple
 Salt Lake City, Utah 84114

RE: Issuance of Mine Permit, Lila Canyon Mine, C/007/013

*Incident
 C/007/0013*

Dear Director Baza:

On behalf of UtahAmerican Energy, Inc. ("UEI"), we have been requested to deliver the attached notice of civil action. This notice is required pursuant to Utah Code Ann § 40-10-21(2) to enable UEI to pursue its judicial remedies. As discussed with you and Mr. Stephen Alder yesterday, UEI prefers to have the Division issue findings within the next sixty (60) days without requiring the court to mandate this action.

We appreciate your assistance in this matter.

Very truly yours,



Denise A. Dragoo

DD:jmc:421312

cc: Stephen Alder, Esq. (via U.S. mail)
 Michael McKown, Esq. (via e-mail)
 John Jevicky, Esq. (via e-mail)
 Chairman J. James Peacock (hand delivered)

Answer
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1594 West North Temple
Salt Lake City, Utah 84114

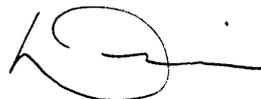
Chairman J. James Peacock
Utah Board of Oil, Gas & Mining
1594 West North Temple
Salt Lake City, Utah 84114

RE: Notice of Civil Action to Compel Compliance with Utah Code Ann. § 40-10-14(1)

Dear Director Baza and Chairman Peacock:

On behalf of UtahAmerican Energy, Inc. ("UEI"), we hereby provide notice consistent with Utah Code Ann. § 40-10-21 of UEI's intent to file an action in district court to require the Division of Oil, Gas & Mining ("Division") to perform its mandatory duty under Utah Code Ann. § 40-10-14(1) to issue written findings granting UEI's pending mine permit application for the Lila Canyon Mine Extension. UEI hereby withdraws its Stipulation to Amend Order in Cause No. C/007/013 and requests the Division to perform its mandatory duty to issue written findings on pending application No. C/007/013 within the next sixty (60) days. As discussed with Director Baza and Mr. Stephen Alder yesterday, UEI prefers to have the Division issue findings within the next sixty (60) days without requiring the court to mandate this action.

Very truly yours,



Denise A. Dragoo

DD:jmc:421301

cc: Stephen Alder, Esq. (via U.S. mail)
Michael McKown, Esq. (via e-mail)
John Jevicky, Esq. (via e-mail)

NOV 24 2006

11/27