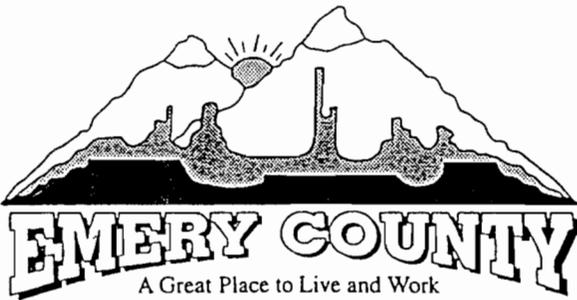


**APPENDIX 1-4**

**COUNTY CORRESPONDENCE**

County Correspondence for Appendix 1-4 are all hard copies no electronic copies exist.



January 10, 2001

Utah American Energy, Inc.  
Environmental Industrial Service  
31 North Main Street  
Helper, Utah 84501

To Whom It May Concern:

Emery County has approved a Large Site Development Plan for the Utah American Energy, Inc. Lila Canyon Mine surface facilities.

Said approval authorizes mining activities to be conducted within 100 feet of the public road with the provision that, to provide for public safety, a 6 foot chain link fence shall be constructed adjacent to the road right-of-way in the vicinity of the surface facilities area.

Additionally, the location of the fence must not restrict continued public use of the road.

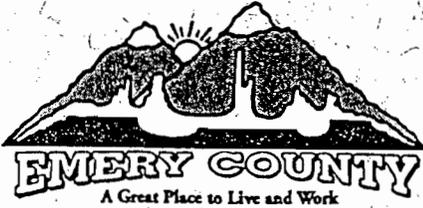
Sincerely,

A handwritten signature in black ink, appearing to read "Rex Funk".

Rex Funk,  
Road Supervisor

RF/lr

cc Val Payne, Public Lands  
Commissioners  
Bryant Anderson, Planning & Zoning  
Lowell Braxton, Division of Oil, Gas and Mining



## EMERY COUNTY PLANNING AND ZONING

Bryant Anderson, Administrator

22 March 2001

Utah American Energy, Inc.  
Environmental Industrial Services  
31 North Main Street  
Helper, Utah 84526

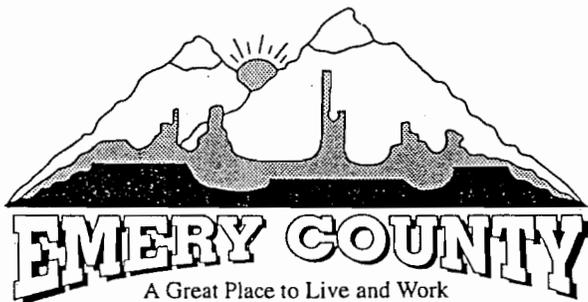
To Whom It May Concern:

Emery County has previously approved a Large Site Development Plan for the Utah American Energy, Inc. Lila Canyon Mine surface facilities.

It is understood that as part of this project a 60" culvert will have to be installed adjacent to the proposed sedimentation pond. This culvert will extend under the existing county road. During the installation of the culvert it may be necessary to temporarily limit travel through this area. Emery County has no problems with this action as long as public safety concerns are maintained.

Sincerely,

Bryant Anderson  
Zoning Administrator



Road Department

March 27, 2001

UtahAmerican Energy, Inc.  
Environmental Industrial Services  
31 North Main Street  
Helper, Utah 84526

To Whom It May Concern:

Emery County has previously approved a Large Site Development Plan of the UtahAmerican Energy, Inc. (UEI) Lila Canyon Mine surface facilities. Part of this plan involves the rehabilitation of an existing sediment pond.

Emery County has no problems with the rehabilitation of this sedimentation pond and realizes that it is adjacent to and may be on the county road right of way. It is also understood that UEI has a 100' right of way in this area. With the installation of a 6' chain link fence, it is our opinion that the public will have adequate protection; so Emery County does not have a problem with this sedimentation pond.

Sincerely,

Rex Funk,  
Road Supervisor

RF/lr

## AGREEMENT

This agreement made and entered into this 19 day of October 1999, by and between Emery County, a body corporate and politic (County), and UtahAmerican Energy, Inc. (UEI).

WHEREAS, there is an existing road in Emery County known as Lila Canyon Road (#126) and

WHEREAS, UEI requires extensive use of said road, and

WHEREAS, due to said extensive use, said road must be improved for the health, safety and welfare of the citizens of County as well as others who may have occasion to use said road,

NOW THEREFORE, be it agreed as follows:

1. The parties hereto agree and acknowledge that presently the southwest portion of the road known as Lila Canyon Road is a County road. Said County road runs from State Route 6 in a Northeasterly direction for approximately 2.63 miles to a presently existing corral. Thereafter the road is an unimproved RS 2477 roadway under assertion by Emery County with the Bureau of Land Management (BLM) and identified as assertion #144 lower Lila point, #155 Lila Canyon and #326 Lila Canyon Lila Pt. The Assertions were indexed and submitted to BLM Jan. 8, 1993.
2. That Emery County will improve the Lila Canyon Road according to the plans and specifications as approved by Johansen & Tuttle Engineering, Inc., as Emery County's engineers of record.
3. The parties shall enter into an Escrow Agreement. Johansen & Tuttle Engineering, Inc. estimates for such improvements are shown in attachment A. Estimates for each phase shall be carefully reviewed and brought up to date before funds are put in escrow prior to initiation of the individual phases. UEI and Emery County shall jointly agree in writing before beginning any specific phase. No phase shall commence before the required funds for that specific phase is in escrow. Each phase once initiated shall be completed.
4. Insofar as the road will be used by the public for access to private and public lands and by UEI for access and construction of the Lila Canyon mine, and insofar as improvement of the Roadway would not otherwise be a budgeted item for Emery County given other priorities for highway maintenance or reconstruction, it has been agreed between Emery County and UEI that the total cost of the reconstruction of the county road shall be the responsibility of UEI. Upon satisfactory completion by both parties of each phase, any remaining unspent funds in escrow shall remain sole property of UEI.

5. UEI will assist the County in obtaining additional road ROW's as required. The newly applied for BLM, ROW #UTU- 76617, now in the EA process will, be issued and assigned to Emery County.
6. Emery County shall make available at no cost, any native rock or dirt materials available on County or otherwise permitted local properties which might be suitable for road construction.
7. UEI shall acquire an Encroachment Permit from Emery County and comply with the conditions as set forth in the permit. It is agreed that when UEI is operating any coal mining or reclamation activity within 100' of a County road that UEI shall protect the public from normal hazards associated with said activity by installing a 6' chain link fence between the public and mine activity or facility situated within the 100' distance from the road unless as otherwise agreed to by Emery County through its Road Encroachment Ordinance 8-7-85A or as amended.
8. It is further agreed by Emery County that in consideration of UEI's contributions, Emery County agrees and acknowledges that said contribution does not in any manner constitute participation by UEI in the design, construction, maintenance or operation of the road except as otherwise agreed by both parties. The road will remain a County network road entirely under authority of Emery County. Furthermore, Emery County agrees to indemnify and hold UEI, its owners, directors, officers, employees, and agents (indemnitees) harmless of any liability, cost or expense, including defense costs, from any claim, demand or action which may be brought alleging negligence or responsibility on the part of indemnitees in the design or construction of the roadway, including any claim or demand which may be made by UEI employees. This obligation to indemnify and hold harmless commences immediately and includes the period of time during which construction is taking place.

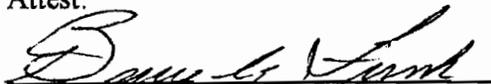
Emery County agrees that it will fully cooperate with UEI should any explanation of this expenditure by UEI be required by any of the commissions which regulate UEI operations and/or any government agency which may inquire or investigate into the expenditure of UEI.

**EMERY COUNTY**

  
\_\_\_\_\_

Commission Chairman

Attest:

  
\_\_\_\_\_

Emery County Clerk

Subscribed and sworn to before me this 19th day of October, 1999.



Carol D. Cox  
Notary Public

**UtahAmerican Energy, Inc.**

H. H. Hayden, President  
Hershiel H. Hayden, President

Subscribed and sworn to before me this 26th day of October, 1999.



Janet A. King  
Notary Public

## ATTACHMENT "A"

Phase	Description	Estimated Cost
Phase I	Engineering and Design of the Lila Canyon road complete, ready for bid.	\$150,000
Phase II	Construction of gravel roadways. Includes acceleration & deceleration lanes on State Hwy 6.	To be determined by Phase I studies.
Phase III	Paving of the western segment of the Lila Canyon road.	To be determined by Phase I studies.