

**BEFORE THE DIVISION OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

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IN THE MATTER OF LILA	:	STIPULATION TO AMEND
CANYON EXTENSION TO THE	:	
HORSE CANYON MINE,	:	ORDER
CARBON AND EMERY	:	
COUNTIES, UTAH	:	CAUSE NO. C/007/013
	:	

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The Division of Oil, gas, and Mining, (Division), UtahAmerican Energy Inc., (UEI), Emery County, and the Southern Utah Wilderness Alliance (SUWA), parties to the above entitled Informal Conference, HEREBY agree and stipulate as follows:

RECITALS

1. The Division has determined that: tribal consultation as required by Section 106 of the National Historic Preservation Act (NHPA) pursuant to 36 CFR Part 800 has not been completed and must be done as part of the permit review process; this consultation has been delegated to the Division by OSM pursuant to 36 CFR 800.2(a); the time required to complete this consultation and make a finding as required by the NHPA will extend the process for at least 60 days; and the actual amount of additional time will depend on the nature of the responses.
2. A decision based on incomplete analysis and made prior to completion of the Section 106 consultation, would be a partial approval and a partial denial, or require a modification of the permit application, and proceeding with such a partial decision would put all parties to the burden of filing appeals and then either proceeding to

appeal the partial actions, or stipulate to holding the appeal of the decision in abeyance pending complete evaluation of the application.

3. The Division and UtahAmerican Energy Inc., (UEI), the permit applicant, have entered into a letter agreement attached to this Stipulation providing that the time limits provided in Utah Code §40-10-14(1) shall be extended for time required to complete the tribal consultations and determinations required by NHPA prior to issuing a permit.

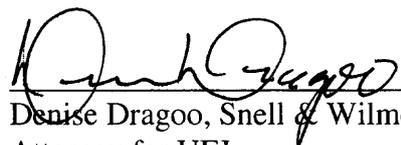
STIPULATION

NOW THEREFORE, the parties to the Informal conference stipulate that:

1. The Order requiring the Division to issue written findings granting or denying the permit in whole or in part within 60 days of the informal conference be amended consistent with the letter agreement between the Division and UEI; and
2. The Amended Order provide that the Division be allowed additional time prior to making its final decision on the permit application, as necessary to complete the tribal consultations and determinations required by NHPA .

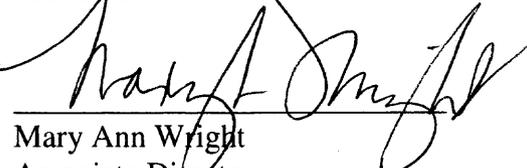
AGREED TO on behalf of the parties on the date last executed by the signatures of the following persons

UTAHAMERICAN ENERGY INC., (UEI)


Denise Drago, Snell & Wilmer
Attorney for UEI

Dated 01/17/06

UTAH DIVISION OF OIL, GAS, &
MINING


Mary Ann Wright
Associate Director

Dated 1/18/06

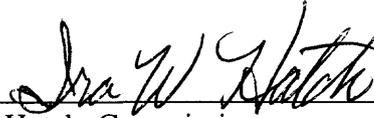
SOUTHERN UTAH WILDERNESS
ALLIANCE



Stephen Bloch, Attorney for SUWA

Dated 1/17/06

EMERY COUNTY



Ira Hatch, Commissioner

Dated 01/17/06

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COUNTIES, UTAH	:	
	:	CAUSE NO. C/007/013
	:	

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The Division of Oil, Gas, and Mining, (Division), UtahAmerican Energy Inc., (UEI), Emery County, and the Southern Utah Wilderness Alliance (SUWA), parties to the above entitled Informal Conference, have filed a Stipulation (with an attached Letter Agreement between the Division and UEI) requesting that the presiding Officer Amend his Order issued on December 2, 2005 to the extent that an amendment of the Order may be necessary, to provide that the Division be allowed additional time prior to making its final decision on the permit application, as necessary to complete the tribal consultations and determinations required by National Historic Preservation Act.

Based on this Stipulation, in order to accommodate the Division's careful and lawful completion of its review of the application, to provide for the efficient complete review of the permit application, to facilitate a review of the application in a manner that is in the best interest of all of the parties to the Informal Conference, and for good cause appearing;

IT IS HEREBY ORDERED that:

1. The Order issued December 2, 2005 is Amended to provide that the Division shall make its decision on the permit application upon completion of the tribal

consultations and determinations required by National Historic Preservation Act or as soon thereafter as reasonable to prepare the decision; and

2. Except as modified by this Amended Order, the Order and the accompanying Findings of Fact, Conclusions of Law and Order remain in effect without alteration.

DATED this 19th day of January, 2006



John R. Baza, Director
Division of Oil, Gas and Mining

CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing Notice of Supplemental to Amend Informal Conference for Cause No. C/007/013 to be mailed by certified mail, postage prepaid, on the 20 day of January 2005 to the following:

7099 3400 0016 8895 6733

Jay Marshall
UtahAmerican Energy, Inc.
P.O. Box 986
Price, Utah 84501

7099 3400 0016 8895 6726

Denise Dragoo
Snell & Wilmer
Gateway Tower West
15 West South Temple, Suite 1200
Salt Lake City, Utah 84101

7099 3400 0016 8895 6719

Steve Bloch
Southern Utah Wilderness Alliance
425 East 100 South
Salt Lake City, Utah 84111

7099 3400 0016 8895 6702

Ira Hatch
P.O. Box 629
Castle Dale Utah 84513

Vickie Southwick
Executive Secretary
Division of Oil, Gas and Mining

C/007/0013

STATE OF UTAH
OFFICE OF THE ATTORNEY GENERAL



MARK L. SHURTLEFF
ATTORNEY GENERAL

RAYMOND HINTZE
CHIEF DEPUTY

Protecting Utah • Protecting You

KIRK TORGENSEN
CHIEF DEPUTY

January 12, 2006

Denise Dragoo
Snell & Wilmer
15 West South Temple, Suite 1200
Gateway Tower West
Salt Lake City, Utah 84101-1547

Re: Continuation of Technical Analysis for Lila Canyon Extension, UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/0013

Dear Denise:

I am writing on behalf of the Division of Oil, Gas, and Mining in order to agree on an extension of the time limit provided by Utah Code §40-10-14(1) which requires the Division to issue written findings granting or denying the permit in whole or in part within 60 days of the informal conference concluded November 18, 2005. We believe that an extension of this time limit will provide the most efficient means of completing review of the application, and is in the best interests of all of the parties.

As you are aware, as a result of comments received at the informal conference and further inquiries, the Division has determined that Tribal Consultation as required by Section 106 of the National Historic Preservation Act (NHPA) pursuant to 36 CFR Part 800 has not been completed and must be done as part of the permit review process. This consultation has been delegated to the Division by OSM pursuant to 36 CFR 800.2(a). The time required to complete this consultation and make a finding as required by the NHPA will extend the process for at least 60 days. The actual amount of time will depend on the nature of the responses.

Also, in response to the comments received at the informal conference, the Division has requested supplemental information from UtahAmerican Energy Inc., to further address specific requirements for the permit. The requested information that has been submitted by UEI was only recently received in a format that permits its accurate evaluation. Until the Division has time to review this information it can not make an accurate estimate of

the additional time needed to make a final decision, but it is reasonable to expect that the time needed to evaluate this information and respond with a written decision will also exceed the current deadline, set to expire on January 17, 2006.

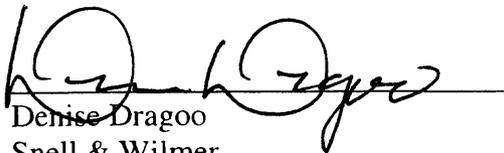
As a consequence, it will not be possible to issue a decision approving the permit within the time constraints of the statute. A decision based on incomplete analysis and prior to completion of the Section 106 consultation, would at best be a partial approval and a partial denial, or require a modification of the permit application. Proceeding with such a partial decision would put all parties to the burden of filing appeals and then either proceeding to appeal the partial actions, or stipulate to holding the appeal of the decision in abeyance pending complete evaluation of the application. Rather than go down that road again, it is proposed that we agree to extend the deadline for making a decision for such additional time as is necessary to complete the tribal consultations and determinations required by NHPA prior to issuing a permit.

Instead of preparing a separate stipulation, will you please indicate your agreement with an extension for the time and conditions described by signing and returning a copy of this letter to me. The order from the informal conference will be amended to provide that this extension is not inconsistent with that order.

Sincerely yours,



Steven F. Alder
Assistant Attorney General
Attorney for Utah Division of Oil, Gas and Mining



Denise Dragoo
Snell & Wilmer
Attorney for UtahAmerican Energy, Inc.

cc: Stephen Bloch
Attorney for SUWA