

May 24, 2006

«NAME» «JOB\_TITLE»  
«COMPANY»  
«ADDRESS»  
«CITY», «STATE» «ZIP»

Subject: Section 106 Consultation, Utah American Energy, Inc., Lila Canyon Extension, Horse Canyon Mine, C/007/0013, Task ID #2421, Outgoing File

Dear «SALUTATION»:

As our previous letters of January 9 and March 7, 2006 indicated, Utah American Energy Inc. is proposing to develop a coal mine in the vicinity of Lila Canyon east of Price, Utah and north of Green River, Utah (see enclosed map). Since you have requested consulting party status, this letter details some additional archaeological inventory work being conducted by Montgomery Archaeological Consultants, Inc. (MOAC). MOAC is undertaking a Class II cultural resource inventory of the area defined on the enclosed map as the “maximum extent of subsidence”. The Class II inventory focuses on sites potentially at risk due to surface subsidence resulting from underground mining. A copy of this cultural resource inventory will be forwarded to you upon its completion.

The area of the “maximum extent of subsidence” occurs in Township 16 South, Range 14 East, Sections 11, 12, 13, 14, 15, 23, 24, and 25, and Township 16 South, Range 15 East, Sections 19 and 30. Bisected by Little Fork Wash, the subsidence area encompasses approximately 2823 acres. More generally, the project area is atop the Book Cliffs, just south of the head of Lila Canyon and several miles north of Woodside, Utah. The bench immediately above the sheer Book Cliffs, which the project area more or less covers, is about a mile wide, though numerous ridges extend on to the bench from the north and east resulting in a very broken topography of minor alluvial valleys and long, narrow ridges.

As a consulting party to the project under Section 106 of the National Historic Preservation Act (16 USC 470), you will have the opportunity to comment on this project and to help us identify sites or places that might be of religious or cultural significance to your tribe. Your input on how such sites might be treated or protected is also important.

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John Fritz, ethnographer for MOAC, will be assisting the Utah State Division of Oil, Gas and Mining to coordinate tribal consultations and any field visits you may request pursuant to implementing Section 106 of the NHPA (36CFR800 & 16USC470). He will also assist the Utah State Division of Oil, Gas and Mining to make recommendations regarding any potential effects to sites that have been determined to have religious and cultural significance and to identify any mitigation measures. Please be assured that all such matters will be treated with the utmost respect, cultural sensitivity, and confidentiality. We welcome any information that you might be able to share with us to identify and protect sites that may be of significance or concern to the «COMPANY». Please feel free to contact John Fritz at (801) 244-2176, or 167 D Street Salt Lake City, Utah 84103 with questions or for more information about the Class II Survey, consulting process, or field visits.

Thank you for your attention to this project. If you have any comments or questions regarding this letter or require further information, please do not hesitate to contact me at (801) 538-5306, or Jerriann Ernstsens at (801) 538-5214. You may also contact Pamela Grubaugh-Littig at (801) 538-5268 or Wayne Hedberg at (801) 538-5286, Permit Supervisors for the project.

Respectfully,

Mary Ann Wright  
Associate Director, Mining

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Enclosures: Project Overview Map  
cc: Denise Dragoo, Snell & Wilmer, LLP  
Jerriann Ernstsens, OGM  
Pam Grubaugh-Littig, OGM  
Steve Alder, AAG  
Steve Rigby, BLM-PFO  
Foster Kirby, OSM  
Matthew Seddon, SHPO  
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JAY MARSHALL  
UTAHAMERICAN ENERGY INC  
P O BOX 986  
PRICE UT 84501

DAVID LEVANGER  
CARBON PLANNING & ZONING  
120 EAST MAIN STREET  
PRICE UT 84501

BRYANT ANDERSON  
EMERY PLANNING & ZONING  
P O BOX 417  
CASTLE DALE UT 84513

STEPHEN BLOCHJ  
SUWA  
425 EAST 100 SOUTH  
SALT LAKE CITY UT 84111

IVAN WONGAN  
NORTHWEST SHOSONE TRIBE  
427 NORTH MAIN STREET STE 101  
POCATELLO ID 83204

EDWIN NARANJO  
GOSHUTE INDIAN TRIBE  
P O BOX 6104  
IBAPAH UT 84034-6104

JEANINE BORCHARDT  
INDIAN PEAKS BAND OF PAIUTES  
P O BOX 975  
CEDAR CITY UT 84721

ALEX SHEPHERD  
CEDAR BAND OF PAIUTES  
5267 WEST 3700 SOUTH  
CEDAR CITY UT 84720

RON MALDONADO  
NAVAJO NATION  
P O BOX 9000  
HIGHWAY 264 TRIBAL HILLS DRIVE  
WINDOW ROCK AZ 86515

DORENA MARINEAU  
INDIAN PEAKS BAND OF PAIUTES  
P O BOX 975  
CEDAR CITY UT 84721

TERRY MORGART  
HOPI TRIBE  
P O BOX 123  
HYKOTSMOVI AZ 86039

GOVERNOR ROLAND JOHNSON  
LAGUNA PUEBLO  
P O BOX 194  
LAGUNA NM 87026