

**State of Utah****Department of
Natural Resources**

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**Division of
Oil, Gas & Mining**

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September 6, 2006

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

Subject: Supplemental Cultural Survey, UtahAmerican Energy, Inc., Horse Canyon Mine,
C/007/0013, Task ID #2421

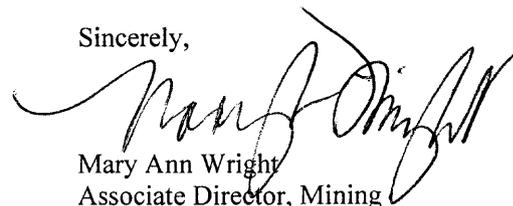
Dear Mr. Marshall:

Earlier in this Section 106 process for the Lila Extension to the Horse Canyon Mine, the Division (OGM) sent the May 2006 sampling survey proposal to the consulting parties for review and comment. Prior to the survey plan approval, UEI conducted the May 2006 proposed sampling survey. Now that comments have been received from all parties, OGM has decided to request the coal-mining applicant, UEI, to conduct a supplemental cultural survey.

Earlier this month we had sent a "draft" of the supplemental survey requirements to consulting parties for their review. After careful consideration of all consulting party comments, we have now finalized our list of requirements. Enclosed are the final supplemental survey requirements.

If you have any questions, please 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 this project.

Sincerely,



Mary Ann Wright
Associate Director, Mining

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enclosure

cc: Denise Dragoo, Snell & Wilmer, LLP
Steve Alder, AAG
Steve Rigby, BLM-PFO
Foster Kirby, OSM
Matthew Seddon, SHPO

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September 6, 2006

DIVISION'S FINAL SUPPLEMENTAL CULTURAL RESOURCE SURVEY
REQUIREMENTS

The Division requests that UEI implement the Division's final supplemental cultural resource survey requirements as outlined below. UEI must consider that this "final" supplemental survey requirement is simply the final revision to the SAMPLING survey. If UEI observes certain types of archeological resources, additional identification efforts may still be necessary.

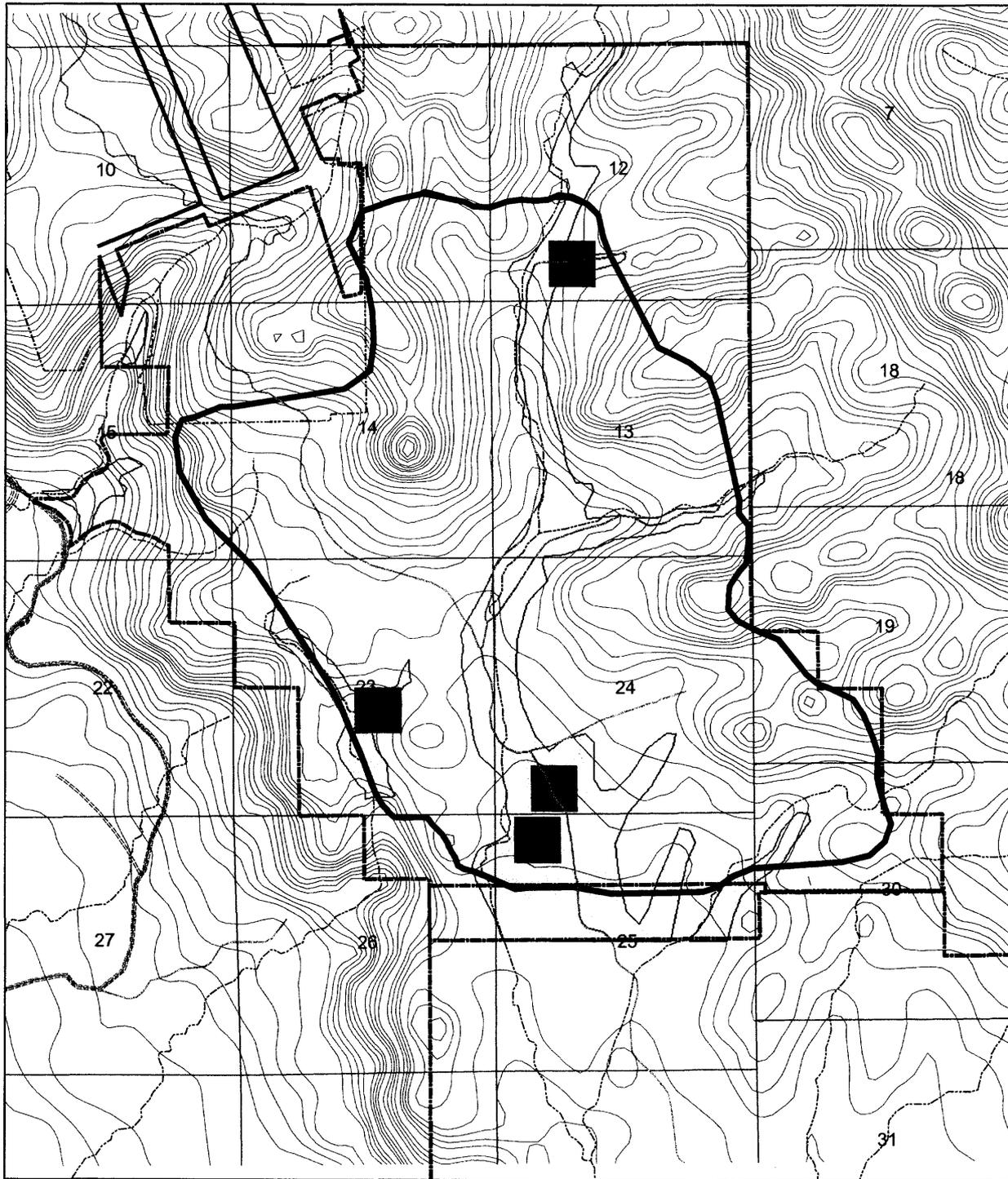
UEI must:

1. Walk a transect on each side of Little Park Wash and on the eastern tributary of Little Park Wash that is located in the S1/2 of the S1/2 of Section 13. These transects should be sited on the level terrace area adjacent to the wash, but outside of dense vegetation areas. This is a non-systematic survey designed to examine a particular landform only. A GPS unit set on stutter would assist in mapping this survey effort. Total distance: approximately 7.2 miles by two 50' wide transects (one on each side of the wash/tributary).
2. Survey four additional 20-acre plots strategically (not randomly) placed to cover areas of higher cultural resource potential. Total survey area: 80 acres. The four plots must be located within the "area of higher cultural resource potential" (refer to map) that have not already been surveyed or will not be surveyed by the linear wash strategy.
 - a. One on the upper arm of Little Park Wash;
 - b. Two on the lower arm Little Park Wash; and
 - c. One on the bluff area located in section 23.
3. Address 42EM2255 and 42EM2256. During the May 9, 2006 meeting with the Division, we requested that Montgomery relocate 42EM2255 and 42EM2256. At that time, Montgomery stated that he was aware of only one of the two and, subsequently searched for only 42EM2255. The Permittee must provide a supporting explanation as to why Miller (1991) reports that there were two sites, yet there are no re-recordings of these two sites. If the contract archeologist discusses with Miller and confirms that there were two sites, then the Permittee must try to relocate 42EM2256.

4. Prepare a map illustrating the final surveyed areas in 2006 and the areas surveyed by Rauch (1981) that are within the Area of Potential Effect II.
5. Provide all methods and results of Montgomery's research of the historic nature of the area within and adjacent to the Lila Canyon Extension boundary in the final, compilation report.
6. Provide a summary or documentation of the correspondence between tribal representatives and Dr. John Fritz in the final, compilation report. The Division is aware of the sensitivity of this information and leaves the extent of content to the discretion of Dr. Fritz.
7. Provide a compilation report that includes the June 2006 sampling survey results and the results of this proposed evaluation. The Permittee must correct the following errors noted in the June 2006 report:
 - a. The correct number for one of the new recordings on the SHPO cover page.
 - b. The correct section number for 42EM1337 on the IMACS site form and IMACS encoding form.

In addition to the supplemental cultural resource survey requirements, UEI must update the MRP: Table of Contents, Chapter 4 narrative, and Chapter 4 Plate VI to reflect the June 2006 and supplemental survey. UEI must include a brief summary of the survey results (use only site numbers, not descriptions) and include the explanation that the consulting archeologist will provide concerning 42EM2255 and 42EM2256. Do not remove previous discussions in the MRP of these two resources.

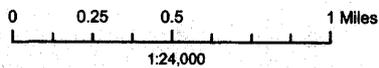
The Division reminds UEI to submit all supporting reports and maps marked as Confidential Information.



Horse Canyon Mine - Lila Canyon Extension

Legend

-  Area of Potential Subsidence
-  Area of Higher Cultural Resource Potential
-  Drainage
-  Permit Boundary (proposed)
-  Approx. Recommended Plots (20 Acre)



Map Produced
Aug. 2008