

Pam Grubaugh-Littig - Fwd: Lila Canyon Extension, Horse Canyon Mine: Emery County Road - Public Notice and Hearing

From: Mary Ann Wright
To: Steve Bloch
Date: 7/26/2007 10:19 AM
Subject: Fwd: Lila Canyon Extension, Horse Canyon Mine: Emery County Road - Public Notice and Hearing
CC: Pam Grubaugh-Littig; Steve Alder
Attachments: Pam Grubaugh-Littig; Steve Alder

Incoming
7/26/2007

From: "Dragoo, Denise" <ddragoo@swlaw.com>
To: "Mary Ann Wright" <maryannwright@utah.gov>, "Pam Grubaugh-Littig" <PAMGR...>
Date: 7/25/2007 5:31 PM
Subject: Lila Canyon Extension, Horse Canyon Mine: Emery County Road - Public Notice and Hearing
Attachments: UEI LTR TO DOGM RE EMERY CNTY ROAD.pdf

CC: "Steve Alder" <STEVEALDER@utah.gov>, "McKown, Mike" <mmckown@coalsource....>

Mary Ann, attached on behalf of UEI is our response to your request for documentation confirming that the requirements of R645-103-234.200-.300 have been met with respect to location of coal mining and reclamation operations within 100 feet of the existing Emery County Road. Please let me know if you have further questions. Thanks, Denise

Denise A. Dragoo
Snell & Wilmer L.L.P.

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Note: This communication is intended only for the designated recipients, and may contain confidential or privileged information. If you are not a designated recipient, please disregard this communication, and contact the sender immediately. Thank you.

Snell & Wilmer

L.L.P.
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IRVINE, CALIFORNIA

DENVER, COLORADO

LAS VEGAS, NEVADA

July 25, 2007

Via E-Mail and U.S. Mail

Ms. Mary Ann Wright
Utah Division of Oil, Gas & Mining
1594 West North Temple
Salt Lake City, Utah 84116

**RE: *Location of Emery County Road in Relation to the Lila Canyon Extension,
Horse Canyon Mine, C/007/013***

Dear Mary Ann:

On behalf of UtahAmerican Energy, Inc. ("UEI"), we have been asked to confirm that the requirements of R645-103-234.200-300 have been met in that public notice and an opportunity for hearing have been provided regarding the location of certain coal mining operations within 100 feet of the existing Emery County Road near the Lila Canyon Mine. These requirements were met in 1999 in conjunction with Emery County's approval of the Large Site Development Plan for the Lila Canyon Mine submitted by UEI on December 29, 1998, a copy of the application is attached as Exhibit A-1.

1. **Governing Provisions:** R645-103-234.200-400 implements Section 40-10-24(4)(c) of the Utah Coal Mining and Reclamation Act which provides that no "surface coal mining operations" shall be permitted:

(c) within 100 feet of the outside right-of-way line of any public road, except where mine access roads or haulage roads join this right of way line and except that the division may permit these roads to be relocated on the area affected to lie within 100 feet of the road, if after public notice and opportunity for public hearing in the locality a written finding is made that the interests of the public and the landowners affected thereby will be protected;

R645-103-234.200, .300 and .400 further provides:

234. Where coal mining and reclamation operation is proposed to be conducted within 100 feet, measured horizontally of the outside right of way line of any public road (except as provided in 40-10-24(4)(c), or where the applicant proposes to relocate or close any

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public road, the Division or public road authority designated by the Division will:

234.200. Provide an opportunity for a public hearing in the locality of the proposed coal mining and reclamation operation for the purpose of determining whether the interests of the public and affected landowners will be protected;

234.300. If a public hearing is requested, provide appropriate advance notice of the public hearing, to be published in a newspaper of general circulation in the affected locale at least two weeks prior to the hearing; and

234.400. Make a written finding based on information received at the public hearing within 30 days after completion of the hearing, or after any public comment period ends if no hearing is held as to whether the interests of the public and affected landowners will be protected from the proposed coal mining and reclamation operation. No mining will be allowed within 100 feet of the outside right of way line of a road nor may a road be relocated or closed unless the Division or public road authority determines that the interests of the public and affected landowners will be protected.

2. **Compliance with Utah Code Ann. § 40-10-24(4)(c) and R645-234.200-.400.**

UEI has met the requirements of the Utah Coal Mining & Reclamation Act and implementing regulations regarding the location of certain coal mining and operations within 100 feet of a public road. The location of the Lila Canyon Mine Project relative to the existing Emery County Road was subject to public notice and hearing in Emery County, Utah, in connection with approval of the Large Site Development Plan for the mine. Among other things, the Large Site Development Plan identified coal mining and operations proposed to be located near the Emery County Road. See UEI Large Site Plan Development Application, Fig. 2, attached as Exhibit A-1. Following preliminary approval of the plan, the Planning/Zoning Commission requested the Board of County Commissioners to hold a public hearing regarding UEI's pending application. See ¶ 3, Notice of Regular Meeting of the Board of County Commissioners of Emery County, Utah, dated February 12, 1999, attached as Exhibit A-2; ¶ 3, Notice and Agenda, Emery County Planning Commission, February 10, 1999, attached as Exhibit A-3; Minutes of the Emery County Planning Commission, held February 10, 1999 regarding "Large Site Development Plan Approval—Utah American Energy, Inc.," attached as Exhibit A-4.

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Consistent with the public notice and hearing requirements of the Coal Program Rules, subsections 234.200 and .300, the Board of Emery County Commissioners published notice of a public hearing regarding UEI's Large Site Development Plan for the Lila Canyon Mine in the *Emery County Progress* (a newspaper of general circulation in the County), on February 23, 1999, March 2, 1999 and March 9, 1999. See Affidavit of Publication dated March 8, 1999, attached hereto as Exhibit B-1. The hearing was held as advertised on March 16, 1999 at 10:00 a.m. in the Commission chambers of Emery County Courthouse. See ¶ 6, Minutes of the Regular Meeting of the Board of Emery County Commissioners, dated March 16, 1999, attached as Exhibit B-2 ("Public Hearing—To Receive Public Comment Regarding Proposed Large Scale Site Plan Which Includes a Coal Mine in Lila Canyon.") The County Commission approved UEI's Large Scale Development Plan following the hearing on March 16, 1999. *Id.* at ¶ 7; June 4, 1999 letter from Emery County to UEI, attached as Exhibit B-3.

Consistent with Coal Program Rule Subsection 234.400, the County has conditioned UEI's mining activities near the Emery County Road to protect the public from hazards. Conditions for the location of mining and reclamation operations within 100 feet of the road are set forth in an agreement between Emery County and UEI dated October 19, 1999 ("Agreement"), copy attached as Exhibit B-3 herein. Paragraph 7 of the Agreement specifically provides:

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.

See also letter dated February 23, 2000 from Emery County Road Supervisor to UEI, attached as Exhibit B-4 (confirming that Emery County understands that mining and reclamation activities will occur within 100 feet from a County road and confirming that a 6 foot chain link fence will be installed around UEI's activities occurring within 100 feet from the public road); letter dated January 10, 2001, from Rex Funk, Road Supervisor for Emery County to UEI, attached as Exhibit B-5 (confirming that Emery County's Large Site Development Plan approval authorizes mining activities to be conducted within 100 feet of the public road); letters dated March 22, 2001 and March 27, 2001 from Emery County, Utah, to UEI attached as Exhibits B-6 and B-7 (confirming that a 60 foot culvert will be installed adjacent to UEI's proposed sedimentation pond and will extend under the existing County road and further confirming that Emery County's approval of the Large Site Development Plan includes authority to rehabilitate a sedimentation pond).

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In sum, a public hearing was held in 1999 regarding the Large Site Development Plan for the Lila Canyon Mine and Emery County has specifically authorized the location of the mining and reclamation activities within 100 feet of the Emery County Road. Therefore, UEI's mining and reclamation plan for the Lila Canyon Extension meets the requirements of Utah Code Ann. § 40-10-24(4)(c) and R645-103-234.200-.300.

Please let me know if you have further questions.

Very truly yours,


Denise A. Dragoo

DAD:jmc:451619

Enclosures

cc: Steven Alder, Esq.
Jay Marshall
Bruce Hill
Michael McKown, Esq.

EXHIBIT A-1

Large Site Plan

for

Lila Canyon Mine

Submitted to

Emery County Zoning Office

by

UtahAmerican Energy, Inc.

December 29, 1998

1. SITE PLAN

1.1 INTRODUCTION:

UtahAmerican Energy, Inc., is proposing a new underground coal mining operation near Lila Canyon in Township 16 South Range 14 East Section 15 in Emery County. (See figure 1) UtahAmerican is currently in the engineering design and permitting phase of the project. It is anticipated that all permits will be in place by early summer of 1999, at which time construction on Phase 1 of the project will begin.

During Phase 1 of the project, production will be controlled by the demand for the coal. It is anticipated that coal production and contracts will increase each year to the point where a longwall can be justified. Phase 1 production levels are estimated to begin at approximately 50,000 tons the first year and gradually increase over a period of three to four years to approximately 500,000 tons per year.

During Phase 1, coal will be transport from the mine site to one of the unit train load-outs located in Carbon County. The coal will be hauled using over-the-road coal haul trucks capable of hauling 43 tons per trip. A

maximum of 32 truck trips per day will be required to transport the estimated maximum tons in Phase 1. UtahAmerican proposes to use the existing county roads 1-25 and 1-26 to transport the coal. In Phase 1 of the operation, coal will be trucked from the mine site north along 1-26 to the junction of 1-26 and 1-25, near Horse Canyon. Coal will then be trucked down 1-25, which is paved, to State highway Six.

Phase 2 would come into effect when contracts will sustain longwall production levels. At the time of Phase 2 implementation an amended Large Site Plan application will be filed reflecting any needed changes in design.

1.2 Social Economics:

Social economic analysis of the construction and operation of the proposed action was conducted using an established model created by the Utah Governors Office of Planning and Budget for analyzing the direct impact of expenditures on the local economy. This model takes into consideration local employment, purchasing activity and overall regional economic health.

Anticipated labor associated with the construction is estimated at 80 employees over a two year period. It is unknown at this time if the individual

contracts for each portion of the proposed action would be awarded to a local firm or a company that is outside of the area. If the latter is the case, an infusion of dollars could enter into the motels and restaurants of Wellington, Price and Green River. A more substantial benefit to the area would come as a direct impact of the benefit to the opening of the mine. The construction costs associated with the development of the proposed action would be approximately 12 million dollars. Based on the model, an additional 24 service related jobs could be created with an additional 1.8 million dollars pumped into the local economy during construction. Upon operation of the mine, 116 employees, with wages totaling 150.8 million dollars over the life of the project would be created. In addition to the mine wages created, an additional 28.4 million dollars in support service related consumption could occur. These jobs would create a trickle affect that could realistically cause a net increase in regional mine and mine related employment and result in a 1.24 percent decrease in the current unemployment rate.

This additional work force is readily available in Carbon and Emery Counties. In addition the infrastructure (schools, housing, churches, medical services, etc.) is more than adequate to absorb any or all of the anticipated increase if the entire work force were to immigrate to this area. It would be

expected that the majority of new mine workers would be employed from local communities and only a slight increase in population would occur.

1.3 MINE FACILITIES:

The mine facilities are shown on Figure 2 and on Plates 1 and 2. The significant mine facilities and are briefly described below:

1.3.1 Mine Facilities Road

The mine facility road shown on In Figure 2 and Plates 1 and 2 begins at the edge of County road 164 and allows for access to the various surface facilities. The road has been located in the most practical location taking into consideration grade, stability, and alignment. Employees will use this road to access the office & bathhouse facilities. Coal haul trucks will use this road to access the scales and truck loadout. All supplies will be hauled on a short portion of this road from the supply storage area to the slope access road. The road will initially be graveled but will be paved in the long term to minimize dust and provide good surface for heavy truck traffic as well as facility access. The facility access road will be approximately 24' wide to provide for two lane traffic and will have the appropriate drainage controls to insure long term life and low

Figure 2

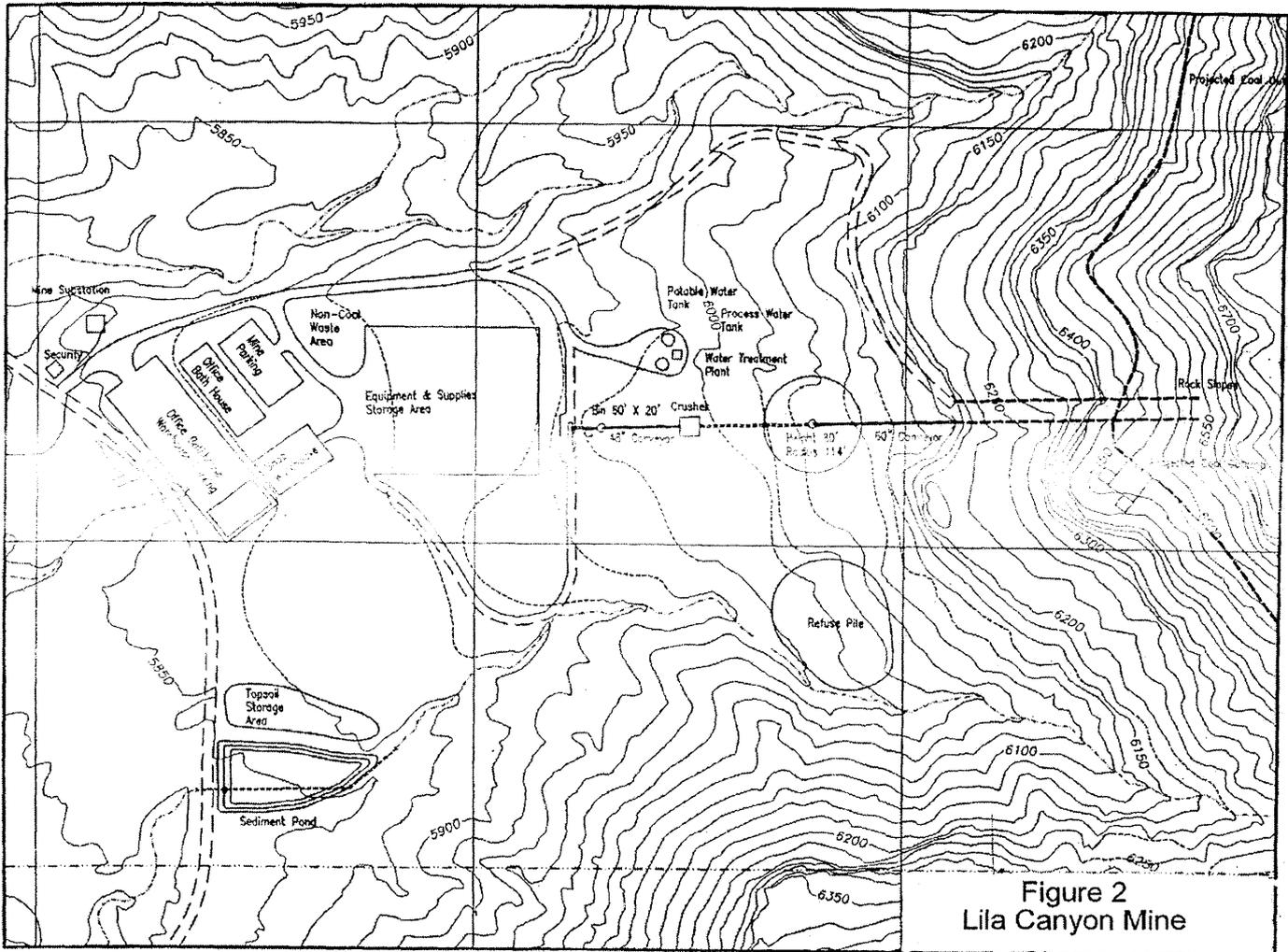


Figure 2
Lila Canyon Mine

maintenance. The has been constructed and will be maintained according to the appropriate R645-534 and R645-527 regulations.

1.3.2 Security Shack

The Security Shack shown of In Figure 2 and Plates 1 and 2, when used will provide security to the mine site. The security shack will be used primary at times when the mine is not in production. Security may be provided to protect the public from hazards associated with a mine site and to protect company property from unauthorized use. The security shack will be approximately 10' by 20' by 8" and will be of prefab construction.

1.3.3 Mine Substation

The mine substation will be located as shown on In Figure 2 and Plates 1 and 2 will proved power to surface and underground areas of the mine property. The substation will comprise of approximately four transformers setting on a concrete pad approximately 20' by 20' by 12" and fully fenced. The total area of the substation is approximately 40' by 40'. Power will be fed into the transformers at 64 KVA and will be transformed down to usage voltages for both the surface and underground facilities. It is

anticipated that voltages of 110, 220, 440 will be used on the surface and 12,470 volts will be utilized underground. The mine substation will be constructed in a way to fulfill all appropriate MSHA regulations.

1.3.4 Office/Bathhouse/Warehouse Parking Area

Parking will be as shown on In Figure 2 and Plates 1 and 2. Parking facilities for office, mine, and warehouse employees will be provided jointly as shown. This area will also provide parking for all vendors, and visitors. The surface of the 150' by 475' area will initially be graded and graveled but may eventually be paved. The parking area is located and designed to allow for convenient and safe parking of personal vehicles. The sewer tank and drain field will be located on the south end of this parking area.

1.3.5 Office/Bathhouse

The office and bathhouse building is shown on In Figure 2 and Plates 1 and 2. This building will jointly house all support personnel such as accounting, administration, engineering, and safety and will provide a comfortable office environment for all employees. Toilet facilities will be found for employees at this location. The bathhouse facilities for all employees will be found at this location. The

bathhouse will be provided for a location for underground miners to change from clean street clothes to clothing suitable for underground use. The area will be provided with showers for employees for use after their scheduled work shifts so they can clean up prior to returning home. Both the bathhouse and office buildings will be of prefabricated construction and will rest on a concrete pad. The pad dimensions will be approximately 150' by 100' by 12". The facility will be designed to accommodate up to 145 employees working rotating shifts.

1.3.6 Mine Parking

A mine parking area will be provided as shown on In Figure 2 and Plates 1 and 2. The mine parking area is where all mine and mine related mobile equipment will be parked when on the surface. This is the location where the underground work crews will be loaded into man trips for transportation to the various work areas. The mine parking area will initially be graded and graveled but eventually may be paved. The mine parking area will be approximately 100' by 200'.

1.3.7 Shop Warehouse

The shop warehouse building is shown on in Figure 2 and Plates 1 and 2. Parts and supplies consumed during the mining

process will be stored in the warehouse to be issued as needed. The shop area will be used to perform minor equipment repairs and overhauls. The shop warehouse will be a prefab modular type building approximately 100' by 150' and will rest on a concrete pad.

1.3.8 Non-Coal Waste Area

An area for non-coal waste has been identified on In Figure 2 and Plates 1 and 2. Non-coal waste such as papers, timbers, cans, and miscellaneous scrap that is brought to the surface will be disposed of in a metal bin or "dumpster" located in the non-coal waste area identified on In Figure 2 and Plates 1 and 2. Metal will be separated from other forms of trash for salvage. Material not salvageable will be transported to the East Carbon Development Corporation (ECDC) dump or other approved disposal site for permanent disposal. Once a dumpster has reached capacity, the full dumpster will be replaced with an empty dumpster, and then the full dumpster will be hauled by a contract hauler to the specified disposal site.

1.3.9 Equipment & Supplies Storage Area

The equipment and supply storage area is approximately 350' by 400'. This storage area will be used to store mine supplies and

equipment from the time of delivery until they are needed underground. Supplies such as timbers, bolts, plates, rock-dust, pipes, resin, screens, concrete blocks, steel, cables, and numerous other materials may be stored in this area. Equipment both new and used will be stored in this area. Many various longwall pieces such as shields, pan-lines, shears, chains, head and or tail drives, transformers, belt drives, pumps and numerous other material will be stored in this storage area. This secure area provides for a good storage area for diesel, gasoline, hydraulic, and roadway chemicals. All oil tanks will have appropriately designed berms or retaining walls. The equipment and supplies storage area is shown on In Figure 2 and Plates 1 and 2.

1.3.10 Sewer Tank & Drain Field

The sewer system has been designed to facilitate 145 employees working on rotating shifts. The sewer tank and drain field will be located under the south end of the office and bathhouse parking area. The drain field will be located at a lower elevation and south of the sewer tank. The location of the sewer tank and drain field can be found on In Figure 2 and Plates 1 and 2.

1.3.11 Water Treatment Plant

The water treatment plant is located on the north-east side of the surface facility area. The plant will rest on a 15' by 15' slab. Process water will flow through the treatment plant at which time it will be treated and made suitable for potable water uses. The potable water will be stored in the potable water tank until it is used. The location of the water treatment plant can be found on In Figure 2 and Plates 1 and 2.

1.3.12 Potable Water Tank

Water treated by the water treatment plant and intended to be used as potable water will be stored in this 15' diameter by 20' high tank. The tank will set on a 15' by 15' concrete pad designed for adequate support of the tank. The location of the potable water tank can be found on In Figure 2 and Plates 1 and 2.

1.3.13 Process Water Tank

Process water, water to be used for mine use or to be treated for potable use, will be stored in this tank. The 15' diameter by 20' high process water tank will rest on a 15' by 15' concrete pad. Process water tank will be filled by using mine discharge water or

may be hauled in from off site. The location of the process water tank can be found on In Figure 2 and Plates 1 and 2.

1.3.14 Topsoil Pile

The topsoil pile has been located on the south west end of the surface facilities. The pile has been designed to contain adequate topsoil for redistribution according to the reclamation plan found in Chapter 5. The proposed location provides for good protection from wind contamination as well as protection from mine related activities. The location of the topsoil pile is shown on In Figure 2 and Plates 1 and 2.

1.3.15 Refuse Pile

The refuse pile has been designed to provide a location for the storage of underground development waste that is brought to the surface and for any excess slope rock which will be generated and not used as fill. The capacity of the pile is designed for 150,000 tons which is in excess of projected needs. The refuse pile design is shown in Appendix 5-7 and shown on In Figure 2 and Plates 1 and 2.

1.3.16 Sediment Pond

The sediment pond has been design to provide for adequate sediment protection for the project area. All water running off the disturbed area will be routed into the sediment pond for treatment. The sediment pond has been designed according to the appropriate R645 regulations and the designs can be found in Appendix 7-4 and Plate 7-6. Because the sediment pond does not fit into the requirement of 30 CFR 77.216(a) an MSHA number for the proposed pond is not required. The sediment pond is located on the south-west end of the property and shown on In Figure 2 and Plates 1 and 2.

1.3.17 Slope Access Road

The slope access road splits off the facility access road near the north-east corner of the equipment and supply storage area, and follows an alignment that takes into consideration grade and direct access. The slope access road will be used to provide access to the roc slopes which in-turn proved access to the underground workings. The slope access road will be used as access for all men, material and equipment need in the mine. Since the slope access road provides for frequent access for men, equipment and materials for a period of six months or longer the slope access road is classified as a primary road. The slope access road will be designed, constructed, and maintained

according to appropriate R645 regulations. The slope access road is shown on In Figure 2 and Plates 1 and 2.

1.3.18 Rock Slopes

Access to the underground workings of the Lila Canyon Mine will be provide by two rock slopes driven from the top of the Mancos shale up-dip to the intersection of the coal seam. One portal will proved for access for men, equipment and material to the mine. The second access slope will contain the run of mine belt line from the underground workings of the mine to the run of mine stock pile. There is a possibility that only one larger slope will be driven and then divided. to provide for two separate entries. The two 1,227 foot long slopes will slope up at approximately 12%, from a starting elevation of approximately 6150'. The intersection of the coal seam and the rock slope will take place at approximately 6,300 feet elevation. The length of the slopes were minimized by taking advantage of the coal seam dip which is approximately 12% to the east. The rock material removed from the slopes will be used as fill material for the surface facilities. The rock slope material will contain mostly shale, sandstone and mudstone. Traces of coal may be found but the amount will be insignificant. There are no known coal seams or significant rider

seams found below the Sunnyside Seam in the Lila Canyon Portal Area. The rock slope locations are shown on In Figure 2 and Plates 1 and 2.

1.3.19 Ventilation Fan

The ventilation fan will be accessed and installed from underground. The ventilation portal will be driven from underground and broken from inside out. The location of the portal and fan is shown on In Figure 2 and Plates 1 and 2. Fan power will be run underground. Fan access for maintenance and monitoring will be from the underground works. The need for surface fan access is not anticipated at this time, access will be from underground.

1.3.20 ROM Underground Belt

_____The Run of Mine underground belt will provide for a means for coal to be conveyed from the working faces to the run of mine coal storage pile on the surface. The run of mine underground belts will travel approximately 650 feet per minute and will be 60" wide or narrower. The belts will provide capacity to convey to the surface, all coal mined in the underground workings.

1.3.21 ROM Storage Pile

The run of mine storage pile receives coal directly from the underground works and provides storage for the coal until it is crushed and loaded into trucks for transportation to a unit train loadout. The coal from the underground run of mine belt will be dropped into a stacking tube located in the center of the run of mine storage pile. This tube will help reduce any fugitive dust. The stacking tube will be approximately 80' high and will allow for approximately 27,000 tons of open storage in the run of mine storage pile. The run of mine storage pile is shown on In Figure 2 and Plates 1 and 2.

1.3.22 Crusher

Coal will be reclaimed from the run of mine storage pile and delivered to an enclosed crusher. The enclosed crusher will crush coal from the 8" minus down to a 2" minus size, at the rate of approximately 450 tons per hour. The crushed coal will leave the crusher and be stored temporarily in a 500 ton storage bin located at the truck loadout. The crusher location is shown in In Figure 2 and Plates 1 and 2.

1.3.23 Coal Storage Bin

The coal storage bin is part of the truck loadout and is shown of In Figure 2 and Plates 1 and 2. The coal storage bin is where crushed coal is stored waiting to be loaded into coal haul trucks. The bin provides for surge capacity and allows for better control of crushing time. The coal storage bin provides for a enclosed dry location for temporary crushed coal storage.

1.3.24 Truck Scale and Loadout

Coal will be reclaimed from the coal storage bin, weighed and then loaded into coal haul trucks for transportation to the various unit train loadouts. A small loadout shack will be constructed to provide cover and protection for the various equipment and controls need for the coal loading process. The truck scale and loadout are shown on In Figure 2 and Plates 1 and 2.

1.4 Plot Plan:

Plates 1 and 2 are contoured maps showing property boundaries and overall layout of the equipment locations, development areas, drainage patterns, office locations, and locations of the sanitation facilities. Proposed and actual roads are shown on Plate 1.

2. Road Encroachment Permit:

Since the Lila Canyon Mine will be impacting Emery County road 1-26 and 1-25 a Road Encroachment Permit has been applied for and a copy is included as Appendix 1.

3. RIGHT OF ENTRY INFORMATION:

UtahAmerican has entered into a Lease and Sublease with Intermountain Power Agency. A copy of portions of the Lease and Sublease is included as attachment "E". UtahAmerican has or will in the near future submit the appropriate application to transfer all Federal Coal Leases found in the North LMU from Intermountain Power Agency to UtahAmerican Inc.

Language contained within the BLM lease agreement allows for access as follows:

"That the lessor, in consideration of the rents and royalties to be paid and the covenants to be observed as hereinafter set forth, does hereby grant and lease to the lessee the exclusive right and privilege to mine and dispose of all the coal in, upon, or under the following described tracts of land, situated in the State of Utah.... together with the right to construct all such works, buildings, plants, structures and appliances as may be necessary and convenient for the mining and preparation of the coal for market, the manufacture of coke or other products of coal, the housing and welfare of employees, and subject to the conditions herein provided, to use so much of the surface as may reasonably be required in the exercise of the rights and

privileges herein granted.”

A list of the federal coal leases that comprise the Lila Canyon

Mine follows:

**Lease Serial Numbers
And
Legal Description**

Serial No. SL-066490

TOWNSHIP 16 SOUTH RANGE 14 EAST, SLM (UTAH)

Section 11:	E 1/2
Section 12:	W 1/2
Section 13:	W 1/2
Section 14:	E 1/2, SW 1/4
Section 15:	E 1/2 SE 1/4
Section 22:	NE 1/4 NE 1/4
Section 23:	N 1/2, E 1/2 SW 1/4, SE 1/4
Section 24:	NW 1/4, W 1/2 SW 1/4
Section 26:	N 1/2 NE 1/4

Containing 2,440.00 acres, more or less.

Serial No. SL-066145

TOWNSHIP 16 SOUTH RANGE 14 EAST, SLM (UTAH)

Section 3:	lot 1-3, 7-11, NE 1/4 SW 1/4, SE 1/4
Section 10:	E 1/2
Section 11:	W 1/2
Section 14:	NW 1/4
Section 15:	N 1/2 NE 1/4, SE 1/4 NE 1/4

Containing 1,404.20 acres, more or less.

Serial No. U-014217

TOWNSHIP 16 SOUTH RANGE 14 EAST, SLM (UTAH)

Section 25:	SW 1/4 NE 1/4
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Containing 40 acres, more or less.

Serial No. U-14218

TOWNSHIP 16 SOUTH RANGE 14 EAST, SLM (UTAH)

Section 12:	E 1/2
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Containing 320 acres, more or less.

Serial No. SL-069291

TOWNSHIP 16 SOUTH RANGE 14 EAST, SLM (UTAH)

Section 24:	E 1/2 SW 1/4
Section 25:	NW 1/4
Section 26:	SE 1/4 NE 1/4

Containing 280 acres, more or less.

Serial No. U-0126947

TOWNSHIP 16 SOUTH RANGE 14 EAST, SLM (UTAH)

Section 13: E 1/2
Section 24: E 1/2
Section 25: N 1/2 NE 1/4, SE 1/4 NE 1/4

TOWNSHIP 16 SOUTH RANGE 15 EAST, SLM (UTAH)

Section 19: lot 3,4, SE 1/4 SW 1/4
Section 30: lot 1,2, E 1/2 NW 1/4, SW 1/4 NE 1/4

Containing 1,059.81 acres, more or less.

A ROW application for the use of the actual surface facility area has been filed with the BLM and will be approved prior to construction.

4. RECLAMATION PLAN AND BOND:

A reclamation plan has been filed with the Utah Division of Oil, Gas and Mining. Once the appropriate bond amount has been determined by the Division and UtahAmerican, a bond for reclamation will be posted. The Lila Canyon Mine reclamation plan is being reviewed by DOGM, and a copy will be placed on file at both the Carbon and Emery County courthouses once it has been determined complete.

A reclamation plan to be used for reclaiming the mine site once mining has been completed has been submitted to DOGM for approval. A copy of this plan is included in Appendix 3.

5. PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE:

Proof of public liability and property damage insurance for the amount of at

least \$1,000,000 is shown in Appendix 2.

6. FILING FEE:

A site plan filing fee of \$1,000 has been included with this application. The fee is to be used to cover the staff's time and expenses while evaluating this application.

Appendix 1

Road Encroachment Permit

Appendix 2

Public Liability and Property Damage Insurance

Appendix 3

RECLAMATION PLAN

EXHIBIT A-2

NOTICE OF REGULAR MEETING OF THE
BOARD OF COUNTY COMMISSIONERS OF
EMERY COUNTY, UTAH

PUBLIC NOTICE is hereby given that the Board of County Commissioners of Emery County, Utah, will meet in the regular public session on February 16, 1999 at 9:00 a.m., in the Emery County Courthouse, 95 E. Main Street, Castle Dale, Utah.

The Agenda for the meeting is as follows:

1. Miles Moretti, DWR quarterly update.
2. Consideration for adoption of a Resolution authorizing the issuance and sale of Emery County, Utah tax and revenue anticipation notes, series 1999A in the aggregate principal amount of \$2,000,000; awarding and confirming sale of the notes, and entering into certain covenants and making certain representations in connection therewith; approving the form of the notes; and related matters.
3. Emery High Rodeo Team request for sponsor donation. *now to be a Summer Grant*
4. Aaron Howe, Forest Service, Request support for grant application for Huntington Canyon Improvements. *7/23/98 Grant Book Title Reduce by 50% Pull off*
5. Consideration and adoption of a Resolution authorizing the issuance and confirming the sale of \$1,500,000.00 Taxable General Obligation Public Purpose Bonds, Series 1999A of Castle Valley Special Service District, Emery County, Utah; and related matters.
6. Citizen concerns.
7. Consideration and approval of Agreement between the BLM and Emery County on Cleveland/Lloyd dinosaur quarry.
8. Discussion of property taxes on Nielson Construction/Emery County property trade.
9. Planning/Zoning Commission request setting of public hearing on large site plan for Utah American Energy, Inc. Lila Canyon coal mine. *Request commission approval E at early date.*
10. Road Department/Landfill items.
11. Approval of voice mail for courthouse.
12. Approval check edit list, additional claims, requisitions and dispositions.
13. Pat Snowball, Personnel Director, Approval of personnel action.
14. Approval of commission meeting minutes.
15. Commission reports.
16. Executive session to discuss possible litigation and personnel matters.

Any other business which may regularly come before the Board. Please call ahead if you need specific accommodations that will assist you to fully participate at this meeting at 381-2139.

Dated: 2/12/99

By: Brenda Dugmore
Bruce C. Funk, Emery County Clerk/Auditor

EXHIBIT A-3

NOTICE AND AGENDA

EMERY COUNTY PLANNING COMMISSION

February 10, 1999

7:00 p.m.

Emery County Courthouse

- 1. Welcome**
- 2. Approve Minutes Dated January 13, 1998**
- 3. Large Site Plan Approval - Utah American Energy, Inc**
- 4. Ordinance Revision Update**
- 5. Other Business**
- 6. Citizen Requests for Agenda Items**
- 7. Adjourn**

EXHIBIT A-4

**Minutes of the
Emery County Planning Commission
Held February 10, 1999 at 7:00 p.m.
In The Emery County Courthouse**

ATTENDING: Mack Huntington, Merrill Duncan, Doyle Jensen, Randy Johnson, Rex Funk, Tyler Sinclair, Val Payne, Bryant Anderson, Jay Marshall (Utah American Energy, Inc), Marcee Wright

WELCOME

Mack welcomed everyone in attendance, he excused Ben Coomer, Glenys Sitterud, and Ken Stilson

APPROVAL OF MINUTES DATED JANUARY 13, 1999

Merrill moved to accept the minutes as written, Mack seconded the motion and it was approved by all members present.

LARGE SITE PLAN APPROVAL - UTAH AMERICAN ENERGY, INC

Mack introduced Jay Marshall who is a representative of Utah American Energy, Inc. He explained that the company has submitted an application for a large site plan approval for a coal mine in Lila Canyon. The staff has reviewed the application and toured the site.

Mr. Marshall indicated that the company would like to begin construction in the Summer of 1999. Their plan is to start slowly, developing under 1/2 million tons per year for the first few years. They will increase production after they have developed a market for the coal. The coal is high in sulphur, however, the company believes that it can develop a market for it. By the fourth year the company will install a long wall and will employ about 135 people, mostly from Carbon and Emery Counties. Surface facilities at the mine site will be kept to a minimum and will be on BLM land.

The effect of the mine on springs and seeps was discussed. Mr. Marshall indicated that there is very little surface water in the area. There are a couple of springs that the company will monitor. UDOGM will require the company to own water shares in excess of the amount of water that might be impacted by the operation.

County road 126 will be used to get into the mine site. This is a 2477 road and will need to be upgraded by the company. Rex indicated that the company contacted him regarding a road encroachment permit, however, a baseline study will have to be conducted before the permit can be issued. Rex also indicated that he would like Craig to evaluate the road. Mr. Marshall indicated that the company is willing to work out an agreement with the county regarding the road. It was pointed out that the road issue is not part of the large site plan and does not have to be worked out before the planning commission can approve the plan.

APPROVED 3/10/99

Disposal of waste was discussed. Mr. Marshall indicated that all mine waste will be transported to ECDC. There will be no coal refuse transported away from the site; a coal refuse pile will be maintained at the mine site.

Craig indicated that the staff recommended approval of the site plan with a few minor changes regarding State Health Department approval of water and septic systems.

Doyle made a motion to recommend to the county commission that they approve the site plan contingent upon the company getting State Health Department approval of their water treatment and septic systems and also recommend that the county commission work out an agreement with the company regarding the road. Merrill seconded the motion and it was approved by all members present.

Mr. Marshall indicated that, as part of the Environmental Assessment process, the BLM will hold a public scoping meeting on the right of way for the road, utilities and surface facilities on March 4, 1999, in Castle Dale.

ORDINANCE REVISION UPDATE

The latest version of article XI was reviewed. Mack indicated that the final version should be ready for the commission to review by the March meeting.

The need to designate additional zones to accommodate residential development in the county was discussed. The commission feels that the cities need to be involved in planning where residential growth should be allowed in the county. It was suggested that commission members visit with city councils and discuss the problem with them and invite them to be involved. Problems with residential development at the Co-Op mine were also discussed.

OTHER BUSINESS

Val indicated that there has been increased interest in humate mining lately. Mines are being proposed at the Moore Cutoff, near Victor and near the road to the Dinosaur Quarry. The BLM has indicated that they think it would be best for the county to regulate the mines. The mines near the Dinosaur Quarry and Victor are on private land and would come under the county's jurisdiction anyway. Mack indicated that the county could regulate them through the small site plan approval process. Bry mentioned that there is no permit requirement for drilling test holes, but when a developer is certain they want to mine an area they need to go through the approval process.

ADJOURN

The meeting was adjourned at 8:55 p.m.

EXHIBIT B-1

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Emery,)

I, Kevin Ashby, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, State and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 3 (Three) consecutive issues, and that the first publication was on the 23rd day of February, 1999 and that the last publication of such notice was in the issue of such newspaper dated the 9th day of March, 1999.



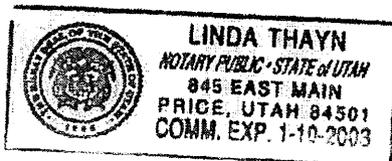
Kevin Ashby - Publisher

Subscribed and sworn to before me this 9th day of March, 1999.



Notary Public My commission expires January 10, 2003 Residing at Price, Utah

Publication fee, \$44.55

**PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the Board of Emery County Commissioners will hold a Public Hearing on March 16, 1999 at 10:00 a.m. in the commission chambers of the Emery County Courthouse, 95 East Main, Castle Dale, Utah. the purpose of the Public Hearing is to receive comment on Utah American Energy Inc.'s proposed large scale site plan which includes a coal mine in Lila Canyon. Written comment may be submitted to Emery County Clerk/Auditors Office, P.O. Box 807, Castle Dale, Utah 84513.

-s- Bruce C. Funk
Emery County Clerk/Auditor

Published in the Emery County Progress February 23, March 2 and 9, 1999

EXHIBIT B-2

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF EMERY COUNTY COMMISSIONERS
HELD IN THE EMERY COUNTY COURTHOUSE**

March 16, 1999

Present at the meeting were Commissioner Randy Johnson, Commissioner Ira Hatch, Attorney David Blackwell, Sheriff LaMar Guymon, Sr. Deputy Clerk/Auditor Brenda Dugmore and other Elected Officials and Citizens. Commission Chairman Kent Petersen was excused from the meeting due to illness.

The meeting was called to order at 9:00 a.m.

(1)

APPROVAL OF CHECK EDIT LIST, ADDITIONAL CLAIMS, REQUISITIONS AND DISPOSITIONS

Clerk/Auditor Bruce Funk presented for consideration and approval the Warrant Check/Edit list #118768 through and including #118960 for payment.

Requisitions were presented for the following:

<u>REQUISITION #</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>ACTION</u>
17-99	Laptop Computer/Safe Comm	2,428.95	Approved
20-99	Library Shelving	17,037.57	Approved
21-99	Flatbed Trailer/Weed & Mosq	2,665.00	Approved
22-99	Welder/Weed & Mosq	500.00	Approved
23-99	Camera/Assessor	444.00	Approved
24-99	Ultralight Projector/Safe Comm	3,384.00	Approved

Commissioner Ira Hatch made a motion to approve the Warrant Check/Edit List for payment and requisitions as presented. The motion was seconded by Commissioner Randy Johnson and approved by all members present.

(2)

PAT SNOWBALL, PERSONNEL DIRECTOR, APPROVAL OF PERSONNEL ACTION

Personnel Director Pat Snowball presented to the Commission quotes on furniture and appliances for the downstairs break room. Discussion followed as to what appliances and furniture would be necessary. Commissioner Randy Johnson suggested identifying a source of funding to make this project possible. He also suggested that Ms. Snowball talk to the other departments to get their

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Commission Meeting Minutes
March 16, 1999

feedback and after that was done to put this item on the agenda and make a final decision.

(3)

CONSIDERATION AND APPROVAL OF BUSINESS LICENSE.

Clerk/Auditor Bruce Funk presented to the Commission a business license for David Elliott. Mr. Elliott sharpens clipper blades for vet clinics. Planning & Zoning Administrator Bryant Anderson has signed off on this business license. Mr. Funk also presented a beer license renewal for Mr. Blaine Luke for his business at Trail Mountain Lodge. Commissioner Ira Hatch made a motion to approve the new business license and the renewal of the beer license. Commissioner Randy Johnson seconded the motion and it was approved by all members present.

(4)

PLANNING/ZONING REQUEST APPROVAL FOR APPOINTMENT TO PLANNING COMMISSION.

Mack Huntington, Planning Commission Chairman, informed the Commission that Board member Ben Coomer resigned his position on the Board. Mr. Huntington submitted the name of Judy Scott from Green River as a replacement to the Board. Ms. Scott has stated that she would be willing to serve on the Board. Commissioner Ira Hatch made a motion to approve the appointment of Judy Scott to the Planning Commission Board. The motion was seconded by Commissioner Randy Johnson and approved by all members present.

(5)

CITIZEN CONCERNS.

Joan Brinkerhoff, Juvenile Probation Supervisor, brought quilts that the kids on probation made to donate to the ambulances. Ms. Brinkerhoff stated that she spent approximately \$200.00 and the kids were able to make seven quilts. She thanked the Commission for their donation to help purchase the materials to make the quilts.

Tracy Jeffs, Chairman of the Public Lands Council, came before the Commission concerning the need for Emery County to identify roads in the Heritage sites using G.P.S. equipment. At a minimum all of the bisects of the roads need to be identified. Commissioner Randy Johnson stated that Commissioner Kent Petersen had met with people that could be involved with this process. A bill passed by the Legislature would allocate \$450,000.00 to assist in this process throughout the State. The County should be able to get some of those funds to assist in this project. Commissioner Ira Hatch stated that at a minimum the Heritage sites should be mapped and the best access roads to them designated. Commissioner Randy Johnson pointed out that if a road is not inventoried it doesn't mean that it doesn't exist. There will need to be more than one team to do the inventory. Commissioner Johnson stated that the Commission should move

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Commission Meeting Minutes
March 16, 1999

forward on this project and seek funding from the State to help with the costs. The Recreation Subcommittee is doing a good job in helping the project move forward. Margaret Swasey should be commended for her efforts in this area.

(6)

PUBLIC HEARING - TO RECEIVE PUBLIC COMMENT REGARDING PROPOSED
LARGE SCALE SITE PLAN WHICH INCLUDES A COAL MINE IN LILA CANYON.

Mack Huntington, Planning Commission Chairman, informed the Commission that Utah American Energy Inc. has met with the Planning Commission staff and the Planning Commission Board and both have endorsed their large scale site plan. Jay Marshall representing Utah American Energy Inc. presented a map showing where the proposed mine would be located. Construction is scheduled to begin in the summer of 1999. The site plan encompasses forty acres of land owned by the Bureau of Land Management. Access to the mine would be by Emery County roads. Rosann Fillmore asked how many jobs would be created. Mr. Marshall stated that at full capacity the mine would employ 135 people. Tony Conder asked about the company, where the headquarters were located and if they would be a union or nonunion mine. Mr. Marshall stated that the company is owned by Robert Murray. Mr. Murray is the largest independent coal producer in the United States. The company is incorporated in the State of Utah. The mine would prefer to be union free.

(7)

CONSIDERATION AND APPROVAL OF UTAH AMERICAN ENERGY INC.'S PROPOSED
LARGE SITE PLAN.

Commissioner Ira Hatch made a motion to approve the large scale site plan of Utah American Energy Inc. The motion was seconded by Commissioner Randy Johnson and approved by all members present.

(8)

PLANNING/ZONING REQUESTS THE SETTING OF A PUBLIC HEARING TO RECEIVE
PUBLIC COMMENT ON SITE PLAN APPROVAL FOR A GOLD MINING OPERATION.

Planning Commission Chairman Mack Huntington informed the Commission that the Planning Commission Board has finished the preliminary work on a site plan for GoldTerra, Inc. The site plan is for a gold mining operation at the Blue Castle mine site. Mr. Huntington requested that the Commission set a date for a public hearing to receive public comment on the proposed site. Commissioner Ira Hatch made a motion to set a public hearing for April 6, 1999 at 5:30 p.m. to receive public comment on the above proposal. The motion was seconded by Commissioner Randy Johnson and approved by all members present.

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Commission Meeting Minutes
March 16, 1999

(9)

ROAD DEPARTMENT/LANDFILL ITEMS.

Rex Funk, Road Dept. Supervisor, reported that work is continuing on the Lowry Water bridge. The Road Dept. is also continuing work on the Easter roads. Mr. Funk also reported on the proposed improvements to the Moore cutoff. Funding should be available in the year 2003. The Road Dept. will have four years to get all of the preliminary work completed before the funding can be received. There was also some discussion concerning right of ways and the progress of the gravel project in Joe's Valley.

(10)

APPROVAL OF COMMISSION MEETING MINUTES.

Commissioner Ira Hatch made a motion to approve the minutes of March 2, 1999 as corrected. The motion was seconded by Commissioner Randy Johnson and approved by all members present.

(11)

COMMISSION REPORTS.

Commissioner Hatch

Commissioner Hatch reported that he had attended a Workforce Services meeting. Workforce Services is in need of more space in Castle Dale and anticipate relocating within the next few years. If funding and arrangements can be brought together this relocation could occur sooner. Commissioner Hatch also reported that the Ferron Senior Center has been completed and there will be an open house on March 26, 1999 from 1:00 p.m. - 3:00 p.m. Construction has begun on the Castle Dale Senior Center. Plans for a new Senior Center in Emery are also moving forward.

Commissioner Johnson

Commissioner Johnson reported that he spoke with Bob Weidner concerning PILT allocations. This year the funding level has increased and if the current legislation passes, within ten years the County's PILT allocation could increase. The bill currently has good support.

(12)

OTHER BUSINESS.

Sheriff LaMar Guymon informed the Commission that the State of Utah is going to begin charging \$75.00 per month per rack for the communications system located on Cedar Mountain. The Sheriff's Dept. is considering moving into Cellular One's building where the rent would not

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Commission Meeting Minutes
March 16, 1999

cost as much.

Sheriff Guymon also informed the Commission that the Sheriff's Posse no longer has any law enforcement capacity. All of the Posse's decals and shoulder patches will have to be replaced with decals that say Search and Rescue.

Sheriff Guymon reported that the Fire District was inquiring as to the status of their CIB grant. Attorney David Blackwell stated that the paper work was moving forward.

Commissioner Ira Hatch inquired about the overall communications plan. Sheriff LaMar Guymon stated that the Road Department, Sheriff's Department, Ambulance and Commission radios are all tied into one system. Sheriff Guymon also volunteered to meet with Commissioner Hatch and go over the entire system.

(13)

EXECUTIVE SESSION TO DISCUSS POSSIBLE LITIGATION AND PERSONNEL MATTERS.

Commissioner Ira Hatch made a motion to move into executive session. The motion was seconded by Commissioner Randy Johnson and approved by all members present.

(14)

ADJOURNMENT.

Commissioner Ira Hatch made a motion to adjourn the meeting. The motion was seconded by Commissioner Randy Johnson and approved by all members present.

ATTEST: *Ira Hatch* CHAIRMAN: *Kent P. Hatch*

EXHIBIT B-3

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.

EXHIBIT B-4



EMERY COUNTY PLANNING AND ZONING

Bryant Anderson, Administrator

June 4, 1999

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

Dear Mr. Marshall:

This letter is to confirm that the Emery County Board of Commissioners approved a Large Scale Industrial Site Plan for the Lila Canyon Mine Operation on March 16, 1999. Enclosed is a copy of the Commission Meeting Minutes showing the approval.

If you need any further information, please call our office.

Sincerely,

Bryant Anderson,
Zoning Administrator

Enclosure

3

Commission Meeting Minutes
March 16, 1999

forward on this project and seek funding from the State to help with the costs. The Recreation Subcommittee is doing a good job in helping the project move forward. Margaret Swasey should be commended for her efforts in this area.

(6)

PUBLIC HEARING - TO RECEIVE PUBLIC COMMENT REGARDING PROPOSED
LARGE SCALE SITE PLAN WHICH INCLUDES A COAL MINE IN LILA CANYON.

Mack Huntington, Planning Commission Chairman, informed the Commission that Utah American Energy Inc. has met with the Planning Commission staff and the Planning Commission Board and both have endorsed their large scale site plan. Jay Marshall representing Utah American Energy Inc. presented a map showing where the proposed mine would be located. Construction is scheduled to begin in the summer of 1999. The site plan encompasses forty acres of land owned by the Bureau of Land Management. Access to the mine would be by Emery County roads. Rosann Fillmore asked how many jobs would be created. Mr. Marshall stated that at full capacity the mine would employ 135 people. Tony Conder asked about the company, where the headquarters were located and if they would be a union or nonunion mine. Mr. Marshall stated that the company is owned by Robert Murray. Mr. Murray is the largest independent coal producer in the United States. The company is incorporated in the State of Utah. The mine would prefer to be union free.

(7)

CONSIDERATION AND APPROVAL OF UTAH AMERICAN ENERGY INC.'S PROPOSED
LARGE SITE PLAN.

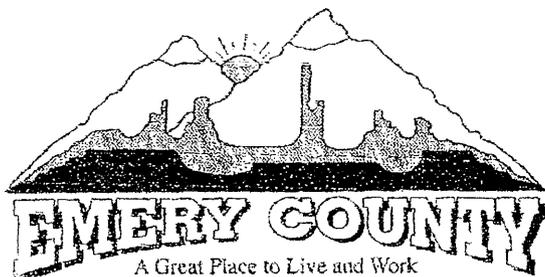
Commissioner Ira Hatch made a motion to approve the large scale site plan of Utah American Energy Inc. The motion was seconded by Commissioner Randy Johnson and approved by all members present.

(8)

PLANNING/ZONING REQUESTS THE SETTING OF A PUBLIC HEARING TO RECEIVE
PUBLIC COMMENT ON SITE PLAN APPROVAL FOR A GOLD MINING OPERATION.

Planning Commission Chairman Mack Huntington informed the Commission that the Planning Commission Board has finished the preliminary work on a site plan for GoldTerra, Inc. The site plan is for a gold mining operation at the Blue Castle mine site. Mr. Huntington requested that the Commission set a date for a public hearing to receive public comment on the proposed site. Commissioner Ira Hatch made a motion to set a public hearing for April 6, 1999 at 5:30 p.m. to receive public comment on the above proposal. The motion was seconded by Commissioner Randy Johnson and approved by all members present.

EXHIBIT B-5



Road Department

February 23, 2000

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

Dear Mr. Marshall:

In regards to your recent inquiry, yes Emery County understands that there is a distinct probability that UEI will be performing mining and reclamation activities within a 100' distance from a County Road. This was specifically discussed during the Planning and Zoning Commission phases of your County Permit and is discovered in item seven (7) of the Agreement made between UtahAmerican Energy, Inc. (UEI) and Emery County Dated October 19, 1999.

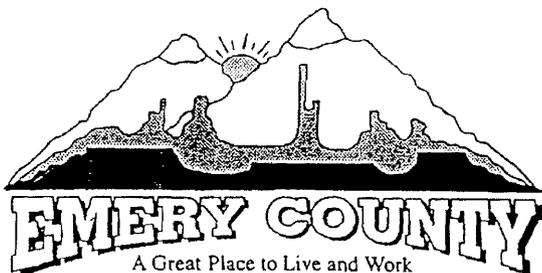
We have no problem with this issue provided that a 6' chain link fence is installed around UEI's activities at a distance of 100' from the public road as protection from any normal hazards generally associated with your industry. If I can be of further assistance don't hesitate to call.

Sincerely,

Rex Funk,
Road Supervisor

RFWs

EXHIBIT B-5



Road Department

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,

Rex Funk,
Road Supervisor

RF/lis

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

EXHIBIT B-6



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:

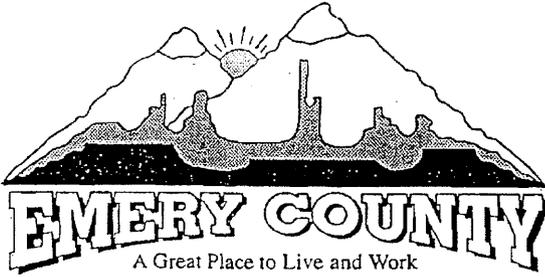
Emery County has previously approved a Large Site Development Plan for the Utah American Energy, Inc. Lila Canyon Mine surface facilities.

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

EXHIBIT B-7



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/lis