

0002

*C/007/013 Incoming
cc: Joe*

**Lila Canyon Project
P. O. Box 910
East Carbon, Utah 84501
Phone: (435) 888-4000
(435) 650-3157
Fax: (435) 888-4002**

UtahAmerican Energy, Inc.



Q

January 31, 2009

Daron Haddock
Permit Supervisor
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: UtahAmerican Energy, Inc. Horse Canyon Mine 09-002 C/007/013. Revision
Reflecting Conditions for Working Through Exclusionary Periods

Dear Mr. Haddock,

Attached you will find three (3) copies of revision 09-002 which reflects the discussions and plans resulting from working through the winter closure periods. This submittal is being submitted as per the approved MRP Chapter 3 Page 20.

C1 and C2 is included.

Should you have any questions please call.

Sincerely,

R. Jay Marshall
R. Jay Marshall
Chief Engineer/Project Manager

File in:
C/007/0013 0009. Incoming
Refer to:
 Confidential
 Shelf
 Expandable
Date: *1/31/09* For additional information

RECEIVED
FEB 04 2009
DIV. OF OIL, GAS & MINING

(May 1 - June 15), and Pronghorn (May 15 - June 20).

In the event of unforeseen changes in construction or mine plans, or in the case of emergency situations that may force the Permittee to conduct activity near or within the 0.5 mile buffer zone of raptor nest and during raptor exclusionary periods (February 1 to July 15 for golden eagles), the Permittee will immediately contact the Division, BLM, DWR, and USFWS. The agencies will immediately coordinate to determine appropriate measures that may include conducting ground surveys, in coordination with DWR, to determine if birds are tending nests or nesting and possibly determine the life stage of the offspring; developing a mitigation plan, in coordination with the agencies, for possible impacts to nests or birds; or ceasing operations until the end of breeding season to avoid 'take'. If the agencies recommend surveys, the Permittee must submit all survey results to the Division in Annual Reports. If the agencies recommend mitigation, the Permittee must submit all mitigation plans to the Division for incorporation into Appendix 3 of the MRP.

The Applicant does not plan to monitor any wildlife species during the life of the operation with the exception of raptors. Spring raptor surveys will be conducted at a minimum of a 1-mile radius around any new or potentially disruptive mining activity, 2-years prior and annually after the proposed activity. The Operator will contact the USFWS and the Division immediately following raptor surveys if raptors are observed tending nests or nesting.

The mine will emphasize their commitment to legal requirements of firearm and off-road vehicle-use by employees. This type of program has been adopted by the operator and will continue throughout the operation. An education program aimed at minimizing potential negative impacts by employees will be presented

APPLICATION FOR PERMIT PROCESSING

<input type="checkbox"/> Permit Change	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: ACT/007/013
Title of Proposal: 09-002 Mitigation Plan and Raptor Surveys						Mine: Horse Canyon
						Permittee: UtahAmerican Energy, Inc.

Description, include reason for application and timing required to implement:

(CONFIDENTIAL BINDER)

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation

<input type="checkbox"/> Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input type="checkbox"/> No	2. Is the application submitted as a result of a Division Order? DO # _____
<input type="checkbox"/> Yes	<input type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	9. Is the application submitted as a result of a Violation? NOV # _____
<input type="checkbox"/> Yes	<input type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain: _____
<input type="checkbox"/> Yes	<input type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)
<input type="checkbox"/> Yes	<input type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

X Attach 3 complete copies of the application.

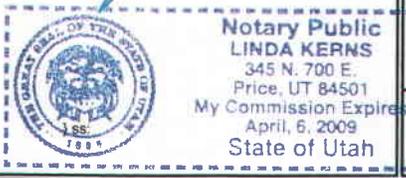
I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

R. J. Marshall Chief Engineer 2/2/09
Signed - Name - Position - Date

Subscribed and sworn to before me this 2nd day of February, 19 2009

Linda Kerns
Notary Public
My Commission Expires: 04.06.09

Attest: STATE OF Utah COUNTY OF Carbon



Received by Oil, Gas & Mining	
ASSIGNED TRACKING NUMBER	



Lila Canyon Project
P. O. Box 910
East Carbon, Utah 84520
Phone: (435) 888-4000
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Fax: (435) 888-4002

January 31, 2009

Daron Haddock
Permit Supervisor
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Subject: Exclusionary period mitigation plan, Utah American Energy, Inc. (UEI), Horse Canyon Mine, C/007/0013.

Dear Mr. Haddock:

Thank you for opportunity to come to Salt Lake on such short notice and participate in the discussions about continued construction operations during exclusionary periods for Raptors, Bighorn Sheep and Antelope at the Lila Canyon Mine.

The purpose of this letter is to provide you with a summary of our interpretations of the action items discussed.

Effective immediately, UEI may continue at the current level of construction at Lila Canyon mine. The level of the surface disturbing activity is not to increase during the exclusionary period without specific approval from the Division.

Based on the discussions with representatives from FWS, (Nathan Darnall), BLM, (Stan Perkes, James Owen, Steve Rigby-teleconference) DWR, (Jim Parrish, Leroy Mead), DOGM, Dana Dean, Daron Haddock, Ingrid Wieser, Joe Helfrich, Pete Hess-teleconference), EIS, (Derris Jones) and you, the following information was discussed and agreed upon.

- 1) Initial rounds of blasting (on or near the surface) must occur prior to Feb. 1st 2009. Underground blasting could continue throughout the exclusionary period
- 2) UEI will provide horizontal and vertical distances from the surface disturbed area to all Golden Eagle nests currently being monitored as per the approved mine and reclamation Plan.
- 3) UEI must maintain the current buffer distance of approx. ¼ mile between the mine and currently identified nests being monitored as per the approved mining and reclamation plan. It is acceptable if nesting pairs select a nest closer than the ¼ mile buffer distance.
- 4) For 2009 a ground monitoring plan for the golden eagle at the mine site was developed and will be used instead of the single helicopter nest status check. Due to the fact that past DWR helicopter nest surveys have not located any ferruginous hawk nests, and the close proximity of an active golden eagle

territory it is unlikely any active ferruginous hawk nests are present. Understanding the potential to miss a nest exists UEI will survey within ½ mile of the mine site within ferruginous hawk nesting habitat, in April 2009 if DWR, and or USFWS thinks it is needed, and after it is determined if the golden eagle territory is active this year. In future years, unless approved otherwise, UEI will conduct raptor surveys in those areas of expected disturbance utilizing the annual helicopter survey.

Mitigation agreed upon in the initial EA for golden eagles was to perform a habitat treatment project designed to increase the prey base for golden eagles of the same a size as the footprint of the mine site. Discussions held recently indicate a discrepancy as to the value of this type of mitigation. The alternate school of thought is to provide alternate nest sites by placing artificial nest platforms within the Lila golden eagle territory. UEI commits to sponsoring a field trip to proponents of both schools of thought to decide which mitigation would provide the most to the eagles. After this on the ground discussion UEI will agree to one or the other.

- 5) The initial EA called for the purchase and placement of two Bighorn Sheep guzzles in the vicinity of Lila Canyon. One guzzler has been installed on Lila Point on fee surface owned by UEI. If this guzzler counts as one of the two specified in the EA, UEI will compensate DWR for their expense. UEI will place one more guzzler approved by BLM and DWR at the location specified as soon as these same two parties select a design and location and complete any needed NEPA

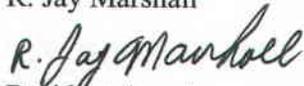
The monitoring of the use or lack of use by Bighorn Sheep in the Lila Canyon area will be accomplished by using data from DWR biannual helicopter flights. A base line of nearly 15 years exists and future data collection will be completed in a manor consistent with past data allowing accurate extrapolation as to the amount of use or non-use occurring in Lila Canyon by Bighorn Sheep.

This letter and attached mediation plan will be followed during construction through the exclusionary period.

If you have any questions, please feel free to call me at (435) 650 3157.

Sincerely,

R. Jay Marshall



Resident Agent