

UtahAmerican Energy, Inc.



Incoming
0070013
#3541
OK

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

April 29, 2010

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, 10-004 Resonse to Deficiencies in April 6, 2010 letter.

Dear Mr. Haddock,

Attached you will find three (3) copies of submittal 10-004 which addresses the deficiencies identified in the April 10, 2010 letter.

C1 And C2 forms are included as well as redline and strike out copies where applicable.

Should you have any questions please call.

Sincerely,

File In C 0070013 Incoming
Date: 05032010 Refer to:
 Confidential CD
 Shelf
 Expandable
For additional information

RECEIVED
MAY 03 2010
DIV. OF OIL, GAS & MINING

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: Surface change deficiencies Task ID #3017 10-004						Mine: Horse Canyon
						Permittee: UtahAmerican Energy, Inc.

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

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. Jay Marshall 4/08/10
 Signed - Name - Position - Date

Subscribed and sworn to before me this 28 day of April, 2010.

Mary V. Kava
 My Commission Expires: May 16, 2012
 Attest: STATE OF Utah
 COUNTY OF Carbon
Notary Public



Received by Oil, Gas & Mining

RECEIVED

MAY 03 2010

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER

Application for Permit Processing Detailed Schedule of Changes to the MRP

Surface change deficiencies Task ID #3017 10-004

Permit Number: ACT/007/013

Mine: Horse Canyon "Part B" Lila Canyon

Permittee: UtahAmerican Energy, Inc.

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. **Include page, section and drawing numbers as part of the description.**

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 1 Text Page 13
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 1-1 Murray Energy Holdings Information to End of Section 1
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 1-3 (All)
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 1-2
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 2 Text All
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 2-1
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 2-2
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 2-3
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 2-4
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 3 Text Pages 13, 19, 20, and 39
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 4 Text Page 3
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 4-3 (Air Quality)
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 5 Text (all)
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 5-4 (All)
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 5-5 Pages 16-20 with new Pages 16-19
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 5-7 (All)
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 5-8 Text Page 1
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-1A
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-2

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?



Application for Permit Processing Detailed Schedule of Changes to the MRP

Surface change deficiencies Task ID #3017 10-001

Permit Number: ACT/007/013

Mine: Horse Canyon

Permittee: UtahAmerican Energy, Inc.

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. **Include page, section and drawing numbers as part of the description.**

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-5
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-6
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-7 A1
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-7 A2
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-7 A3
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-7 A4
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-7 B1
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-7 B2
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-7 B3
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-7 C
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 5-8
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 6-2 end (rock slope material analysis)
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 7 Text Pages: TOC, 1-94. Keep Pages 95-End"
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 7-3 Page 21
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 7-4 (ALL)
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 7-2, 7-5, 7-6A 7-6B
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 8-1 (all)
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

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- 525.451.** No backstowing or backfilling of voids used as a subsidence control measure is planned at this time. Therefore, this section is not applicable.
- 525.452.** Support pillars as a subsidence control measure is not anticipated at this time. However, an area of partial mining where an unmined coal block will be left for subsidence control is shown on Plate 5-5. First mining indicates an area where a block of coal is roomed leaving pillars for support with no mining of the remaining pillars. Partial mining as shown on Plate 5-5 indicates an area where a block of coal has been isolated without the rooms being developed. Both first mining and partial mining will leave support that can be used to control subsidence. If the partially mined area shown on Plate 5-5 is ever roomed out, the area now defined as partially mined would become an area defined as being first mined.
- 525.453.** An outcrop barrier of coal will be left to protect the escarpments at the outcrop. —As per the R2P2 only first mining will be allowed to within 200' of the outcrop except for breakouts. Mains, submains, and ventilation portals will be allowed within the outcrop.
- 525.454** No measures will be taken on the surface to prevent material damage or lessening of the value or reasonable foreseeable use of the surface.
- 525.460.** Anticipated effects of planned subsidence may include tension cracks, fissures, or sink holes. Areas of minimal ground lowering may be anticipated. The chances of subsidence-related damage to any perceived renewable resource is minimal.
- 525.470.** Since no urbanized areas, cities, towns, public buildings, facilities, churches, schools, or hospitals exist within the permit area this section does not apply.
- 525.480.** There are no plans to change or modify the mining plan

WordPerfect Document Compare Summary

Original document: C:\Lila\Correspondance\2010\Submittals\10-004
Surface Changes Resubmital #4\Chapter 5 10-001.wpd

Revised document: C:\Lila\Correspondance\2010\Submittals\10-004
Surface Changes Resubmital #4\Chapter 5 10-004.wpd

Deletions are shown with the following attributes and color:

~~Strikeout~~, Blue RGB(0,0,255).

Deleted text is shown as full text.

Insertions are shown with the following attributes and color:

Double Underline, Redline, Red RGB(255,0,0).

The document was marked with 3 Deletions, 3 Insertions, 0 Moves.

TOPSOIL MOVEMENT & CONSTRUCTION RECORD

PHASE I

UTAHAMERICAN ENERGY

LILA CANYON MINE

December 2008-February 2009



Prepared by

J. T. Paluso, P. E.

**EIS ENVIRONMENTAL & ENGINEERING CONSULTING
31 North Main, Helper, Utah 84526**

Scope of Work

EIS Environmental & Engineering Consulting (EIS) was hired by UtahAmerican Energy, Inc (UEI) to monitor the removal of topsoil from the Lila Canyon Mine for Phase I construction activities.

Phase I consisted of the following activities:

- Construct stormwater detention ponds. These ponds are needed to contain all runoff coming from disturbed areas.
- Construct portal access road. Due to the length of time required to construct the underground rock slopes, it was necessary to construct the portal access road during Phase I of the construction activities.
- Remove topsoil from the west portion of the coal stockpile area. This area was needed to provide storage space for material generated during the construction of the underground rock slopes.
- Remove topsoil from the warehouse pad area. This area was also needed to provide storage space for material generated from the rock slope construction work.
- Construct employee parking and temporary bathhouse area. This area was needed to provide parking space and bathhouse facilities for the crews developing the rock slopes.

During Phase I activities the follow amounts of topsoil were generated from the various locations:

LOCATION	LOADS	VOLUME (Yd ³)
Employee Parking Lot	378	12,110
Portal Road	238	7,622
Storm Water Detention Pond	154	4,943
Small Detention Pond	61	1,940
Coal Stockpile	269	8,601
Warehouse Pad	137	4,385
Topsoil Area	Push with Dozer	646
TOTAL		40,247 Yd³

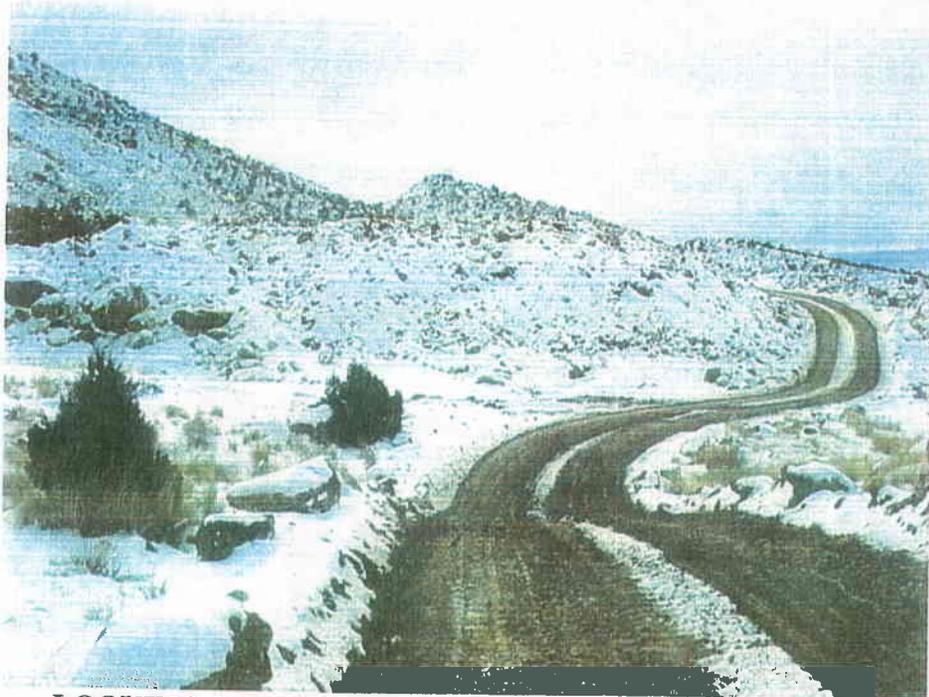
**LILA CANYON MINE
TOPSOIL & CONSTRUCTION ACTIVITY RECORD**

December 24, 2008 (Mel Coonrod & Matt Serfustini)

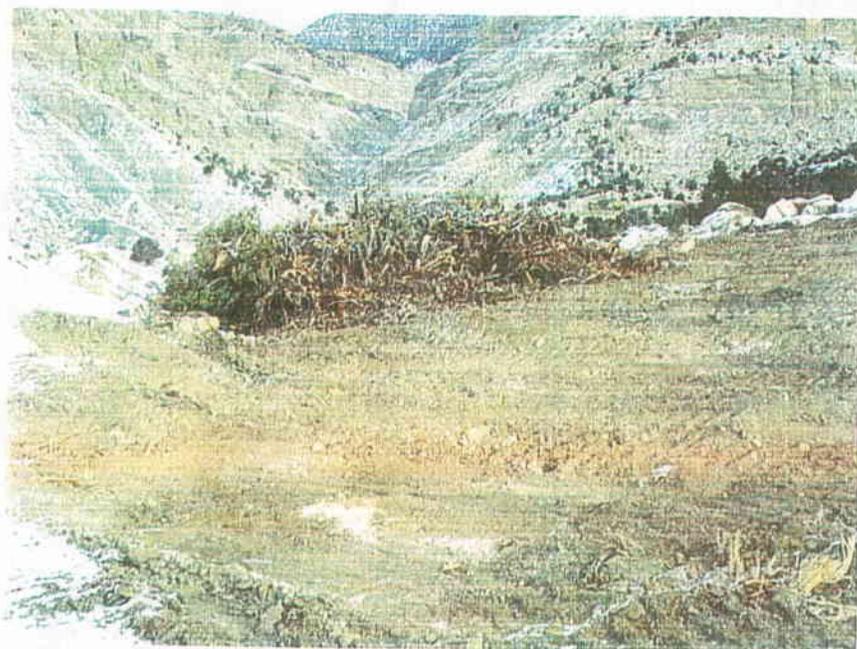
The following activities were observed during this visit:

1. Fill material was being removed from the stormwater detention pond. Some topsoil still remains to be removed from the pond area.
2. Work on portal access road was proceeding.
3. Topsoil was being removed from employee parking area.
4. Topsoil had been removed from west end of coal pile area.

PHOTOGRAPHS



LOOKING SOUTH TOWARDS TOPSOIL STORAGE AREA



MATERIAL REMOVED FROM TOPSOIL STORAGE SITE



**PORTAL ACCESS ROAD TOPSOIL NORTH OF COAL STOCKPILE, PHOTO
TAKEN LOOKING EAST**



**SOIL PROFILE ON PORTAL ACCESS ROAD LOOKING NORTH, TAKEN
ADJACENT TO PRIOR PHOTOGRAPH**



**TOPSOIL REMOVAL SOUTH END OF EMPLOYEE PARKING LOT
LOOKING SOUTH EAST**



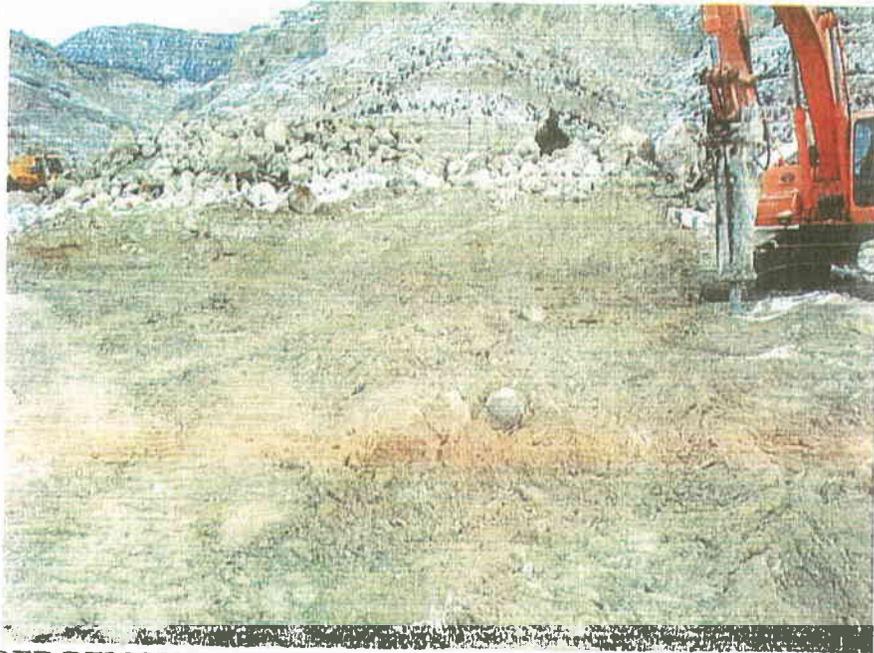
SOUTH OF LOADOUT STATION LOOKING NORTH



SOUTH OF LOADOUT STATION LOOKING SOUTH



SOIL PROFILE AT THE SAME LOCATION AS THE TWO PREVIOUS PHOTOGRAPHS



BOULDER REMOVAL SOUTH OF LOADOUT STATION LOOKING NORTH



EMPLOYEE PARKING AREA LOOKING SOUTH

December 30, 2008(Tom Paluso)

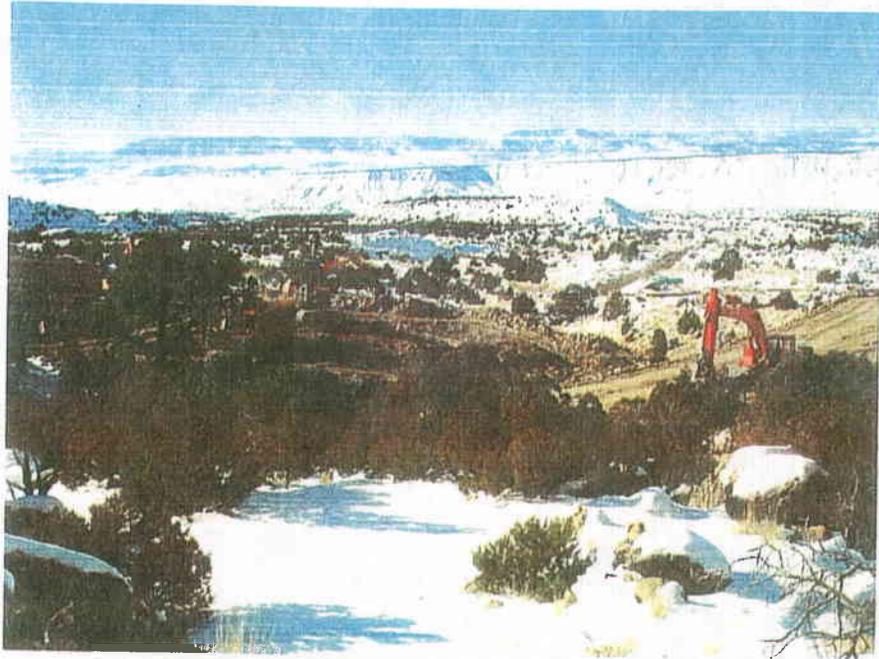
The following activities were observed during my site visit:

1. Fill material was being removed from portal access road. Contractor was working on side slopes on the portal access road.
2. Topsoil was being removed from employee parking area and delivered to the topsoil storage area.
3. Contractor was breaking large rocks on west end of coal storage pile. The large rocks were being reduced to make it easier to obtain necessary compaction with fill material being deposited in this area.

PHOTOGRAPHS



TOPSOIL REMOVAL FROM EMPLOYEE PARKING AREA



LOOKING SOUTHWEST OVER PROJECT AREA

January 7, 2009 (Tom Paluso)

The following activities were observed during site visit:

1. Contractor was transporting topsoil from office area to topsoil site.
2. Portal access road grade was being lowered northeast of employee's parking area.
3. Hydraulic hoes were working on portal area.

The stormwater detention pond still has approximately 15 percent of the topsoil to be removed. This material is located in the southeast corner of the pond. According to Shane Campbell this material was intentionally left to provide work during bad weather conditions. Shane also mentioned that topsoil removal at the warehouse site should probably start on January 15 or 16.

PHOTOGRAPHS



TOPSOIL REMOVAL FROM OFFICE AREA



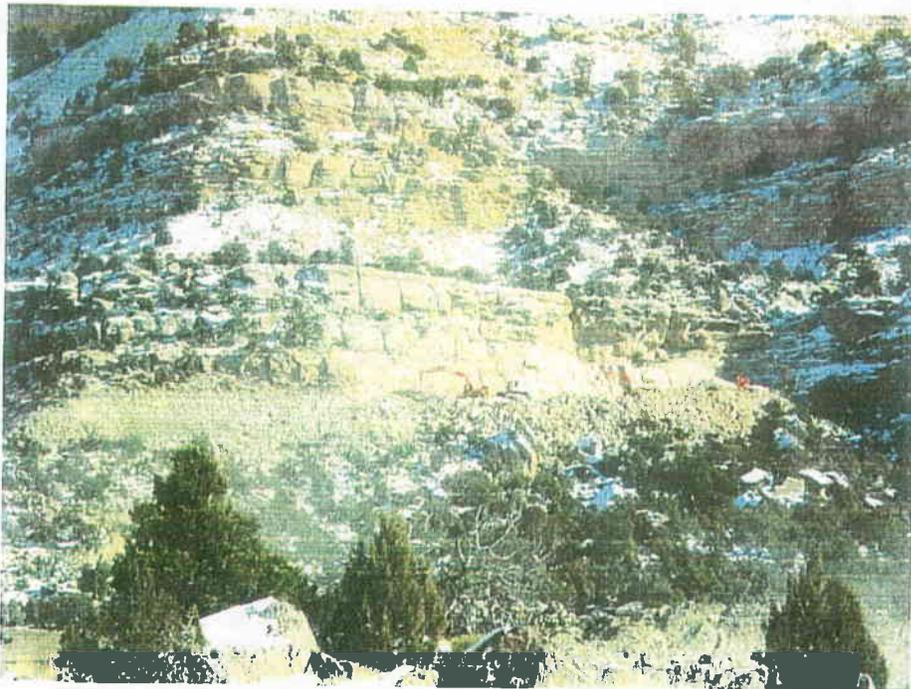
BOULDERS BEING SEPARATED FROM TOPSOIL MATERIAL



LOWER PORTAL ACCESS ROAD GRADE



FILL MATERIAL BEING REMOVED FROM PORTAL ACCESS ROAD



HYDRAULIC BACKHOES WORKING ON PORTAL AREA

January 15, 2009 (Tom Paluso)

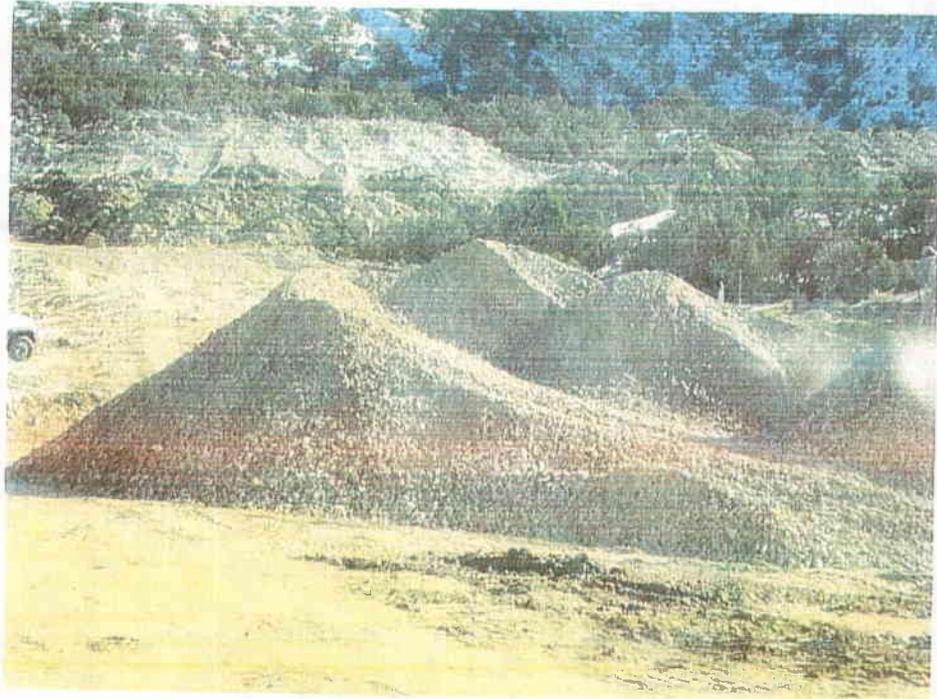
The following activities were observed during site visit:

1. Large boulders are being crushed to make gravel for this project.
2. Boulders are being stockpiled at future coal stockpile site. These boulders will be crushed into gravel.
3. Work on the portal area is still in progress.

PHOTOGRAPHS



BOULDERS BEING CRUSHED INTO GRAVEL



CRUSHED GRAVEL PILE



BOULDERS BEING STOCKPILED FOR CRUSHING

January 28, 2009 (Tom Paluso)

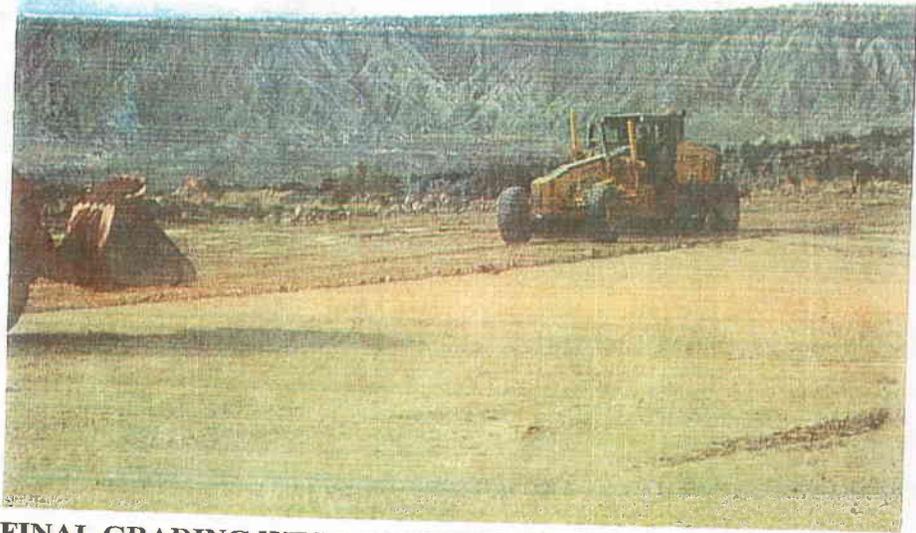
The following activities were observed during site visit:

1. Removing material from north end of parking lot.
2. Removing topsoil from stacking tube area.
3. Employee parking lot grading.

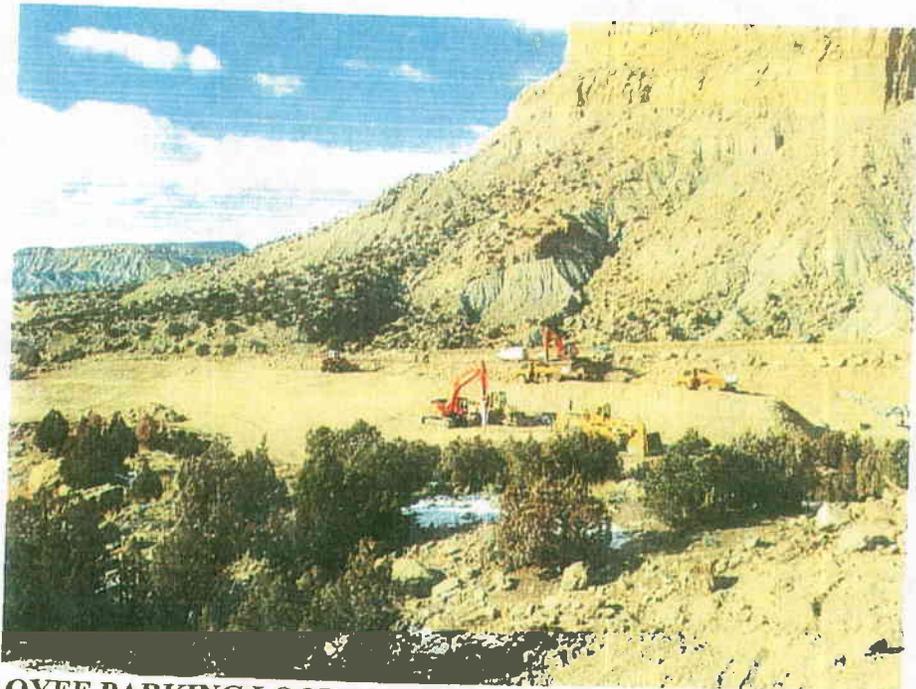
PHOTOGRAPHS



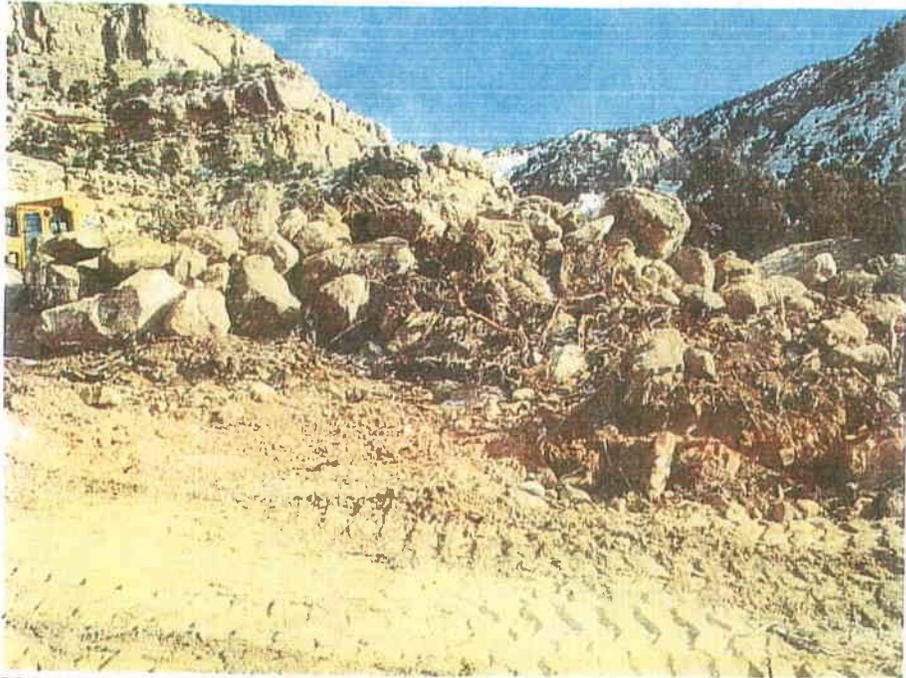
PARKING LOT MATERIAL REMOVAL



FINAL GRADING WEST END OF EMPLOYEE PARKING AREA



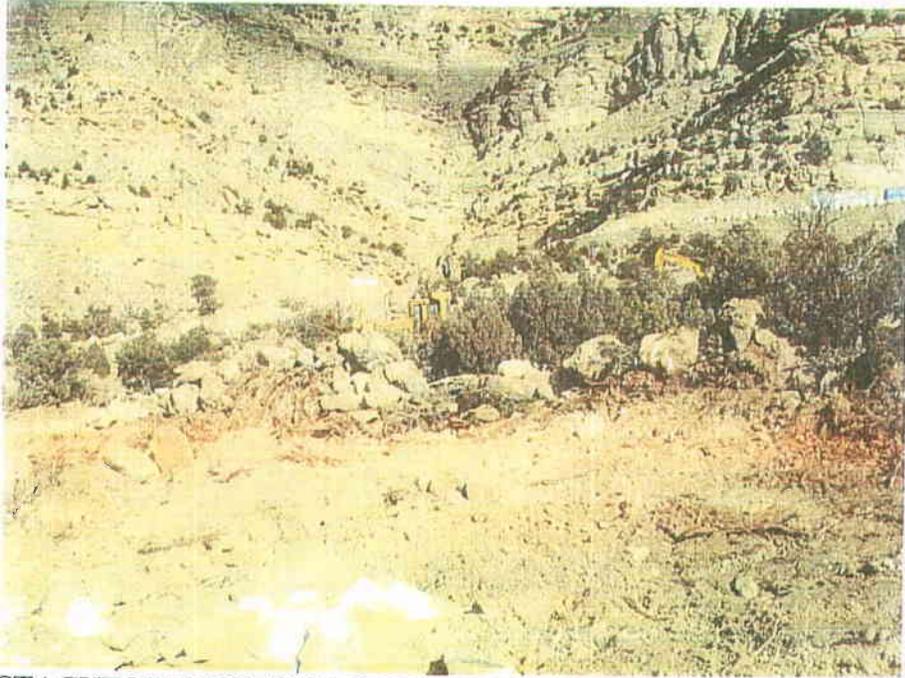
EMPLOYEE PARKING LOOKING NORTH WITH CRUSHED GRAVEL PILE



BOULDER REMOVAL FROM STACKING TUBE AREA LOOKING EAST



TOPSOIL REMOVAL FROM STACKING TUBE AREA LOOKING NORTH



STACKING TUBE AREA LOOKING EAST TOWARDS PORTALS



EAST OF STACKING TUBE LOOKING WEST

January 29, 2009 (Tom Paluso)

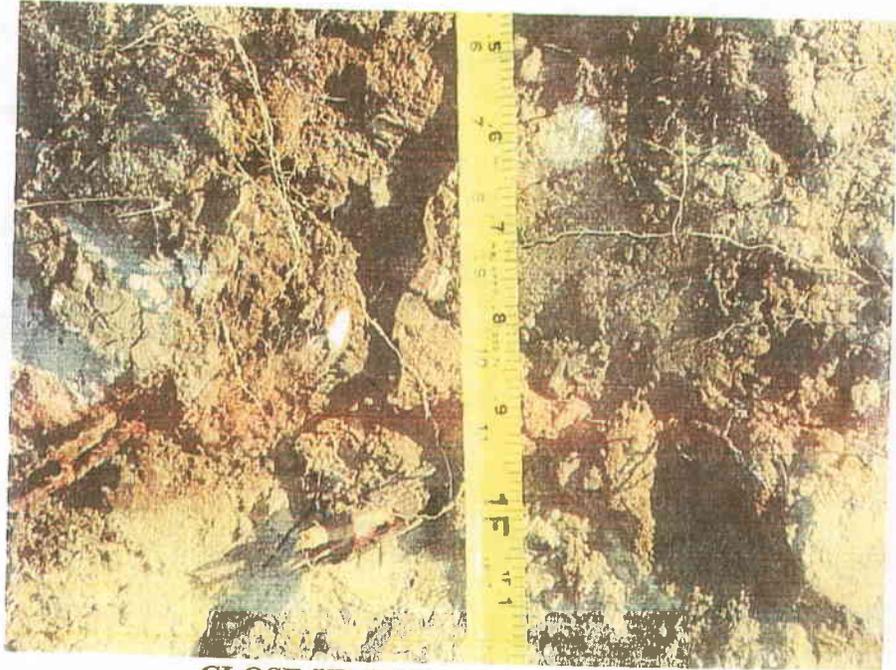
The following activities were observed during site visit:

- 1 Removing material from north end of parking lot.
- 2 Removing topsoil from stacking tube area.
- 3 Employee parking lot grading.

PHOTOGRAPHS



TOPSOIL PROFILE BY STACKING TUBE AREA



CLOSE-UP OF TOPSOIL PROFILE

February 6, 2009 (Tom Paluso)

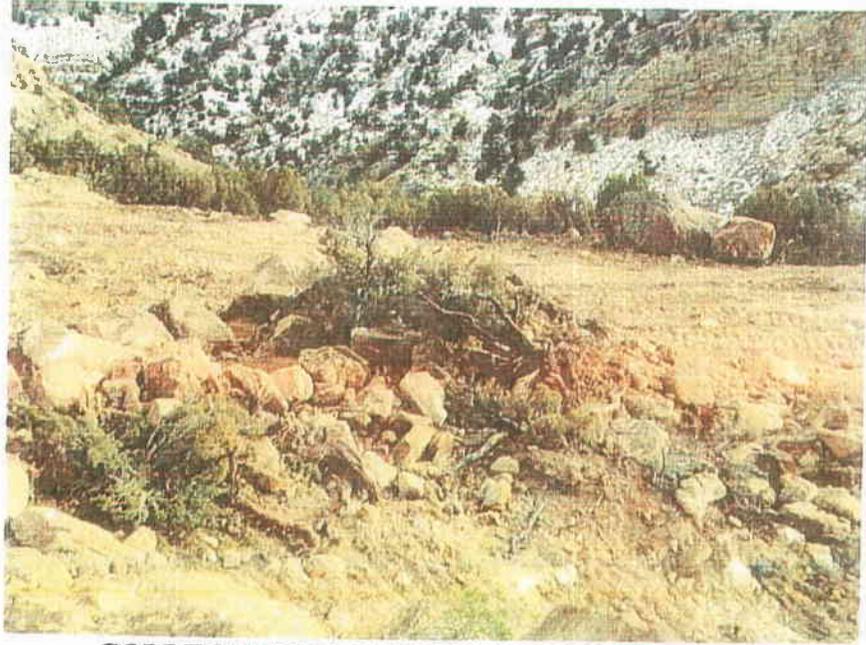
The following activities were observed during site visit:

1. Removing topsoil from shop-warehouse area.
2. Completing work around silo area.

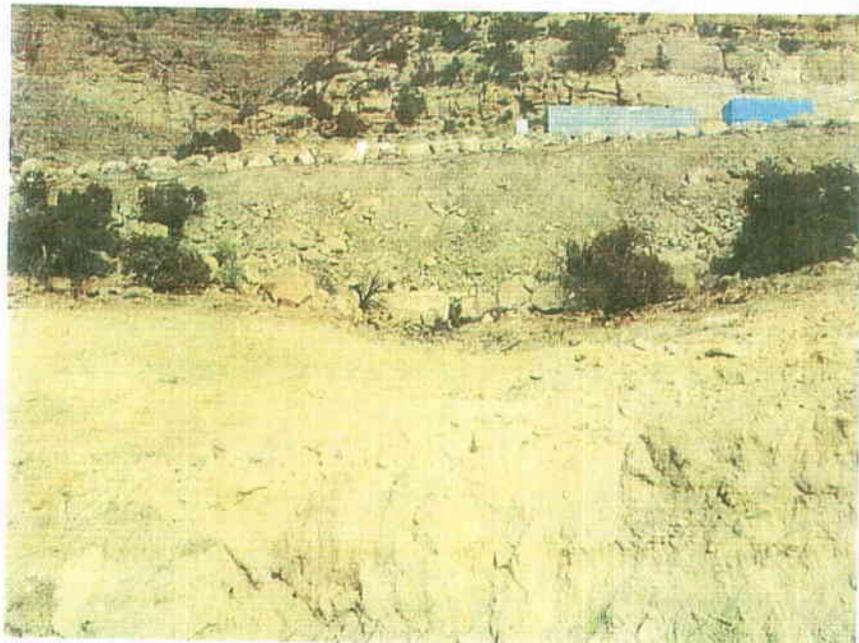
PHOTOGRAPHS



LOOKING SOUTHEAST FROM SILO AREA, TOPSOIL IS BEING COLLECTED



COLLECTING BOULDERS AND VEGETATION



LOOKING NORTHEAST FROM SILO AREA, TOPSOIL HAS BEEN REMOVED

February 18, 2009 (Tom Paluso)

The following activities were observed during site visit:

1. Removing topsoil from small Stormwater Detention Pond.
2. Removing remaining topsoil from large Stormwater Detention Pond.
3. Working on final grade for Portal Access Road

PHOTOGRAPHS



**SIGN LOCATED BY CONSTRUCTION OFFICE & NEAR SMALL
STORMWATER DETENTION POND**



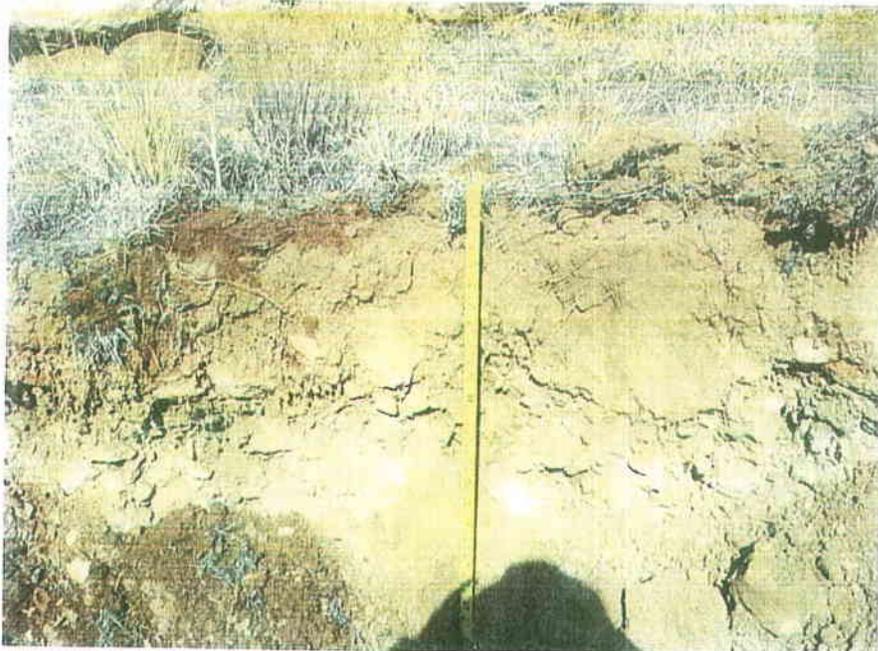
COLLECTING TOPSOIL AT SMALL STORMWATER RETENTION POND (SRP)



COLLECTING TOPSOIL AT SMALL SRP



REMOVING BOULDER FROM SMALL SRP



NORTHEAST SOIL PROFILE



SOUTHEAST SOIL PROFILE



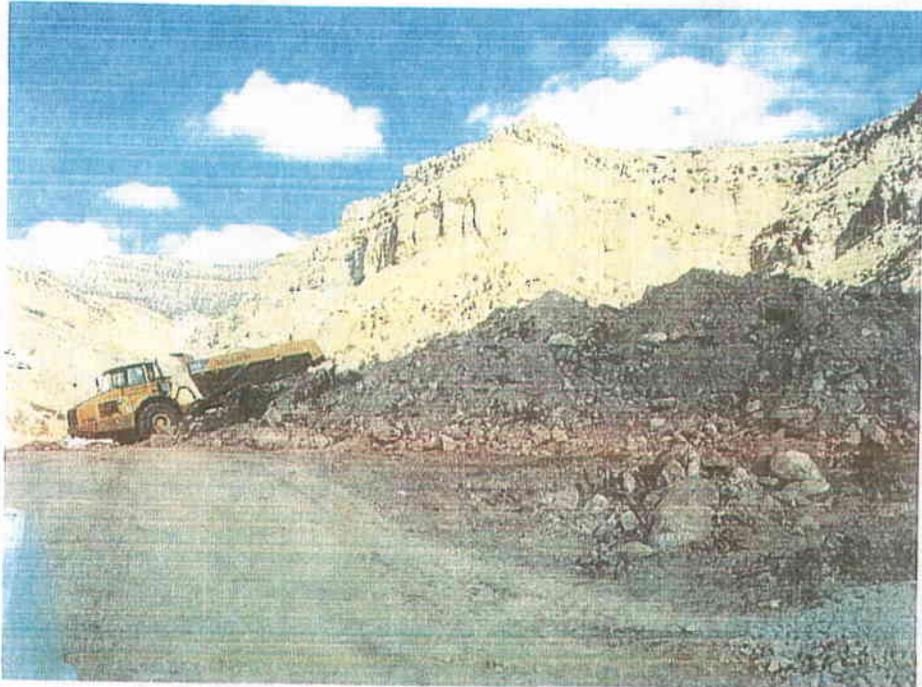
**REMOVE REMAINING MATERIAL FROM LARGE STORMWATER
RETENTION POND (SRP)**



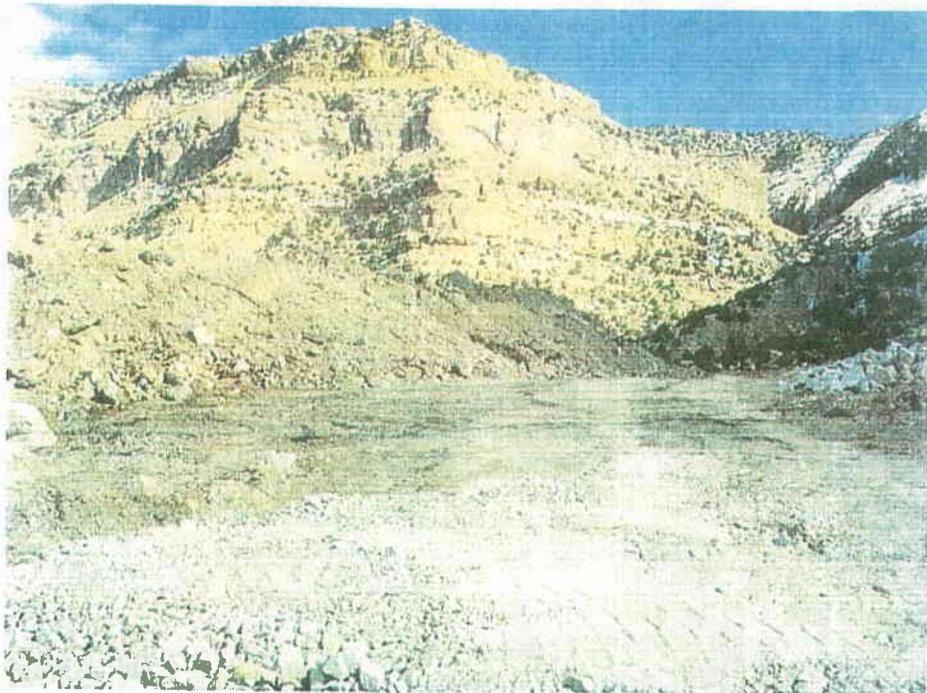
WEST END LARGE SRP



FINAL WORK ON PORTAL ROAD



TOPSOIL PILE LOOKING NORTHEAST



TOPSOIL PILE LOOKING SOUTH EAST

