a

C/007/0013 Incoming
cc: Ingrid
Joe H

#3588
ok

UtahAmerican Energy, Inc.

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

July 7, 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, 10-007 Clean Copies of Appendix 3-7 (EA Mitigation Plan

Dear Mr. Haddock,

Attached you will find six (6) clean copies of the EA mitigation plan.

C1 And C2 forms are included.

Should you have any questions please call.

Sincerely,

RECEIVED
JUL 07 2010
DIV. OF OIL, GAS & MINING

APPLICATION FOR PERMIT PROCESSING

Permit Change ☐	New Permit ☐	Renewal ☐	Transfer ☐	Exploration ☐	Bond Release ☐	Permit Number: ACT/007/013

Title of Proposal: Submittal 10-007

CLEAN Copies of Appendix 3-7 (EA mitigation Plan)

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*

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

X Attach 6 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.

_____
Signed - Name - Position - Date

Subscribed and sworn to before me this ____ day of _____, 19 ____.

_____
Notary Public

My Commission Expires: _____, 19____ }
Attest: STATE OF _____ }
COUNTY OF _____) } ss:

Received by Oil, Gas & Mining

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JUL 07 2010
DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER

Form DOGM - C2 (Last Revised 6/93)

File Folder # 3

Application for Permit Processing
Detailed Schedule of Changes to the MRP

Clean Copies of Appendix 3-7 (EA Mitigation Plan) 10-007	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
☐ ADD	☐ REPLACE	☐ REMOVE	Appendix 3-7
☐ ADD	☐ REPLACE	☐ REMOVE	
☐ ADD	☐ REPLACE	☐ REMOVE	
☐ ADD	☐ REPLACE	☐ REMOVE	
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Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

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Lila Canyon Project Wildlife Enhancement

April 2, 2010

Introduction

These projects are part of the Lila Canyon Project Emery County, Utah described in the 2000 EA/FONSI/DR (UT-070-99-22), approved by BLM on October 27, 2000. The projects are to fulfill the mitigation/enhancement for displacement and direct disturbance of wildlife and vegetation loss.

On page 27 of the EA it was stated "Wildlife Enhancement Projects - UEI would provide two rainfall water catchments to benefit bighorn sheep populations and habitat use within the area above the proposed mine site. These guzzlers would be installed by BLM and Utah Division of Wildlife Resources (UDWR) in suitable locations along the cliff-talus habitat south of the Lila Canyon area. This project would be implemented in the same manner as described in detail in the EA "Saddlehorn Water Catchment" EA Number UT-06697-1 which addressed similar concerns relative to Bighorn Sheep."

"In addition to this project, UEI would complete a vegetation treatment project within the affected area to increase small mammal populations, and thus increasing the forage capacity for area raptor populations. Project design would be provided by BLM and UDWR and involve treating and reseeding approximately 93 acres of habitat. The vegetation treatment would be designed to improve diversity and density of vegetation cover types and create a mosaic of treated and untreated areas to maximize benefits of edge for wildlife species."

The EA/DR specified what was to be completed, but did not identify the locations of where the projects were to be done. This site-specific plan does that.

The Decision Record did anticipate that the two guzzlers would be in non-WSA lands with wilderness characteristics. "Surface facilities within the proposed mine site and proposed guzzlers would directly disturb eight acres of the natural wilderness value and future designation of the immediate area as wilderness within the Desolation Canyon Inventory Unit 8. (1999 Utah Wilderness Inventory)"

Project goal

Guzzler mitigation

The purpose of this wildlife enhancement is to provide water for bighorn sheep. Springs and seeps, that are used by bighorns when flowing, could be disrupted by the coal mining activities. The guzzlers would replace those. The bighorn water catchments would not be available to livestock.

Vegetation treatment project

The purpose of this enhancement project is to increase the habitat (security cover) for small game (rabbits, mice, and other small mammals). Brush piles provide more security for rabbits, thereby increasing the numbers of rabbits, which provide more food for foraging raptors. The traffic on the coal haul road could disturb raptors from hunting next to the road. The road and mine facilities are placed on top of habitat that would have produced small game that would have been food for raptors. The vegetation treatment project would be located in areas with fewer disturbances and the productivity of small game would be enhanced.

Expected benefits

Guzzler Mitigation

Sources of permanent, reliable water would be provided for the existing bighorn sheep in the immediate area. These are guzzlers that will be additional and dependable long-lasting water sources for bighorn sheep. Distribution of bighorn sheep is closely tied to available water, particularly during lambing season and later in the summer months. Water development projects in areas near escape terrain and thermal cover could improve bighorn sheep distribution, production, and survival in the area.

Vegetation treatment project

Brush piles provide more security for rabbits, thereby increasing the numbers of rabbits, which provide more food for foraging raptors. In addition, removing the younger P/J trees opens up the sagebrush parks creating a transition zone for bighorn sheep. Bighorn sheep could move from the steeper habitat of Lila Canyon through the enhancement areas up to another level of steep, rocky habitat beneath Lila Point. Moreover, the removal of the younger P/J trees reduces competition for the existing sagebrush plants and permits young sagebrush to be established along with forbs and grasses. By only designating Pinyon Pine and Juniper to be cut, the project leaves the occasional Douglas Fir or Ponderosa Pine to remain. In addition, the larger, older Pinyon Pine and Juniper would be left. The younger, invasive P/J trees are targeted to be cut. The end result would be a more open savanna-like sagebrush park, similar to historic habitat.

Project procedures

Guzzler Mitigation

Description of Work: The Utah Division of Wildlife Resources has already purchased, installed, and is operating a bighorn sheep guzzler on privately owned land (UEI owned) near the mine portal and facilities. The legal description for this guzzler is T16S, R14E, Sec 15 and is identified as the Lila Canyon Guzzler. This guzzler is now providing water

to animals in the immediate vicinity of the mine. UEI would compensate UDWR for the materials used for this existing guzzler; by purchasing the supplies and materials that could be used to construct another guzzler. In addition, UEI would be responsible for purchasing another guzzler. This would include all the parts and materials, including fencing materials, to provide another guzzler in the immediate area. In total, UEI would purchase enough supplies, parts, and materials for 2 complete guzzlers.

If a helicopter is available, then the guzzler location in T16S R14E Sec 26 NW1/4 is the preferred location. By ground access, the next preferred location is in T16S R14E Sec 26 NE1/4. Access for construction would be by traveling on an old road, which was used for drilling test drill holes, and by using the wash bottom. After construction, the visible tracks would be drug out or raked out. A fence would have to be added around the guzzler to keep livestock from drinking the water in the guzzler. The third preferred location is in T16S R14E Sec 13 SW1/4. This location is similar to the second in that access is by ground and a fence would be needed.

Vegetation treatment project

General Description of Work: The units are approximately 93 acres in total. Only green and dead Pinyon Pine and Juniper trees would be treated. Most of the units (67 acres) would be treated by hand crews cutting, limbing, and then leaving the trees and limbs. The loose accumulations of limbs and trunks would be left as is and would not be burnt. In a smaller subset of the units, some of the piles would be burned to reduce the fuel loading. This unit (26 acres) would be treated by hand crews cutting and piling. Only green and dead Pinyon Pine and Juniper trees would be treated. About half of the piles would be left as is and would not be burned. The remaining piles would be burned.

Detailed Work Description: *Cut and Limb*

Specific Description of Work: All green and dead Pinyon Pine and Juniper (Cedar) trees up to a bole diameter of 16 inches, measured at the root collar, within the project boundaries, shall be completely severed from the stump(s). Stump height shall not exceed 6 inches measured on the uphill side. No live or dead limbs shall be left on the stump of cut trees. All main branches, limbs, or stems shall be cut from the severed trunks of the trees. Both ends of the severed trunk shall be resting on the ground. All small green and dead Pinyon Pine and Juniper (Cedar) trees standing taller than 24 inches shall be completely severed from the stump(s). All trees and shrubs not identified as Pinyon or Juniper shall be designated as leave trees. All large green and dead Pinyon Pine and Juniper (Cedar) trees, which are greater than a bole diameter of 16 inches measured at the root collar, are also leave trees. All leave trees would be left as is, not severed or limbed.

All trees cut, that are within 100 feet of the Little Park road (the main access road), shall be pulled away from the road, limbed, and left there. Reseeding is not planned, since there is a seed source from the existing shrubs, forbs and grasses.

The 2 units are approximately 67 acres in total. The BLM-administered lands would have 67 acres treated, with none on private or State of Utah lands.

Detailed Work Description: *Cut and Pile*

Specific Description of Work: Green and dead Pinyon Pine and Juniper (Cedar) trees up to a bole diameter of 16 inches, measured at the root collar, within the project boundaries, shall be completely severed from the stump(s). No live or dead limbs shall be left on the stump of cut trees. Stump height shall not exceed 6 inches measured on the uphill side. All main branches or stems shall be cut from the trunk of the tree. Both ends of the trunk shall be resting on the ground. All vegetation not identified as Pinyon or Juniper shall be designated as leave trees. All small, green Pinyon Pine and Juniper (Cedar) trees taller than 24 inches shall be completely severed from the stump(s).

Piles shall be no larger than 6 feet by 6 feet in size and shall not be located on or adjacent to any fence, road, trail, or boundary line. All cut slash between 1 and 4 inches in diameter and greater than 2 feet in length shall be piled. All cut vegetation greater than 4 inches in diameter must not be piled and shall be left scattered on the ground. Fine fuels (limbs with needles) shall be placed at the bottom of the pile with larger branches placed on top. The near edge of piles shall be at least 10 feet from the edge of any other pile, live tree canopy or physical improvement (such as fence or cattleguard). Piles shall not be located within 10 feet of the unit boundary.

About half of the piles would be left as is and would not be burned. The remaining piles would be burned. The BLM fuels reduction crew would determine which piles would be burned in order to lessen the fuel loading for the area.

Reseeding is planned for the spots where the piles were burnt and other soil disturbed areas.

The unit is approximately 26 acres in total. The BLM-administered lands would have 26 acres treated, with none on private or State of Utah lands.

Company commitment

Guzzler Mitigation

This also is part of the Lila Canyon Project Emery County, Utah 2000 EA/FONSI/DR (UT-070-99-22), and fulfills the mitigation/enhancement for displacement of bighorn sheep. In the mitigation part of the Decision Record "UEI would be required to provide two guzzlers to benefit bighorn sheep populations and habitat because of the potential loss of seeps." UEI would purchase and deliver to the DWR office in Price, Utah the parts, tanks, supplies, and materials needed to construct 2 guzzlers, along with fencing materials.

Vegetation treatment project

Anticipated habitat disturbance associated with the proposed action from Table 4.2 in the EA -

> "This life of project acreage would encompass the 50-foot ROW of the road, mine surface area, and power line facilities" (p. 55 Sept 2000 EA).
> Lila Canyon road - 16.97 acres; road - 39.88 acres; power line (10% of power line ROW) - 1.26 acres; mine surface facility; 35.00 acres; total - 93.11 acres.
> Since the Lila Canyon road is not being rebuilt, the total was modified to 76.14 acres.

UEI would pay for and complete a vegetation treatment project within the affected area to increase small mammal populations, and thus increasing the forage capacity for area raptor populations. Project design would be provided by BLM and DWR and involve treating and reseeding approximately 93 acres of habitat.

The plan, that UEI would fund and administer, includes a cultural resource inventory of the area, hiring the vegetation treatment contractor, oversight of their work, and purchasing seed. BLM and DWR would participate in a cooperative review of the completed work, along with UEI, to determine if the work is satisfactory. In addition the project would be inspected for any noxious weeds, that may grow within 1 growing season after the vegetation treatment. UEI would cooperate in a control program if necessary.

Implementation Dates

Guzzler Mitigation

2010, June - Locate, mark, and GPS the location - responsibility of BLM and DWR

2010, June - Conduct a Cultural Resource Survey and provide a report to BLM - responsibility of UEI

2010, June-July - Prepare the environmental documents and consult with SHPO - responsibility of BLM

2010, July - Provide to UEI a list of tanks, materials, and supplies including the sources of the materials for the installation of 2 guzzlers - responsibility of DWR

2010, August - Purchase and deliver the materials for 2 guzzlers to the DWR office - responsibility of UEI

2010, after August 15 - Install guzzler - responsibility of DWR and BLM.

Vegetation treatment project

2010, June - Locate, mark, and GPS the units - responsibility of BLM, DWR, and UEI

2010, June - Conduct a Cultural Resource Survey and provide a report to the BLM - responsibility of UEI

2010, June-July - Prepare the environmental documents and consult with SHPO - responsibility of BLM

2010, initiate the on-the-ground work after August 15 and complete by October 30 - Contract, oversee, and pay hand crews to cut, limb and for the hand crews to cut, pile - responsibility of UEI

2010 - Inspect the work during and after completion - responsibility of BLM, DWR and UEI

2011, before September - Purchase seed - responsibility of UEI

2011, after October 15 - Burn some of the piles - responsibility of BLM

2011, after the burning - Seed burn piles locations and disturbed areas - responsibility of BLM.

Project Location

Guzzler Mitigation

Emery County, Utah

Possible locations are shown with blue tank-like symbols. If a helicopter is available, then the guzzler location in T16S R14E Sec 26 NW1/4 is the preferred location. The next preferred location is in T16S R14E Sec 26 NE1/4. The third preferred location is in T16S R14E Sec 13 SW1/4.

Vegetation treatment project

Emery County, Utah

The project area is located near Horse Canyon, approximately 20 miles southeast of Price, Utah. The closest mapped geographic place is Lila Point. The general legal description for part of the project area is T16S, R14E, Sec 10, at an elevation of 7400 feet and surrounds existing sagebrush areas.

Agency Contacts

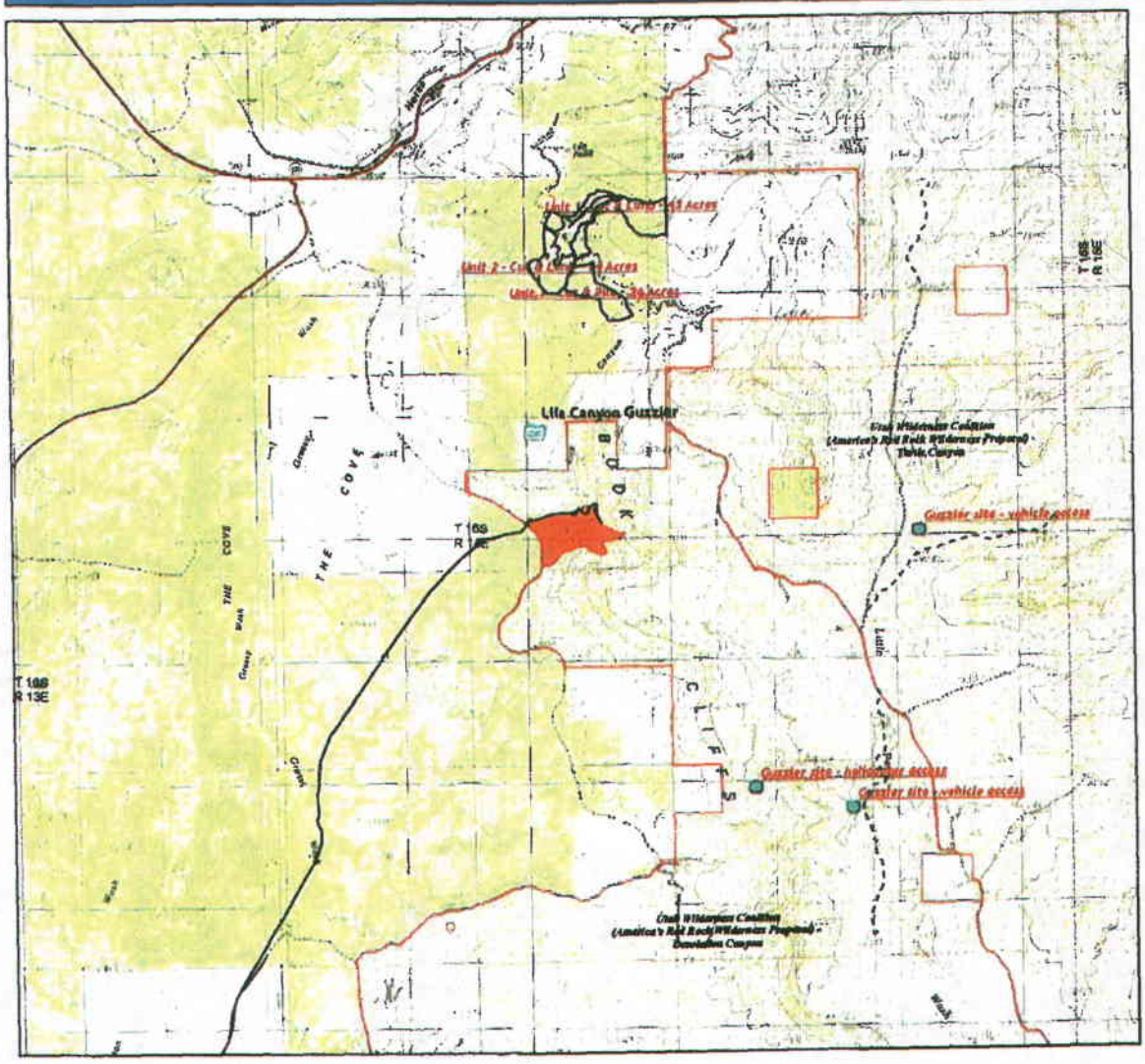
Jay Marshall, 435-888-4007
UtahAmerican Energy Inc.
P.O. Box 910
East Carbon, UT 84520

David Waller, 435-636-3624
Bureau of Land Management
125 S 600 W
Price, UT 84501

Leroy Mead/Nicole Nielson, 435-613-3700
Utah Division of Wildlife Resources
319 N. Carbonville Rd., Suite A
Price, UT 84501

Nathan Darnall, 801-975-3330 ext 137
Fish and Wildlife Service
2369 West Orton Circle, Suite 50
West Valley City, UT 84119

Lila Canyon Project Wildlife Enhancement



Legend

- Lila Canyon Project Wildlife Enhancement
- Potential Bighorn Guzzler Locations
- Existing Bighorn Sheep Guzzlers
- Lila Canyon Mine Facilities
- Bureau of Land Management
- State of Utah
- Private
- Utah Wilderness Coalition BLM Wilderness Proposal
- Citizens' Proposal

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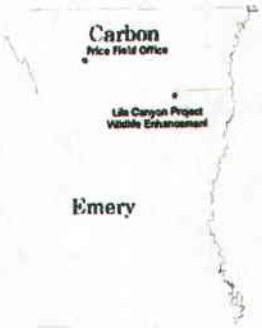
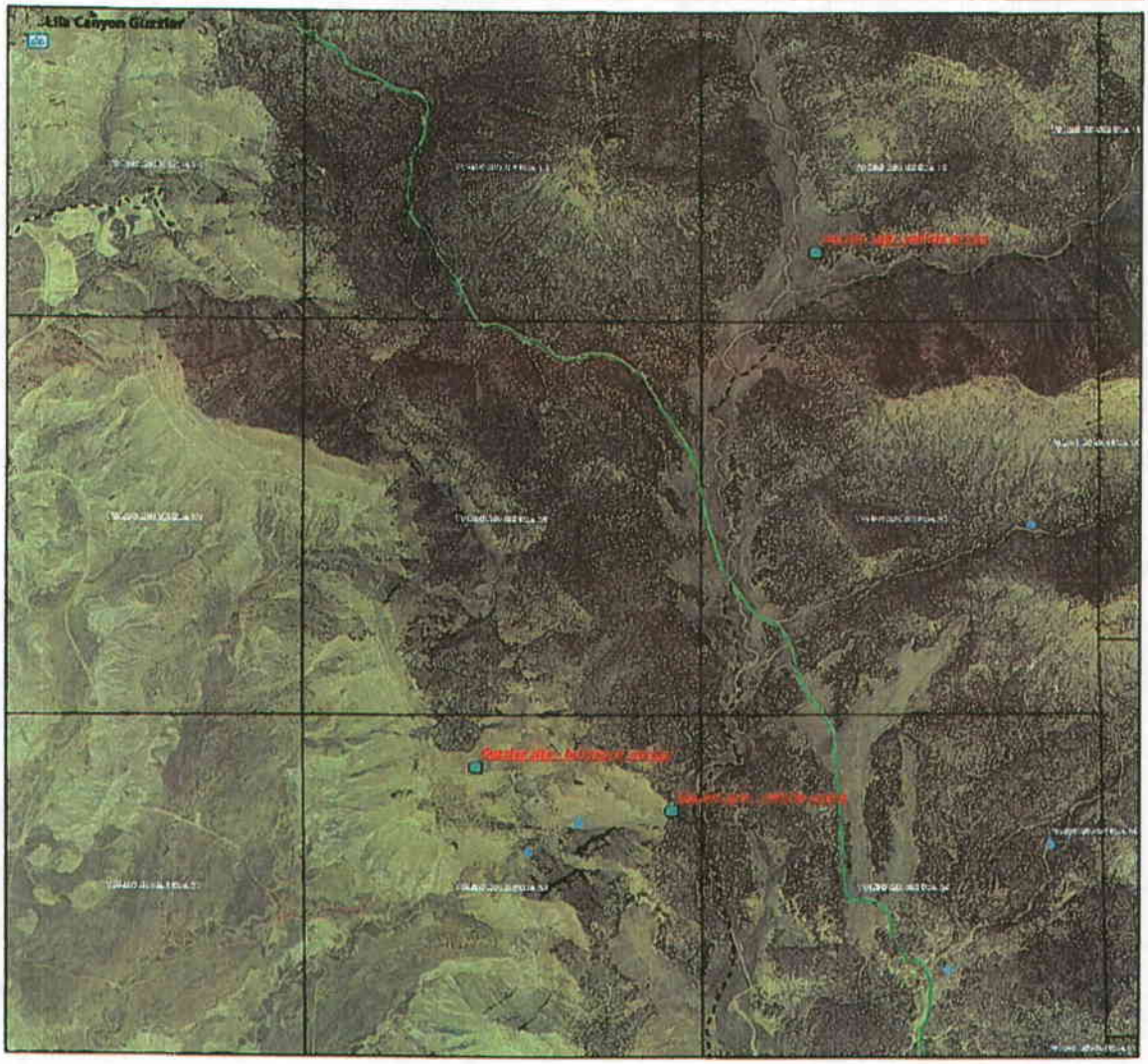
Created 2010-March-12
David L. Waller
Price Field Office
Utah State Office
Bureau of Land Management



Lila Canyon Wildlife Enhancement - Guzzler Access



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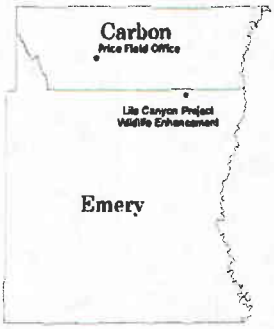

Legend

- Potential Bighorn Guzzler Locations
- Springs
- Existing Bighorn Sheep Guzzlers

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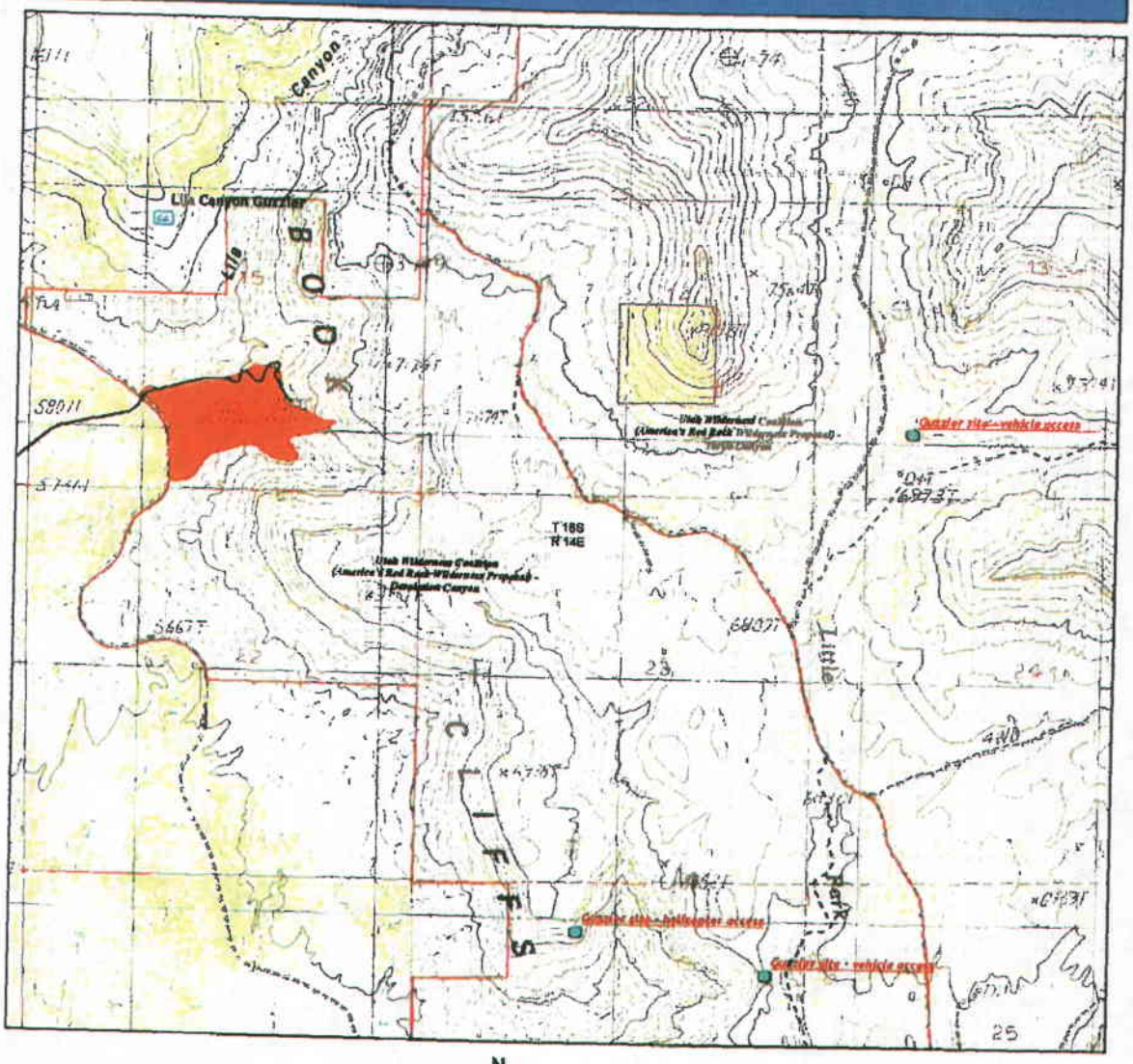
Price Field Office
Utah State Office
Bureau of Land Management

Lila Canyon Project Wildlife Enhancement - Guzzlers



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Utah Wilderness Coalition BLM Wilderness Proposal

- Citizens' Proposal

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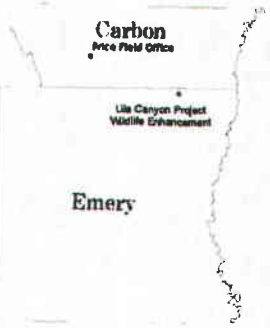
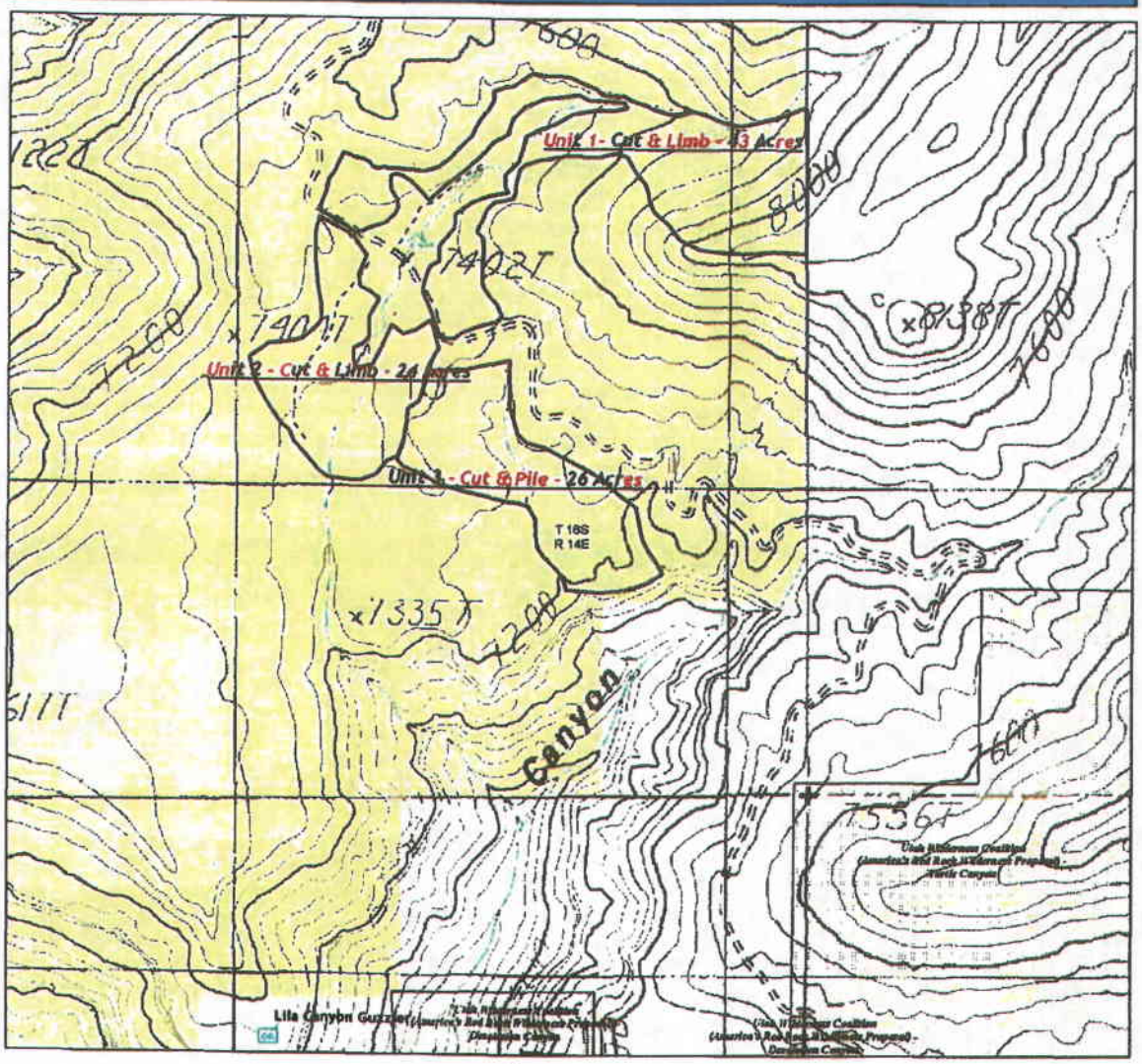


Created 2010-March-12
David L. Waller
Price Field Office
Utah State Office
Bureau of Land Management

Lila Canyon Wildlife Enhancement - Vegetation Treatment



Legend

- Lila Canyon Project Wildlife Enhancement
- Existing Bighorn Sheep Guzzlers
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- Bureau of Land Management
- State of Utah
- Private

Utah Wilderness Coalition BLM Wilderness Proposal

- Citizens' Proposal

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Utah State Office
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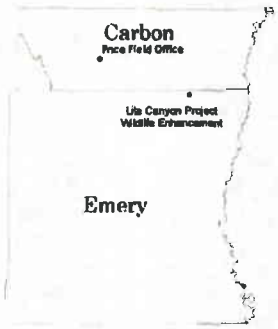
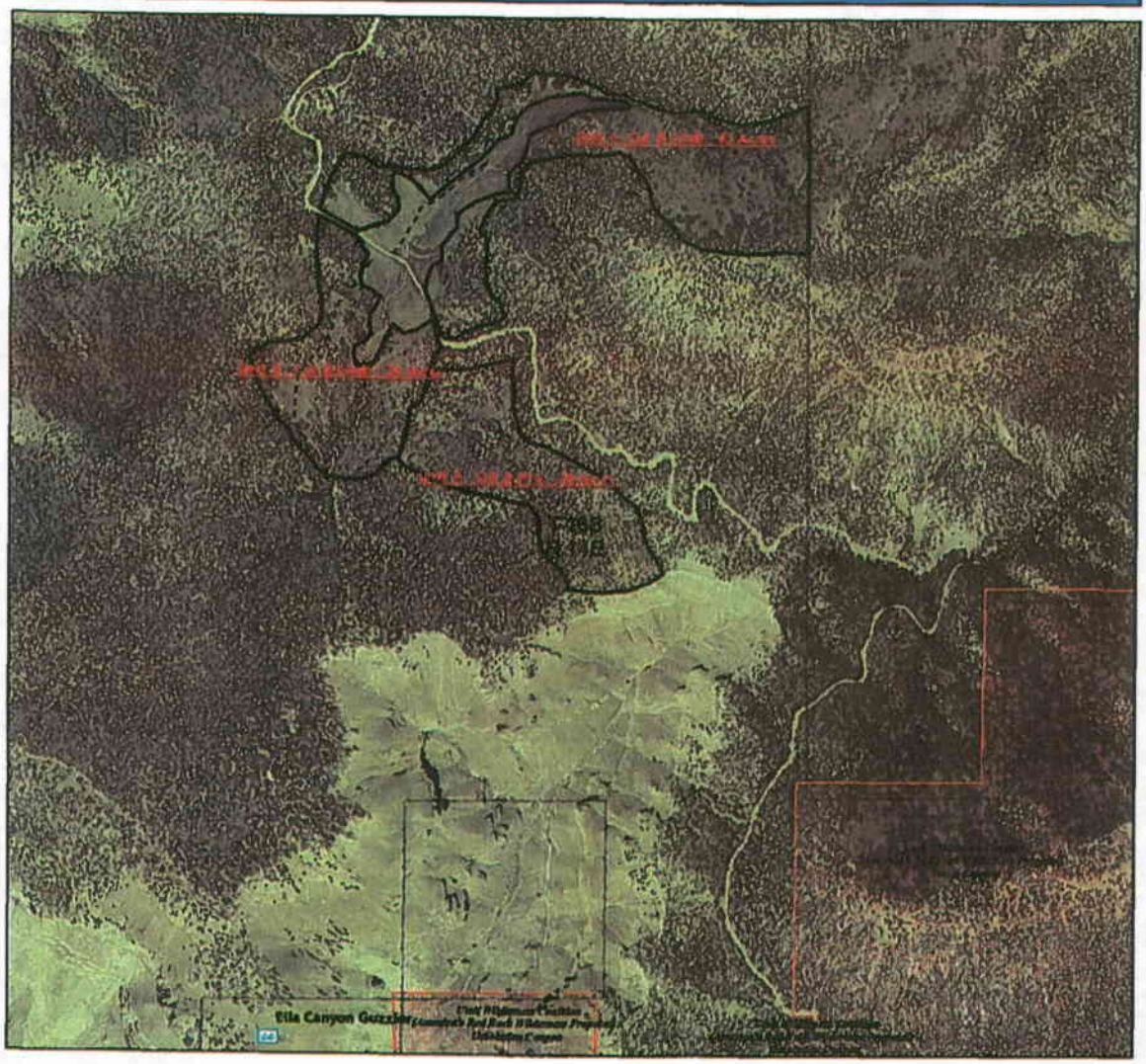


Lila Canyon Wildlife Enhancement - Vegetation Treatment



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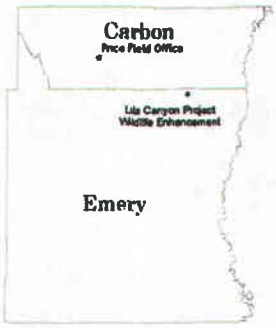

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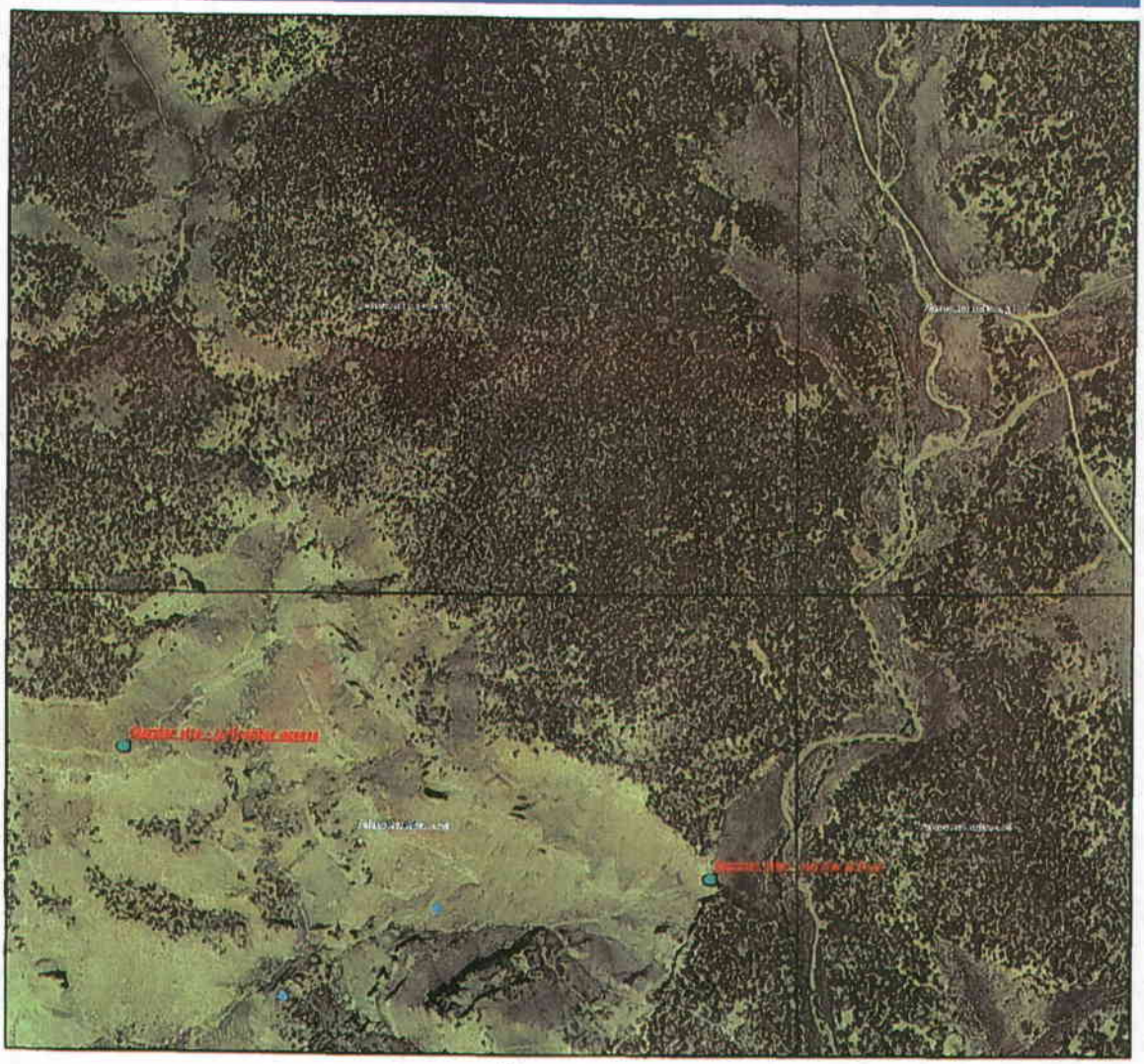
Lila Canyon Wildlife Enhancement - Guzzler Access



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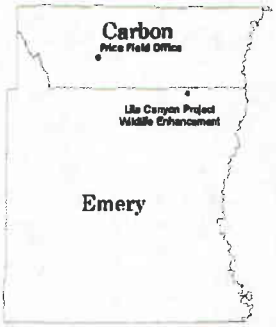

Legend

- Potential Bighorn Guzzler Locations
- Springs
- Existing Bighorn Sheep Guzzlers

Created 2010-March-12
David L. Waller
Price Field Office
Utah State Office
Bureau of Land Management

UtahAmerican Energy, Inc.

794 N. "C" Canyon Road, P. O. Box 910, East Carbon, Utah 84520
Phone: (435) 888-4000
Fax: (435) 888-4002

Mr. Steve Rigby,
Bureau of Land Management
Price Field Office
125 South 600 West
Price, Utah 84501

March 29, 2010

RE: Public Notice of Proposed Mining

Dear Mr. Rigby;

R645-301-525.700 requires that the operator notify all owners and occupants of surface property of proposed mining. This letter is to notify the BLM of UtahAmerican Energy's intent to commence mining at the Lila Canyon Mine.

As you are aware from the review process that all surface areas subject to subsidence above the Lila Canyon proposed works is owned by the BLM.

Specific areas and timing for mining can be found on the BLM approved R2P2. The subsidence control plan associated with mining at lila Canyon can be examined either at the DOGM offices in Price, SLC, or at the mine site.

If you have any questions please give me a call.

Sincerely;

R. Jay Marshall

R. Jay Marshall P.E.
Chief Engineer/Project Manager
Lila Canyon Mine