

Incoming
C/007/0013
R

EXHIBIT "D"
Stipulation to Revise
Reclamation Agreement
(Federal)

RECEIVED
JUL 27 2010
DIV. OF OIL, GAS & MINING

Mine Name: Horse Canyon Mine
Permit Number: C/007/0013
Effective Date: 06/30/2010
Bond Number: _____

COAL
STIPULATION TO REVISE RECLAMATION AGREEMENT
--ooOOoo--

This **STIPULATION TO REVISE RECLAMATION AGREEMENT** entered into by and between the **PERMITTEE** and **DIVISION** incorporates the following revisions or changes to the **RECLAMATION AGREEMENT**: (Identify and Describe Revisions below)

As a result of the approval of the Design Changes amendment (Task ID #3541), the bond is increased by \$113,000 (from \$1,694,000 to \$1,807,000).

Bonded area contains 42.6 acres more or less.

In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**.

- Replace the Reclamation Agreement in its entirety.
- Replace Exhibit "A"- bonded area.
- Additional Bond- Exhibit "B"- bonding agreement
- Replace Exhibit "C"- liability insurance

The bonding amount is revised from \$1,694,000 to \$1,807,000

The bonding type is changed from _____ to _____.

The surface disturbance is revised from _____ acre to _____ acres.

The expiration date is revised from _____ to _____.

The liability insurance carrier is changed from _____ to _____.

The amount of insurance coverage for bodily injury and property damage is changed
from
\$ _____ to \$ _____.

IN WITNESS WHEREOF, Utah American Energy, Inc. the PERMITTEE has hereunto set
its signature and seal this 26th day of July, 2010.

Utah American Energy, Inc.
PERMITTEE

By: Dail W. Hebler

Title: President

ACCEPTED BY THE STATE OF UTAH this 29th day of July, 2010.

John R. Burr

Director,
Division of Oil, Gas and Mining

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power or Attorney of a company, such Power of Attorney must be filed with this Agreement. If the PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.

**AFFIDAVIT OF QUALIFICATION
PERMITTEE**

--ooOOoo--

I, David W. Hibbs, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) officer - President of Utah American Energy, Inc and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said PERMITTEE is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.

David W. Hibbs

(Signed)

Name - Position

Attest: _____
Secretary of the Corporation

STATE OF Utah)

) ss:

COUNTY OF Carbon)

Subscribed and sworn to before me this 26th day of July, 2010.



Mary V. Kava
Notary Public

My Commission Expires:

May 16, 2010.

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 19, 2010

Angela Nance
Business Analyst
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: UtahAmerican Energy, Inc. Horse Canyon Mine, Part "B" Lila Canyon
Dear Mr. Haddock,

Attached you will find the original bond increase for Lila Canyon.

Should you have any questions please call.

Sincerely,

A handwritten signature in cursive script that reads "R. Jay Marshall".

R. Jay Marshall
Chief Engineer/Project Manager

RECEIVED

JUL 20 2010

DIV. OF OIL, GAS & MINING

Exhibit "B"
Federal Surety Bond
Federal

Surety Bond Number

EXHIBIT "B"
SURETY BOND
(FEDERAL COAL)
--ooOoo--

RECEIVED
JUL 10 2010
PAUL PICCOLINI

This **SURETY BOND** entered into and by and between the undersigned **PERMITTEE/PRINCIPAL** Utah American Energy, Inc. and **SURETY** Rockwood Casualty, Ins. Co. hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining (hereafter referred to as the "**DIVISION**"), and the U.S. Department of the Interior, Office of Surface Mining Reclamation and Enforcement (hereafter referred to as "**OSM**") in the penal sum of \$113,000.00 (\$) (Surety Bond Amount) for the timely performance of reclamation responsibilities of the Permittee in the Bonded Area described in Exhibit "A" of that certain **RECLAMATION AGREEMENT**, dated the _____ day of _____, 20____ by and between the **DIVISION** and the **PERMITTEE/PRINCIPAL**.

This **SURETY BOND** shall remain in effect until all of the **PERMITTEE'S/PRINCIPAL'S** reclamation obligations have been met and released by the **DIVISION** with the concurrence of **OSM** and is conditioned upon faithful performance of all of the requirements of the Utah Coal Mining Reclamation Act, Utah Code Ad. §40-12-2 et. seq. (the **ACT**), the Surface Mine Control and Reclamation Act ("**SMCRA**"), and all lawful regulation adopted under the authority of those statutes, and the approved Permit (which is based upon the approved Permit Application Package).

The **SURETY** will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the **PERMITTEE/PRINCIPAL** during the period of liability.

The **SURETY** and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the **DIVISION** and **OSM** from any and all expenses which the **DIVISION** may sustain as a result of the **PERMITTEE'S/PRINCIPAL'S** failure to comply with the condition(s) of the reclamation obligation.

The **SURETY** will give prompt notice to the **PERMITTEE/PRINCIPAL**, the **DIVISION** and **OSM** of any notice received or action alleging the insolvency or bankruptcy of the **SURETY**, or alleging any violations or regulatory requirements which could result in suspension or revocation of the **SURETY'S** license.

Upon incapacity of the **SURETY** by reason of bankruptcy, or suspension or revocation of license, the **PERMITTEE/PRINCIPAL** shall be deemed to be without Bond coverage in violation of state and federal law and subject to enforcement in accordance with **SMCRA**, the **ACT**, and the applicable regulations.

RECEIVED
JUL 20 2010
DIV. OF OIL, GAS & MINING

Exhibit "B"
Federal Surety Bond
Federal

Surety Bond Number _____
Mine Name/Number Horse Canyon Mine C/007/0013

The terms for release of this **BOND** are as written and agreed to by the **DIVISION** and the **PERMITTEE/PRINCIPAL** in the **RECLAMATION AGREEMENT**, incorporated by reference herein, to which this **SURETY AGREEMENT** has been attached as Exhibit "B".

In the event the Utah Cooperative Agreement is terminated, this **SURETY BOND** shall be payable only to the OSM to the extent that lands covered by the Federal Lands Program are involved and otherwise to the **DIVISION**.

IN WITNESS WHEREOF, the **PERMITTEE/PRINCIPAL** has hereunto set its signature and seal this 19th day of July, 2010.

UtahAmerican Energy, Inc.
PERMITTEE/PRINCIPAL
By: Dail W. Hells
Title: President

IN WITNESS WHEREOF, the **SURETY** has hereunto set its signature and seal this 30th day of June, 2010.

Rockwood Casualty Insurance Company
SURETY
By: John P. Yediny
Title: President & Atty-in-Fact

SURETY BONDING AGREEMENT ACCEPTED BY THE STATE OF UTAH:

John R. Bay
Director
Division of Oil, Gas and Mining

NOTE: An **Affidavit of Qualification** must be completed and attached to this form for each authorized agent/or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with the Agreement. If the **PERMITTEE** is a corporation, the Agreement shall be executed by its duly authorized officer.

EXHIBIT "A"

**Bonded Area
Legal Description**

(Federal Coal)

Exhibit "A"
Legal Description
Federal

Bond Number _____

EXHIBIT "A"

Pursuant to R645-301- 820.110, the surety bond covers an identified increment of land within the permit area upon which the operator will initiate and conduct coal mining and reclamation operations during the initial term of the permit. This area is identified as:

Map(s) showing the BONDED AREA within the approved PERMIT AREA :

See Attached Plate 5-2

Legal description of BONDED AREA:

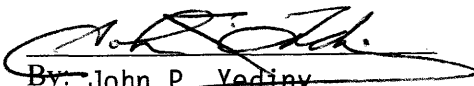
Section 15
Portions of W2SE4; Portions of NE4SW4; Portions of SE4SW4;
Containing 42.6 acres more or less

The above described area shall be modified as necessary to correspond to an increase in the area disturbed as a result of an expansion of coal mining and reclamation operations. The described area may also be decreased as a result of partial reclamation.

IN WITNESS WHEREOF the **SURETY** has hereunto set its signature and seal this

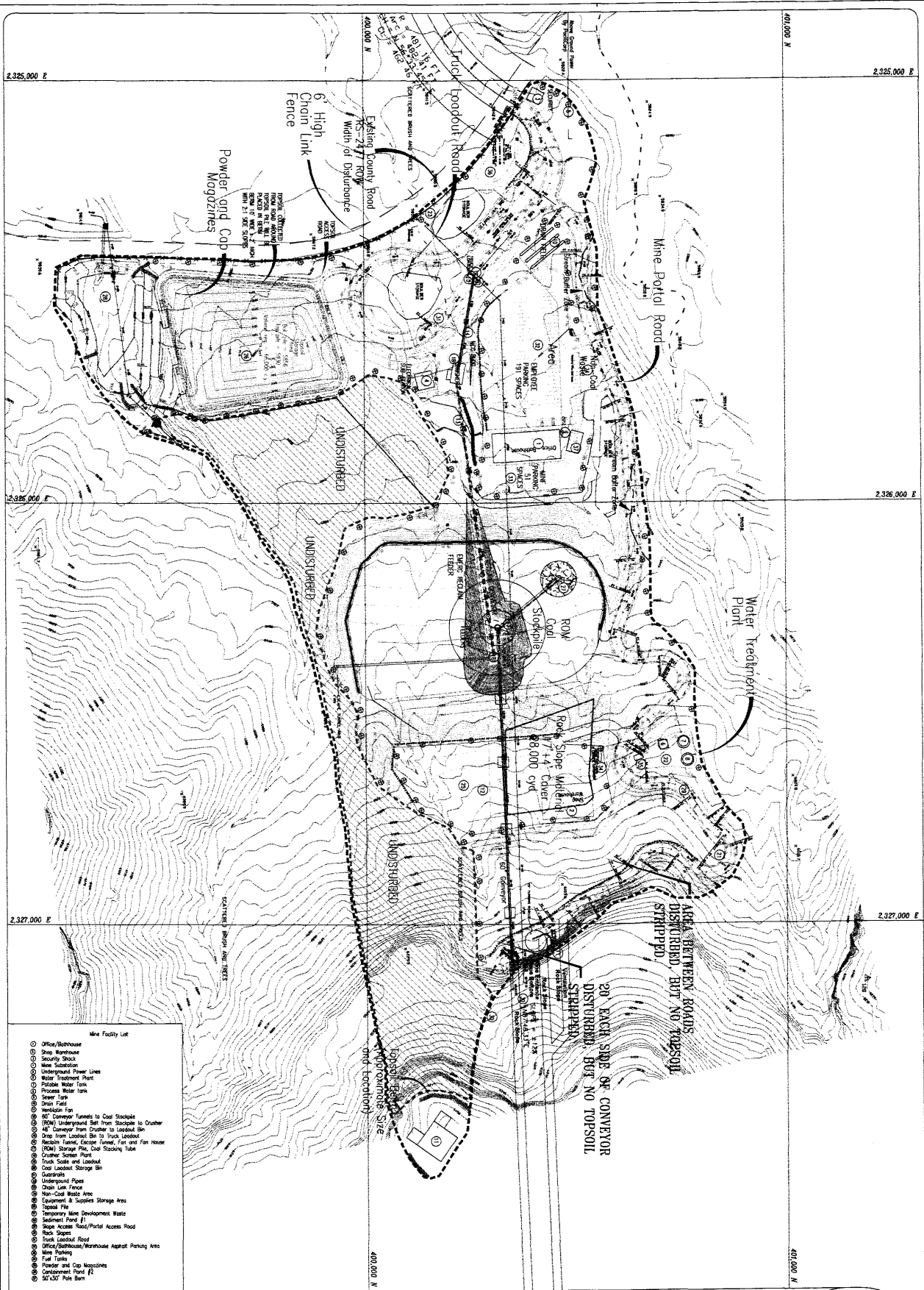
30th day of June, 2010.

Rockwood Casualty Insurance Company
SURETY


By: John P. Yediny

President & Atty-in-Fact
Title:

Table 4-2 Surface Ownership Permit Area Both Horse Canyon and Lila Canyon									
Township	Range	Section	State Acres		Federal Acres		Private Acres		
			A	B	A	B	A	B	
15 S	14 E								
		33					60.70 (2)		
								49.90 (4)	
		34						23.62 (2)	
									25.68 (4)
							25.20 (3)		
16 S	14 E								
		2	248.30	0.76					
		3			127.03			204.30 (4)	
		4						189.00 (4)	
		5						20.00 (1)	
		8						40.00 (1)	
		9						120.00 (4)	
		10				28.20		30.85 (1)	76.00 (1)
		11				14.78	108.86	120.19 (2)	341.20 (2)
		12			40.00		600.00		
		13					640.00		
		14					640.00		
		15					157.50		120.00 (1)
		22					40.00		
		23					560.00		
24					640.00				
25					320.00				
26					80				
16 S	15 E	19				110.00			
		30				190.00			
			State Acres		Federal Acres		Private Acres		
			A	B	A	B	A	B	
SUB TOTAL			248.30	40.76	170.01	4086.36	909.44	537.20	
Total "A" Horse Canyon			1327.75						
Total "B" Lila Canyon			4664.32						
GRAND TOTAL			5992.07						



- Mine Facility List**
- Office/Bathhouse
 - Shop Warehouse
 - Security Shack
 - Mine Substation
 - Underground Power Lines
 - Water Treatment Plant
 - Portable Water Tank
 - Process Water Tank
 - Diesel Tank
 - Diesel Fuel
 - Ventilation Fan
 - RC Conveyor/Tunnels to Coal Stockpile
 - (RM) Underground Belt from Stockpile to Crusher
 - AC Conveyor from Crusher to Loadout Bin
 - Drop from Loadout Bin to Truck Loadout
 - Mainline Tunnel (Escape Tunnel, Fan and Fan House)
 - (RM) Storage Pile, Coal Stacking Tube
 - Crusher Screen Plant
 - Truck Scale and Loadout
 - Coal Loadout Storage Bin
 - Overlays
 - Underground Pipes
 - Chain Link Fence
 - Non-Cool Waste Area
 - Equipment & Supplies Storage Area
 - Topsoil Pile
 - Temporary Mine Development Waste
 - Sediment Pond #1
 - Stake Access Road/Portal Access Road
 - Rock Storage
 - Truck Loadout Road
 - Office/Bathhouse/Reception Asphalt Parking Area
 - Mine Parking
 - Fuel Tanks
 - Powder and Cap Magazines
 - Containment Pond #1
 - 50'x30' Pole Barn

LEGEND:

UNDISTURBED WITHIN THE DISTURBED AREA:

DISTURBED AREA BOUNDARY:

NATURAL DRAINAGE:

6' HIGH CHAIN LINK FENCE:

INCIDENTAL ROCK DISTRIBUTION:

STREAM BUFFER ZONE SIGNS:

NOTES:
(1) REFER TO PLATE 5-748B FOR CROSS-SECTIONS.

STRUCTURAL FILL:

TEMP. REFUSE PILE (COAL MINE WASTE):

TOPSOIL BERM:

Stream Buffer Zone:

Ditch:

Culvert:

R 14 E, T 16 S

N
0' 50' 100' 200'

REVISION DATE:

NO.	DATE	BY	FOR
1	JUN 2008	PLM	
2	APR 2009	PLM	
3	JUN 2009	TJS	
4	DEC 2009	PLM	



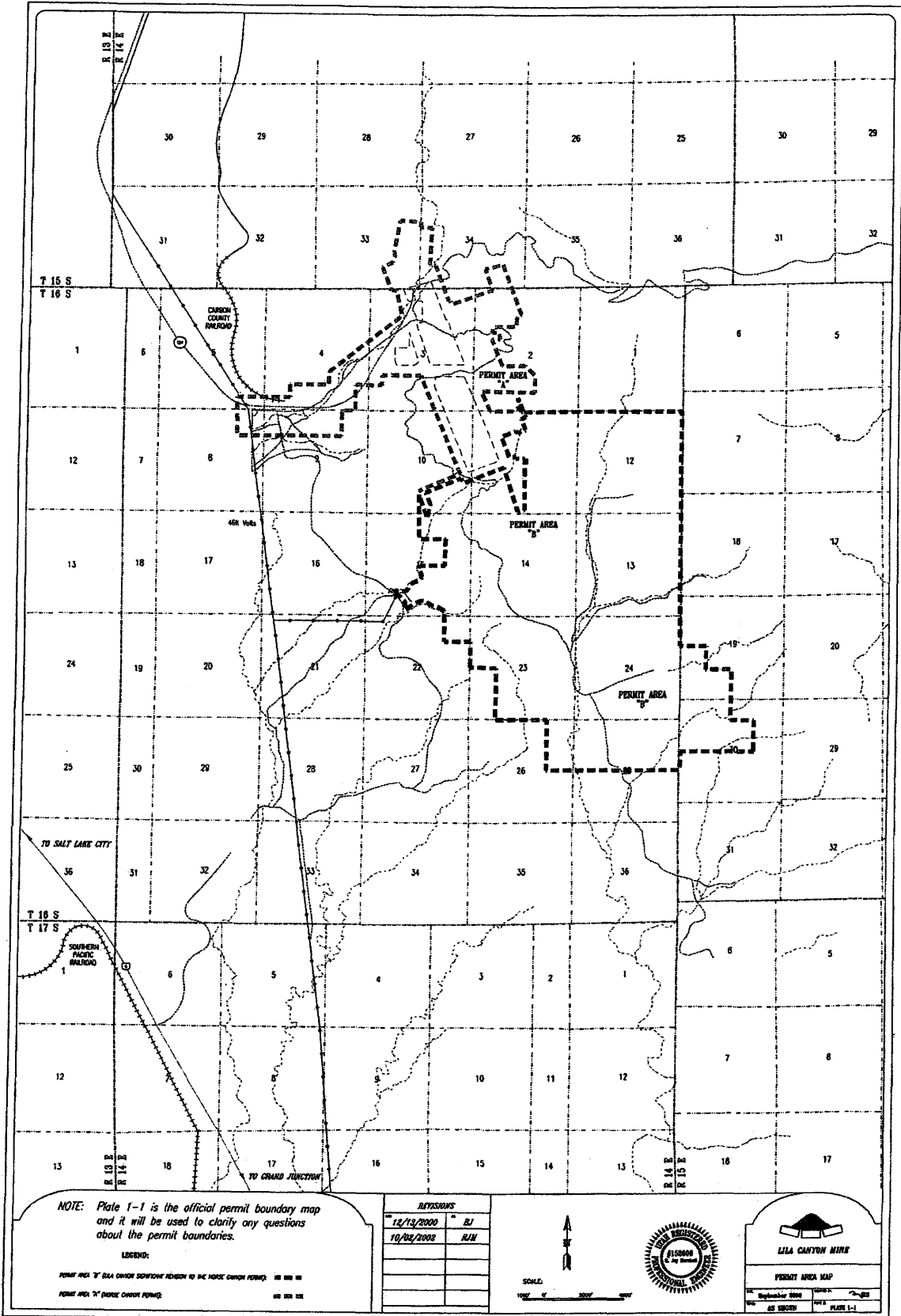
LILA CANYON MINE

SURFACE AREA
Official Disturbed Boundary Map

DATE: January 2008
DRAWN BY: R. Jay Marshall

AS SHOWN

5-2



NOTE: Plate 1-1 is the official permit boundary map and it will be used to clarify any questions about the permit boundaries.

LEGEND:

PERMIT AREA "A" (SALT LAKE COUNTY PERMIT) TO THE HORSE CANYON PERMIT: SEE PERMIT
 PERMIT AREA "B" (HORSE CANYON PERMIT): SEE PERMIT

REVISIONS	
12/13/2000	BJ
10/04/2008	RLW



SCALE:
 1" = 1000'



LILA CANYON MINE

PERMIT AREA MAP

DATE: September 2008
 BY: AS DESIGN
 SHEET: 1-1