

UtahAmerican Energy, Inc.



C/007/013 Incoming
Lila Canyon Project
P. O. Box 910 # 3736
East Carbon, Utah 84501
Phone: (435) 888-4000
(435) 650-3157
Fax: (435) 888-4002

February 7, 2011

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, Permit Renewal, Horse Canyon Part "A" and Lila Canyon Part "B" ACT/009-013


Dear Mr. Haddock,

Please find attached the application for renewal for ACT/009-013, Horse Canyon Mine. A draft Public Notice is included along with bonding information and current liability insurance.

C1 And C2 forms are included.

If you have any questions please give me a call.

Sincerely,


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

RECEIVED
FEB 07 2011
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: Permit Renewal Application. 11-003						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: Permit Renewal
<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.

Rita Marshall
Signed - Name - Position - Date *2/7/11*

Subscribed and sworn to before me this 7th day of February, 19 2011

Linda Kerns
Notary Public
My Commission Expires: March 27, 19 2013
Attest: STATE OF Utah
COUNTY OF Carbon



Received by Oil, Gas & Mining

RECEIVED

FEB 07 2011

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER

Application for Permit Processing Detailed Schedule of Changes to the MRP

Permit Renewal. 11-003

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	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	NO CHANGES
<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	
<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	
<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	
<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	
<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	
<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	
<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	
<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	
<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?

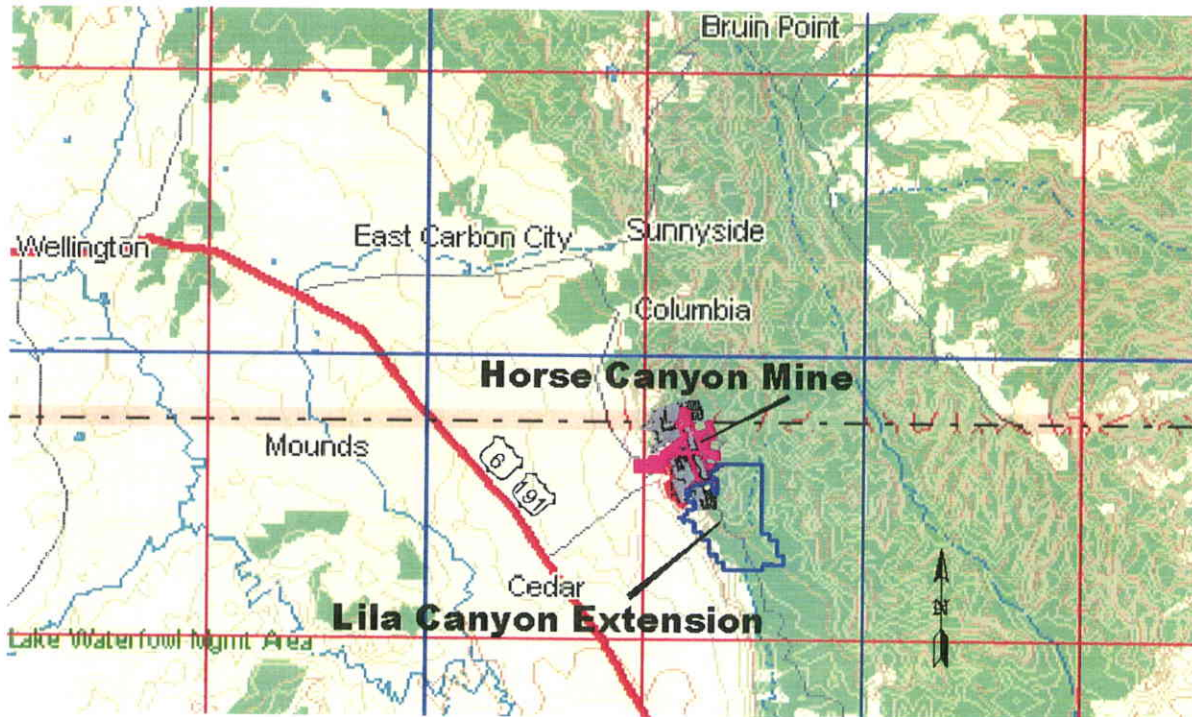
RECEIVED
FEB 07 2011

DIV. OF OIL, GAS & MINING

PUBLIC NOTICE
APPLICATION FOR PERMIT RENEWAL
UTAHAMERICAN ENERGY, INC.
BOX 910
EAST CARBON, UTAH 84520
HORSE CANYON MINE

Notice is hereby given that UtahAmerican Energy, Inc. Submitted an "Application for Permit Renewal" under R645-303-230 for Permit C/007/013 for the Horse Canyon Mine to the State of Utah, Department of Natural Resources Division of Oil, Gas and Mining.

The lands involving activities are located in Carbon and Emery counties. The site is located in Horse and Lila Canyons approximately 25 miles southeast of Price, Utah. The permit area encompasses approximately 1,116 acres in the original Horse Canyon permit, Part "A", and an additional 4,664 acres in the Lila Canyon Extension, Part "B". The permit area is shown on the area map below.



A copy of the permit renewal application may be examined at the office of the Division of Oil, Gas and Mining, 1594 West North Temple, Suite 12310, Salt Lake city, Utah 84114-5801 and also at the Recorders Office located in the Carbon county courthouse in Price, Utah, or the Emery County courthouse in Castle Dale, Utah. Written comments, objections, or requests for an informal conference may be submitted to the Salt Lake City address. Said comments must be submitted no latter than thirty (30) days from the date of the last publication of this notice. This notice is being published to comply with the surface Mining and Reclamation Act of 1977, and State and Federal regulations promulgated pursuant to said Act.

Published in the Sun Advocate February __, __, __, and March __, 2011.

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
5/21/2010

PRODUCER (724)349-1300, Fax(724)349-1446
Reschini Agency Inc
922 Philadelphia Street
P.O. Box 449
Indiana PA 15701

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
UtahAmerican Energy, Inc.
375 Carbon Avenue

INSURERS AFFORDING COVERAGE NAIC #
INSURER A: Federal Insurance Company
INSURER B:
INSURER C:
INSURER D:
INSURER E:

Price UT 84501

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR/ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS		
A		GENERAL LIABILITY	37104410	06/01/2010	06/01/2011	EACH OCCURRENCE	\$ 1,000,000	
	<input checked="" type="checkbox"/>	COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000	
	<input type="checkbox"/>	CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 10,000	
						PERSONAL & ADV INJURY	\$ 1,000,000	
						GENERAL AGGREGATE	\$ 2,000,000	
						GEN'L AGGREGATE LIMIT APPLIES PER:	PRODUCTS - COMP/OP AGG	\$ 2,000,000
	<input type="checkbox"/>	POLICY				<input type="checkbox"/> PRO-JECT	<input checked="" type="checkbox"/> LOC	
		AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	\$	
		<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$	
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$	
		<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$	
		<input type="checkbox"/> HIRED AUTOS						
		<input type="checkbox"/> NON-OWNED AUTOS						
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$	
		<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC	\$	
						AUTO ONLY: AGG	\$	
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	\$	
		<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$	
							\$	
							\$	
							\$	
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS	OTHER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	\$	
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	\$	
		OTHER				E.L. DISEASE - POLICY LIMIT	\$	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
General Liability Coverage is inclusive of XCU Coverage. Reference: Horse Canyon Mine MSHA ID# 42-00100 and Lila Canyon Mine MSHA ID#42-02241 Subsidence Coverage is included with \$500,000 property damage deductible per claim under the General Liability Policy.

CERTIFICATE HOLDER

State of Utah
Division of Oil, Gas, and Mining
Attn: Daron Haddock
1594 West North Temple
Suite 1210
Salt Lake City, UT 84114-5801

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL SEND BY MAIL 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT MAILING SHALL NOT BE NECESSARY IF THE CERTIFICATE HOLDER HAS BEEN ADVISED BY THE INSURER'S AGENT OR REPRESENTATIVE.

AUTHORIZED REPRESENTATIVE
Karen Williams/KAREN

Karen Williams