UtahAmerican Energy, Inc.

Lila Canyon Project
P. O. Box 910
East Carbon, Utah 84501
Phone: (435) 888-4000
(435) 650-3157
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Incoming
C0070013
#3859
K

June 10, 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. Lila Canyon Mine, ACT/009-013, Response to Plate 5-2 Revision 11-007 Task ID# 3815

Dear Mr. Haddock,

Please find attached three copies of the response to the deficiencies for Plate 5-2.

C1 and C2 forms are included along with a CD containing an electronic copy of the proposed revisions.

If you have any questions please give me a call.

Sincerely,

R. Jay Marshall

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

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File in:
☐ Confidential
☐ Shelf
☒ Expandable
Date Folder 061311 C/0070013

APPLICATION FOR PERMIT PROCESSING

Permit Change ☐	New Permit ☐	Renewal ☐	Transfer ☐	Exploration ☐	Bond Release ☐

Permit Number: ACT/007/013

Title of Proposal: 11-006 Addressing Deficiencies to Plate 5-2
Task NO. 3815

Mine: Lila Canyon Part B

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: Permit Renewal
☐ 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 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. A. MacMillan 6/10/11
Signed - Name - Position - Date

Subscribed and sworn to before me this 10th day of June, 19 2011

Linda Kerns
Notary Public

My Commission Expires: March 27, 19 2013
Attest: STATE OF Utah
COUNTY OF Carbon

Notary Public
LINDA KERNS
Commission #578211
My Commission Expires
March 27, 2013
State of Utah

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ASSIGNED TRACKING NUMBER

Application for Permit Processing
Detailed Schedule of Changes to the MRP

11-007 Deficiencies to Plate 5-2 Task 3815	Permit Number: ACT/007/013
	Mine: Lila Canyon Part "B"
	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	Plate 5-2 with newly submitted Plate 5-2
☐ ADD	☐ REPLACE	☐ REMOVE	Topsoil Movement & Construction Record to 2010 Annual Report behind "Reporting
			Of Other Technical Data"
☐ 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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Deficiency List
Task NO. 3815
Update Plate 5-2

R-645-301-526.111, - The applicant must either move the planned location for the surface facility #25 - Equipment & Supplies Storage Area, or re-define the area as disturbed.

The surface facility #25 was shown correctly on Plate 5-2. The confusion is in the two Phases of construction. In phase I the pads were only partially constructed to be completed in Phase II. The #25 was shown as being in undisturbed. after Phase I completion. Once Phase II is completed the area where #25 was shown will be disturbed. However, to prevent confusion the #25 was moved to an area which was disturbed in Phase I.

R645-301-232, - The map present with the 2009 report map and the existing Plate 5-2 both show the location of the proposed "cat trail" in the area of undisturbed ground. This undisturbed area must be correctly identified on Plate 5-2 and have topsoil salvaged prior to disturbance by a cat trail. (Pete Hess recalls that topsoil was salvaged from the area to the north in 2010. I recall that the topsoil and subsoil was cut from the area to the east for the construction of bent structures in 2010.) If the area has already had topsoil salvaged, please review soil salvage records and provide an update to the 2009 annual report Table of Volumes for soils salvaged during 2010 and include a revision to the Topsoil Removal Map.

Topsoil in the location of the "cat trail" has been recovered. An updated topsoil movement report has been included addressing the removal of topsoil at the "cat trail" location.

R645-301-521.141, - The 2010 annual report indicates that no further topsoil salvage occurred beyond that reported in Feb 2010 (provided with the 2009 annual report), therefore all revision of Plate 5-2 n33des to continue to show all undisturbed areas within the permit boundary in he legend and on the plate.

A revision to the 2010 annual report has been submitted updating the topsoil movement report.

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TOPSOIL MOVEMENT & CONSTRUCTION RECORD

UTAHAMERICAN ENERGY

LILA CANYON MINE

December 2008-July 2010

Report Updated June 2011

Prepared by

J. T. Paluso, P. E.

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

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September 30, 2009	29
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July 15, 2010	35
Total Topsoil Removal Table as of July 2010	38

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 Yd^3**

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:

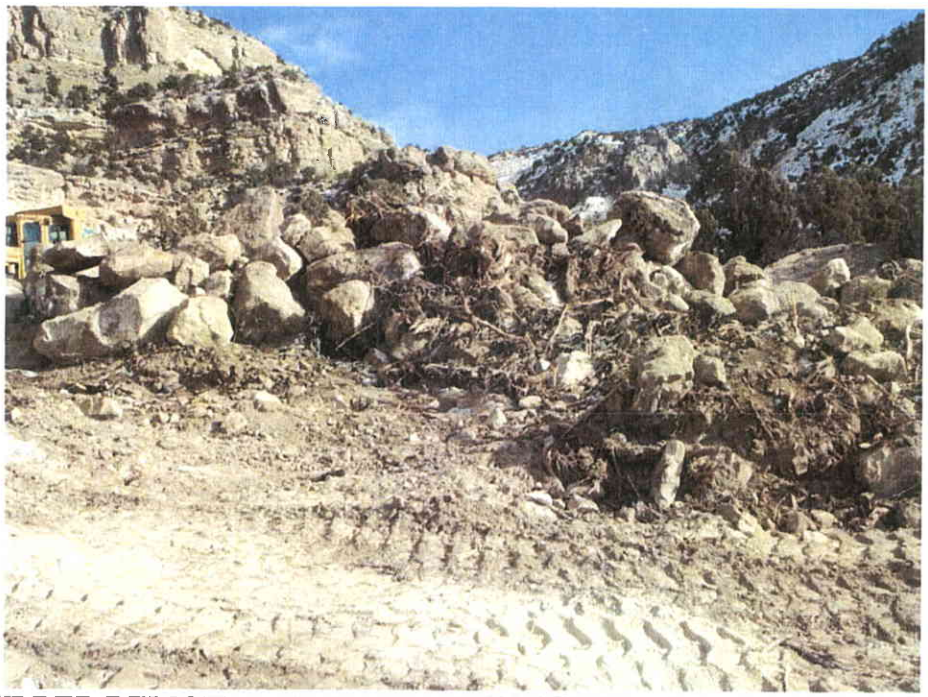
1. Removing material from north end of parking lot.
2. Removing topsoil from stacking tube area.
3. Employee parking lot grading.

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

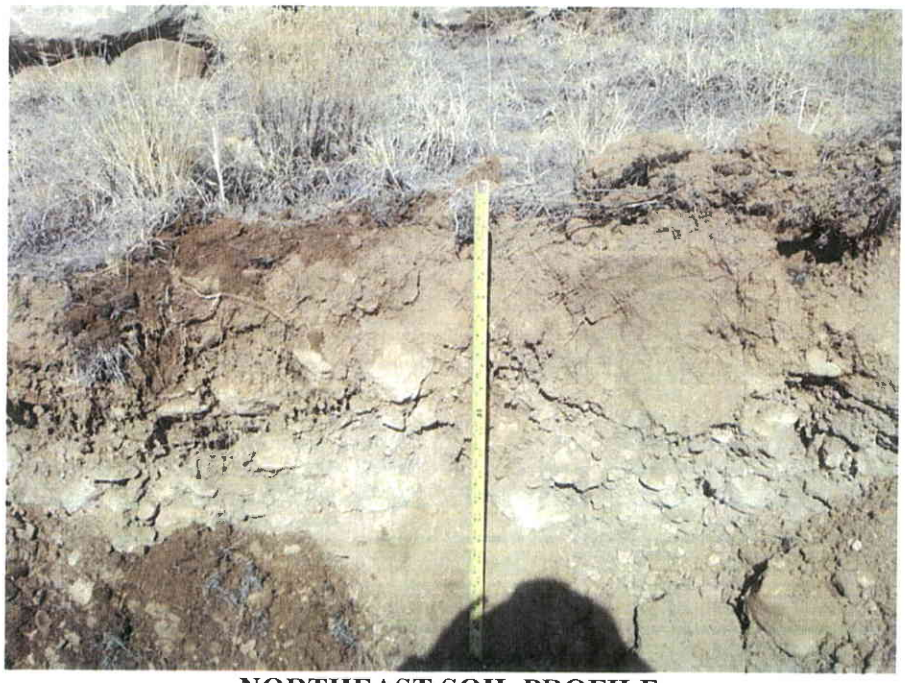
PHOTOGRAPHS

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

FOR TOPSOIL TRACKING PURPOSES, PHASE I OPERATIONS ENDS HERE

September 30, 2009 (Tom Paluso)

Lila Canyon Mine is in the process of installing a temporary coal conveyor belt that will be used to remove coal from the mine while the permanent conveyor belt is installed. According to Jay Marshall, this temporary conveyor belt may be used for up to five years while the permanent system is completed.

The construction of this temporary conveyor belt will require concrete supports for bent installations. Topsoil removal at this point is necessary to provide access for equipment required for bent construction. During this phase of topsoil removal 9,324 cubic yards of topsoil was salvaged.

REMOVAL OF TOPSOIL NEAR PORTAL

SOIL PROFILE

TOPSOIL BEING DELIVERED TO TOPSOIL PILE

April 28, 2010 (Tom Paluso)

Scamp Excavation was removing topsoil from the warehouse pad and temporary coal pad. During this section of topsoil removal, 3,772 cubic yards of topsoil was salvaged.

TOPSOIL REMOVAL NEAR PORTAL ROAD

CLOSEUP VIEW OF TOPSOIL MATERIAL

DISTRIBUTION OF TOPSOIL AT TOPSOIL STORAGE AREA

May 26, 2010 (Tom Paluso)

Nielson Construction is removing topsoil from the substation pad area. Approximately 2,100 cubic yards of topsoil was salvaged from this area.

TOPSOIL PROFILE

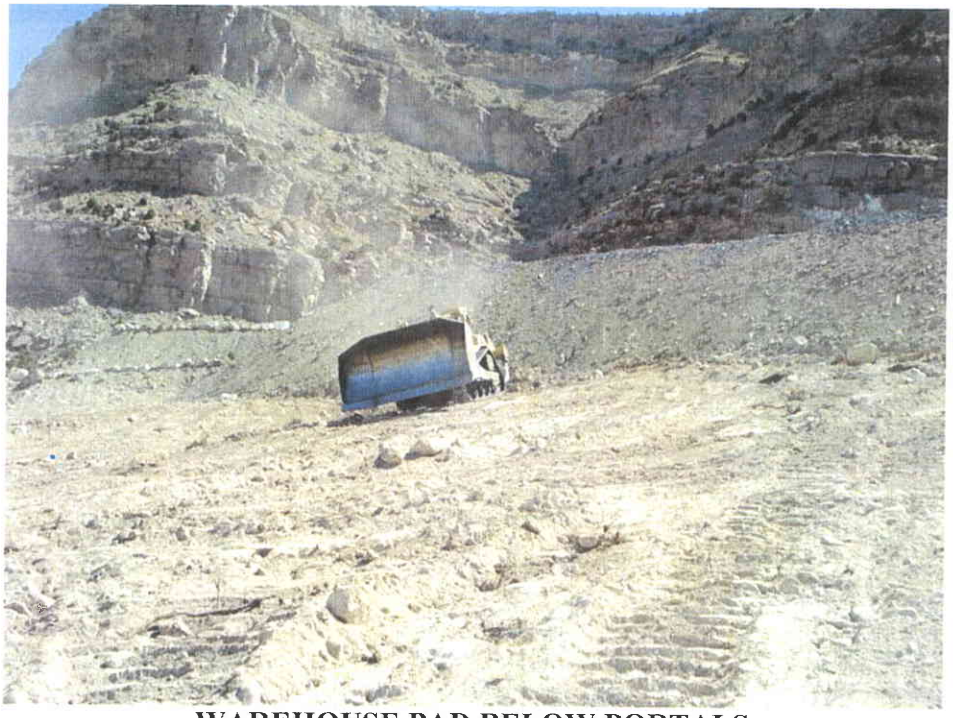
SUBSTATION PAD LOOKING TOWARDS PORTAL

TOPSOIL PILE AT SUBSTATION SITE

VEGETATION REMOVED FROM TOPSOIL AT SUBSTATION SITE

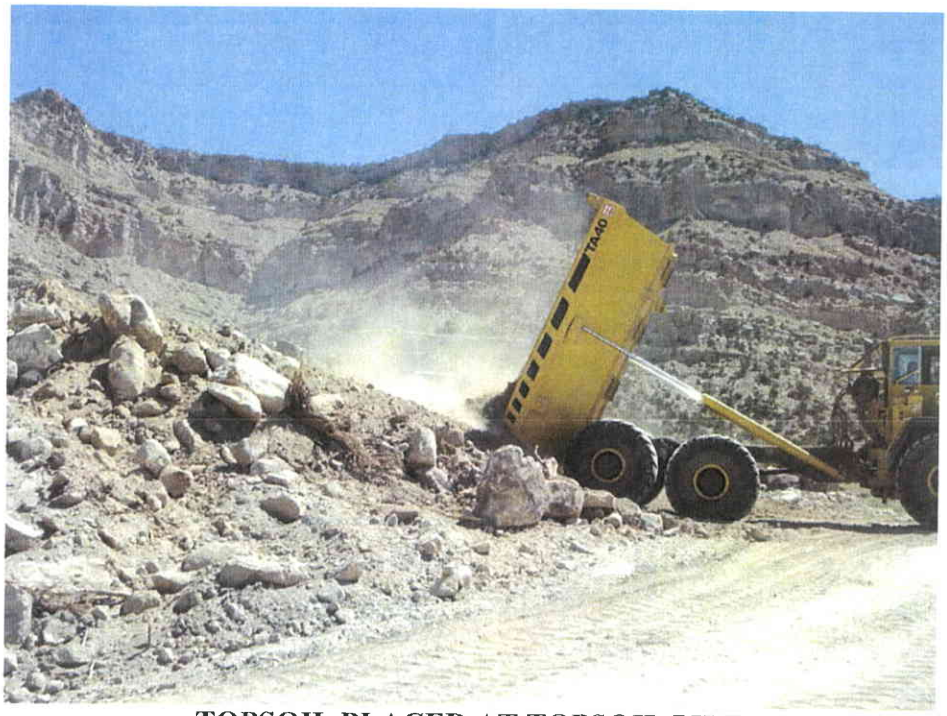
July 15, 2010

Scamp Excavation salvaging topsoil at stockpile pad and warehouse pad. Both of these pads are being enlarged to accommodate next phase of construction activities. A total of 6,930 cubic yards of topsoil was salvaged during this section of topsoil removal.



WAREHOUSE PAD BELOW PORTALS

VEGETATION SEPARATION AT SITE



TOPSOIL PLACED AT TOPSOIL PILE

TOPSOIL AT TOPSOIL PILE

TOTAL TOPSOIL REMOVAL TABLE AS OF JULY 2010

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/Warehouse pads	793*	33,012
Topsoil Area	Push with Dozer	646
Substation Area	*	2,100
TOTAL		**62,373 Yd^3**

*** Total Truck Count Not Reported**