

Incoming 0070013

Lila Canyon Project # 3885  
P. O. Box 910  
East Carbon, Utah 84501  
Phone: (435) 888-4000  
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UtahAmerican Energy, Inc.



July 28, 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 Annual ReviewCompletion

Dear Mr. Haddock,

Please find attached five (6) copies of the response to the deficiencies for the 2010 annual review.

C1 and C2 forms are included.

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

File in:  
 Confidential  
 Shelf  
 Expandable  
Date Folder 080211 of 0070013  
*Incoming*

RECEIVED  
AUG 02 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: Response to 2010 Annual Report 11-011						Mine: Horse Canyon
						Permittee: UtahAmerican Energy, Inc.

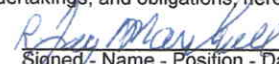
Description, include reason for application and timing required to implement:

**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 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  
 Linda Kerns, Notary Public, 7/13/11

Credited and sworn to before me this 28<sup>th</sup> day of July, 19 2011

My Commission Expires: 03.27.13  
 Attest: STATE OF Utah, COUNTY OF Carbon



**LINDA KERNS**  
 NOTARY PUBLIC - STATE OF UTAH  
 COMMISSION # 570211  
 COMM. EXP. 03-27-2013

Received by Oil, Gas & Mining

RECEIVED

AUG 02 2011

DIV. OF OIL, GAS & MINING

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ASSIGNED TRACKING NUMBER





Response to 2010 Annual Report Review  
Task ID #3804  
7/28/2011

In accordance with R645-301-521, -525.240 please resubmit the mine workings map including the five-year mining projections for incorporation into the M&RP.

Plate 5-5 has the 5 year timing requested. An updated Plate 5-5 was submitted for incorporation in the permit on 6/28/11 with the Chapter 7 water monitoring deficiency response.

Please resubmit the updated ownership and control information prepared for incorporation into the M&RP.

The updated ownership and control information is being submitted for incorporation into the MRP.

Plate 5-2, as contained in the approved MRP (Incorporated on December 9, 2010) labels "AREA BETWEEN ROADS DISTURBED, BUT NO TOPSOIL STRIPPED" This designation is not listed as item #37 on the Mine Facility List, which is located in the lower left corner of Plate 5-2.

The items listed in the lower left corner are mine facilities, it is really not appropriate to list an area where topsoil will not be stripped in the mine facility list.

The Topsoil Removal Map dated February 2010 and included in the 2009 Annual Report shows an undisturbed area immediately north of the coal stockpile pad and warehouse storage pad and an "Area between roads disturbed but not topsoil stripped," east of the warehouse pad. Pete Hess recalls that topsoil was salvaged from the area to the north in 2010. Priscilla Burton recalls that the topsoil and subsoil was cut from the area to the east for the construction of bent structures in 2010. The Permittee has recently submitted a map shows a cat trail across the area. Please revise the soil salvage records and provide an update to the 2010 Annual Report table of volumes for soil salvaged during 2010 and include a revision of the Topsoil Removal Map.

This was corrected and submitted on 6/10/2011 for incorporation into the 2010 Annual Report.

The information on the raptor survey map does not coincide with the two sets of data included in the Annual Report. The two sets of data also need to be clarified. The Permittee also needs to submit the follow up survey data for the active peregrine falcon nest.

The Permittee does not intend on performing a follow up survey. Nothing in the approved MRP or regulations require a follow up survey. If the Division is going to require followup surveys they need to go through the proper rule making procedures.

UEI's consultant EIS (Matt Supersteinni) will call the Division to Clarify.

There are no calculation for 2010 water depletion for the CO River Endangered Fish Recovery Program included in this Annual Report.

The 2010 water depletion calculations can be found in the submitted 2010 annual report immediately following the raptor inventory information.

The Permittee needs to submit the Vegetation Test Plot monitoring data for 2010. The data needs to be submitted in accordance with R645-301-131 and 132.

The pond was seeded in July and October of 2010. Information will be submitted in the 2011 report as per Section 354 of the Approved MRP.