

UtahAmerican Energy, Inc.



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

#4007

R

February 6, 2012

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 Violation #10093

Dear Mr. Haddock:

UEI is complying with the "action" portion of violation #10093 by means of this submittal. Under the "action" portion of Violation #10093 written by Joe Helfrich it requires:

"Submit an amendment to Appendix 3-7, (revised Wildlife Enhancement Project), of the approved MRP by no later than 5:00 PM, Thursday January 12, 2012. The amendment shall be complete and adequate and include at a minimum a revised time line for the implementation of the Guzzler mitigation and vegetation treatment not to exceed October 15th, 2012."

The EA mitigation project addressed in Appendix 3-7 is for the BLM, DWR mitigation plan. Pursuant to BLM's Decision Record, BLM, not DOGM, has authority to approve the Mitigation Project on public lands. This plan was informational purposes only and should not be used as the basis for enforcement action by DOGM.

Please find attached pages 5 and 6 of the BLM Mitigation Plan for insertion in Appendix 3-7 of the MRP.

C1 and C2 forms are included.

If you have any questions please give me a call.

Sincerely,

A handwritten signature in black ink that reads "R. Jay Marshall".

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

RECEIVED

FEB 13 2012

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: Revised Time Line for Mitigation of Violation #10093 (12-005)						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

R. J. Marshall 2/6/2012
 Signed - Name - Position - Date

Subscribed and sworn to before me this 6th day of February, 2012

[Signature]
 Notary Public
 My Commission Expires: 03.27.13, 19
 Attest: STATE OF Utah
 COUNTY OF Carbon



Received by Oil, Gas & Mining

RECEIVED

FEB 13 2012

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER

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

2011, June (Completed) - Locate, mark, and GPS the location - responsibility of BLM and DWR

2011, July (Completed) - Conduct a Cultural Resource Survey and provide a report to BLM - responsibility of UEI

2011, September (Completed) - Prepare the environmental documents and consult with SHPO - responsibility of BLM

2011, September (Completed) - 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

2011, September (Completed) - Purchase and deliver the materials for 2 guzzlers to the DWR office - responsibility of UEI

2012 - Install guzzler - responsibility of DWR and BLM.

Vegetation treatment project

2011, June (Completed) - Locate, mark, and GPS the units - responsibility of BLM, DWR, and UEI

2011, July (Completed) - Conduct a Cultural Resource Survey and provide a report to the BLM - responsibility of UEI

2011, September (Completed) - Prepare the environmental documents and consult with SHPO - responsibility of BLM

2012, Initiate the on-the-ground work after May 1st and complete by October 15 - Contract, oversee, and pay hand crews to cut, limb and for the hand crews to cut, pile - responsibility of UEI

2012 - Inspect the work during and after completion - responsibility of BLM, DWR and UEI

2013 - trees to sit and dry one year before burning

2013, after October 15 - Burn some of the piles - responsibility of BLM

2013, right after burning - Purchase seed - responsibility of UEI

2013, after the burning - Seed burn pile 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.