



Lila Canyon Project
P. O. Box 910
East Carbon, Utah 84520
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Utah Division of Oil, Gas & Mining
Utah Coal Program
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

August 29, 2017

Attn: Daron Haddock
Permit Supervisor

Re: Lila Canyon Mine ACT/007/013
T17-001 2016 Annual Report Task ID #5407

Dear Mr. Haddock,

Attached you will find the Annual Report deficiency responses for Lila Canyon Mine, 2016.

As discussed with Joe Helfrich via phone conversation on August 24th, the Infrared Vegetation Imagry that was completed in 2016 is complete, and fulfills the requirement, however requested an official comparison to the Infrared imagery that was completed in 2011. This comparison must be done by Mt. Nebo Scientific, and this has been arranged to be completed in the Spring. The comparison information will be submitted to Joe as soon as it is complete.

If you have any questions, please feel free to call me directly at 435-888-4000.
Sincerely,

A handwritten signature in black ink, appearing to read "Karin Madsen", written over a horizontal line.

Karin Madsen
Engineering Tech
UtahAmerican Energy, Inc.

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: L17-001 2016 Annual Report TASK ID #5407						Mine: Lila Canyon Mine
						Permittee: UtahAmerican Energy, Inc.

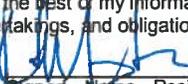
Description, include reason for application and timing required to implement:

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

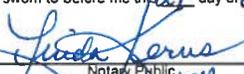
<input type="checkbox"/> Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input type="checkbox"/> No	2. Is the application submitted as a 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: Annual Report
<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 Attached is 1 complete digital copy of the application and maps.

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.

 / Karin Madsen / Engineering Tech / 8-29-17
Signed - Name - Position - Date

Subscribed and sworn to before me this 29th day of August, 2017.


Notary Public
My Commission Expires: March 27, 2021)
Attest: STATE OF Utah)
COUNTY OF Carbon)



LINDA KERNS
NOTARY PUBLIC
STATE OF UTAH
COMMISSION # 693708
COMM. EXP. 03-27-2021

Received by Oil, Gas & Mining

ASSIGNED TRACKING NUMBER

discharge and for the mine discharge and have a habitat consisting of an overstory of pinion-juniper.

330. Operation Plan. A plan for protection of vegetation, fish and wildlife resources follows:

331. The Lila permit area is approximately 4664.32 acres of which only 42.6 acres are within the surface disturbance area. All incidental disturbance, which will not be utilized in operations, will be revegetated with an interim seed mix proven beneficial to wildlife. The revegetation plan is addressed in Section 341 and the seed mixes are addressed in Tables 3-4 and 3-5. Revegetation will occur the first desirable period following disturbance and/or abandonment.

332. The extent and degree of subsidence will be in large dependent on both the amount of overburden as well as the mining method. Employees and or consultants of the operator have numerous years of experience mining the Bookcliffs and Wasatch areas and none have observed nor are aware of any negative impacts on wildlife or vegetation, as a result of subsidence, with the exception of

- 1) Escarpment Failure which is not anticipated.
- 2) Disruption of Surface and / or Ground Water, which is not anticipated.

(1) Escarpments will be protected by implementing escarpment barriers. An escarpment barrier of a minimum of 200', within which no second mining will take place, will be used to protect escarpments immediately above the coal seam and protect against unplanned holeouts. **This Escarpment Barrier will be measured on the Raptor Survey map 200' from the coal outcrop.**

(2) Disturbance of Surface and / or Ground Water. Considering, the permit area has no surface water with the exception of intermittent or ephemeral flow associated with precipitation events and / or snow melt, subsidence should have no adverse effect. The ephemeral stream channels, in the area's of potential subsidence, will be monitored to insure there are no adverse impacts to the ephemeral flow.

No negative impacts to vegetation are anticipated. However, vegetation will be monitored in conjunction with subsidence monitoring, utilizing infrared aerial photography once every five

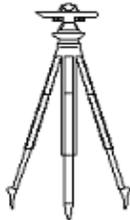
UtahAmerican Energy
Lila Canyon
 Subsidence Survey - Panel 1

9/14/2016

	U.S. State Plane 1983 Utah Central (4302)		2015	2016	POINT DESCRIPTION
STATION	NORTHING	EASTING	ELEVATION	ELEVATION	
3038	6963059.31	1970354.30	7136.95	7136.87	Boulder
3039	6962366.57	1970260.70	7094.84	7094.77	Boulder
3040	6961183.95	1970973.83	7036.94	7037.02	Rebar

All coordinates are U.S. Survey Feet

C.A.F. at Control Point "Portal" = 1.0003657322



=====**WARE SURVEYING, L.L.C.**=====

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 Price, UT 84501
 Office: 435-820-4335

