

0042



C/007/041 Incoming
C/015/032
C/007/019
C/007/033

5

P.O. Box 910, East Carbon, Utah 84520
Telephone (435) 888-4000 Fax (435) 888-4002

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

December 12, 2008

Attn: Daron Haddock
Permit Supervisor

Re: 2007 Annual Reports:
West Ridge Mine C/007/041
Crandall Canyon Mine C/015/032
Tower Mine (Centennial) C/007/019
Wildcat Loadout C/007/033

Dear Mr. Haddock:

Enclosed are copies of replacement pages for "COMMITMENTS AND CONDITIONS" from the 2007 Annual Reports for the referenced operations. The check boxes for these pages was inadvertently left unchecked, as we recently discussed. Please note the following points of explanation:

1) For Wildcat Loadout, Soils R645-301-200, "Use of a Vacuuming System to Pick Up Wind-Blown Coal Fines at the Minesite"-----The Division has determined that it does not want the fines vacuumed up. Instead, we have committed to remove the fine with heavy equipment as proposed in the 2008 Expansion Plan/Response to Division Order DO-04. This response is presently under review by the Division.

2) For the West Ridge Mine, Soils R645-301-200, "Experimental Practice Field Trials"---
---This commitment was not met in 2007 due to company oversight. It should be noted that this commitment has been satisfied for the 2008 year.

3) For the West Ridge Mine, Soils R645-301-200, "Soil Sampling of Fill at T1, T2, T3"--
----This commitment was not met in 2007 due to company oversight. It should be noted that this commitment has been satisfied for the 2008 year.

4) For the West Ridge Mine, Biology R645-301-300, "Mexican Spotted Owl Survey"-----
----This survey is no longer required. After this commitment was made the Division of Wildlife

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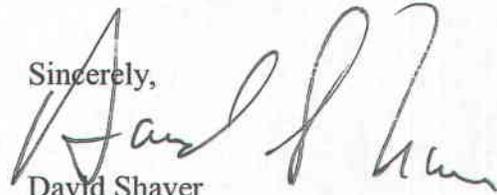
DIV. OF OIL, GAS & MINING

Daron Haddock
Dec. 12, 2008
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Resources determined that, based on newer USFW protocol, none of the area within the West Ridge Mine permit area was suitable habitat for Mexican Spotted Owl. This issue was formally addressed with the Division in Appendix 3-9 (incorporated Feb. 15, 2002) and Appendix 3-9A (incorporated April 15, 2005).

I apologize for not having checked the boxes during the original submittal. It was a time of transition with the new company take-over, with everyone assuming new responsibilities. It was an oversight that will not be repeated for the 2008 annual reports. If you have questions or comments please contact me at (435) 888-4017.

Sincerely,

A handwritten signature in black ink, appearing to read "David Shaver", written in a cursive style.

David Shaver
Resident Agent

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: C/007/041, et al |
| Title of Proposal: Completed checklist for 2007 annual report (Includes C/007/041, C/015/032, C/007/019, and C/007/033) | | | | | | Mine: WEST RIDGE MINE, et al |
| | | | | | | Permittee: WEST RIDGE Resources, Inc., et al |

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 specialist.

| | | |
|------------------------------|--|--|
| <input type="checkbox"/> Yes | <input checked="" 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 checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 4. Does application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 5. Does application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice/publication? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes | <input checked="" 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 checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? Explain: |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 15. Does application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps, or calculations? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided for? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |

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. (R645-301-123)

Signed: Linda Kerns (agent) Date: 12/5/08

Subscribed and sworn to before me this 5th day of December 2008

Notary Public
Linda Kerns
My Commission Expires: April 6, 2009
STATE OF Utah
COUNTY OF Carbon



Notary Public
LINDA KERNS
345 N. 700 E.
Price, UT 84501
My Commission Expires
April 6, 2009
State of Utah

Received by Oil, Gas & Mining

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DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER

2007 ANNUAL REPORT

CERTIFIED REPORTS

List the certified inspection reports as required by the rules and under the approved plan that must be periodically submitted to the Division. Specify whether the information is included as Appendix A to this report or currently on file with the Division.

| Certified Reports: | Required | | Included or DOGM file location Included Vol, Chapter, Page | Comments |
|--------------------|--------------------------|--------------------------|---|----------|
| | Yes | No | | |
| Excess Spoil Piles | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Refuse Piles | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Impoundments | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Other | | | | |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If the particular section is blank, no commitment has been identified and no response is required for this report. If a written response is required, it should be filed under Appendix B to this report.

| | |
|---|--|
| Admin R645-301-100 | |
| Soils R645-301-200 | |
| Has this commitment been acted on this year? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required for this year. <input type="checkbox"/> <i>See letter</i> | Title: EXPERIMENTAL PRACTICE FIELD TRIALS. Objective: Monitoring to support proposed Experimental Practice. Frequency: Annual Evaluation in June. Status: OVERDUE. Reports: Provide in annual report a comparison of growth on field trials with Douglas/Fir reference area.. Citation: App. 2-6 and Map 2-4. |
| Has this commitment been acted on this year? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required for this year. <input type="checkbox"/> <i>See letter</i> | Title: SOIL SAMPLING OF FILL AT T1, T2, T3 Objective: To protect buried substitute topsoil in the fill. Frequency: Annual Evaluation during field season. Status: OVERDUE. Reports: Provide information in Annual Report. Citation: App. 2-6 Addendum and Map 2-4. |
| Biology R645-301-300 | |

| | |
|---|---|
| <p>Has this commitment been acted on this year?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Not Required for this year. <input checked="" type="checkbox"/></p> <p><i>See letter</i></p> | <p>Title: MEXICAN SPOTTED OWL SURVEY Objective: The Permittee must conduct appropriate surveys for Mexican spotted owls on the lease tract areas with 40 percent or greater slopes, cliff habitat areas, riparian habitats, and mixed conifer forest habitats, prior to any future surface disturbing activity and/or any mining activity with the potential to interrupt surface spring flows. Inventory work must be conducted by parties approved and permitted for such survey work by the Fish and Wildlife Service and qualified in accordance with R645-301-132. Surveys must be done following current protocols established by the Fish and Wildlife Service. Frequency: As needed. Status: Ongoing. Reports: Annual. Citation: Permit condition attachment A special condition #3.</p> |
| <p>Has this commitment been acted on this year?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Not Required for this year. <input checked="" type="checkbox"/></p> | <p>Title: COLOR INFRARED AERIAL PHOTOGRAPHY Objective: to monitor potential changes in vegetation due to subsidence from longwall mining practices. Frequency: Once every five years. Status: Ongoing. Reports: Annual. Citation: Volume I, chapter three, page 3-8, paragraph 3.</p> |
| <p>Has this commitment been acted on this year?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Not Required for this year. <input type="checkbox"/></p> | <p>Title: WILDLIFE AWARENESS PROGRAM Objective: To inform employees of the wildlife and the need for protection in the mine facilities and access road areas. Frequency: As needed. Status: Ongoing. Reports: Annual Citation: Volume I, chapter three, page 3-10, paragraph 5.</p> |
| <p>Has this commitment been acted on this year?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Not Required for this year. <input type="checkbox"/></p> | <p>Title: RECLAMATION MONITORING Objective: Visually assess the revegetation success. Frequency: Quarterly for the first three years and June of each year thereafter. Status: Implement at reclamation. Reports: Annually. Citation: Volume I, chapter three, page 3-16, paragraph 2.</p> |

Has this commitment been acted on this year?

Yes No

Not Required for this year.

Title: CULTURAL RESOURCES

Objective: If during the course of mining operations, previously unidentified cultural resources are discovered, the Permittee shall ensure that the site(s) is not disturbed and shall notify the Division of Oil, Gas, and Mining. The Division, after coordination with OSM, shall inform the Permittee of necessary actions required. The Permittee shall implement the mitigation measures required by the Division within the time frame specified by the Division.

Frequency: As needed.

Status: Ongoing.

Reports: Annual.

Citation: Permit Condition Sec. 16.

Engineering R645-301-500.

Has this commitment been acted on this year?

Yes No

Not Required for this year.

Title: SUBSIDENCE MONITORING - INSTALL SUBSIDENCE PINTS IN BEAR CANYON BEFORE THE LONGWALL PASSES UNDERNEATH (PROJECTED FOR SPRING 2007).

Objective: To monitor subsidence from longwall mining practices.

Frequency: Set-up, plan actually commits to post-mining monitoring once.

Status: On going.

Reports: Part of annual report.

Citation: Volume 3, Chapter 7, page 7-12c, paragraph 3.

Has this commitment been acted on this year?

Yes No

Not Required for this year.

Title: EXPLORATORY DRILLING AHEAD OF DEVELOPMENT

Objective: Avoid mining into the old Sunnyside Mine.

Frequency: Whenever within 500' of the old Sunnyside workings, according to old surveys

Status: On going.

Reports: Annual report.

Citation: Volume 3, chapter 7, page 7-29, paragraph 1.

Has this commitment been acted on this year?

Yes No

Not Required for this year.

Title: VISUAL SUBSIDENCE INSPECTION IN BEAR CANYON AFTER THE LONGWALL PASSES UNDER (projected for spring 2007).

Objective: To visually check for subsidence damage.

Frequency: When Bear Canyon is undermined.

Status: On going.

Reports: Committed to submitting 30 days after the inspection.

Citation: Volume 3, Chapter 7, page 7-12c, paragraph 3.

Geology R645-301-600

Hydrology R645-301-700

Bonding & Insurance R645-301-800

Other Commitments