

C/015/032 Incoming



#4193
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Genwal Resources, Inc.
P. O. Box 910
East Carbon, Utah 84520
Phone: (435) 888-4000
(435) 650-3157
Fax: (435) 888-4002

September 14, 2012

Mr. Daron Haddock,
Permit Manager
1594 West North Temple,
Suite 1210,
P.O. Box 145801,
Salt Lake City, Utah 84114-5801.

Re: Phase I Bond Release, East Mountain Project, Crandall Canyon Mine, DOGM Permit C\015\032

Dear Mr. Haddock,

Please find attached six (6) copies of the Crandall Canyon Mine East Mountain Project, Phase I bond release application.

The pack trail has been re-established and additional sediment control/stabilization measures have been implemented. All reclamation and stabilization work has been completed.

The area affected has been reclaimed pursuant to R645-301-880. 310 and is located in Emery County, Utah. Phase I reclamation began in the fall of 2007. The reclamation included backfilling and grading to AOC, and drainage control and was completed in September of 2011. The area of Phase I bond release is as follows and contains approximately 9.5 acres:

Township 15 South, Range 6 East, Salt Lake Base & Meridian
Areas Contained within Section 35

Township 16 South, Range 6 East, Salt Lake Base & Meridian
Areas Contained within Section 2)

Please note that the notification letters were sent out on June 19, 2012. Also the public notice completed its publication on July 10th with the comment period ending August 10, 2012.

A C1 and C2 form is attached.

Should you have any questions please call.

Sincerely,

R. Jay Marshall P.E.
Project Manager

RECEIVED

SEP 14 2012

DIV. OF OIL, GAS & MINING

File in:

- Confidential
- Shelf
- Expandable

Date Folder 09/14/2012 0150032

Incoming

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/015/032
Title of Proposal: Phase I Bond Release (015/032) East Mountain Project #2 12-007						Mine: Crandall Canyon Mine
						Permittee: UtahAmerican Energy, Inc.

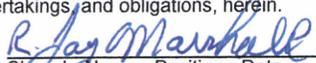
Description, include reason for application and timing required to implement

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

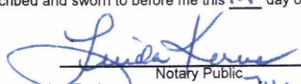
<input type="checkbox"/> Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input type="checkbox"/> No	2. Is the application submitted as a 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: 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 9/11/12

Subscribed and sworn to before me this 12th day of Sept., 19 2012


 Notary Public

My Commission Expires: March 27, 19 2013

Attest: Utah STATE OF
Carbon COUNTY OF



Received by Oil, Gas & Mining

RECEIVED

SEP 14 2012

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER

Attachment #18 to Appendix 5-22(A)

Crandall Canyon Mine
015/032

Phase I Bond Release Application

For

The East Mountain Project

SUBMITTED: June 19, 2012
RESUBMITTED: September 14, 2012

Request for Phase I Bond Release for the East Mountain Project

I) GENERAL ADMINISTRATIVE

A) NOTARIZED SIGNATURE

A notarized signature of a responsible official of UtahAmerican Energy, Inc., certifying that the information contained in this request is true and correct to the best of the official's information and belief, and all applicable reclamation activities have been accomplished in accordance with the requirements of the Act, the Regulatory Program and the approved Reclamations Plan. This certification can be found in Attachment A of this submittal.

B) NOTIFICATION LETTERS

Notification Letters have been sent to all parties who have a valid interest in release of the bond. A copy of the letters are included in Attachment B of this submittal. The "Notice Letters contain the same information as submitted in the Newspaper Advertisement.

C) NEWSPAPER ADVERTISEMENT

A copy of the newspaper advertisement which will be published in "The Emery County Progress" at least once a week for four consecutive weeks. A copy of the advertisement is included in Attachment C of this submittal. The advertisement includes the following items:

- 1) Permit Number, name of permittee, and the permit approval date.
- 2) A description of the location of the land affected.
- 3) The number of acres to be considered for release.
- 4) The amount and type of bond the Division currently holds.
- 5) The amount of bond being sought for release.
- 6) A description of the type of reclamation work performed and the dates when the work was performed and completed.
- 7) Description of the results achieved.
- 8) Location for written comments, objections and requests for public hearings, or informal conferences.
- 9) Closing date for submission of such comments.
- 10) The address fo the Division of Oil, Gas and Mining.

D) PERMIT CONDITIONS

There are no permit conditions that need to be satisfied for Phase I bond release on the East Mountain Project.

II) GENERAL TECHNICAL REQUIREMENTS

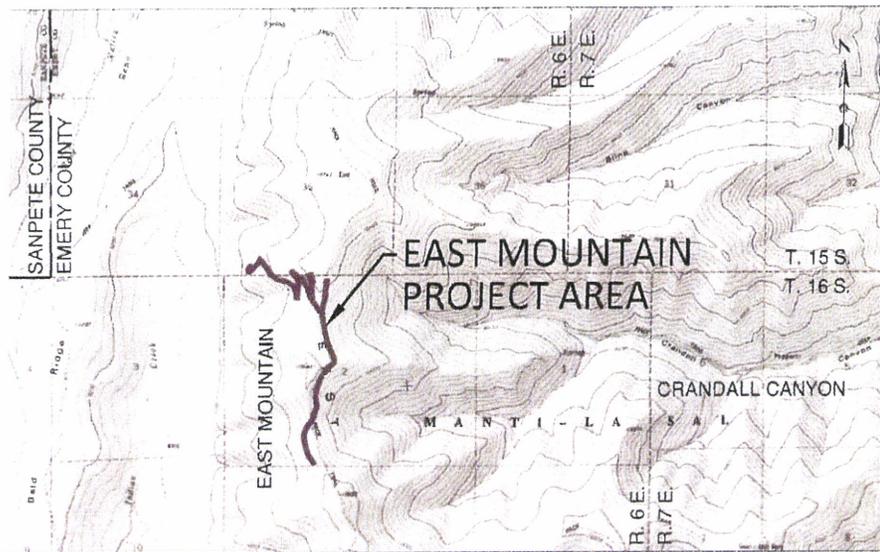
A) BOND RELEASE REQUEST (ALL PHASES)

1) A legal Description

The legal description of the area to be released is as follows:

Township 15 South, Range 6 East, Salt Lake Base & Meridian
Areas Contained within Section 35 (As shown on the attached Map)

Township 16 South, Range 6 East, Salt Lake Base & Meridian
Areas Contained within Section 2 (As shown on the attached Map)



- 2) Maps #1 and #2 of this submittal clearly illustrates the boundaries of lands for which bond release is requested. They show the disturbed area, reclamation dates and other relevant information.

3) Not applicable since Phase I bond release does not require vegetation sampling.

4, 5, 6) Are addressed in the narrative below

HISTORICAL OVERVIEW

On August 6, 2007, a seismic event occurred at the Crandall Canyon Mine trapping miners underground. As part of the emergency efforts to rescue the trapped miners a total of seven boreholes were drilled from the surface to the underground workings below. This required constructing approximately two miles of access road to the drill sites. The drill sites were located on both U. S. Forest Service and School & Institutional Trust Lands Administration (SITLA) lands, on both Bureau of Land Management (BLM) and SITLA coal leases, and were within the Division of Oil, Gas & Mining (DOGM) permit area.

The seven drill holes were drilled over a span of August 7 through August 30, 2007. In physical terms, the drilling project involved constructing about a half mile of access road on Forest Service land (in a designated roadless area), and continued construction of an additional mile of road across SITLA land. This access road basically followed the top of the ridge line of East Mountain. At that point the road made a series of very steep switchbacks down the face of East Mountain on what is essentially the escarpment of the Joe's Valley fault. The area is extremely steep and rugged. Six separate drill pads were constructed at various locations down along the escarpment. In the process of switch backing down the mountain the road crossed back and forth the property boundary between the Forest Service and SITLA. As a result, some of the drill sites are located on Forest Service land, some on SITLA land, and some on both. Refer to Maps 1 and 2 of this submittal for an overall location map of the affected area, and to Attachments 2 and 3 for more detailed maps of the immediate area around the drill pads. Attachment 4 of Appendix 5-22(A) is an aerial photograph of the site taken soon after the drilling was completed. Attachment 5 of Appendix 5-22(A) is a contour map of the site as well. Also refer to Attachment 11 of Appendix 5-22(A), which is a collection of digital photos taken before, during, and after reclamation. These maps and photos are labeled to coincide with the written description that follows.

On September 5, 2007 a meeting was held involving representatives from DOGM, SITLA, BLM, Forest Service, and Genwal Resources. At that time it was decided that DOGM would be the lead agency for coordinating the reclamation efforts as required by the various agencies pertaining to their specific areas of responsibility. It was also determined at that time that reclamation would begin as soon as possible.

Prior to beginning the reclamation work, Genwal Resources obtained digital mapping of the drill pads (with 2' contour accuracy) based on aerial surveys. Using this contour mapping as a base, and projecting imaginary "as-reclaimed" contours (attempting to replicate the approximate original contours), earthwork volumes were then generated by computer.

RECLAMATION COMPLETED AS OF DECEMBER 10, 2007

(Refer also to Attachment 11 of Appendix 5-22(A) for post-reclamation photos)

No reclamation work could be done on the pads and connector roads until the drill holes had been plugged as required by BLM and SITLA. The drilling company was contacted about the plugging work in early September. On October 4 the drilling company moved in. Due to weather delays and equipment problems plugging operations did not actually commence until October 12. From October 10 through October 15 hole plugging work was completed. Plugging operations were inspected and verified by designated representatives of DOGM (acting on behalf of SITLA) and BLM.

Immediately after the holes were plugged and the drilling company had moved off the site reclamation of the pads began. All work was done in accordance with the consensus plan agreed upon earlier. Even though the pads and connecting roads were partially located on Forest Service land, mostly it involved SITLA land, therefore the Forest Service agreed to let SITLA take the lead in implementing the on-the-ground reclamation activities in this area. In the meantime, SITLA had determined that a portion of their primary access road should be realigned to provide safer access in the future and to eliminate a section that would be more susceptible to failure from heavy snow accumulations over the winter.

In 2007, Scamp Excavation did as much reclamation as possible in other areas that did not require waiting for the plugging operations to finish. (See Map #1 of this submittal) At the top of the mountain, immediately before dropping down the escarpment to the drill sites, two road segments were reclaimed. One road lead to a higher site that had been used to stage the water trucks, the second segment was an abandoned section of the original road that was dozed in during the darkness of the first night and missed the surveyors mark in heading for the initial drill site. Since both of the sections were on the relatively flat area of the crest of the mountain ridge top there was not a lot of disturbance associated with their rehabilitation. Reclamation consisted of pulling material from the sides of the road, which was primarily topsoil, and re-grading the sites to approximate original contour. The areas were the roughened and reseeded with a final seed mix approved by the agencies (refer to Attachment 7 of Appendix 5-22(A)). Similar reclamation was also done in the shot area. During the rescue attempt MSHA had sent off a number of explosive shots. The area where these shots had been set off had a number of small craters associated with the explosive activities. These areas were reclaimed by regrading and reseeding.

A more substantial reclamation effort involved the SITLA road.. It was decided that one particular stretch of this road was dangerous for future use (such as continued access to the drill hole reclamation sites) because of obstructed visibility where it topped over the crest. This same stretch, measuring about 1100' long, was also felt to be unstable since it would hold the large

snowdrifts in the winter which would then saturate the uncompacted out slopes of the road in the spring melt. It was felt that this would most likely result in a failure of the slopes at that time. The consensus was to realign this stretch to eliminate the hazards and provide for a more permanent roadway for future use. Therefore, Scamp Excavation proceeded to construct the new segment on the opposite (western) side of the ridge top under the direction of SITLA representatives. After the new segment had been completed the old segment was completely reclaimed. Using backhoes, the out slopes were pulled back up into the road cut and approximate original contour was re-established. The area was roughened and reseeded with a final seed mix. This area was reclaimed before any wood straw had been delivered to the site, but SITLA representatives agreed that applying the straw later could involve safety issues (workers packing in the bales by hand over steep terrain) and determined to forgo the requirement of the protective cover.

Work also proceeded on the remainder of the access road, involving both the SITLA and Forest Service sections. This included pulling some of the material up from the out slopes and placing it against the bank of the in slopes. In this manner, the out slopes and in slopes were both made less steep and therefore more stable. Water bars were installed to direct runoff, and excelsior logs (made from bundled wood straw) were installed at the outlet sections of the water bars. The recontoured slopes were then re-seeded. All work on the SITLA segment of the road was done under the direction of SITLA personnel, while the Forest Service oversaw work on their portion

The first pad to be reclaimed was Pad #3 which is the lowermost site. Using two track hoes and a dozer material was pulled from the out slopes, with the lower hoe casting material to the upper hoe which, in turn cast it to the upper part of the cut slope. The dozer also worked to help spread the material. The site was restored to approximate original contour and was then roughened (pocked) in preparation for applying a final seed mix.

Work then progressed up to the next pad up the hill, namely pad #4. Reclamation followed similar to pad #3, that is, regrading to approximate original contour, pocking, and re-seeding with a final seed mix. Reclamation also included the road segment from pad #4 to #3 up to a very steep area know as "the ledge" for obvious reasons.

Reclamation then began on pad # 5, which is the uppermost pad, using the same techniques as on the lower pads.

The crews then moved to pad # 7, which was an extension of pad #2, and reclaimed it as well. Finally the spur road leading into pad #5 was reclaimed.

All permanently reclaimed areas were reseeded with a final seed mix, and a matting of wood straw was applied. As part of the interim reclamation water bars were also installed along the access road down the mountain from the top down to the ledge to help control erosion during next spring's melt off. Each water bar was fitted with a staked excelsior erosion log at the

discharge end.

On November 8, 2007, an on-site meeting was held involving representatives from DOGM, SITLA, BLM, Forest Service, Scamp Excavation, and Genwal Resources. The purpose of this meeting was to determine if the interim and final reclamation efforts accomplished to date were satisfactory to all the various state and federal agencies according to their individual management responsibilities. After a number of small issues were addressed the final outcome was an agreement among all parties that the following areas have been adequately reclaimed, subject to determining revegetation success in the future:

- Pad #3 and its access road
- Pad #4 and its access road up to the ledge
- Pad #5 and its access road
- Pad #7
- The rerouted (reclaimed) segment of the SITLA road

Based on aerial surveys prepared by Olympus Aerial Survey approximately 7.91 acres were originally disturbed by the drillpads and roads on the side of the mountain. This figure does not include the SITLA or Forest Service access roads. In 2007, 3.99 acres had been reclaimed, pending revegetation success, leaving 3.92 acres to be reclaimed in later. Upon wrapping up the reclamation efforts for the winter and de-mobilizing the equipment off the mountain, on the way out Scamp re-established the water bars along the SITLA and Forest Service road sections, tightened up some of the erosion logs and removed all trash from the site. Lastly, the main staging area at the Flat Canyon road junction (which had seen heavy usage during the rescue attempt) was regraded and reseeded.

RECLAMATION COMPLETED 2008 TO PRESENT

(Refer also to Attachment 11 of Appendix 5-22(A) for pre-reclamation photos)

As discussed above, much of the East Mountain rescue drilling was completed in 2007. Due to the unprecedented circumstances under which the drilling was done no formal reclamation plan was in place at the time. Therefore, reclamation done in 2007 was completed through a consensus agreement among the responsible state and federal land management agencies. In 2008 a formal written approved reclamation plan was approved by DOGM. The approved written reclamation plan was used for the remainder of the work. The approved reclamation plan for the remainder of work to be done was essentially a continuation of the work that has already been done, using the techniques that have already been verbally agreed to, and which have meet with approval of all the agencies in terms of what has already been accomplished. The following areas were reclaimed and/or stabilized in 2008 or later, and will be discussed in detail individually

- 1) Drillpad #2 and its access road

- 2) Drillpad #6 and its access road
- 3) The "oops road"
- 4) The remainder of the access road from the ledge to the top of the mountain
- 5) The SITLA road
- 6) The Forest Service road

The primary focus of the 2008 construction season was the full reclamation of the drillpads and interconnecting roadworks (items 1 through 4 listed above).

Upon consultation with the respective regulatory agencies, it was agreed that both the Forest Service and SITLA access road segments would not be reclaimed during the 2008 construction season. The road segments will remain open to: (1) access the reclaimed drill pad areas in order to evaluate/monitor the success of the reclamation effort and (2) based on the findings of the evaluation, provide access for machinery that may be required for additional earth work.

The Special Use permit for the Forest Service road segment (See Attachment 12 of Appendix 5-22A) states in Exhibit B, "*Conditions of Approval (Operating Plan)*", "Reclamation of the Forest Service road shall be completed immediately after it is evident that on-lease pad reclamation is determined to be stable and no earth moving equipment is needed".

1) Drillpad #2, Drillpad #6, and the "Oops Road"

These areas are listed together because they were reclaimed as a unit. These two pads combined involved the biggest disturbance on the site in terms of quantity of earth material to be relocated. Pads #2/6 was completed during the summer of 2008. Much of the outslope from pad #2 was pulled down and used as backfill for pad #6. Some of the outslope material below pad #6 was pulled back up to the pad, but most of this out slope material was loaded by backhoes into rock trucks and hauled back up the hill to be used as backfill for both pads #2 and #6. Reclamation of the pads #2/6 and the oops road areas was done to re-establish approximate original contour as much as possible.

Stability of the reclaimed pads was achieved by compacting the backfill in 18"-24" lifts or layers, using a sheeps-foot mechanical compactor and/or wheel-roll compaction, to the extent practicable considering the tight operating constraints at the site, and the large boulders which were present in the backfill. Because the reclamation was done in early summer the backfilled material contained sufficient moisture to optimize compaction. The backfill material was the original native material which contains a large proportion of boulder sized material which will help promote a high factor of stability to the compacted slopes.

After the backfilling and grading operations was complete the site was roughened with pocks similar in size and spacing as those placed in the previously reclaimed pad areas. A permanent seed mix was applied, followed by putting down a layer of a wood straw. Density of

seed application and wood straw application will be similar to that of the previously reclaimed pads, which in all cases exceeded pre-determined recommended application rates.

Also, after the slopes have been reclaimed, excelsior logs was placed as needed in areas of concern.

2) Remaining access road from ledge to top of mountain

As described above, reclamation work on the access road started at the bottom (pad #3) and continued up past pad #4 to the ledge, where work was halted for the winter. The work continued on the ledge road once pads #2/6 had been totally reclaimed. A small seep, located along the road near the ledge was contained by laying a course of drain rock from the seep across the road, day lighting on the downhill side as close to native ground as possible. The drain rock course way was then be covered with geo-textile fabric. A perforated-drain pipe was also installed within the drain rock as determined by the Division field representative. The road was reclaimed by pulling as much side cast material as possible back up from the out slope onto the road cut and backfilling to approximate original contour. Seed mix (final) and wood straw was applied by hand as the earthwork progresses up to the top. There will no longer be any vehicular access to any part of the mountainside.

After the slopes were reclaimed, excelsior logs were placed as needed.

3) The SITLA road

At the onset of the 2009 construction season, a site visit was conducted by the appropriate regulatory agencies and, it was determined during the site visit that the reclamation work was stabilized to a degree where additional work requiring earth moving equipment was no longer warranted, and that full reclamation of the remaining SITLA and Forest Service access road segments was approved.

The SITLA road is defined as that portion of the in-coming access road located on SILTA land, namely Section 2, T16S, R6E. As shown on Map #2 of this submittal, it is approximately 4959' long, and lies within the DOGM permit area. The width of disturbance varied, being greater in those steeper hillside areas (approximately 45' total disturbance), and less on the flatter areas where no cuts or sidecasts were involved (approximately 25' wide). Assuming an average width of 35' the SITLA road involved approximately 3.98 acres.

Reclamation of the road proceed in the standard manner. That is, the out slopes of the road was stabilized through a combination of compaction and re-vegetation. The slopes were compacted using a sheeps foot rolling compactor affixed to the boom of a track-hoe. After compaction, the slopes was then re-seeded with a permanent seed mix. A layer of wood straw was spread over the re-seeded slopes. The seed and straw was then crimped into the soil. As an

added measure, near the end of the construction season, a second application of seeding was done on all road out slopes.

The out slopes were pulled up using a track hoe, and place the material into the cut slope to achieve approximate original contour. The surface was roughened (pocked) and re-seeded with a final seed mix. A layer of wood straw matting was then spread over the reclaimed surface. All stabilization and reclamation work on this segment was conducted with the oversight of DOGM and SITLA

4) Forest Service road

A short segment of emergency access road was constructed on Forest Service land, measuring about 2573' long (see Map #2 of this submittal) At the request of the Forest Service, Genwal Resources signed Road Use Permit PRI-108 for this road (see Attachment 12 of appendix 5-22(A)).

At the onset of the 2009 construction season, a site visit was conducted by the appropriate regulatory agencies and, it was determined during the site visit that the reclamation work was stabilized to a degree where additional work requiring earth moving equipment was no longer warranted, and that full reclamation of the remaining SITLA and Forest Service access road segments was approved.

The out slopes of the road was stabilized through a combination of compaction and re-vegetation. The slopes will initially be compacted using a sheeps-foot rolling compactor affixed to the boom of a track-hoe. After compaction, the slopes was then re-seeded with a permanent seed mix. A layer of wood straw was spread over the re-seeded slopes. The seed and straw was then crimped into the soil. As an added measure, near the end of the construction season, a second application of seeding was done on all road out slopes.

Reclamation of the road proceed in the standard manner. That is, pull the out slopes up using a trackhoe, and place the material into the cut slope to achieve approximate original contour. The surface was roughened (pocked) and re-seeded with a final seed mix. A layer of wood straw matting was then spread over the reclaimed surface. All stabilization and reclamation work on this segment was conducted with the oversight of Forest Service representatives under the authority of the Road Use Permit PRI-108.

The Forest Service also issued a Road Use Permit #0410-03-46 to allow the company to utilize the existing Forest Service system roads for the remainder of the reclamation effort. This permit is included in Attachment 14 of Appendix 5-22(A).

RECLAMATION COMPLETED 2012**1) Slide Area**

In the spring of 2011 a slope failure occurred on SITLA land, just below pad #6. The slide crossed the oops road and the access road below. The toe of the slide is adjacent to a seep that emanates up slope, east of the slide. The slide appears to be approximately 50' wide by 250' long. It does not appear that the slide has moved since the initial movement in 2011. In 2011 eighteen excelsior logs were installed in three rows of 6 logs above the head of the slide. These excelsior logs appear to be performing as planned.

In August and September of 2012 additional excelsior logs were installed on the slide area. A total of 29 ten foot excelsior logs were installed in 9 rows approximately 15 feet apart on the contour. The logs were staked in place.

Eight small pine trees were transplanted at the top of the slide area to help the long term stabilization. Russian Thistle was removed from the disturbed area. The slide area was reseeded.

2) Hiking Trail

The alignment of East Mountain Trail #085 was completed across the SITLA portion of the project. An existing game trail was improved slightly to allow for foot traffic to cross between the existing undisturbed trail and onto the USFS reclaimed road. Initially discussions were that the trail would run across the reclaimed portion of the SITLA. It was decided not to re-disturb the reclaimed SITLA road but to relocate the trail using an existing improved game trail to the west. The USFS will install the appropriate signs to direct foot traffic onto the appropriate trail.

3) USFS Road

Portions of the USFS Road reclaimed in 2010 had to be reopened to provide access for material and supplies for additional work on the slide area. The road was reopened by using a 48" mini-track. Once the work on the slide area was completed the reopened road was reclaimed. The reclamation work included pulling the 48" wide trail back to approximately 24 to 36". The area was reseeded and existing straw was spread over the reclaimed area. The 24" to 36" trail will remain. This trail is part of East Mountain trail #085 and ties in with the improved game trail that was reestablished on the SITLA property.

4) Fence and Gate

At the beginning of the project area a red gate and apron fencing was installed to prevent unauthorized traffic from entering the project/reclaimed area. The existing gate and fence will be removed and large boulders will be placed across the beginning of the Forest Service Road. These boulders will prevent ATV access to the hiking trail #085.

B) PHASE I BOND RELEASE REQUIREMENTS

All the reclamation requirements for backfilling, regrading and drainage control measures for PHASE I has been met.

- 1) All applicable information required in: BOND RELEASE REQUEST (ALL PHASES) has been addressed.
- 2) An as-built topography is shown on Plates 1 of 7, 2 of 7, and 3 of 7 of Attachment #13 of Appendix 5-22(A) of the approved MRP.
- 3) Post mining Contour Topographic Maps are included on Plates 1 of 7, 2 of 7, and 3 of 7 of Attachment #13 of Appendix 5-22(A) of the approved MRP.
- 4) Not applicable since there was no overburden removed to do analysis on.
- 5) Because all construction work was done under the emergency provisions of the various laws, the topsoil was not stripped and piled but was removed and replaced as close to possible to the original location. There was no chemical or physical analyses performed on the topsoil.
- 6) All the soil removed and replaced in the construction and reclamation phases of this project would be considered growth media and not subsoil.
- 7) There are no remaining sediment control structures or diversions to be removed. There are no refuse piles or impoundments that will need an MSHA release.
- 8) The total area has been seeded and mulched and those areas not eligible for Phase II release will be eligible for next years Phase II bond release.
- 9) The Phase I bond release application is for Sureties #ISM-2952, ISM 2953, and ISB 2954. A summary of the bonds and requested relinquishment is as follows:

<u>BOND</u>	<u>Amount</u>	<u>Released</u>	<u>Remaining</u>
ISM-2952	\$286,196	\$171,718	\$114,478
ISM 2953	\$ 95,279	\$ 57,167	\$ 38,112
ISB 2954	\$ 25,800	\$ 15,480	\$ 10,320
TOTAL	\$407,275	\$244,365	\$162,910

ATTACHMENT "A"

Certification

ATTACHMENT "A"

Certification



UtahAmerican Energy, Inc.

Genwal Mine
ACT/015/032

Re: Phase I Bond Release East Mountain Project ACT 015/032

I hereby certify to the best of my information and belief all the information contained in this request for bond release is true and correct, to the best of my knowledge, and that all applicable reclamation activities have been accomplished in accordance with the requirement of the Act, the regulatory program and the approved reclamation plan.

R. Jay Marshall

R. Jay Marshall, Project Manager, 6/18/12
Sign Name, Position, Date

Subscribed and sworn to before me this 18TH day of JUNE, 2012

Linda Kerns
Notary Public

My Commission Expires: March 27, 2013

Attest: State of Utah

County of Carbon



ATTACHMENT "B"

Legal Notice

Public Notice

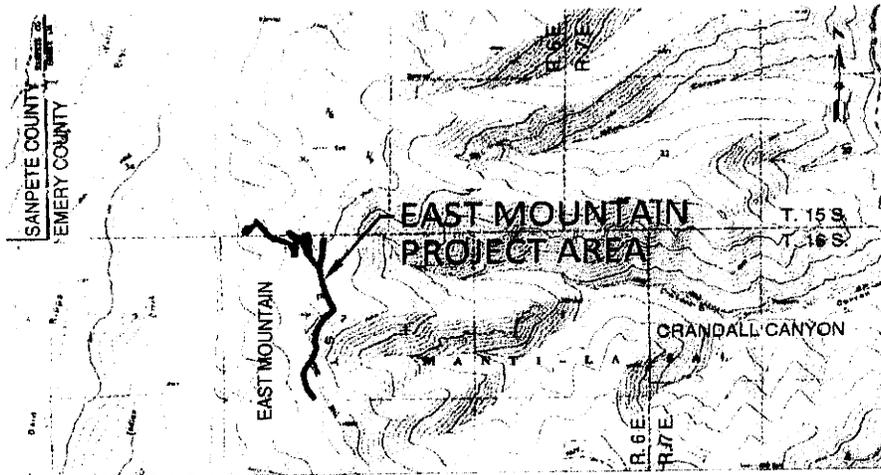
Application for Phase I Bond Release

**East Mountain Project
UtahAmerican Energy, Inc.
Permit C/015/032
Emery County, Utah**

Notice is hereby given that UtahAmerican Energy, Inc., 153 Highway 7 South, Powhatan Point, Ohio 43942, with David Hibbs as Resident Agent, P.O. Box 910, East Carbon, Utah 84520, has filed an application with the Utah Department of Natural Resources, Division of Oil, Gas and Mining for a Phase I bond release on reclaimed lands currently in Permit C/015/032, Reclamation Agreement dated March 14, 1995, Addendum dated December 21, 2007. The area affected has been reclaimed pursuant to R645-301-880. 310 and is located in Emery County, Utah. Phase I reclamation began in the fall of 2007. The reclamation included backfilling and grading to AOC, and drainage control and was completed in September of 2011. The area of Phase I bond release is as follows and contains approximately 9.5 acres:

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The Phase I bond release application is for Sureties #ISM-2952, ISM 2953, and ISB 2954. A summary of the bonds and requested relinquishment is as follows:

<u>BOND</u>	<u>Amount</u>	<u>Released</u>	<u>Remaining</u>
ISM-2952	\$286,196	\$171,718	\$114,478
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ISB 2954	<u>\$ 25,800</u>	<u>\$ 15,480</u>	<u>\$ 10,320</u>
TOTAL	\$407,275	\$244,365	\$162,910

Written comments, objections and requests for an informal conference on this proposal may be addressed to:

Utah Coal Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Closing date for submission of such comments, objections and requests for an informal conference on this proposal must be submitted within 30 days of the last publication..

Published in the Emery County Progress- _____, _____, _____, and _____.

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Emery,)

I, Richard Shaw, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, State of Utah and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and on the Utah legals.com website; the first publication was on the 19th day of June, 2012, and that the last publication of such notice was in the issue of such newspaper dated the 10th day of July, 2012.



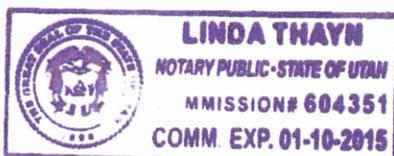
Richard Shaw – Publisher

Subscribed and sworn to before me this 10th day of July 2012.



Notary Public My commission expires January 10, 2015 Residing at Price, Utah

Publication fee, \$ 456.00



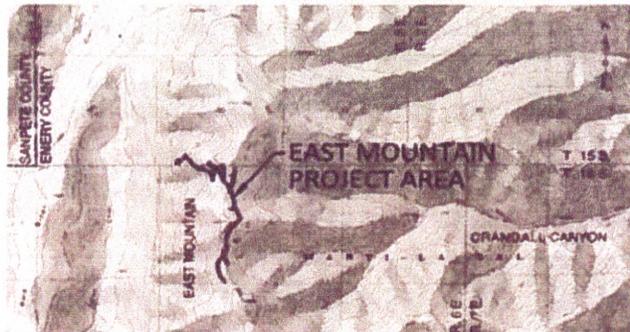
PUBLIC NOTICE

**APPLICATION FOR PHASE I BOND RELEASE
EAST MOUNTAIN PROJECT
UTAHAMERICAN ENERGY, INC.
PERMIT C/015/032
EMERY COUNTY, UTAH**

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Published in the Emery County Progress June 19, 26, July 3 and 10, 2012.

ATTACHMENT "C"

Notification Letters

UtahAmerican Energy, Inc.



Genwal Resources, Inc.
P. O. Box 910
East Carbon, Utah 84520
Phone: (435) 888-4000
(435) 650-3157
Fax: (435) 888-4002

June 19, 2012

Mr. Steve Rigby,
Bureau of Land Management
Moab District
125 South 600 West
Price, Utah 84501

Re: Phase I Bond Release, East Mountain Project, Crandall Canyon Mine, DOGM Permit C\015\032

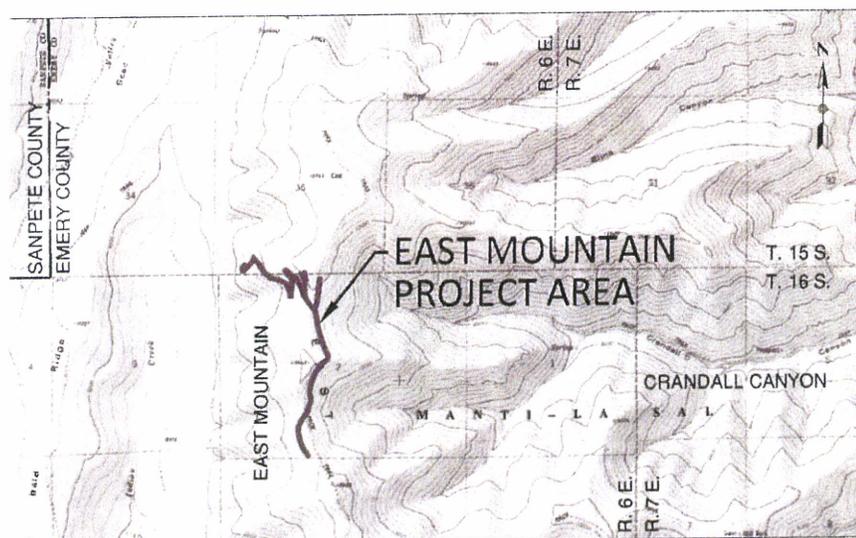
Dear Mr. Rigby,

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Comments from the legal or equitable owner of record of the surface areas to be affected and from the Federal, Utah and local government agencies should be mailed to: Utah Division of Oil, Gas and Mining, Attention: Daron Haddock, Permit Supervisor, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah 84114-5801.

If you have any questions or need additional information, please do not hesitate to contact Jay Marshall at (435) 888-4007, or Daron Haddock at (801) 538-5325.

Sincerely,



R. Jay Marshall P.E.
Project Manager

UtahAmerican Energy, Inc.



Genwal Resources, Inc.
P. O. Box 910
East Carbon, Utah 84520
Phone: (435) 888-4000
(435) 650-3157
Fax: (435) 888-4002

June 19, 2012

Mr. John Blake,
SITLA
675 East 500 South, Suite 500
Salt Lake City, Utah 84102

Re: Phase I Bond Release, East Mountain Project, Crandall Canyon Mine, DOGM Permit C\015\032

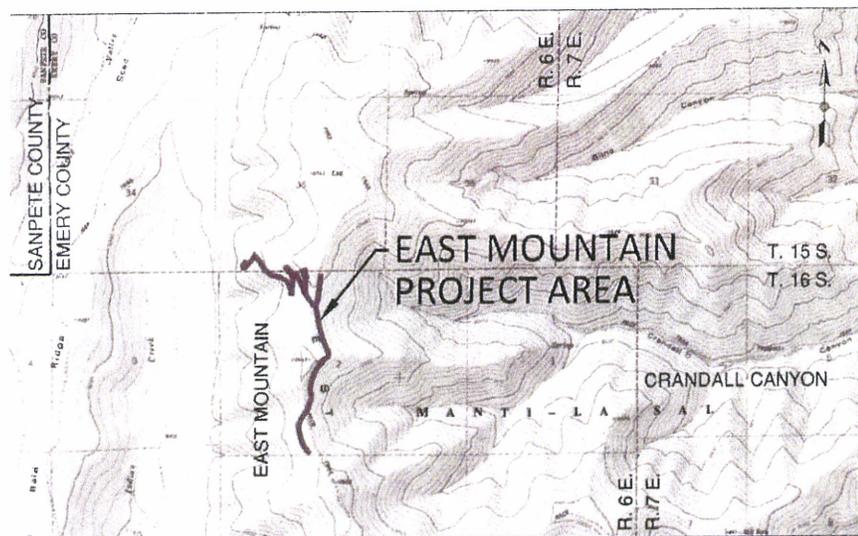
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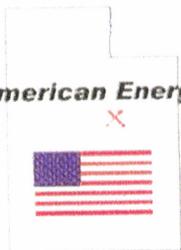
If you have any questions or need additional information, please do not hesitate to contact Jay Marshall at (435) 888-4007, or Daron Haddock at (801) 538-5325.

Sincerely,



R. Jay Marshall P.E.
Project Manager

UtahAmerican Energy, Inc.



Genwal Resources, Inc.
P. O. Box 910
East Carbon, Utah 84520
Phone: (435) 888-4000
(435) 650-3157
Fax: (435) 888-4002

June 19, 2012

Mr. Allen Rowley,
Acting Forest Supervisor
Manti-La Sal National Forest
599 West Price River Drive
Price, Utah 84501

Re: Phase I Bond Release, East Mountain Project, Crandall Canyon Mine, DOGM Permit C\015\032

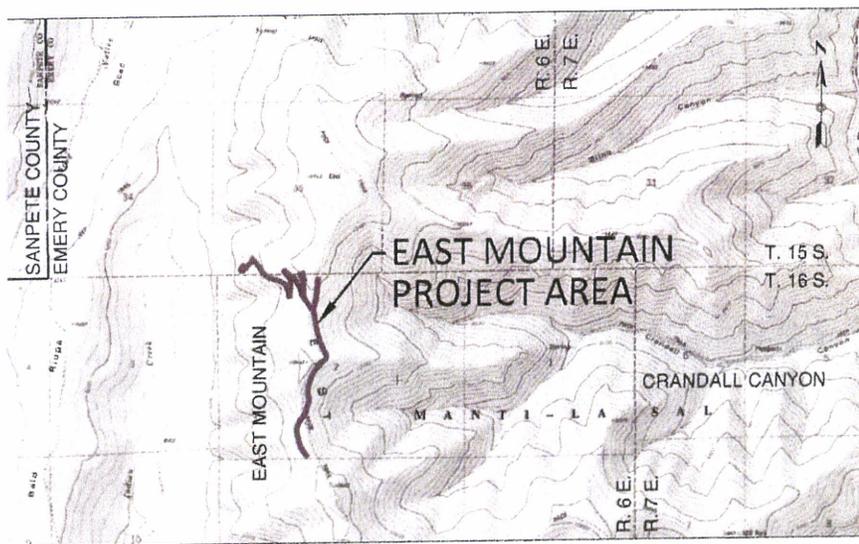
Dear Mr. Rowley,

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Project Manager

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Genwal Resources, Inc.
P. O. Box 910
East Carbon, Utah 84520
Phone: (435) 888-4000
(435) 650-3157
Fax: (435) 888-4002

June 19, 2012

Mr. Jeff Horrocks,
Emery County Commission
95 East Main Street
Castle Dale, Utah 84112

Re: Phase I Bond Release, East Mountain Project, Crandall Canyon Mine, DOGM Permit C\015\032

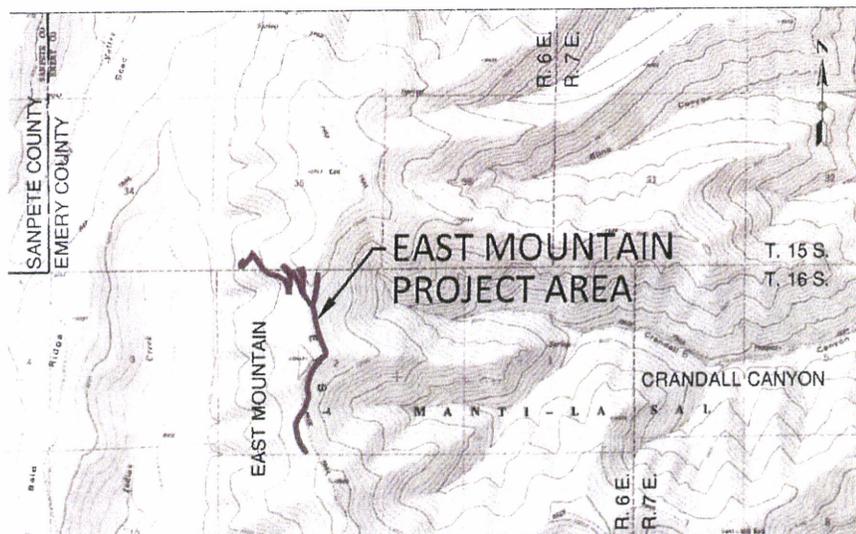
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Genwal Resources, Inc.
P. O. Box 910
East Carbon, Utah 84520
Phone: (435) 888-4000
(435) 650-3157
Fax: (435) 888-4002

June 19, 2012

Emery Water Conservation District
P.O. Box 998
Castle Dale, Utah 84513

Re: Phase I Bond Release, East Mountain Project, Crandall Canyon Mine, DOGM Permit C\015\032

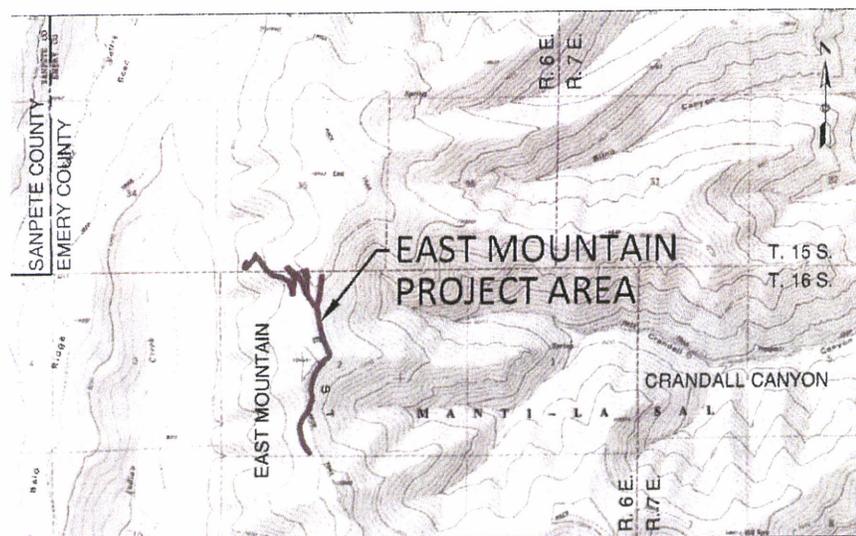
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Genwal Resources, Inc.
P. O. Box 910
East Carbon, Utah 84520
Phone: (435) 888-4000
(435) 650-3157
Fax: (435) 888-4002

June 19, 2012

Huntington Cleveland Irrigation
71N Main Street
P.O. Box 327
Huntington, Utah 84528

Re: Phase I Bond Release, East Mountain Project, Crandall Canyon Mine, DOGM Permit C\015\032

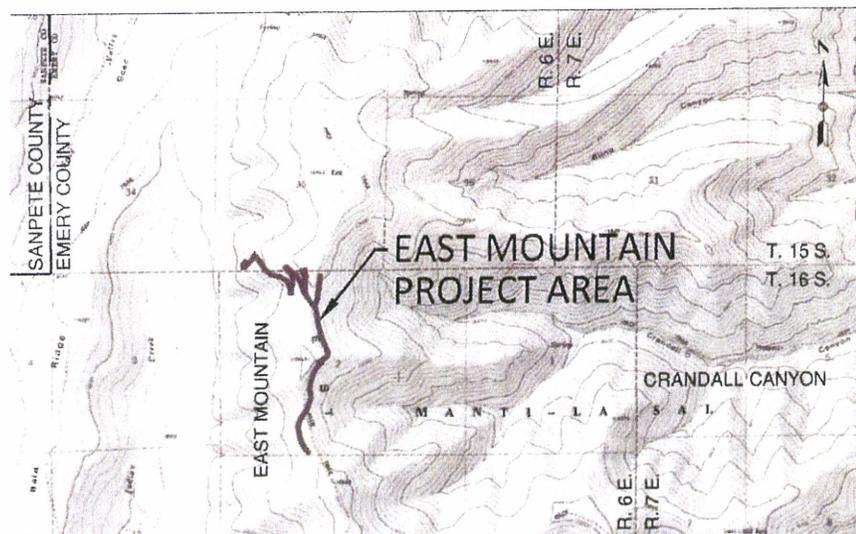
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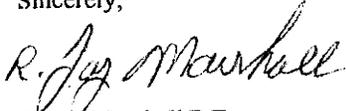
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R. Jay Marshall P.E.
Project Manager

UtahAmerican Energy, Inc.



Genwal Resources, Inc.
P. O. Box 910
East Carbon, Utah 84520
Phone: (435) 888-4000
(435) 650-3157
Fax: (435) 888-4002

June 19, 2012

North Emery Water Users,
P.O. Box 129
Cleveland, Utah 84518

Re: Phase I Bond Release, East Mountain Project, Crandall Canyon Mine, DOGM Permit C\015\032

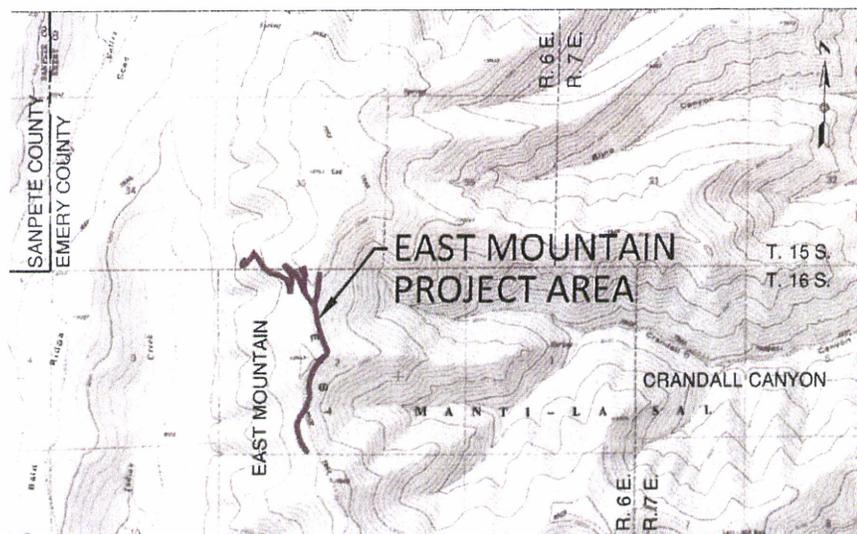
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R. Jay Marshall P.E.
Project Manager

UtahAmerican Energy, Inc.



Genwal Resources, Inc.
P. O. Box 910
East Carbon, Utah 84520
Phone: (435) 888-4000
(435) 650-3157
Fax: (435) 888-4002

June 19, 2012

Cottonwood Creek Irrigation Company
P.O. Box 678
Orangeville, Utah 84537

Re: Phase I Bond Release, East Mountain Project, Crandall Canyon Mine, DOGM Permit C\015\032

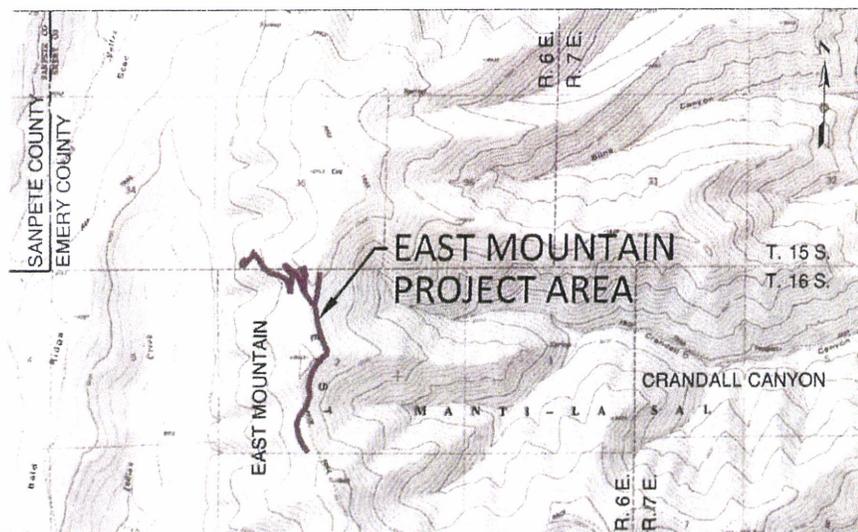
Dear Sir,

In accordance with the requirements of R645-301-880.120, UtahAmerican Energy, Inc. (UAE) is notifying the surface land owners, subsurface Owners and local government body within and adjacent to the Crandall Canyon Mine of intention to seek Phase I bond release.

Notice is hereby given that UtahAmerican Energy, Inc., 153 Highway 7 South, Powhatan Point, Ohio 43942, with David Hibbs as Resident Agent, P.O. Box 910, East Carbon, Utah 84520, has filed an application with the Utah Department of Natural Resources, Division of Oil, Gas and Mining for a Phase I bond release on reclaimed lands currently in Permit C/015/032, Reclamation Agreement dated March 14, 1995, Addendum dated December 21, 2007. The area affected has been reclaimed pursuant to R645-301-880. 310 and is located in Emery County, Utah. Phase I reclamation began in the fall of 2007. The reclamation included backfilling and grading to AOC, and drainage control and was completed in September of 2011. The area of Phase I bond release is as follows and contains approximately 9.5 acres:

Township 15 South, Range 6 East, Salt Lake Base & Meridian
Areas Contained within Section 35 (As shown on the attached Map)

Township 16 South, Range 6 East, Salt Lake Base & Meridian
Areas Contained within Section 2 (As shown on the attached Map)



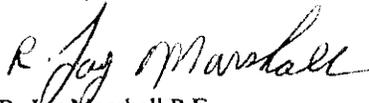
The Phase I bond release application is for Sureties #ISM-2952, ISM 2953, and ISB 2954. A summary of the bonds and requested relinquishment is as follows:

<u>BOND</u>	<u>Amount</u>	<u>Released</u>	<u>Remaining</u>
ISM-2952	\$286,196	\$171,718	\$114,478
ISM 2953	\$ 95,279	\$ 57,167	\$ 38,112
ISB 2954	\$ 25,800	\$ 15,480	\$ 10,320
TOTAL	\$407,275	\$244,365	\$162,910

Comments from the legal or equitable owner of record of the surface areas to be affected and from the Federal, Utah and local government agencies should be mailed to: Utah Division of Oil, Gas and Mining, Attention: Daron Haddock, Permit Supervisor, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah 84114-5801.

If you have any questions or need additional information, please do not hesitate to contact Jay Marshall at (435) 888-4007, or Daron Haddock at (801) 538-5325.

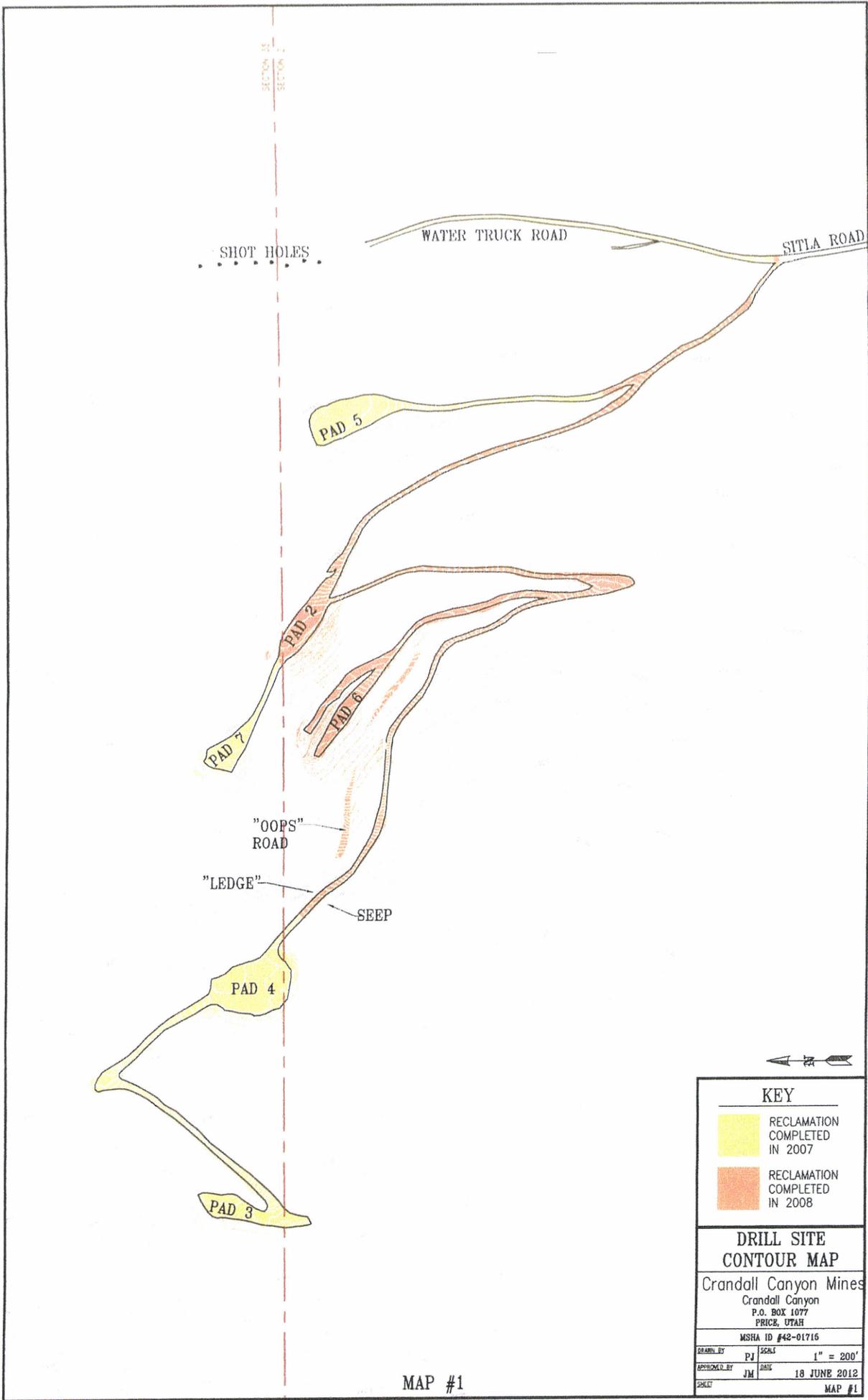
Sincerely,



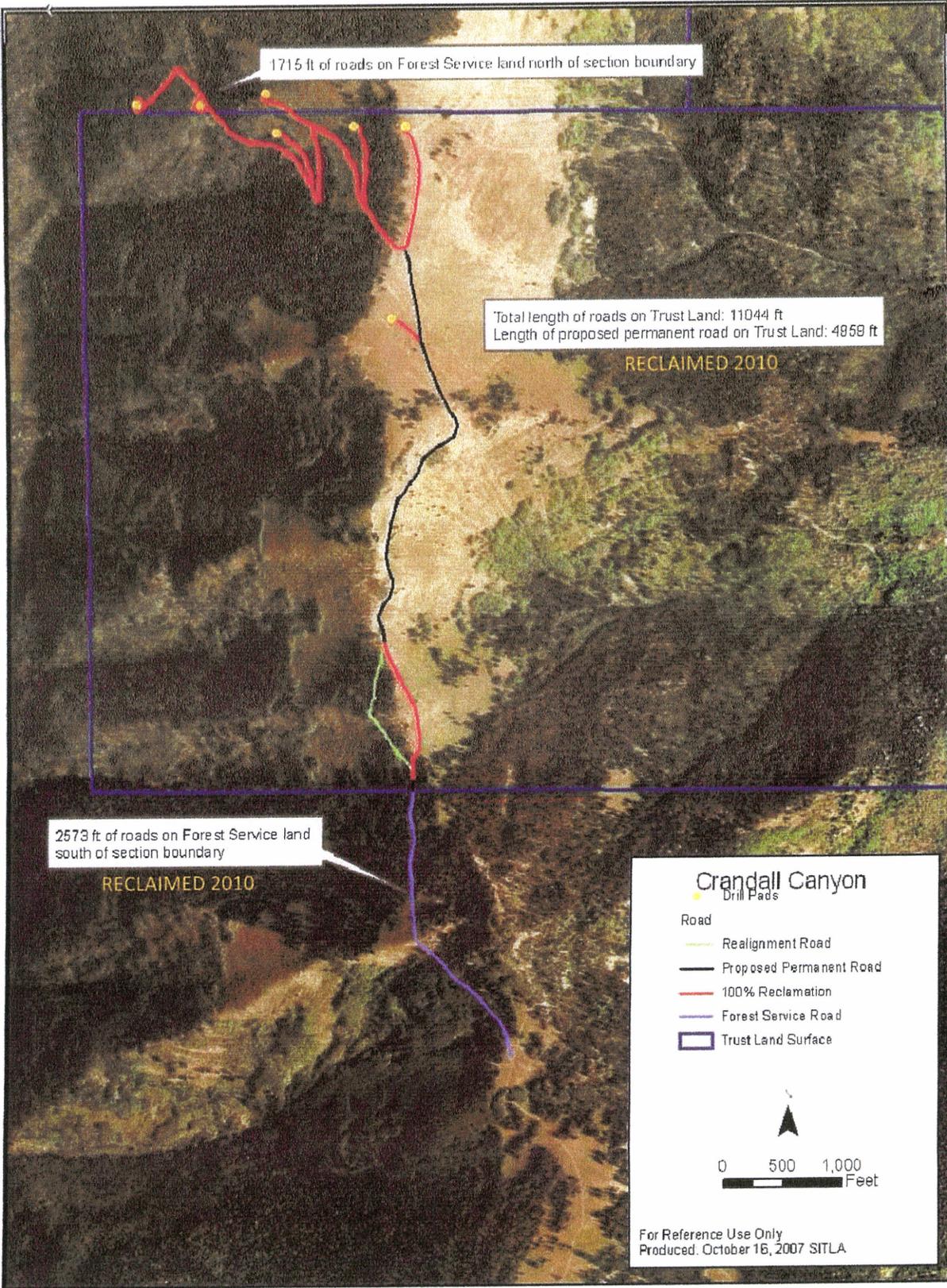
R. Jay Marshall P.E.
Project Manager

Maps

G:\Current Drawings\Mine Maps\Crandall Canyon\Accident Reclamation\CC Rec Topo 6-18-12.dwg, Topo, 6/18/2012 1:26:41 PM



MAP #1



2573 ft of roads on Forest Service land south of section boundary

1715 ft of roads on Forest Service land north of section boundary

Total length of roads on Trust Land: 11044 ft
Length of proposed permanent road on Trust Land: 4959 ft

RECLAIMED 2010

RECLAIMED 2010

Crandall Canyon
Drill Pads

- Drill Pads
- Road
- Realignment Road
- Proposed Permanent Road
- 100% Reclamation
- Forest Service Road
- Trust Land Surface

▲

0 500 1,000
Feet

For Reference Use Only
Produced: October 16, 2007 SITLA

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VICINITY PHOTO / MAP	
Crandall Canyon Mines Crandall Canyon P.O. BOX 1077 PRICE, UTAH	
MSHA ID #42-01716	
DRAWN BY	DATE
SITLA	18 JUNE 2012
CHECK	1 of 1

MAP #2