

C/O15/032 Incoming

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

#4209

OK

November 26, 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, Deficiency Response (November 13, 2012), DOGM Permit C\015\032 Tast ID#4193

Dear Mr. Haddock,

Please find attached six (6) copies of the Response to the deficiency letter dated November 13, 2012, Crandall Canyon Mine East Mountain Project, Phase I bond release application, Task ID#4193.

A C1 and C2 form is attached as well as a redline strike-out.

Should you have any questions please call.

Sincerely,

R. Jay Marshall P.E.
Project Manager

RECEIVED

NOV 27 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/015/032
Title of Proposal: Response to Phase I Bond deficiencies East Mountain Project. November 13, 2012, Task ID#4193						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.

R. Jay Marshall 11/21/12
Signed / Name - Position - Date

Subscribed and sworn to before me this 21st day of November, 2012

Linda Kerns
Notary Public
My Commission Expires: 3-27-13, 19
Attest: STATE OF Utah
COUNTY OF Carbon



Received by Oil, Gas & Mining

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NOV 27 2012

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER

Deficiency List

Task No. #4193

East Mountain- Phase I Bond Release

The members of the review team include the following individuals:
Priscilla Burton (PB)

R645-301-880.130: Please provide/address the following:

1) As built mapping should show the locations of excelsior log installation at the slide area on Map #1.

Map #1 has been revised to show the Excelsior log area.

2) The application should either include or reference Plate 1-1 of the MRP to show the location of the disturbance within Township, Range and Section or label the section lines on Map #2 with this information.

Plate 1-1 has been included in the application.

3) The Figure on Page 2 should accurately show the reclaimed temporary road segment all the way to the existing USFS road in Section 11.

Page 2 has been revised to show the USFS road in Section 11.

4) The application requests bond release for 9.5 acres disturbed within Sections 35 and Section 2. The application should explain why this bond release acreage is less than the 11.98 acres attributed to the mine rescue drillholes and rescue road described on page 1-10 of Chapter 1 in the MRP

The application request should have been for 11.98 acres not 9.5 acres. The original application did not consider the correct road acreage.

5) The multi-agency site visit to evaluate the SITLA road was actually completed in the fall 2010, rather than 2009 as described in the application on pages 8 and 9. Inspection Report #2093 describes this site visit.

Page 8 of the text was changed from 2009 to 2010.

6) The USFS road was first reclaimed in 2011, not 2010 as described on page 10 of the application.

Page 10 of the application was revised to reflect that the USFS road was reclaimed in 2011 not 2012.

7) Were the As- built surveys, maps or geotechnical analysis for the SITLA road completed as described on page 12 of Appendix 5-22(a)?

Attachment #16 of the submittal is the stability (geotechnical) analysis for the road and pads.

WordPerfect Document Compare Summary

Original document: S:\GENWAL\Submittals\12-009 PhaseI Deficiencies\Bond Release Application.wpd

Revised document: @PFDesktop\MyComputer\S:\GENWAL\Submittals\12-009 PhaseI Deficiencies\Bond Release Application 12-009.wpd

Deletions are shown with the following attributes and color:

~~Strikeout~~, **Blue** RGB(0,0,255).

Deleted text is shown as full text.

Insertions are shown with the following attributes and color:

Double Underline, Redline, **Red** RGB(255,0,0).

The document was marked with 3 Deletions, 4 Insertions, 0 Moves.

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~~2010 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 SILTA 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

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 2010¹ 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.

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
RESUBMITTED: November 26, 2012

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.

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.

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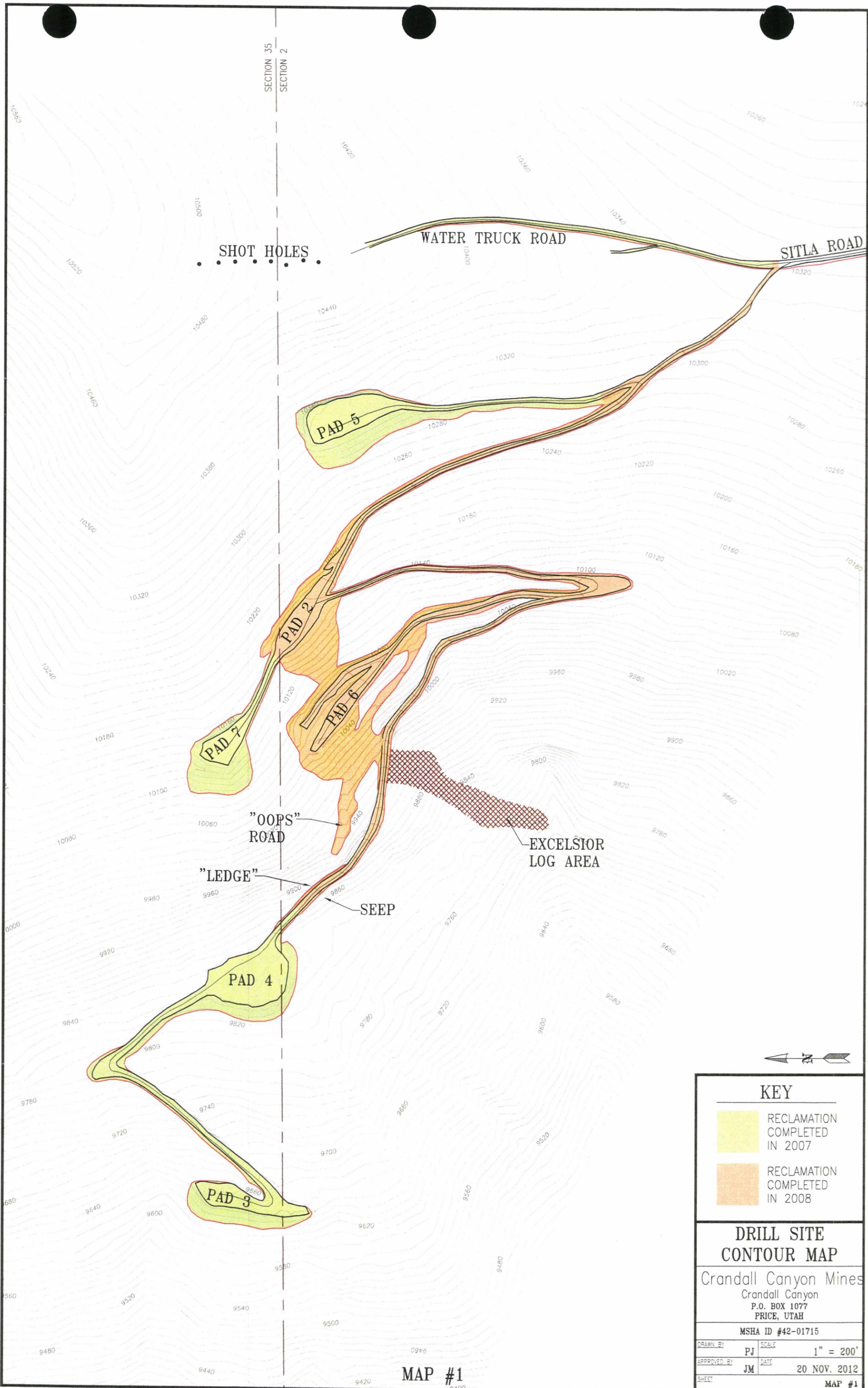
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SECTION 35
SECTION 2



SHOT HOLES

WATER TRUCK ROAD

SITLA ROAD

PAD 5

PAD 2

PAD 6

PAD 7

"OOPS" ROAD

EXCELSIOR LOG AREA

"LEDGE"

SEEP

PAD 4

PAD 3



KEY

- RECLAMATION COMPLETED IN 2007
- RECLAMATION COMPLETED IN 2008

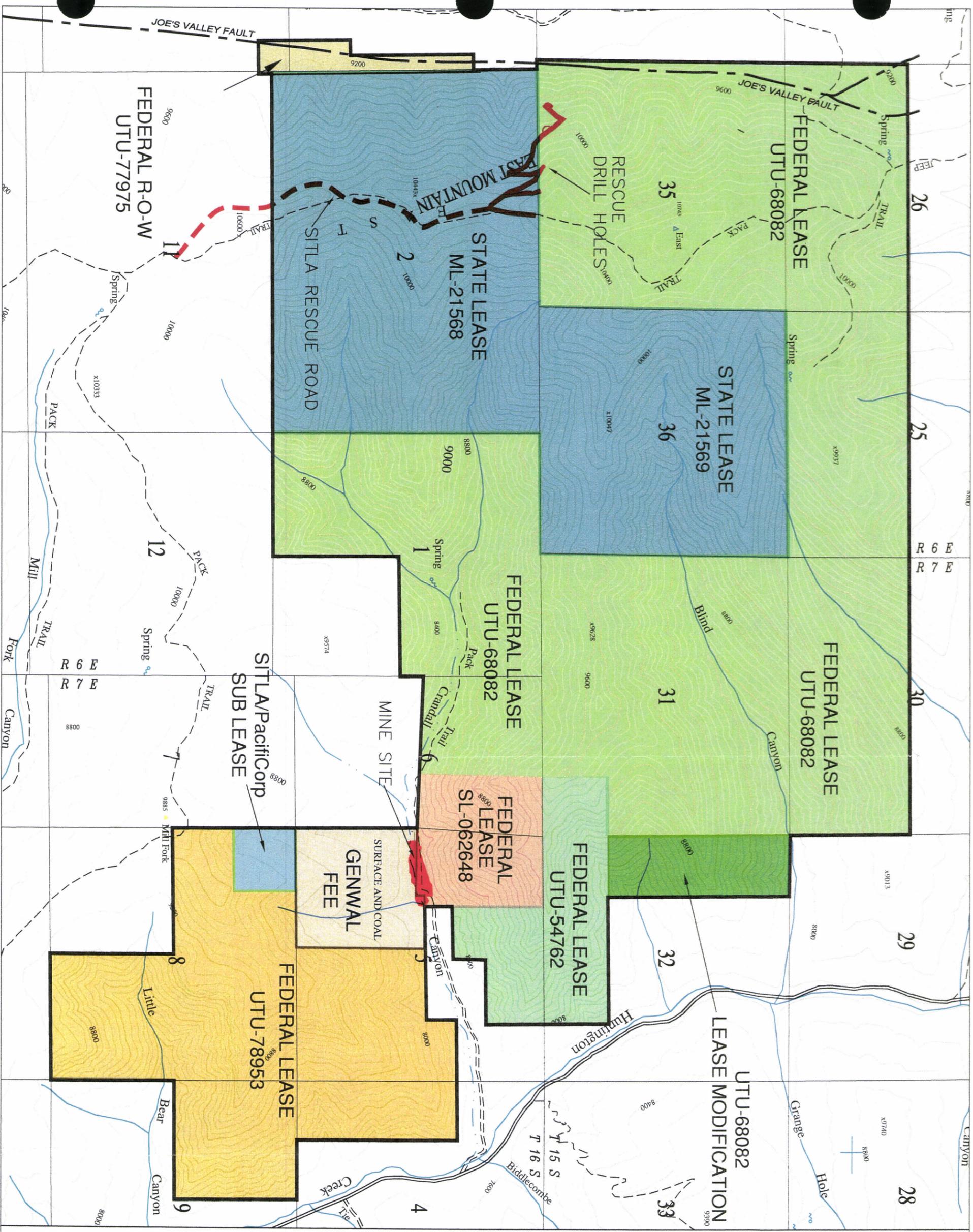
DRILL SITE CONTOUR MAP

Crandall Canyon Mines
Crandall Canyon
P.O. BOX 1077
PRICE, UTAH

MSHA ID #42-01715

DRAWN BY	PJ	SCALE	1" = 200'
APPROVED BY	JM	DATE	20 NOV. 2012
SHEET			MAP #1

MAP #1





GENWAL[™]
RESOURCES, INC.
P.O. Box 1077, 794 North "C" Canyon Rd, Price Utah
Telephone: (435) 888-4000

**CRANDALL CANYON MINE
LEASE / PERMIT AREA MAP**

REV: 12	ACAD: LEASE SOCRAN9
DATE: 11/20/12	BY: JDS
SCALE: 1"=2000'	PLATE #: 1-1



LEGEND

-  UDOGM PERMIT BOUNDARY
-  MINE SURFACE FACILITIES
- THE PERMIT AREA IS ENTIRELY WITHIN THE MANTI - LA SAL NATIONAL FOREST

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NOV 27 2012

DIV. OF OIL, GAS & MINING

NOTE:
SEE PLATE 1-1A FOR LOCATION OF BURMA EVAPORATION POND (PERMIT AREA).