
UTAH OGM COAL PROGRAM MEETING NOTES

Date: June 23, 2008 JK

Time: 10 a.m. to Noon

Location: Stoel Rives LLP, Attorneys at Law, 201 South Main Street, Suite 1100, SLC, Utah 84111

To: Internal File, General

From: James D. Smith, Environmental Scientist III *DS 06/26/08*

Attendees:

Dave Tabet, UGS
Jim Smith, UDOGM
Gary Herbert - Lt. Governor
James Young - Utah Coal Export Company
George Rinderspacher - Utah Coal Export Company
3rd representative - Utah Coal Export Company
David Litvin - Utah Mining Association
Tom Faddies - SITLA
Kevin Brill - Arch Coal
William D. Boyle - Arch Coal (VP Met and Export Coal)
3rd representative - Arch Coal
Russell Hardy - Consol Energy (Emery Mine)
Marty Banks - Consol Energy
John Gefferth - Consol Energy
Charles Reynolds - CW Mining
Aaron Kingston - CW Mining
Chris McCourt - Alton Coal Development
Representative of Stoel Rives

Purpose: Introduce Utah Coal Export Company to Utah coal producers and mine regulatory authorities

MEETING SUMMARY:

1. Lt. Governor Gary Herbert encouraged attendees of meeting to work together, and that Governor Huntsman supported increased trade relations with China. Mr. Herbert left after his remarks.

2. Overview of Utah Coal Industry by David Litvin - Utah mines about 25 million tons a year, once had a substantial export market overseas, but re-establishing an export market would be constrained by lack of west coast terminals. Central Utah coal deposits are being depleted quickly, and that argues for reopening the Kaiparowits Plateau coalfield.

3. Utah Coal Export Company:

a) George Rinderspacher, James Young, Jack Chou, William Chou, and Carol Lee: the first 2 have special ties to the US coal industry and Utah, while the latter 3 have special long-term trading relations with China through a company or group named Golden Pacific. The company has special arrangements with bulk and container shipping companies to ship coal to China in shipping empty containers that have come to the US filled with Chinese merchandise. With the weak US\$ they felt they could get favorable pricing on contracts to sell US coal to China. Utah Coal Export has financial arrangements with a number of international banks including Far East Bank, East-West Bank, and Bank of the West. China's projected need is 100 million tons.

b) Coal Exports objective is to export 50,000 tons per month (600,000 tons/year). Shipment would be through Vancouver, the only west coast port capable of significant coal exports. (Emery Deep is currently exporting through Vancouver. The Arch Coal terminal in LA closed for economic reasons, and other California ports are too small or outmoded for economic coal export.)

4. Mr. Litvin asked if Utah Coal Exports was looking for long-term commitments and the answer was yes.

5. Mr. Litvin and others clarified that there is a current market for almost all coal mined in Utah.

6. Jim Smith clarified that new projects or significant increases in coal output from existing mines would require adequate time to obtain necessary permits from all agencies involved.

7. Lunch (sandwiches, chips, cookies, and drinks) provided by Utah Coal Export.

8. After lunch, there were one-on-one meetings between interested Utah coal companies and Utah Coal Export Company representatives at the offices of Stoel Rives.

ACTION ITEMS: (Include item, timeline, and responsible person.)

There is no action to be taken by the Division.

ADDITIONAL COMMENTS: (This section is intended to provide attendees the opportunity to contribute additional and significant information concerning the meeting content that may not have been mentioned during the meeting.)

UTAH COAL EXPORT MEETING

June 23, 2008

Stoel Rives Law Firm

Salt Lake City, Utah

- I. Introduction of Attendees
- II. Remarks by Lt. Governor, Gary Herbert
- III. Overview of Utah Coal Industry
- IV. Utah Coal Export Company
 - Who are they?
 - Coal Export Objective
- V. Lunch
- VI. Individual Meetings with Interested Utah Coal Company Representatives