CANYON FUEL COMPANY, LLC

BANNING LOAD OUT

C/007/034

June 1, 1998
June/September 2003
December 2004
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CHAPTER 1
GENERAL CONTENTS

110 Minimum Requirements for Legal, Financial, Compliance and Related Information

111 Introduction

Canyon Fuel Company, LLC is authorized, as applicant and operator, to operate the Banning Loadout in Carbon County, Utah under Permit Number C/007/034 issued by the State of Utah, Division of Oil, Gas, and Mining.

112 Identification of Interests

The Banning Rail Loadout facilities are within sections 15, 16 and 22, Township 15 South, Range 12 East, SLBM, Carbon County, Utah. These locations are approximately eight miles east of Wellington, Utah.

112.100 Business Entity

For information pertaining to this section(s) refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

112.200 Applicant and Operator

Refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.
112.300 Officers of the Applicant

Refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

112.400 Coal Mining and Reclamation Operation Permit Applications Previous, Current, or Pending

The following list describes permits held by Canyon Fuel Company, LLC for Banning Loadout, pending applications for permits, and any permit recognized as necessary in the future for which no application has been filed. Identification numbers of applications or permits are contained in the following list. Many of the agencies listed, however, have review responsibility only and may not have submitted a numbered permit.

<table>
<thead>
<tr>
<th>Permit</th>
<th>Issuing Authority</th>
<th>Approval Status</th>
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<tbody>
<tr>
<td>Mining and Reclamation Permit C/007/034</td>
<td>State of Utah Department of Natural Resources</td>
<td>Approved</td>
</tr>
<tr>
<td>Banning Rail Loadout</td>
<td>Division of Oil, Gas and mining</td>
<td></td>
</tr>
<tr>
<td>U.P.D.E.S. Permit UT-0040000</td>
<td>Environmental Protection Agency and Utah D.E.Q.</td>
<td>Approved</td>
</tr>
<tr>
<td>Banning Loadout</td>
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<tr>
<td>Business License</td>
<td>Carbon County</td>
<td>Approved</td>
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<tr>
<td>Mine Health and Safety Permits 42-00077</td>
<td>Mine Safety and Health Administration - Utah</td>
<td>Approved</td>
</tr>
<tr>
<td>Radio Permits</td>
<td>Federal Communications Commission</td>
<td>Approved</td>
</tr>
<tr>
<td>Certificate of Insurance and Authorization to do</td>
<td>State Industrial Development Commission</td>
<td>Approved</td>
</tr>
<tr>
<td>Business in State</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air Quality Approval Order</td>
<td>State of Utah, Utah Air Conservation Committee, Department of Health Division of Environmental Health</td>
<td>Approved</td>
</tr>
<tr>
<td>Water Rights</td>
<td>State Engineer</td>
<td>Approved</td>
</tr>
</tbody>
</table>
The Canyon Coal Company, LLC mining permits and operations are:

- Banning Loadout C/007/034
- Dugout Canyon Mine C/007/039
- SUFCO Mine C/041/002
- Skyline Mine C/007/005
- Soldier Canyon Mine C/007/018

The issuing authority for the Canyon Fuel Company permits is the UDOGM. For additional information refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.

The corporate structure is presented on Figure 1-1 in the General Chapter 1 binder.

112.500 Legal or Equitable Owner of the Surface and Mineral Properties to be Mined

The legal or equitable owners of the areas to be affected by the surface operations and facilities are:

- United States of America
  - BLM right-of-way Leases U-33855 and U-49763
- State of Utah
  - State Lease 435
- Union Pacific Railroad
  - Lease 16663
- East Carbonics Inc

No area within the land to be affected by surface operations and facilities or within the area is under a real estate contract.

No coal is to be mined on or within the permit area.

The holders of record of any leasehold interest in areas to be affected by surface operations or facilities:

East Carbonics Inc.
P.O. Box 87
Manti, UT 84642
The holders of record of leasehold interests in the area to be affected by surface coal handling operations are East Carbonics Inc, the United States of America, the State of Utah, and the Union Pacific Railroad.

112.600 Owners of Record of Property Contiguous to Proposed Permit Area

Owners of record of surface and subsurface areas contiguous to the proposed permit area are shown on Exhibits 5-4 and 5-5 of the Mining and Reclamation Plan. Names and addresses of the owners are:

**Surface:**
- East Carbonics Inc.
  P.O. Box 87
  Manti, UT 84642
- United States of America
  Department of Interior
  Bureau of Land Management
  Price Coal Office
  125 South 600 West
  Price, Utah 84501
Canyon Fuel Company, LLC
Banning Loadout

State of Utah
School and Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

Subsurface:
United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
125 South 600 West
Price, Utah 84501

State of Utah
School and Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

112.700 MSHA Numbers

Banning Rail Loadout Mine ID No. 42-01756.

112.800 Interest in Contiguous Lands
Canyon Fuel Company, LLC does not own or control, directly or indirectly, any legal or equitable interest in any lands contiguous to the permit area.

112.900 Certification of Submitted Information
Canyon Fuel Company, LLC hereby attests that the information contained in this permit document is true and correct to the best of their knowledge.

113 Violation Information
For violation information refer to Table 1-2 in the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations.
114 Right-of-Entry Information

Canyon Fuel Company, LLC bases its right to enter and continue loadout activities on a number of documents pertaining to right-of-ways, lease agreements, and surface ownership within the permit area. The documents are summarized below and copies of all documents can be found in Appendix 1-5 of the unmodified Mining and Reclamation Plan. Canyon Fuel Company, LLC has acquired all the rights of entry previously held by Soldier Creek Coal Company, which are set forth in the following:

RIGHT-OF-WAYS

Federal Right-of-Way U-33855 - (Tramroad)

Dated: October 18, 1976
Grantee: Soldier Creek Coal Company
Lands Covered: T15S. R12E. SLB&M
Secs: 15 and 22

Land within described tramroad Containing: 8.7 ac, more or less
Expiration: October 17, 2001

Supporting Documents:

1. Assignment of Right-of-Way from California Portland Cement Company to Sunedco Coal Co. on September 19, 1985, approved by the BLM.
2. Working agreement established between applicant and Sunedco Coal Co.

Federal Right-Of-Way U49763
(Operation and Maintenance of a Coal Loadout Facility)

Dated: January 17, 1984
Grantee: Soldier Creek Coal Company
Lands Covered: T15S. R12E. SLB&M
Sec 15: W1/2 SW1/4

Land within described facility Containing: 15.4 ac, more or less
Expiration: January 16, 2014
Supporting Documents:

1. Assignment of Right-of-Way from California Portland Cement Company to Sunedco
   Coal Co. on September 19, 1985, approved by the BLM.
2. Working agreement established between applicant and Sunedco Coal Co.

LEASE AGREEMENTS
State of Utah Special Use Lease Agreement 435
(Road and Coal Storage Facility)
Dated: November 1, 1978
Grantee: Savage Coal Service Corporation
Lands Covered: T15S, R12E, SLB&M
Sec 16; E1/2 E1/2 NE1/4 SE1/4
Containing: 10.0 ac, more or less
Expiration: October 31, 1998
Supporting Document:
1. Working agreement established between applicant and Savage Coal Service
   Corporation.

Denver and Rio Grande Western Railroad Company (Union Pacific Railroad) Lease Agreement
16663
(Railroad Spur)
Dated: May 24, 1976
Grantee: California Portland Cement Company
Lands Covered: T15S, R12#, SLB&M
Secs. 15 and 22
Strip of Land 91.5 ft. wide,
8.5 ft. westerly of the
centerline of the main Sunny
Side Branch track
Containing: 155.6 ac, more or less
Supporting Documents:
1. Assignment of Lease Agreement 16663 from California Portland Cement Company
   to Soldier Creek Coal Company on November 26, 1985.
Canyon Fuel Company, LLC

Banning Loadout

Surface Owner: East Carbonics Inc
Lands Covered: T15S, R12E, SLB&M
Sec. 16: SE1/4 SE1/4
Sec. 21: E1/2 NE1/4

Containing: 120 ac, more or less

Supporting Documents:
1. Deed for the purchase of property by and between Kaiser Coal Corporation ("Grantor") and Soldier Creek Coal Company ("Grantee").
2. Purchase and sale agreement between Canyon Fuel Company, LLC and East Carbonics Inc.

115 Status of Unsuitability Claims

The permit area is not within an area designated as unsuitable for coal mining and reclamation operations, or within an area under study for designation in an administrative proceeding under R645-103-300, R645-103-400 or 30 CFR Part 769.

Canyon Fuel Company, LLC does not propose to conduct coal mining and reclamation operations within 300 feet of an occupied dwelling.

Operations conducted at the loadout facility tram road are within 100 ft. of a public road. U.S. Highway 6-50 is the public road and the affected portion is a stretch within T15S, R12E, Sec. 15, Carbon County, Utah.

116 Permit Term

Operations at Banning Loadout began in 1976, when the Bureau of Land Management granted permission to receive, stockpile, and load coal at the facility. Construction of the site was initiated in 1977 and completed in 1979. Exhibit 5-2 shows the surface facilities and area affected by the operations.
The extent of surface disturbance at the loadout is confined to a portion of the proposed permit area shown on Exhibit 5-1. The operational plans presented in the permit application package represent the life-of-operation plans for Banning Loadout.

117 Insurance and Proof of Publication

For additional information refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Loadout operations. The proof of publication and newspaper advertisements required in connection with the permit application are on file with the Utah Division of Oil Gas and Mining and in Appendices 1-1 and 1-3.

118 Filing Fee

Evidence of payment of the filing fee required in connection with the permit application is on file with the Utah Division of Oil Gas and Mining.

120 Permit Application Format and Contents

This permit application will be clear and concise, and will be filed in the format required by the Division. Referenced materials in this application will be readily available to the Division, or will be provided and presented briefly and concisely in the application by photocopying or abstracting and with explicit citations.

130 Reporting of Technical Data

Technical analyses will be planned by or under the direction of a qualified professional in the subject to be analyzed. Technical data submitted herein is accompanied by the names of companies, individuals and/or publications, with dates of the collection and analysis of the data, and descriptions of the methodology used to collect and analyze the data (when available).
140 Maps and Plans

To the best of the applicants knowledge the maps and plans in the Mining and Reclamation Plan correspond with the requirements in R645-301-140.

150 Completeness

CFC believes the information in the permit application to be complete and correct.
APPENDIX 1-1

NEWSPAPER ADVERTISEMENT OF APPLICATION FOR PERMIT RENEWAL
Soldier Creek Coal Company, P.O. Box 1, Price, Utah 84501, is authorized, as applicant and operator, to operate the Banning Rail Loadout in Carbon County, Utah under Permit Number ACT/007/032 issued by the State of Utah, Division of Oil, Gas, and Mining. Soldier Creek Coal Company is wholly owned by Sage Point Coal Company. Coastal States Energy Company, 175 East 400 South, Suite 800, Salt Lake City, Utah 84111, has entered into an acquisition agreement with Elk River Resources, Inc. the owner of Sage Point Coal Company, to purchase 100% of the Sage Point stock from Elk River Resources, Inc.

Soldier Creek Coal Company has filed a Permit Transfer Application, in advance of closing, with the Division of Oil, Gas, and Mining to document change of Sage Point Coal Company ownership from Elk River Resources, Inc. to Coastal States Energy Company.

Approval by the Division of this application will allow coal loading operations to continue within the leasehold interest and fee lands owned by Sage Point Coal Company. The lands on which mining activity is to occur are located in Carbon County. The loading facilities are located approximately eight miles east of Wellington, Utah on or along the Denver and Rio Grande Western Railroad Company right-of-way. The five-year plan involves lands which are leased, assigned, or deeded to Sage Point Coal Company in:

T. 15 S., R. 12 E. SL Meridian, Utah, Sec. 15: portions of W-1/2; Sec. 16: portions of E-1/2 SE-1/4, Sec. 21: E-1/2 NE-1/4.
Copies of the advance Permit Transfer Application will be available for inspection at the following locations: Utah Division of Oil, Gas, and Mining, 335 West North Temple, 3 Triad Center, Suite 350, Salt Lake City, Utah; Carbon County Courthouse, Price, Utah; Soldier Canyon Mine, 12 miles Northeast of Wellington, Utah; and Coastal States Energy Company, 175 East 400 South, Suite 800, Salt Lake City, Utah.

Written comments on the application must be submitted within 30 days of this first public notice to the Utah Division of Oil, Gas, and Mining, 335 West North Temple, 3 Triad Center, Suite 350, Salt Lake City, Utah 84180 with copies to Coastal States Energy Company, 175 East 400 South, Suite 800, Salt Lake City, Utah 84111.

Published in the Price Sun Advocate Aug. ___, 1993
APPENDIX 1-2

COPY OF NEWSPAPER ADVERTISEMENT
AFFIDAVIT OF PUBLICATION

STATE OF UTAH

ss.

County of Carbon,

I, Richard Shaw, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and the first publication was on the 14 day of August, 2008, and that the last publication of such notice was in the issue of such newspaper dated the 4th day of September, 2008.

Richard Shaw - Publisher

Subscribed and sworn to before me this 4th day of September, 2008.

Linda Thayn

Notary Public My commission expires January 10, 2011 Residing at Price, Utah

Publication fee, $366.08

LINDA THAYN

NOTARY PUBLIC STATE OF UTAH

845 EAST MAIN

PRICE, UTAH 84501

COMM. EXP. 01-10-2011

INCORPORATED

OCT 24 2008

Div. of Oil, Gas & Mining
APPENDIX 1-3

NOTARIZED VERIFICATION STATEMENT
STATE OF UTAH) ss.

County of Carbon,) I, Kevin Ashby, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State 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 Four (4) consecutive issues, and that the first publication was on the 4th day of November, 1993, and that the last publication of such notice was in the issue of such newspaper dated the 25th day of November, 1993

Subscribed and sworn to before me this 25th day of November, 1993

Notary Public

My Commission expires January 10, 1995

Residing at Price, Utah

Publication fee, $137.40

Notary Public
APPENDIX 1-4

CERTIFICATES OF LIABILITY INSURANCE
**ACORD CERTIFICATE OF LIABILITY INSURANCE**

**PRODUCER**
Sedgwick of Missouri, Inc.
700 Corporate Park Drive, Suite 200
Clayton, Missouri 63105-7281
(314) 505-8800

**INURED**
Canyon Fuel Company, LLC
6955 Union Park Center
Suite 540
Midvale, Utah 84047

**DATE**
7/25/98

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**INSURERS AFFORDING COVERAGE**

- **INSURER A**: USF&G Insurance Company
- **INSURER C**: 
- **INSURER D**: 
- **INSURER E**: 

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**COVERAGES**

The policies of insurance listed below have been issued to the insured named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Aggregate limits shown may have been reduced by paid claims.

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<th>INSURER</th>
<th>TYPE OF INSURANCE</th>
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<th>POLICY EXPIRATION DATE</th>
<th>LIMITS</th>
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<td>GENERAL LIABILITY</td>
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<td>7/31/99</td>
<td>EACH OCCURRENCE $300,000</td>
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<td>FIRE DAMAGE (Any one fire) $50,000</td>
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<td>MED EXP (Any one person) $5,000</td>
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<td>PERSONAL &amp; ADV INJURY $300,000</td>
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<td></td>
<td>GENERAL AGGREGATE $500,000</td>
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<td>PRODUCTS - COM/OP AGG $500,000</td>
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</tbody>
</table>

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**GENERAL LIABILITY**

- **COMMERCIAL GENERAL LIABILITY**
  - CLAIMS MADE: X
  - OCCUR: X

**AUTOMOBILE LIABILITY**

- ANY AUTO
- ALL OWNED AUTOS
- SCHEDULED AUTOS
- HIRED AUTOS
- NON-OWNED AUTOS

**GARAGE LIABILITY**

- ANY AUTO

**EXCESS LIABILITY**

- OCCUR: 
- CLAIMS MADE: 

**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY**

**AGGREGATE**

**DEDUCTIBLE RETENTION** $ 

**OTHER THAN AUTO ONLY**

**EACH OCCURRENCE**

**PROPERTY DAMAGE**

**BODILY INJURY**

**COMBINED SINGLE LIMIT**

**Deductible RETENTION** $ 

**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY**

**OCCUR** 

**CLAIMS MADE** 

**OTHER THAN AUTO ONLY**

**EACH OCCURRENCE**

**AGGREGATE**

**PROPERTY DAMAGE**

**BODILY INJURY**

**COMBINED SINGLE LIMIT**

**Deductible RETENTION** $ 

**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY**

**OCCUR** 

**CLAIMS MADE** 

**OTHER THAN AUTO ONLY**

**EACH OCCURRENCE**

**AGGREGATE**

**PROPERTY DAMAGE**

**BODILY INJURY**

**COMBINED SINGLE LIMIT**

**Deductible RETENTION** $ 

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**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS**

Permit Banning Loadout ACT/007/034

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**CERTIFICATE HOLDER**
Utah Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple
Suite 1210
Salt Lake City, Utah 84114-5801

---

**CANCELLATION**

Should any of the above described policies be cancelled before the expiration date thereof, the issuing insurer will mail a 45-day written notice to the certificate holder named to the left, its agents or representatives.

**AUTHORIZED REPRESENTATIVE**

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© ACORD CORPORATION 1998
APPENDIX 1-5

RIGHT-OF-WAY
AND
USE AGREEMENTS
FEDERAL RIGHT-OF-WAY

U-49763
United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Moab District
Price River Resource Area
P. O. Drawer AB
Price, Utah 84501

CERTIFIED MAIL—Return Receipt Requested
Certification No. 261 154

JAN 17 1984

DEcision

Soldier Creek Coal Company
P. O. Box I
Price, UT 84501

Right-of-way Application
U-49763

Stipulations and Monitoring Fee Required

Right-of-Way Application No. U-49763 was filed February 2, 1982.

There appears to be no objection to the granting of the right-of-way, provided the applicant signs two (2) copies of the enclosed proposed grant as indicated. By signing the grant the applicant agrees to all stipulations attached to the grant and the terms and conditions of the grant.

If you are not in agreement with the terms, conditions or stipulations, please contact Mark Mackiewicz of my staff and we will attempt to resolve any differences.

At this time would you please remit $100 to cover the costs to the government for monitoring the operation and maintenance and termination of facilities on the right-of-way (43 CFR 2803.1-1).

Accordingly, the applicant is allowed thirty (30) days from receipt of this decision in which to execute and return both copies of the grant and to submit the monitoring fee, failing in which the application shall be rejected in its entirety.

If the applicant is adversely affected by this action, there is a right of appeal to the Board of Land Appeals, Office of the Secretary, in accordance with the regulations in 43 CFR, Part 4, Subpart E. If an appeal is taken, the notice of appeal must be filed in the office shown on enclosed form 1842-1, (not with the Board) so that the case file can be sent to the Board. A copy
of the notice of appeal and of any statement of reasons, written arguments, or briefs must be served upon any adverse parties, and in addition, to the Regional Solicitor, U.S. Department of the Interior, Room 6201, Federal Building, 125 South State, Salt Lake City, Utah 84111, within 15 days of the filing of any specific document. Please note, if the procedures set forth in the regulations are not followed, an appeal is subject to dismissal.

Enclosures (2)
1-Proposed Grant (in duplicate)
2-Form 1842-1

Area Manager
INFORMATION ON TAKING APPEALS TO THE BOARD OF LAND APPEALS

DO NOT APPEAL UNLESS

1. This decision is adverse to you, AND

2. You believe it is incorrect

IF YOU APPEAL, THE FOLLOWING PROCEDURES MUST BE FOLLOWED

1. NOTICE OF APPEAL . . . Within 30 days file a Notice of Appeal in the office which issued this decision (see 43 CFR Sec. 4.411). You may state your reasons for appealing, if you desire.

2. WHERE TO FILE NOTICE OF APPEAL . . . District Manager
   Bureau of Land Management
   P. O. Box 970
   Moab, UT 84532

3. STATEMENT OF REASONS . . . Within 30 days after filing the Notice of Appeal, file a complete statement of the reasons why you are appealing. This must be filed with the United States Department of the Interior. Office of the Secretary, Board of Land Appeals, 4015 Wilson Blvd., Arlington, Virginia 22203 (see 43 CFR Sec. 4.412). If you fully stated your reasons for appealing when filing the Notice of Appeal, no additional statement is necessary.

4. ADVERSE PARTIES . . . Within 15 days after each document is filed, each adverse party named in the decision and the Regional Solicitor or Field Solicitor having jurisdiction over the State in which the appeal arose must be served with a copy of: (a) the Notice of Appeal, (b) the Statement of Reasons, and (c) any other documents filed (see 43 CFR Sec. 4.413). Service will be made upon the Associate Solicitor, Division of Energy and Resources, Washington, D.C. 20240, instead of the Field or Regional Solicitor when appeals are taken from decisions of the Director (WO-100) or if the subject matter of the appeals involves mineral activities on the Outer Continental Shelf.

   Regional Solicitor, Intermountain Region, U.S. Dept. of the Interior,
   Rm. 6201 Federal Bldg., 125 S. State St., Salt Lake City, UT 84138.

5. PROOF OF SERVICE . . . Within 15 days after any document is served on an adverse party, file proof of that service with the United States Department of the Interior, Office of the Secretary, Board of Land Appeals, 4015 Wilson Blvd., Arlington, Virginia 22203. This may consist of a certified or registered mail “Return Receipt Card” signed by the adverse party (see 43 CFR Sec. 4.401(c)(2)).

Unless these procedures are followed your appeal will be subject to dismissal (see 43 CFR Sec. 4.402). Be certain that all communications are identified by serial number of the case being appealed.

NOTE: A document is not filed until it is actually received in the proper office (see 43 CFR Sec. 4.401(a)).
Sec. 1821.2-1 Office hours of State Offices. (a) State Offices and the Washington Office of the Bureau of Land Management are open to the public for the filing of documents and inspection of records during the hours specified in this paragraph on Monday through Friday of each week, with the exception of those days where the office may be closed because of a national holiday or Presidential or other administrative order. The hours during which the State Offices and the Washington Office are open to the public for the filing of documents and inspection of records are from 10 a.m. to 4 p.m., standard time or daylight saving time, whichever is in effect at the city in which each office is located.

Sec. 1821.2-2(d) Any document required or permitted to be filed under the regulations of this chapter, which is received in the State Office or the Washington Office, either in the mail or by personal delivery when the office is not open to the public shall be deemed to be filed as of the day and hour the office next opens to the public.

(e) Any document required by law, regulation, or decision to be filed within a stated period, the last day of which falls on a day the State Office or the Washington Office is officially closed, shall be deemed to be timely filed if it is received in the appropriate office on the next day the office is open to the public.
February 9, 1984

Mr. Leon E. Berggren  
Bureau of Land Management  
Price River Resource Area  
P.O. Drawer AB  
Price, Utah 84501  

Re: Banning Right-of-Way  
U-49763 (U-066)  
Soldier Canyon Mine  
Carbon County, Utah  

Dear Mr. Berggren,

Enclosed are the two (2) signed copies of the right-of-way grant, U-49763. Also, a check for $100.00 is included to cover governmental costs for the monitoring, maintenance and termination of the right-of-way site.

If there are any questions please contact me.

Sincerely,

Christopher P. Allen  
Mine Engineer  

CPA/jb
Mr. Chris Allen
Soldier Creek Coal Company
P. O. Box 1
Price, UT 84501

FEB 13 1984

Dear Mr. Allen:

Enclosed is the executed Right-of-Way Grant U-49763. If you have any questions concerning the grant, please contact Mark Mackiewicz.

Sincerely yours,

Leon E. Berggren
Area Manager

Enclosure
Right-of-Way Grant
Section A

1. There is hereby granted, pursuant to Title V of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761), a nonexclusive, nonpossessory right-of-way to:

   Soldier Creek Coal Company
   P. O. Box 1
   Price, Utah 84501

   In case of change of address the Holder shall immediately notify the Authorized Officer.

2. To use, subject to terms and conditions set out below, the following described Public Land.

   Salt Lake Base and Meridian, Utah
   Township 15 South, Range 12 East,
   Section 15, W\(^2\)S\(^2\)

3. Description of the right-of-way facility and purpose:

   The right-of-way is for an area containing 14.54 acres more or less. The right-of-way is for the operation and maintenance of a coal loadout, crushing and storage facility. The right-of-way contains 14.54 acres more or less.

   A map showing the location of the right-of-way over the above described public land is attached hereto as "Exhibit A".

TERMS AND CONDITIONS

Section B

1. The right-of-way Holder agrees to comply with all the applicable regulations contained in 43 CFR 2800.
2. If the right-of-way holder violates any of the terms and conditions to this grant, the Authorized Officer, after giving written notice may declare the grant terminated.

3. This grant is subject to all valid rights existing on the effective date of this grant.

4. There is hereby reserved to the Authorized Officer the right to grant additional rights-of-way or permits for compatible uses, on, over, under, or adjacent to the lands involved in this grant.

5. The Holder shall comply with the applicable Federal and State laws and regulations concerning the uses of pesticides (i.e., insecticides, herbicides, fungicides, rodenticides, and other similar substances) in all activities/operations under this grant. The Holder shall obtain from the Authorized Officer approval of a written plan prior to the use of such substances. The plan must provide the type and quantity of material to be used; the pest insect, fungus, etc., to be controlled; the method of application; the location for storage and disposal of containers; and other information that the Authorized Officer may require. The plan should be submitted no later than December 1 of any calendar year that covers the proposed activities for the next fiscal year (i.e., December 1, 1983, deadline for a fiscal year 1985 action). Emergency use of pesticides may occur. The use of substances on or near the right-of-way shall not be used if the Secretary of the Interior has prohibited its use. A pesticide shall be used only in accordance with its registered uses and within other limitations if the Secretary has imposed limitations. Pesticides shall not be permanently stored on public lands authorized for use under this grant.

6. The Holder agrees not to exclude any person from participating in employment or procurement activity connected with this grant on the grounds of race, creed, color, national origin, and sex, and to ensure against such exclusions, the Holder further agrees to develop and submit to the proper reviewing official specific goals and timetables with respect to minority and female participation in employment and procurement activity connected with this grant. The Holder will take affirmative action to utilize business enterprises owned and controlled by minorities or women in its procurement practices connected with this grant. Affirmative action will be taken by the Holder to assure all minorities or women applicants receive full consideration of all employment opportunities connected with this grant. The Holder also agrees to post in conspicuous places on its premises which are available to contractors, subcontractors, employees, and other interested individuals, notices which set forth equal opportunity terms; and to notify interested individuals, such as bidders, contractors, purchasers, and labor unions or representatives of workers with whom it has collective bargaining agreements, of the Company's equal opportunity obligations.

7. The right-of-way herein granted is subject to the express covenant that it will be modified, adapted, or discontinued if found by the Secretary to be necessary, without liability of expense to the United States, so as not to conflict with the use and occupancy of the land for any authorized works which may be hereafter constructed thereon under the authority of the United States.
8. The Holder shall comply with all local, State and Federal laws, regulations and ordinances pertaining to water quality, public health and safety and environmental protection. Compliance shall be made with State standards when those standards are more stringent than Federal Standards.

9. The Holder shall comply with local, State and Federal laws and regulations issued thereunder, existing or promulgated, affecting in any manner, construction, operation or termination of facilities located on the right-of-way to include all applicable regulations in 30 CFR Chapter VII and regulations developed to implement the Coal Mining Reclamation Act of 1978 (U.C.A. 40-10-1 et. seq.) Chapter I, Parts U.M.C. 700-845.

10. The Holder shall construct and maintain right-of-way facilities and structures in strict conformity with the descriptive and technical data which it has heretofore furnished the Bureau of Land Management in connection with its application. Activities which are not in accord with such data may not be initiated without the prior written approval of the Authorized Officer. Approval of variances will not be given unless the need therefore is fully justified by the Holder.

11. If at any time hereafter the Holder wishes to reconstruct, remodel or relocate any portion of the right-of-way hereby granted, or any of the improvements thereon, the prior written approval of the Authorized Officer must be obtained. No such approval will be given unless the request is fully justified by the Holder and is authorized by law. Where necessary, the Holder shall make application under appropriate regulations.

12. Topsoil shall be removed and stockpiled from all areas to be disturbed before any surface disturbance occurs. The performance guidelines outlined in 30 CFR 816.22 shall be followed in the removal of topsoil.

13. All topsoil removed for storage shall be stockpiled on the right-of-way and protected from wind and water erosion, unnecessary compaction and contaminants. Immediately following stockpiling, topsoil shall be seeded with a quick growing cover plant and a permanent perennial plant to protect the soil until reclamation operations begin. When reclamation operations commence, topsoil shall be evenly distributed over the final prepared site. Soil nutrients or other amendments may be required if, in final reclamation, soil test results so determine.

14. The Holder shall submit a detailed plan of measures to protect the hydrologic balance in the area including but not limited to plans for sedimentation ponds, diversions, embankments and dams. The plan shall be designed by a registered engineer and include a description, map, cross section and location of each structure. All construction shall be monitored by a registered engineer. The Authorized Officer shall have approved in writing the detailed design plan before construction of the facility begins.

15. All surface drainage from the area where coal is stockpiled shall be passed through a sedimentation pond before leaving the right-of-way area. Sedimentation ponds shall be constructed in accordance with 30 CFR 816.46 and maintained until the disturbed area is reclaimed.
16. Discharge of water from areas impacted by surface disturbance on the right-of-way shall be made in compliance with all Federal and State laws and regulations.

17. The Holder shall designate specific areas where coal will be stockpiled. Coal shall not be allowed to accumulate on any area on the right-of-way except those designated as coal storage areas. The Holder shall immediately remove coal spilled or placed along the railroad, roadway and other areas on the right-of-way not designated coal storage areas.

18. The Holder shall design, construct, utilize and maintain Class I roads and restore the area as outlined in 30 CFR 816.151-816.156. Any deviation from these performance standards must be approved in writing by the Authorized Officer.

19. The Holder shall plan and employ fugitive dust control measures as an integral part of site preparation, facility operation and maintenance, and reclamation operations. The Holder shall submit in writing a detailed plan of measures to be employed to control fugitive dust. The Authorized Officer may require additional measures and practices as deemed necessary.

20. The Holder shall remove and dispose of all waste material including trash, oil, grease, chemicals and similar substances in accordance with local, State and Federal laws and regulations. Under no circumstances shall waste material be disposed of on public lands without the written approval of the Authorized Officer.

21. All structures constructed on the right-of-way shall be painted, utilizing a nonobtrusive color approved by the Authorized Officer.

22. The Holder shall seed all areas disturbed by construction operations not required for operation or maintenance of the facility. All disturbed areas shall be seeded or planted with a permanent vegetative cover of the same seasonal variety native to the area. Seeding shall take place from mid October through December 1. Seed shall be drilled. The following mixture shall be used on the right-of-way.
### Seeding Mixture

<table>
<thead>
<tr>
<th>Species</th>
<th>1bs. Per Acre</th>
<th>Pure Live Seed (P.L.S.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grasses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fairway Crested Wheatgrass (Agropyron cristatum)</td>
<td>$\frac{1}{2}$</td>
<td></td>
</tr>
<tr>
<td>Standard Crested Wheatgrass (Agropyron desertorum)</td>
<td>$\frac{1}{2}$</td>
<td></td>
</tr>
<tr>
<td>Indian Ricegrass (Oryzopsis hymenoides)</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Galleta (Hilaria jamesii)</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>Forbs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Globemallow (Sphaeralcea spp.)</td>
<td>$\frac{1}{2}$</td>
<td></td>
</tr>
<tr>
<td>Yellow Sweetclover (Melilotus officinalis)</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>Shrubs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winterfat (Ceratoides lanata)</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Fourwing Saltbush (Atriplex canescens)</td>
<td>$\frac{2}{13.5}$</td>
<td></td>
</tr>
</tbody>
</table>

Before the seed is drilled the Authorized Officer shall be notified and the seed made available for inspection. Seed sacks shall be labeled stating the kind, weight, variety, purity, germination, source of origin and the seed, lot number, and the name and amounts of all weed seed therein. For the purpose of determining the percentage of pure live seed (% P.L.S.) the following formula shall be used:

\[
\text{Purity} \times \text{Germination} \% = \% \text{P.L.S.}
\]

23. Upon termination of the right-of-way all structures shall be removed and the site restored to as natural a state insofar as possible, subject to the approval of the Authorized Officer.

24. The Holder shall file a performance bond with the Authorized Officer in the form of corporate surety, cash, or negotiable securities of the United States in the amount of $20,000. The bond shall be in effect until released by the Authorized Officer.

25. The right-of-way shall be relinquished to the United States if the authorized uses are no longer needed.

26. In consideration for these uses, the Holder shall pay the Bureau of Land Management the sum of $1527 annually. Provided, however, charges for these uses may be made or readjusted whenever necessary to place the charges on the basis of fair market value of uses authorized by this grant.
27. Term of the Grant: 30 years.

   a. This right-of-way grant shall terminate 30 (thirty) years from the effective date of this grant unless prior thereto it is relinquished, abandoned, terminated, or otherwise modified pursuant to the terms and conditions of this grant or of any applicable Federal law or regulation.

   b. This grant may be renewed so long as it is still being used for the purposes granted, and is operated and maintained in accordance with all the provisions of this grant and pursuant to the regulations under which it is granted. If renewed the right-of-way will be subject to regulations existing at the time of renewal, and such other terms and conditions deemed necessary to protect the public interest.

   c. This grant is subject to review at the end of 20 years from the date of execution, and at regular intervals thereafter not to exceed 10 years.

Section C

The effective date of this right-of-way grant is the date of execution by the Authorized Officer.

The undersigned agrees to the terms and conditions of the right-of-way grant.

The right-of-way is executed this __ day of __________, 198__.

Termination Date

Area Manager

Soldier Creek Coal Company
Name of Organization, Company, or Corp.

By: ____________________________
M.D. Ross
Title: Vice President & General Manager

Date: February 8, 1984
STATE OF UTAH
SPECIAL USE LEASE
AGREEMENT 435
THE STATE OF UTAH, acting by and through the Division of State Lands, LESSOR, hereby leases to Coal Service Company, P.O. Box 587, Wellington, Utah 84542, LESSEE, the following described tract of land in Carbon County, Utah, to-wit:

Township 15 South, Range 12 East, Salt Lake Meridian
Section 16: NE 1/4, NW 1/4 Carbon County

Containing 10.00 acres, more or less.

TO HAVE AND TO HOLD for a term of 20 years beginning 1 November 1978, subject to any and all valid and existing rights in said lands and subject also to the following terms and conditions:

1. Lessee shall have the right to use the surface of said lands for the purpose of constructing and paving a roadway thereon, and for coal storage.

2. Lessee shall pay to Lessor the sum of $300.00 per year, in advance, on or before 1 November of each year. Lessor acknowledges receipt of the sum of $300.00 covering the rental for the year 1 November 1978 through 31 October 1979, plus the $20.00 application fee. Failure to pay the rent for the period of one month, from the time such rent is due, shall work a forfeiture of the lease, after 30 days written notice by Lessor to Lessee.

3. The minimum rental basis for the lease of said premises will be reviewed every five (5) years during the lease term, and the Division of State Lands herein reserves the right to adjust the rental by a reasonable amount, if conditions may determine.

4. The Lessee will conduct all operations upon and in connection with said land in accordance with any and all applicable laws and regulations of the State of Utah pertaining thereto.

5. The Lessee shall install and maintain adequate dust control devices in conjunction with all phases of the coal storage operation.

6. Lessee shall surrender to Lessor, at the expiration of the lease, said lands as far as reasonably possible in their natural condition.

7. Lessee shall have the right to remove any improvements or personal property placed on the lands by Lessee, provided the same is removed within sixty (60) days after the expiration of the term of this lease; and further, that Lessor shall have the option to retain, without compensation to Lessee, all underground pipes or facilities for water and sewer now on the premises, or subsequently installed thereon by Lessee.

8. Lessee shall indemnify and hold harmless Lessor from and against any claim or cause of action for injury or damage to person or property in any way caused by or arising out of the activity or presence of Lessee, or any invitee of Lessee upon the premises.

9. Lessee shall not assign this lease or sublease the leased premises without written consent of the Lessor.

10. Lessor expressly reserves the right to lease said lands for mineral exploration and/or development purposes, and the right to permit the mineral lessor under any such leases reasonable access to and use of said lands for purposes in connection with mineral exploration and/or development.

11. Lessor claims legal title to land hereinabove described, but makes no covenant of warranty. Lessee shall have no claim for damages or for any refund of any rentals for any failure or deficiency in Lessor's title to said leased land.
12. If the Lessee shall initiate or establish any water right on the leased premises, such right shall become an appurtenance of the leased premises, and, upon the termination of the lease, shall inure to the benefit of the Lessor without cost. Lessee shall assign to the Lessor such water right upon termination or expiration of this lease.

13. Lessee shall, at all times, observe reasonable precautions to prevent fire on the premises and shall conform to all applicable laws and regulations of any governmental agency having jurisdiction, and Lessee agrees to reimburse Lessor for the actual costs of suppressing fires upon the lands where Lessor may have expended monies in so doing or may be responsible to others for the cost of suppressing fires thereon.

14. Lessor reserves the right to use or grant use of any part or parts of the leased premises for roads and highways, and Lessee shall not be entitled to any damages or adjustment in rental for lands taken for these purposes. Lessee covenants and agrees to consult with the Utah State Highway Department prior to construction of any improved area on the said leased premises, with the view of locating improvements in such a manner as to obviate the subsequent taking of them.

15. In the event of any breach of this agreement, the party at fault shall pay all costs of enforcing the same, including reasonable attorney's fees.

IN WITNESS WHEREOF, the Director of the Utah Division of State Lands has executed this instrument as of the day of , 1978, by authority of a resolution of the said Board of State Lands dated 21 June 1978.

LESSOR: STATE OF UTAH
DIVISION OF STATE LANDS
Room 411, 231 East 400 South
Salt Lake City, Utah 84111

By: /s/ WILLIAM K. DINEHART, Director

LESSEE: COAL SERVICE COMPANY- A CORPORATION
P.O. Box 587
Wellington, Utah 84542

By: [Signature]

STATE OF UTAH )
COUNTY OF SALT LAKE )

On the ___ day of ____, 1978, personally appeared before me William K. Dinehart, who being duly sworn did say that he is the Director of the Division of State Lands of the State of Utah, and that said instrument was signed in behalf of said Board by resolution of the Board, and said William K. Dinehart acknowledged to me that said Board executed the same in behalf of the State of Utah.
Given under my hand and seal this ___ day of _____, 1978.

Notary Public, residing at:

My Commission expires:

STATE OF UTAH )
COUNTY OF _____________ ) ss.

On the ___ day of Nov., 1978, personally appeared before me, NEAL SAVAGE, ____________, signer of the above instrument who duly acknowledge to me that (he) (they) executed the same.

Given under my hand and seal this ___ day of Nov., 1978.

My Commission expires:

9-19-79

Notary Public, residing at: PRICE, UTAH
DENVER AND RIO GRANDE, WESTERN RAILROAD COMPANY
LEASE AGREEMENT 16663
ASSIGNMENT BY MERGER

THIS AGREEMENT, Made and entered into this 8th day of May , 1978, by and between CALIFORNIA PORTLAND CEMENT COMPANY, a California corporation, party of the first part, and THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY, a Delaware corporation, party of the second part,

WITNESSETH:

WHEREAS, agreements were entered into between the SOLDIER CREEK COAL CO., a Utah corporation and THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY dated May 24, 1976, designated in the files of the Railroad Company as Lease No. 16663, covering the leasing of land located at Banning, Utah and Contract No. 27316 dated May 13, 1976, covering the construction of trackage at Banning, Utah.

WHEREAS, SOLDIER CREEK COAL CO. merged into said CALIFORNIA PORTLAND CEMENT COMPANY. CALIFORNIA PORTLAND CEMENT COMPANY and THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY now desire to adopt said agreements as their agreements and to set forth the understanding of said parties with respect thereto, this agreement is made.

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

The parties hereto hereby adopt Lease No. 16663 and Contract No. 27316 as their agreements and CALIFORNIA PORTLAND CEMENT COMPANY hereby agrees to be bound by and to keep, observe and perform at the time and in a manner provided in said agreements, each and all of the terms, conditions and covenants therein required to be kept, observed and performed by SOLDIER CREEK COAL CO. and said Railroad Company hereby agrees to be bound by and to keep, observe and perform at the time and in the manner provided in said agreements, each and all of the terms, conditions and covenants therein required to be kept, observed and performed by said Railroad Company.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed in duplicate as of the date first above written.

ATTEST:

CALIFORNIA PORTLAND CEMENT COMPANY
By
President

THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY
By
President
ADDENDUM TO AGREEMENT, dated May 24, 1976, between THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY, a corporation of the State of Delaware, (called "Lessor"), and CALIFORNIA PORTLAND CEMENT COMPANY, a corporation of the State of California, (called "Lessee"), covering the leasing by the Lessor to the Lessee of land located at Banning, Utah, said agreement being identified in the records of the Lessor as Lease No. 16663.

AGREEMENT:

NOW, THEREFORE, it is mutually agreed by and between the parties to the above named agreement as follows:

Section 1. Effective January 15, 1978, Section 1.(a) Description and Section 2. Rental, of the above named agreement shall be and the same are hereby amended to read as follows:

Section 1.(a) Description

A 91.5 foot wide strip of land of the Lessor lying 8.5 feet westerly of the centerline of the main track of the Sunny Side Branch, opposite Mile Post 4 plus 3382 feet and extending northerly, parallel with said main track, to Mile Post 6 plus 264 feet, near Banning, Carbon County, Utah, as shown in red on the attached map, Dwg. No. BF-157B, containing about 15.63 acres, excepting therefrom all land 8.5 feet either side of the southerly loading track connection as shown in yellow on said map.

Section 2. Rental - Lessee agrees to pay to Lessor a rental of EIGHT HUNDRED AND NO/100 DOLLARS ($800.00) per annum, payable annually in advance.

Section 2. This agreement is supplemental to the above named agreement and nothing herein written shall be construed as amending or modifying the same except as herein specifically provided.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed in duplicate as of the 8th day of May, 1978.

THE DENVER AND RIO GRANDE WESTERN RAILROAD COMPANY

By /s/ Holtzman
President

ATTEST: /s/ Assistant Secretary

CALIFORNIA PORTLAND CEMENT COMPANY

By /s/ President

Michael A. Magley
DEED

THIS DEED (hereinafter "Deed") made and entered into as of the ___ day of May, 1989 by and between KAISER COAL CORPORATION, a Delaware corporation with principal offices at P.O. Box 10, Sunnyside, Utah 84539 ("Grantor"), and SOLDIER CREEK COAL COMPANY, a Delaware corporation ("Grantee").

RECITALS:

A. Grantor is a debtor in possession in jointly administered bankruptcy proceedings designated as Case No. 87B-01552-E pending before the United States Bankruptcy Court for the District of Colorado ("Bankruptcy Court").

B. Grantor is the owner of certain real property located in Carbon County, Utah, more particularly described in Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Properties");

C. Grantee desires to purchase all right, title and interest of Grantor in and to the Properties and related assets.

D. By Order dated May 5, 1989, the Bankruptcy Court approved the sale of the Properties and related assets to Grantee.

NOW, THEREFORE, for and in consideration of the sum of TEN DOLLARS ($10.00), cash in hand paid to Grantor and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, Grantor hereby grants, sells, assigns, sets over, transfers, quitclaims and conveys to Grantee, its successors and assigns, without warranty, all of Grantor's right, title and interest in the real property, licenses and servitudes, easements, and rights-of-way located in Carbon County, Utah, more particularly described in Exhibit "A" attached hereto and made a part hereof.
IN WITNESS WHEREOF, the Grantor has caused its corporate name and seal to be affixed by its duly authorized officer this 4th day of May, 1989.

KAISER COAL CORPORATION

By: 

Its President

STATE OF 

COUNTY OF 


On this 4th day of May, 1989, personally appeared before me Claude A. Bradford, whose identity is personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn, did say that he is the President of KAISER COAL CORPORATION and that said document was signed by him in behalf of said corporation by authority of its bylaws, and said President acknowledged to me that said corporation executed the same.

Notary Public
Residing at 1117 Kernville Rd.

My Commission Expires:

1-1-91

OFFICIAL SEAL
BONNIE GATES
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN KERN COUNTY
My Commission Exp. Jan. 4, 1993
EXHIBIT A

T. 15S., R. 12E., S.L.B.M.

Sec. 16: SE1/4SE1/4, excepting therefrom all coal and other minerals

Sec. 21: E1/2NE1/4, excepting therefrom all oil, gas and minerals.

LESS any portion which may fall within the D&RGW Railroad Right of Way.
FEDERAL RIGHT-OF-WAY

U-33855
CERTIFIED MAIL
Return Receipt Requested

DECISION

M. Don Ross
Soldier Creek Coal Company
Post Office Box I
Price, Utah 84501

Right-of-Way
U-33855

Notice of Stipulations

Enclosed is a copy of the terms and conditions of Right-of-Way U-33855. In accordance with BLM Manual 2802.15, notice must be given in advance of any special stipulations specified in the terms and conditions of the right-of-way grant.

Thirty days from receipt of this decision are allowed in which to review the enclosed stipulations and return them to this office. Please indicate your acceptance by signing the enclosed notice of stipulations.

The grantee is allowed the right of appeal to the Board of Land Appeals, Office of the Secretary, in accordance with the regulations in 43 CFR, Part 1842. See enclosed Form 1842-1. If an appeal is taken, it must be filed in the Utah State Office, Bureau of Land Management, University Club Building, 136 East South Temple, Salt Lake City, Utah 84111. In taking an appeal, there must be strict compliance with the regulations. If an appeal is filed, the appellant will have the burden of proving by presenting positive and substantial evidence wherein the decision appealed from is in error.

Carol F. Shahe
Chief, Lands Section

Enclosures
Form 1842-1
Terms & Conditions
Acceptance Notice of Stipulations
I hereby certify that I am an authorized officer for Soldier Creek Coal Company, and that I have reviewed the above terms and conditions of right-of-way grant U-33855.

Signature
M. D. Ross
Vice President & Gen. Manager
Title
October 18, 1976
Date
During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other terms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this Equal Opportunity clause.

2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

3. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, notice, to be provided by the agency contracting officer, advising the labor union or workers representative of the contractor's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

6. In the event of the contractor's noncompliance with the Equal Opportunity clause of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

7. The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

INFORMATION ON TAKING APPEALS TO THE BOARD OF LAND APPEALS

DO NOT APPEAL UNLESS
1. This decision is adverse to you,
   AND
2. You believe it is incorrect

IF YOU APPEAL, THE FOLLOWING PROCEDURES MUST BE FOLLOWED

1. NOTICE OF APPEAL
   Within 30 days file a Notice of Appeal in the office which issued this decision (see Sec. 4.411). You may state your reasons for appealing, if you desire.

2. WHERE TO FILE NOTICE OF APPEAL
   Bureau of Land Management
   Utah State Office
   University Club Building
   158 East South Temple
   Salt Lake City, Utah 84111

3. STATEMENT OF REASONS
   Within 30 days after filing the Notice of Appeal, file a complete statement of the reasons why you are appealing. This must be filed with the U.S. Department of the Interior, Office of the Secretary, Board of Land Appeals, 4015 Wilson Blvd., Arlington, Virginia 22203 (see Sec. 4.412). If you fully stated your reasons for appealing when filing the Notice of Appeal, no additional statement is necessary.

4. ADVERSE PARTIES
   Within 15 days after each document is filed, each adverse party named in the decision must be served with a copy of (a) the Notice of Appeal, (b) the statement of reasons, and (c) any other documents filed (see Sec. 4.413).

5. PROOF OF SERVICE
   Within 15 days after any document is served on an adverse party, file proof of that service with the U.S. Department of the Interior, Office of the Secretary, Board of Land Appeals, 4015 Wilson Blvd., Arlington, Virginia 22203. This may consist of a certified or registered mail "Return Receipt Card" signed by the adverse party (see Sec. 4.401(cX2)).

Unless these procedures are followed your appeal will be subject to dismissal (see Sec. 4.402). Be certain that all communications are identified by serial number of the case being appealed.

NOTE: A document is not filed until it is actually received in the proper office (see Sec. 4.401(a))
1821.2-1 Office hours of Land Offices. (a) Land Offices and the Washington Office of the Bureau of Land Management are open to the public for the filing of documents and inspection of records during the hours specified in this paragraph on Monday through Friday of each week, with the exception of those days where the office may be closed because of a national holiday or Presidential or other administrative order. The hours during which the Land Offices and the Washington Office are open to the public for the filing of documents and inspection of records are from 10 a.m. to 4 p.m., standard time or daylight saving time, whichever is in effect at the city in which each office is located.

Sec. 1821.2-2(d) Any document required or permitted to be filed under the regulations of this chapter, which is received in the Land Office or the Washington Office, either in the mail or by personal delivery when the office is not open to the public shall be deemed to be filed as of the day and hour the office next opens to the public.

(e) Any document required by law, regulation, or decision to be filed within a stated period, the last day of which falls on a day the Land Office or the Washington Office is officially closed, shall be deemed to be timely filed if it is received in the appropriate office on the next day the office is open to the public.
Terms and Conditions of Right-of-Way Grant

Serial Number Utah 33855

Pursuant to the authority vested in the undersigned by Order No. 701 of the Director, Bureau of Land Management, dated July 23, 1964, (29 F.R. 10526), and amended and redelegated, a right-of-way, bearing the above referenced serial number, is hereby granted, subject to the following terms and conditions:

1. Applicable regulations in 43 CFR, Subpart 2801, 2802, 2811; 43 CFR Part 17, and all valid rights existing on the date of the grant.

2. Proof of Construction. To be submitted upon completion of construction or not later than 5 years from approval of right-of-way.

3. Any other or subsequent use by grantee or others of lands or facilities granted under this right-of-way must be authorized by this office.

4. Equal Opportunity Clause. This grant is subject to provisions of Executive Order No. 11246 of September 24, 1965, and the attached "Equal Opportunity Clause" is made a part of the grant.

5. The Authorized Officer shall mean the District Manager, Bureau of Land Management or his designated representative.

6. This permit is a non-exclusive license to construct and use roads located upon lands of the United States. This permit is subject to all valid prior existing rights within the right-of-way, including but not limited to, the rights acquired under the Mineral Leasing Act of 1920. The Bureau of Land Management may issue other permits for the use of the roads constructed and used pursuant to this permit subject to such reasonable rules and conditions as the Authorized Officer may determine to be appropriate. Prorata road maintenance expense will be paid by all subsequent permittees. Any further supplemental agreements pertaining to road use rules or changes between the permittee that constructed or improved the road and subsequent permittees must have the written approval of the Authorized Officer.

7. The permittee will notify the Authorized Officer at least ten days in advance of his intent to commence any field operations associated with this right-of-way.
8. A preconstruction conference between the Authorized Officer and the permittee will take place on the permit area at least ten days prior to commencing construction. The permittee's construction foreman will be in attendance. All stipulations contained in this permit will be reviewed and understood by all in attendance.

9. The permittee will have an authorized representative on the permit area at all times during operations.

10. a. The road surface shall consist of select material topping, gravel or paved surfacing to provide an all-weather surface of sufficient strength to accommodate the proposed loads. The permittee shall submit a design for the road structure showing type, thickness and width of surface including design calculations where necessary.

b. The roadway shall include side drainage ditches to accommodate runoff from the road surface and adjacent areas. Culverts or other approved cross drainage structures shall be provided at intervals which accommodate accumulated flows from side ditches and/or drainage channels. Culvert inlets and outlets shall be protected by rip-rap or a structure where flow velocities exceed non-erosive velocities of the soil. The permittee shall submit a design for roadway drainage showing geometrics of drainage ditches, cross drainage facilities (culvert size where appropriate) and end protection measures where applicable.

c. The road shall be constructed and maintained in such a condition so as to control and minimize channeling and other erosion problems. The permittee shall state specifically within the proposed design all construction methods, standards, and specifications, including support facilities such as bridges, culverts, and cattle guards, etc., to be employed in the construction or use of any road or trail. Drainage crossings shall be made only at locations approved or designated by the Authorized Officer. The Authorized Officer may set such standards that are deemed necessary to minimize disruption of the surface resources and/or maintain the reclamation potential. All proposed designs shall be submitted to and approved by the Authorized Officer prior to construction.

11. The required road construction will be completed in accordance with specifications contained herein and accepted by the Authorized Officer. Any removal of any commercial products over said road prior to completion will be subject to approval of the Authorized Officer.

12. Any deviation from the original approved road standards, design, and location must be subject to the written approval of the Authorized Officer.

13. The right-of-way will have widths of 40 feet, 20 feet, and 10 feet on either side of the center line. Permittee shall survey and clearly mark by staking the exterior limits of the right-of-way. The marking will be with materials in keeping with the aesthetic qualities of the area as approved by the Authorized Officer. Removal of the markings will be at the discretion of the Authorized Officer. All activities directly or indirectly associated with the construction or maintenance of this must be conducted within limits of the right-of-way.
8. A preconstruction conference between the Authorized Officer and the permittee will take place on the permit area at least ten days prior to commencing construction. The permittee's construction foreman will be in attendance. All stipulations contained in this permit will be reviewed and understood by all in attendance.

9. The permittee will have an authorized representative on the permit area at all times during operations.

10. a. The road surface shall consist of select material topping, gravel or paved surfacing to provide an all-weather surface of sufficient strength to accommodate the proposed loads. The permittee shall submit a design for the road structure showing type, thickness and width of surface including design calculations where necessary.

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11. The required road construction will be completed in accordance with specifications contained herein and accepted by the Authorized Officer. Any removal of any commercial products over said road prior to completion will be subject to approval of the Authorized Officer.

12. Any deviation from the original approved road standards, design, and location must be subject to the written approval of the Authorized Officer.

13. The right-of-way will have widths of 40 feet, 20 feet, and 10 feet on either side of the center line. Permittee shall survey and clearly mark by staking the exterior limits of the right-of-way. The marking will be with materials in keeping with the aesthetic qualities of the area as approved by the Authorized Officer. Removal of the markings will be at the discretion of the Authorized Officer. All activities directly or indirectly associated with the construction or maintenance of this must be conducted within limits of the right-of-way.
14. The road shall be open for public access to lands under the jurisdiction of the Bureau of Land Management so long as, in the judgement of the Authorized Officer, such use does not interfere with the use of the road by the permittee. The permittee shall design and construct signs that are rustic in appearance, except for warning signs and other marking for safety purposes, and they shall conform to the sign standards of the Bureau.

15. In the event of third party use, the permittee will submit to the Authorized Officer for approval a written maintenance agreement, including, but not limited to, reasonable maintenance fees, maintenance work, or materials furnished in lieu thereof and the designation of the party that is responsible for maintaining the road.

16. The permittee will provide a road maintenance plan to the Authorized Officer upon completion of road construction operations. The road will be maintained pursuant to said plan and in a manner satisfactory to the Authorized Officer.

17. All vehicles operating upon the right-of-way granted herein, shall be maintained in a good and safe operating condition and shall be operated in compliance with all state motor vehicle regulations.

18. Whenever the permittee exercises any rights granted by this permit, the United States requires the permittee to maintain comprehensive liability insurance covering all operations, including vehicles, of the permittee under this permit in the following minimum amounts:

   a. Bodily Injury - $300,000 for injury to any one persons;
      - $1,000,000 for any one occurrence; and

   b. Property Damage - $100,000 for any one occurrence

The permittee shall deliver to the United States a certificate from the insurer stating that such insurance is in force and that the insurer will give the United States ten days' notice prior to any cancellation or modification of such insurance.

19. Safety, warning, or traffic signs, fences, cattle guards, or other protective measures where appropriate shall be installed to minimize hazards to the general public and livestock.

20. Upon the expiration or other termination of the permittee's rights, the land involved in this permit will be restored by the permittee as nearly possible to its original condition. Prior to release of the performance bond, such restoration must receive approval in writing by the Authorized Officer. Such restoration may be waived by the Authorized Officer upon his determination that the road is necessary for public access or for use by the United States. In the absence of an agreement
to the contrary, the permittee will be allowed two years in which to
remove or otherwise dispose of all his property or improvements on the
right-of-way, other than the road and usable improvements to the road.
If not removed within this period, all such property and improvements
shall become the property of the United States.

21. The permittee will be held responsible for compliance with state
and federal laws pertaining to protection of cultural and paleontological
values. Prior to entry upon the land to conduct surface disturbance
activities, a complete inventory of all cultural and paleontological
values of the area to be impacted may be required by the Authorized
Officer. The survey will be completed by a qualified professional approved
by the Authorized Officer. An acceptable report of the results and
information of the survey will be provided to the Authorized Officer.
If any cultural values are observed during operations, they will be left
intact and the Authorized Officer surface management agency notified.
The permittee will be required to take such measures as deemed neces-
sary to preserve or avoid destruction of antiquities. This may include
an intensive survey and salvage of artifacts, relocation of proposed
facilities or other protective measures deemed necessary by the Authorized
Officer to facilitate protection. All costs of the survey and salvage
of artifacts will be borne by the permittee and all objects of antiquity
salvaged will remain under the jurisdiction of the U. S. Government.

22. The permittee will comply with all applicable state and federal
laws and regulations pertaining to water quality. Present water quality
shall be maintained at present levels or to standards which meet or
exceed the greater of state and federal requirements. The permittee
shall not permit toxic chemicals, metals, pesticide, untreated human and
animal waste, thermal pollution or permit excessive sedimentation and
floating debris to enter the cause degradation of water quality. Pollution,
channeling or any erosion or degradation of lands, water quality, streams,
lakes, or domestic livestock water will not be allowed.

23. All surface damages which would result in accelerated soil move-
ment and potential air and water degradation shall be corrected. Those
areas not required for the continued operation of the permit shall be
reclaimed upon termination of the construction activities or the surface
use of any part of a site. The permittee shall employ such practices as
deemed necessary by the Authorized Officer to prevent the loss of soil
and the sedimentation of drainages.

24. The permittee will comply with all applicable county, state, and
federal laws and regulations concerning the use of poisonous substances,
including insecticides, herbicides, fungicides, rodenticides and other
similar substances. Prior to the use of such substances the permittee
will obtain from the Authorized Officer, approval of a written plan for
such use. The plan shall state the type and quantity of material to be
used, the animal or plant to be controlled, the method of application
and such other information as may be required. All use of such substances shall be in accordance with the approved plan. If the use of a chemical is prohibited by the Secretary of the Interior, it shall be used only in accordance with the limitation.

25. Disturbance of drainage ways and high erosion hazard areas shall be kept to a minimum. Drainages shall not be blocked nor shall the permittee cause, through his operations, the siltation or accumulation of debris in the drainage channels. All damages to drainages resulting from the operations of the permittee shall be corrected to the satisfaction of the Authorized Officer.

26. Activities employing wheeled or tracked vehicles will be conducted to minimize surface damages.

27. The permittee will comply with all applicable state and federal laws and regulations pertaining to air quality. The air quality will be maintained at an acceptable level that does not degrade the aesthetics, cause environmental deterioration or create health and safety hazards. The permittee will be required to employ such practices or follow such procedures as determined necessary to maintain air quality standards and control all potential air pollutants resulting from the operation of the permit.

28. The permittee shall provide the necessary dust control measures to suppress air pollutants resulting from construction or operation on the right-of-way and other actions or functions that could cause degradation of air quality.

29. Burning is permissible only by prior written consent of the Authorized Officer, and in compliance with state and federal air quality standards and laws. All vegetative and other material cut, uprooted or otherwise accumulated will be disposed of as specified by the Authorized Officer.

30. Proper precautions will be taken at all times to prevent and suppress fires. The permittee will be held responsible for suppression and rehabilitation costs for any fires on the national resource lands caused by the negligence of his operators, employees, contractors, or sub-contractors.

31. All garbage and foreign debris will be removed to an authorized dump site at least weekly or as otherwise specified. All access routes and areas of use will be kept clean of all garbage and foreign debris. Sanitary facilities for all solid and liquid waste disposal will meet all state, federal, and local codes and requirements. All areas of use will be kept clean and free of debris. The right-of-way area shall be maintained in a neat appearing condition at all times, consistent with the operation.
32. All survey monuments, witness corners, reference monuments and bearing trees must be protected against destruction, obliteration or damage. Any damaged or obliterated markers must be re-established at the permittee's expense, in accordance with accepted BLM survey practices as set forth in the Manual of Surveying Instructions. A complete record of the monumentation and the methods used in re-establishment will be furnished to the Chief, Branch of Cadastral Survey at the appropriate State Director's Office, BLM.

33. All existing improvements, including but not limited to, fences, gates, cattle guards, roads, trails, pipelines, bridges, water developments, campgrounds or other improvements placed on the national resource lands shall not be disturbed unless authorized by the Authorized Officer. Where disturbance or use is made of such facilities, they shall be left in their original or better condition. Damaged or destroyed improvements shall be replaced, restored or appropriately compensated for at the discretion of the Authorized Officer.

34. Permanent and semi-permanent surface structures shall be painted a color acceptable to the Authorized Officer and that blends or conforms to the natural background color of the surrounding area.

35. The Authorized Officer shall approve or may prescribe such construction and rehabilitation methods and practices as determined to achieve desired reclamation results. Reclamation is critically site specific; therefore, such prescription as issued by the Authorized Officer may include determination of the final topography, drainage system, revegetation methods, seed mixtures, soil treatments and amendments, water control devices, segregation of spoil materials, surface manipulations, waste disposal and other practices deemed necessary to successfully rehabilitate disturbed areas.

36. When directed by the Authorized Officer, the topsoil shall be stripped from areas where soil disturbance is necessary and stockpiled in such a manner and place that will allow easy restoration to the disturbed area. The topsoil will be returned to these areas, including road cuts and fills that are not required for the continued basic operation of the permit.

37. Except for solid rock faces, those areas disturbed by operations conducted by the permittee shall be graded to a natural contour and revegetated when their use is no longer required by the permittee. Final grading of backfill areas, waste piles, and other unconsolidated materials shall be so performed so as to present a surface susceptible to revegetation and to a desired land form. All areas shall be seeded. Seeding shall be repeated for a period of five consecutive years or until a satisfactory stand of vegetation is obtained that is acceptable to the Authorized Officer.
38. All support facilities, structures, equipment and similar developments will be removed from the right-of-way within two years after the final termination of use of such facilities, unless a longer period of time is specifically approved by the Authorized Officer. Areas occupied by such facilities will be rehabilitated to a productive land use or to a state approximating former conditions as specified by the Authorized Officer.

39. The permittee shall ensure that full compliance with the stipulations is made by all persons acting in his behalf, including operators, and by all employees, agents, contractors, sub-contractors, and employees of contractors or sub-contractors. Copies of the stipulations attached to the permit will be available at operating sites and will be made known to all on-the-ground construction and operating personnel.

40. The applicant shall completely fence the right-of-way. The fence shall be built according to the following specifications recommended by the Utah State Division of Wildlife Resources:

   a. 47 inch mesh field fence placed 2 inches above the ground.

   b. Two strands of barbed wire spaced 5½ inches apart above the mesh fence.

   c. All washes or low spots under the fence should be adequately altered to restrict antelope movement.

41. The applicant is required to install a vault type of toilets at the loading area. In the interim, while the vault facilities are being constructed, chemical toilets will be used.

42. Both construction personnel and permanent personnel will, at all times, refrain from any harassment of wildlife and domestic livestock.

Chief, Lands Section
Utah State Office
Bureau of Land Management

Enclosures
Survey Map
Form 1140-2
United States Department of the Interior

BUREAU OF LAND MANAGEMENT
UTAH STATE OFFICE
University Club Building
136 East South Temple
Salt Lake City, Utah 84111

DECISION

OCT 18 1976

Right-of-Way Granted

Details of Grant

Serial number of grant: Utah 33855
Name of Grantee: Soldier Creek Coal Company
Post Office Box I
Price, Utah 84501
Map showing the location and dimensions of grant
Map designations: Proposed Haulage Road
Soldier Creek Coal Company
Date filed: October 13, 1976
Permitted use by grantees: Tramroad Right-of-Way
Date of grant: OCT 18, 1976
Expiration date of grant: OCT 17, 2001
Rental
Amount: $125.00 Rental Deposit
When payable by grantees: Rental amount not yet determined

Terms and conditions of the grant are set forth on the following pages.
Terms and Conditions of Right-of-Way Grant

Serial Number Utah 33855

Pursuant to the authority vested in the undersigned by Order No. 701 of the Director, Bureau of Land Management, dated July 23, 1964, (29 F.R. 10526), and amended and redelegated, a right-of-way, bearing the above referenced serial number, is hereby granted, subject to the following terms and conditions:

1. Applicable regulations in 43 CFR, Subpart 2801, 2802, 2811; 43 CFR Part 17, and all valid rights existing on the date of the grant.

2. Proof of Construction. To be submitted upon completion of construction or not later than 5 years from approval of right-of-way.

3. Any other or subsequent use by grantee or others of lands or facilities granted under this right-of-way must be authorized by this office.

4. Equal Opportunity Clause. This grant is subject to provisions of Executive Order No. 11246 of September 24, 1965, and the attached "Equal Opportunity Clause" is made a part of the grant.

5. The Authorized Officer shall mean the District Manager, Bureau of Land Management or his designated representative.

6. This permit is a non-exclusive license to construct and use roads located upon lands of the United States. This permit is subject to all valid prior existing rights within the right-of-way, including but not limited to, the rights acquired under the Mineral Leasing Act of 1920. The Bureau of Land Management may issue other permits for the use of the roads constructed and used pursuant to this permit subject to such reasonable rules and conditions as the Authorized Officer may determine to be appropriate. Prorata road maintenance expense will be paid by all subsequent permittees. Any further supplemental agreements pertaining to road use rules or changes between the permittee that constructed or improved the road and subsequent permittees must have the written approval of the Authorized Officer.

7. The permittee will notify the Authorized Officer at least ten days in advance of his intent to commence any field operations associated with this right-of-way.
8. A preconstruction conference between the Authorized Officer and the permittee will take place on the permit area at least ten days prior to commencing construction. The permittee's construction foreman will be in attendance. All stipulations contained in this permit will be reviewed and understood by all in attendance.

9. The permittee will have an authorized representative on the permit area at all times during operations.

10. a. The road surface shall consist of select material topping, gravel or paved surfacing to provide an all-weather surface of sufficient strength to accommodate the proposed loads. The permittee shall submit a design for the road structure showing type, thickness and width of surface including design calculations where necessary.

   b. The roadway shall include side drainage ditches to accommodate runoff from the road surface and adjacent areas. Culverts or other approved cross drainage structures shall be provided at intervals which accommodate accumulated flows from side ditches and/or drainage channels. Culvert inlets and outlets shall be protected by rip-rap or a structure where flow velocities exceed non-erosive velocities of the soil. The permittee shall submit a design for roadway drainage showing geometries of drainage ditches, cross drainage facilities (culvert size where appropriate) and end protection measures where applicable.

   c. The road shall be constructed and maintained in such a condition so as to control and minimize channeling and other erosion problems. The permittee shall state specifically within the proposed design all construction methods, standards, and specifications, including support facilities such as bridges, culverts, and cattle guards, etc., to be employed in the construction or use of any road or trail. Drainage crossings shall be made only at locations approved or designated by the Authorized Officer. The Authorized Officer may set such standards that are deemed necessary to minimize disruption of the surface resources and/or maintain the reclamation potential. All proposed designs shall be submitted to and approved by the Authorized Officer prior to construction.

11. The required road construction will be completed in accordance with specifications contained herein and accepted by the Authorized Officer. Any removal of any commercial products over said road prior to completion will be subject to approval of the Authorized Officer.

12. Any deviation from the original approved road standards, design, and location must be subject to the written approval of the Authorized Officer.

13. The right-of-way will have widths of 40 feet, 20 feet, and 10 feet on either side of the center line. Permittee shall survey and clearly mark by staking the exterior limits of the right-of-way. The marking will be with materials in keeping with the aesthetic qualities of the area as approved by the Authorized Officer. Removal of the markings will be at the discretion of the Authorized Officer. All activities directly or indirectly associated with the construction or maintenance of this must be conducted within limits of the right-of-way.
14. The road shall be open for public access to lands under the jurisdiction of the Bureau of Land Management so long as, in the judgment of the Authorized Officer, such use does not interfere with the use of the road by the permittee. The permittee shall design and construct signs that are rustic in appearance, except for warning signs and other marking for safety purposes, and they shall conform to the sign standards of the Bureau.

15. In the event of third party use, the permittee will submit to the Authorized Officer for approval a written maintenance agreement, including, but not limited to, reasonable maintenance fees, maintenance work, or materials furnished in lieu thereof and the designation of the party that is responsible for maintaining the road.

16. The permittee will provide a road maintenance plan to the Authorized Officer upon completion of road construction operations. The road will be maintained pursuant to said plan and in a manner satisfactory to the Authorized Officer.

17. All vehicles operating upon the right-of-way granted herein, shall be maintained in a good and safe operating condition and shall be operated in compliance with all state motor vehicle regulations.

18. Whenever the permittee exercises any rights granted by this permit, the United States requires the permittee to maintain comprehensive liability insurance covering all operations, including vehicles, of the permittee under this permit in the following minimum amounts:

   a. Bodily Injury - $300,000 for injury to any one persons;
      - $1,000,000 for any one occurrence; and

   b. Property Damage - $100,000 for any one occurrence

The permittee shall deliver to the United States a certificate from the insurer stating that such insurance is in force and that the insurer will give the United States ten days' notice prior to any cancellation or modification of such insurance.

19. Safety, warning, or traffic speed signs, fences, cattle guards, or other protective measures where appropriate shall be installed to minimize hazards to the general public and livestock.

20. Upon the expiration or other termination of the permittee's rights, the land involved in this permit will be restored by the permittee as nearly possible to its original condition. Prior to release of the performance bond, such restoration must receive approval in writing by the Authorized Officer. Such restoration may be waived by the Authorized Officer upon his determination that the road is necessary for public access or for use by the United States. In the absence of an agreement
to the contrary, the permittee will be allowed two years in which to remove or otherwise dispose of all his property or improvements on the right-of-way, other than the road and usable improvements to the road. If not removed within this period, all such property and improvements shall become the property of the United States.

21. The permittee will be held responsible for compliance with state and federal laws pertaining to protection of cultural and paleontological values. Prior to entry upon the land to conduct surface disturbance activities, a complete inventory of all cultural and paleontological values of the area to be impacted may be required by the Authorized Officer. The survey will be completed by a qualified professional approved by the Authorized Officer. An acceptable report of the results and information of the survey will be provided to the Authorized Officer. If any cultural values are observed during operations, they will be left intact and the Authorized Officer surface management agency notified. The permittee will be required to take such measures as deemed necessary to preserve or avoid destruction of antiquities. This may include an intensive survey and salvage of artifacts, relocation of proposed facilities or other protective measures deemed necessary by the Authorized Officer to facilitate protection. All costs of the survey and salvage of artifacts will be borne by the permittee and all objects of antiquity salvaged will remain under the jurisdiction of the U.S. Government.

22. The permittee will comply with all applicable state and federal laws and regulations pertaining to water quality. Present water quality shall be maintained at present levels or to standards which meet or exceed the greater of state and federal requirements. The permittee shall not permit toxic chemicals, metals, pesticide, untreated human and animal waste, thermal pollution or permit excessive sedimentation and floating debris to enter the cause degradation of water quality. Pollution, channeling or any erosion or degradation of lands, water quality, streams, lakes, or domestic livestock water will not be allowed.

23. All surface damages which would result in accelerated soil movement and potential air and water degradation shall be corrected. Those areas not required for the continued operation of the permit shall be reclaimed upon termination of the construction activities or the surface use of any part of a site. The permittee shall employ such practices as deemed necessary by the Authorized Officer to prevent the loss of soil and the sedimentation of drainages.

24. The permittee will comply with all applicable county, state, and federal laws and regulations concerning the use of poisonous substances, including insecticides, herbicides, fungicides, rodenticides and other similar substances. Prior to the use of such substances the permittee will obtain from the Authorized Officer, approval of a written plan for such use. The plan shall state the type and quantity of material to be used, the animal or plant to be controlled, the method of application
and such other information as may be required. All use of such substances shall be in accordance with the approved plan. If the use of a chemical is prohibited by the Secretary of the Interior, it shall be used only in accordance with the limitation.

25. Disturbance of drainage ways and high erosion hazard areas shall be kept to a minimum. Drainages shall not be blocked nor shall the permittee cause, through his operations, the siltation or accumulation of debris in the drainage channels. All damages to drainages resulting from the operations of the permittee shall be corrected to the satisfaction of the Authorized Officer.

26. Activities employing wheeled or tracked vehicles will be conducted to minimize surface damages.

27. The permittee will comply with all applicable state and federal laws and regulations pertaining to air quality. The air quality will be maintained at an acceptable level that does not degrade the aesthetics, cause environmental deterioration or create health and safety hazards. The permittee will be required to employ such practices or follow such procedures as determined necessary to maintain air quality standards and control all potential air pollutants resulting from the operation of the permit.

28. The permittee shall provide the necessary dust control measures to suppress air pollutants resulting from construction or operation on the right-of-way and other actions or functions that could cause degradation of air quality.

29. Burning is permissible only by prior written consent of the Authorized Officer, and in compliance with state and federal air quality standards and laws. All vegetative and other material cut, uprooted or otherwise accumulated will be disposed of as specified by the Authorized Officer.

30. Proper precautions will be taken at all times to prevent and suppress fires. The permittee will be held responsible for suppression and rehabilitation costs for any fires on the national resource lands caused by the negligence of his operators, employees, contractors, or sub-contractors.

31. All garbage and foreign debris will be removed to an authorized dump site at least weekly or as otherwise specified. All access routes and areas of use will be kept clean of all garbage and foreign debris. Sanitary facilities for all solid and liquid waste disposal will meet all state, federal, and local codes and requirements. All areas of use will be kept clean and free of debris. The right-of-way area shall be maintained in a neat appearing condition at all times, consistent with the operation.
32. All survey monuments, witness corners, reference monuments and bearing trees must be protected against destruction, obliteration or damage. Any damaged or obliterated markers must be re-established at the permittee's expense, in accordance with accepted BLM survey practices as set forth in the Manual of Surveying Instructions. A complete record of the monumentation and the methods used in re-establishment will be furnished to the Chief, Branch of Cadastral Survey at the appropriate State Director's Office, BLM.

33. All existing improvements, including but not limited to, fences, gates, cattle guards, roads, trails, pipelines, bridges, water developments, campgrounds or other improvements placed on the national resource lands shall not be disturbed unless authorized by the Authorized Officer. Where disturbance or use is made of such facilities, they shall be left in their original or better condition. Damaged or destroyed improvements shall be replaced, restored or appropriately compensated for at the discretion of the Authorized Officer.

34. Permanent and semi-permanent surface structures shall be painted a color acceptable to the Authorized Officer and that blends or conforms to the natural background color of the surrounding area.

35. The Authorized Officer shall approve or may prescribe such construction and rehabilitation methods and practices as determined to achieve desired reclamation results. Reclamation is critically site specific; therefore, such prescription as issued by the Authorized Officer may include determination of the final topography, drainage system, revegetation methods, seed mixtures, soil treatments and amendments, water control devices, segregation of spoil materials, surface manipulations, waste disposal and other practices deemed necessary to successfully rehabilitate disturbed areas.

36. When directed by the Authorized Officer, the topsoil shall be stripped from areas where soil disturbance is necessary and stockpiled in such a manner and place that will allow easy restoration to the disturbed area. The topsoil will be returned to these areas, including road cuts and fills that are not required for the continued basic operation of the permit.

37. Except for solid rock faces, those areas disturbed by operations conducted by the permittee shall be graded to a natural contour and revegetated when their use is no longer required by the permittee. Final grading of backfill areas, waste piles, and other unconsolidated materials shall be so performed so as to present a surface susceptible to revegetation and to a desired land form. All areas shall be seeded. Seeding shall be repeated for a period of five consecutive years or until a satisfactory stand of vegetation is obtained that is acceptable to the Authorized Officer.
38. All support facilities structures, equipment and similar developments will be removed from the right-of-way within two years after the final termination of use of such facilities, unless a longer period of time is specifically approved by the Authorized Officer. Areas occupied by such facilities will be rehabilitated to a productive land use or to a state approximating former conditions as specified by the Authorized Officer.

39. The permittee shall ensure that full compliance with the stipulations is made by all persons acting in his behalf, including operators, and by all employees, agents, contractors, sub-contractors, and employees of contractors or sub-contractors. Copies of the stipulations attached to the permit will be available at operating sites and will be made known to all on-the-ground construction and operating personnel.

40. The applicant shall completely fence the right-of-way. The fence shall be built according to the following specifications recommended by the Utah State Division of Wildlife Resources:

   a. 47 inch mesh field fence placed 2 inches above the ground.
   b. Two strands of barbed wire spaced 5½ inches apart above the mesh fence.
   c. All washes or low spots under the fence should be adequately altered to restrict antelope movement.

41. The applicant is required to install a vault type of toilets at the loading area. In the interim, while the vault facilities are being constructed, chemical toilets will be used.

42. Both construction personnel and permanent personnel will, at all times, refrain from any harassment of wildlife and domestic livestock.

[Signature]
Chief, Lands Section
Utah State Office
Bureau of Land Management

Enclosures
Survey Map
Form 1140-2
During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this Equal Opportunity clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's noncompliance with the Equal Opportunity clause of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.
On October 18, 1976, right-of-way grant U-33855 was issued to Soldier Creek Coal Company for a tramroad over national resource lands in Carbon County, Utah, pursuant to the Act of January 21, 1895 (28 Stat. 635; 43 U.S.C. 956).

Our letter dated October 15, 1976, requiring advance rental stated that by advance determination the rental deposit was to be $125.00 prior to a formal appraisal.

Departmental regulation 43 CFR 2802.1-7 requires:

\[ \text{...the charge for use and occupancy of lands under the regulations of this part will be the fair market value of the permit, right-of-way, or easement, as determined by appraisal by the authorized officer.} \]

The formal appraisal report determining the current fair market value of the land has been received in this office. The right-of-way grant is hereby amended to indicate that the rental for the subject right-of-way is $400.00 for a 5-year period.

Since you have made payment of $125.00, you are allowed thirty days from receipt of this decision to submit the balance of the above rental term payment.

Except for the above change, all terms and conditions of the subject right-of-way remain in full force and effect.
Right of appeal to the Board of Land Appeals, Office of the Secretary, is allowed in accordance with the regulations in 43 CFR Part 4, Subpart E. If an appeal is taken, it must be filed with the Utah State Office, Bureau of Land Management, University Club Building, 136 East South Temple, Salt Lake City, Utah 84111, so that the case file can be transmitted to the Board. To avoid summary dismissal of the appeal, there must be strict compliance with the regulations.

Enclosure
Form 1842-1

Carol Sheba
Chief, Lands Section
INFORMATION ON TAKING APPEALS TO THE BOARD OF LAND APPEALS

DO NOT APPEAL UNLESS
1. This decision is adverse to you, AND
2. You believe it is incorrect

IF YOU APPEAL, THE FOLLOWING PROCEDURES MUST BE FOLLOWED

1. NOTICE OF APPEAL
   Within 30 days file a Notice of Appeal in the office which issued this decision (see Sec. 4.411). You may state your reasons for appealing, if you desire.

2. WHERE TO FILE
   NOTICE OF APPEAL

3. STATEMENT OF REASONS
   Within 30 days after filing the Notice of Appeal, file a complete statement of the reasons why you are appealing. This must be filed with the U.S. Department of the Interior, Office of the Secretary, Board of Land Appeals, 4015 Wilson Blvd., Arlington, Virginia 22203 (see Sec. 4.412). If you fully stated your reasons for appealing when filing the Notice of Appeal, no additional statement is necessary.

4. ADVERSE PARTIES
   Within 15 days after each document is filed, each adverse party named in the decision must be served with a copy of (a) the Notice of Appeal, (b) the statement of reasons, and (c) any other documents filed (see Sec. 4.413).

5. PROOF OF SERVICE
   Within 15 days after any document is served on an adverse party, file proof of that service with the U.S. Department of the Interior, Office of the Secretary, Board of Land Appeals, 4015 Wilson Blvd., Arlington, Virginia 22203. This may consist of a certified or registered mail "Return Receipt Card" signed by the adverse party (see Sec. 4.401(c)2).

In all these procedures are followed your appeal will be subject to dismissal (see Sec. 4.402). Be certain that all communications are identified by serial number of the case being appealed.

NOTE: A document is not filed until it is actually received in the proper office (see Sec. 4.401(a)).
Soldier Creek Coal Company
P.O. Box I
Price, Utah 84501

Gentlemen:

By decision dated October 17, 1976 (amended May 20, 1977), you were granted right-of-way U-33855 for a tramroad.

The terms and conditions of that decision require that you file proof-of-construction within five years from the date of the grant.

Accordingly, we are sending this reminder and requesting that you please file the required proof of construction within 30 days using the enclosed format.

Sincerely yours,

[Signature]

Acting Area Manager

Enclosure:
Proof of Construction
J.T. Paluso states that he is the chief engineer or was employed to supervise or check the construction of the Tramroad for the Soldier Creek Coal Company; that said Tramroad has been constructed under his supervision; that construction was commenced on the 1st day of May, 1976, and completed on the 1st day of July, 1976; that the constructed right-of-way as aforesaid conforms to the map which received the approval of the Department of the Interior on the ___ day of __________, 19__. 

(Signature of engineer)

I, M.D. Ross, certify that I am the Vice President-Gen. Mgr. of the Soldier Creek Coal Company; that the Tramroad was actually constructed as set forth in the above statement of J.T. Paluso, chief engineer, and on the exact location represented on the map approved by the Department of the Interior on the ___ day of __________, 19__; and that the company has in all things complied with the requirements of the Act of granting rights-of-way for Tramroad (type of right-of-way) through public lands of the United States.

(SEAL)

(Vice President - General Manager)

State of Utah

Soldier Creek Coal Company

USO 2800-7 (March 1976)
J.T. Paluso states that he is the chief engineer or was employed to supervise or check the construction of the Tramroad for the Soldier Creek Coal Company; that said Tramroad has been constructed under his supervision; that construction was commenced on the 1st day of May, 1976, and completed on the 1st day of July, 1976; that the constructed right-of-way as aforesaid conforms to the map which received the approval of the Department of the Interior on the ___ day of __________, 19___.

(Signature of engineer)

I, M.D. Ross certify that I am the Vice President-Gen. Mgr. of the Soldier Creek Coal Company; that the Tramroad was actually constructed as set forth in the above statement of J.T. Paluso, chief engineer, and on the exact location represented on the map approved by the Department of the Interior on the ___ day of __________, 19__; and that the company has in all things complied with the requirements of the Act of granting rights-of-way for Tramroad through public lands of the United States.

(Signature of applicant)

Vice President - General Manager
Soldier Creek Coal Company

USO 2800-7 (March 1976)
Know all men by these presents, That

Soldier Creek Coal Company

of

Price, Utah

as principal, and

Seaboard Surety Company

organized and existing under the laws of the State of New York

Los Angeles, California

are held and firmly bound unto the United States of America in the sum of TEN THOUSAND AND NO/100 dollars ($10,000)

lawful money of the United States for the payment of which, well and truly to be made, we bind ourselves, each of us, our heirs, executors, administrators, successors, or assigns, jointly and severally, firmly by these presents.

Whereas, said principal made application for the issuance of a permit for the use of the tramroad(s) described therein, bearing the above right-of-way application number; and

WHEREAS, said principal upon the issuance of such permit, is required to comply with the regulations including the proper maintenance and repair of the road(s) during the period of use and the payment of a road use fee to be determined by the authorized officer of the Bureau of Land Management.

NOW, THEREFORE, if the said principal or his heirs, executors, administrators, successors, or assigns, shall fully comply with the terms of the permit and the applicable regulations, then, and in that event, the above obligation shall be null and void; otherwise it shall remain in full force and effect.

In witness whereof, we hereunto set our hands and seals this 21st day of June 1976.

Soldier Creek Coal Company

By: ________________________________

(Signature of Principal)

Seaboard Surety Company

By: ________________________________

(Signature of Surety)

Marilynn Wheeler, Atty-In-Fact

By: ________________________________

Addresses of Witnesses

Two witnesses, with the post office address of each, are required to each signature. The seal of each corporation signing the bond must be attached. A copy of the Power of Attorney of the Authorized Agent of a surety company must accompany the bond.

Form 2800-4 (March 1975)
June 17, 1983

Mr. David Spilman
Soldier Creek Coal Company
P. O. Box I
Price, Utah 84501

RE: Tramroad Permitee Bond - $10,000
U.S. Department Of Interior
Bond No. 779039

Dear Mr. Spilman,

As per my phone conversation with Joyce Brandt yesterday, enclosed is a xerox copy of the above captioned bond, along with a xerox copy of the cover of the regulations pertaining to: Rights-Of-Way for Tramroads and Logging Roads. If you would like a complete copy of the regulations let me know and I will forward same to you.

Sincerely yours,

Beverly Catuto
bc
Enclosure

cc: Joyce Brandt
June 20, 1983

Mr. Mark Mackiewicz  
Bureau of Land Management  
P.O. Drawer AB  
Price, Utah  84501

Re: Right-of-Way U-33855  
Tramroad Permittee Bond  
Bond No. 779039

Dear Mr. Mackiewicz:

In accordance to the tramroad right-of-way regulations, Soldier Creek Coal Company obtained a $10,000 bond for right-of-way U-33855. As per our telephone conversation on June 16, 1983, it appears that this bonding may no longer be applicable to our situation. Therefore, Soldier Creek Coal Company is requesting to be released from this obligation.

Your prompt reply to this request would be greatly appreciated.

Should you have any questions, please call.

Sincerely,

Dave Spillman  
Assistant Chief Engineer

DGS/jb
United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab District

Price River Resource Area

P. O. Drawer AB

Price, Utah  84501

June 23, 1983

Mr. Tom Paluso

Soldier Creek Coal Company

P. O. Box I

Price, Utah  84501

Dear Mr. Paluso:

The Proof of Construction form for Right-of-Way U-33855 (Banning Road) was received on June 16, 1983, and is accepted.

Thank you for your cooperation in this matter.

Sincerely yours,

[Signature]

Area Manager
Mr. Dave Spillman  
Soldier Creek Coal Company  
P. O. Box I  
Price, Utah 84501

Dear Mr. Spillman:

We have no objection to the bond being released for Right-of-Way U-33855 (Banning Road). If you have any additional questions, please feel free to call.

Sincerely yours,

[Signature]

Area Manager
MEMORANDUM

TO: David Spillman

JOYCE BRANDT

DATE: 10/4/83

SUBJECT: RELEASE OF BOND

Our broker Fred S. James advises the carrier for the Tramroad Permitee Bond sends a notice of release and needs an address for the Dept. of Interior that would appropriately record the release. Can you supply this info or a copy of the written advice, if any, that the bond is no longer required.

JB
NOTICE OF PAYMENT DUE
RETURN THIS NOTICE WITH REMITTANCE TO:
BUREAU OF LAND MANAGEMENT

MAKE REMITTANCE PAYABLE TO:

This is a courtesy billing notice for a rental payment due. The amount shown should be verified with the terms of the lease or other contract involved. If the amounts do not agree, the amount required by the lease or contract should be paid. If the correct amount is not paid, the rental or lease is terminated automatically by law.

DO NOT WRITE IN THIS BLOCK

IF THE ABOVE ADDRESS IS INCORRECT, PLEASE ENTER CORRECTION ON FRONT OF THIS NOTICE
October 7, 1983

Ms. Joyce Brandt  
California Portland Cement Company  
800 Wilshire Boulevard  
Los Angeles, California 90017

Dear Joyce:

As per your request, I have enclosed a copy of the letter releasing the tramroad bond.

Please contact me if you should require additional information.

Sincerely,

Dave Spillman  
Minning Engineer

Enclosure  
DGS/jb

2. Nature of Interest:
   a. By this instrument, the holder:

      Canyon Fuel Company, LLC
      6955 Union Park Center, Suite 540
      Midvale, Utah 84047

      receives a right to operate, maintain and terminate a tramroad accessing the
      Banning coal loadout on public lands described as follows:

      Salt Lake Meridian, Utah
      T. 15 S., R. 12 E.,
      sec. 15, SW¼NW¼, W¼SW¼;
      sec. 22, NW¼NW¼.

   b. The right-of-way granted herein is 5,280 feet in length and 80 feet in width,
      encompassing a total area of approximately 9.70 acres, more or less.

   c. This instrument shall terminate five (5) years from its effective date unless, prior
      thereto, it is relinquished, abandoned, terminated, or modified pursuant to the terms
      and conditions of this instrument or of any applicable Federal law or regulation.

   d. This instrument may be renewed. If renewed, the right-of-way or permit shall be
      subject to the regulations existing at the time of renewal and any other terms and
      conditions that the authorized officer deems necessary to protect the public interest.

   e. Notwithstanding the expiration of this instrument or any renewal thereof, early
      relinquishment, abandonment, or termination, the provisions of this instrument, to
      the extent applicable, shall continue in effect and shall be binding on the holder, its
      successors, or assigns, until they have fully satisfied the obligations and/or liabilities
      accruing herein before or on account of the expiration or prior termination of the
      grant.
3. Rental:

For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management fair market value rental as determined by the authorized officer, unless specifically exempted from such payment by regulation. Provided, however, the rental may be adjusted by the authorized officer, whenever necessary, to reflect changes in the fair market rental value as determined by the application of sound business management principles, and so far as practicable and feasible, in accordance with comparable commercial practices.

4. Terms and Conditions:

a. This grant or permit is issued subject to the holder's compliance with all applicable regulations contained in Title 43 Code of Federal Regulations, part 2880.

b. Upon grant termination by the authorized officer, all improvements shall be removed from the public lands within 90 days, or otherwise disposed of as provided in paragraph (4)(d), or as directed by the authorized officer.

c. Each grant issued for a term of 20 years or more shall, at a minimum, be reviewed by the authorized officer at the end of the 20th year and at regular intervals thereafter not to exceed 10 years. Provided, however, a right-of-way or permit granted herein may be reviewed at any time deemed necessary by the authorized officer.

d. The stipulations, plans, maps, or designs set forth in the original right-of-way grant are incorporated into and made a part of this grant instrument as fully and effectively as if they were set forth herein in their entirety.

e. Failure of the holder to comply with applicable law or any provision of this right-of-way grant or permit shall constitute grounds for suspension or termination thereof.

f. The holder shall perform all operations in a good and workmanlike manner so as to ensure protection of the environment and the health and safety of the public.
g. Ninety (90) days prior to termination of the right-of-way, the holder shall contact the authorized officer to arrange a joint inspection of the right-of-way area. This inspection will be held to agree to an acceptable termination (and rehabilitation) plan. This plan shall include, but is not limited to, removal of facilities, drainage structures or surface material, recontouring, topsoiling, or seeding. The authorized officer must approve the plan in writing prior to the holder’s commencement of any termination activities.

IN WITNESS WHEREOF, The undersigned agrees to the terms and conditions of this right-of-way grant or permit.

James E. Florczak  
Vice-President  
October 23, 2001

Field Manager

October 23, 2001

INCORPORATED
MAY 17 2007
Div. of Oil, Gas & Mining
Add the attached information to the back of:

Appendix 1-5
PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement"), dated effective as of May 7, 2003 ("Effective Date") is made between Canyon Fuel Company, L.L.C., a Delaware limited liability company, whose address is 6955 South Union Park Center, Suite 540, Midvale, Utah 84047 ("Seller") and East Carbonics Inc., a Utah corporation, whose address is 97 North Main, P.O. Box 87, Manti, Utah 84642 ("Buyer").

Recitals

A. Seller operates a coal loadout facility, known as the Banning Loadout Surface Facility, located in Carbon County, Utah, adjacent to Highway 191, composed of a coal stacker and loader, storage area, sediment pond, railroad spur, electric substation, and access and service roads ("Loadout Facility").

B. The Loadout Facility is located on the following lands: (i) fee lands ("Fee Lands") owned by Seller; (ii) State of Utah lands ("State Lands") managed by the State School Institutional Trust Lands Administration and subject to Special Use Lease Agreement No. 435 ("State Lease") held by Seller; and (iii) Federal lands ("BLM Lands") managed by the Bureau of Land Management and subject to Federal Right of Way U-33855 for a tramroad and Federal Right of Way U-49763 for the Loadout Facility (collectively "BLM ROWs") held by Seller. Seller is required by law and its mine permit to reclaim the Loadout Facility, and in conjunction with the reclamation activities, Seller may terminate the State Lease and the BLM ROWs.

C. Buyer desires to purchase from Seller and Seller agrees to sell to Buyer the Fee Lands subject to the terms and conditions of this Agreement.

Agreement

In consideration of this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. Sale and Purchase of Real Property.

   1.1 Real Property. Seller shall sell to Buyer and Buyer shall purchase from Seller the Fee Lands more particularly described on the attached Exhibit A hereto, together with all buildings and improvements constructed or located on the Fee Lands and owned by Seller (collectively, "Real Property") subject to the Condition Precedent set forth in Section 1.2 and the reservations set forth in Section 2.

   1.2 Condition Precedent. Buyer’s obligation to purchase the Real Property is conditioned upon ("Condition Precedent") receipt of written approval by the Utah Division of Oil, Gas and Mining amending Seller’s mine permit to retain the electric power substation located on the Fee Lands ("Substation") as an approved post-mining industrial land use ("Substation Use Approval"). Buyer hereby concurs with, and shall provide, as needed, additional written approval of, retention of the Substation on the Fee Lands as a post-mining industrial land use. Seller shall give Buyer written notice upon
receipt of the Substation Use Approval. In the event the Substation Use Approval is not obtained, or Buyer does not waive this Condition Precedent, within 180 days from the Effective Date, this Agreement shall automatically terminate and Seller shall return $9,000 of the Initial Payment to Buyer. Buyer acknowledges that Seller's retention of $9,000 of the Initial Payment represents fair and reasonable consideration for Seller's efforts to secure the Substation Use Approval.

2. Reservation.

2.1 Water Right. Seller reserves from the sale of the Real Property water right 91-4226, Claim No. A54809 ("Water Right"). Provided that Closing occurs, Seller grants to Buyer an option for a period of two (2) years from and after the Effective Date ("Option") to purchase the Water Right for the sum of ten dollars ($10.00) exercisable upon written notice to Seller by Buyer. Upon receipt of Buyer's election to purchase the Water Right, Seller shall convey and assign the Water Right to Buyer by quitclaim deed without warranty of title whatsoever, express or implied. The Option shall expire automatically, without further notice from or action by Seller or Buyer, at either (i) 180 days after the Effective Date if Closing does not occur or the parties do not extend this Agreement, or (ii) if Closing occurs, two (2) years from the Effective Date. Seller shall have no obligation to maintain or use the Water Right prior to exercise of the Option.

2.2 Reclamation Tract. Seller reserves from the sale of the Real Property a tract of land more particularly described on Exhibit B hereto ("Reclamation Tract") for purposes of conducting reclamation activities as required by Seller's mine permit and applicable law. Provided Closing occurs and upon completion of all required reclamation activities on or affecting the Reclamation Tract and full release of Seller's obligations under its mine permit and related bonds and sureties, Seller shall transfer the Reclamation Tract to Buyer by quitclaim deed without warranty of title whatsoever, implied or express, and subject to all conditions and restrictions required by applicable law. Seller's covenant to convey the Reclamation Tract to Buyer shall survive the Closing of the transaction contemplated in this Agreement for a period of 20 years from the Effective Date.

3. Purchase Price and Manner of Payment. The total purchase price ("Purchase Price") to be paid for the Real Property shall be ONE HUNDRED TWENTY THOUSAND DOLLARS ($120,000.00). Buyer shall pay the Purchase Price as follows:

3.1 Initial Payment. An initial payment, in the amount of EIGHTEEN THOUSAND DOLLARS ($18,000.00), shall be paid by Buyer to Seller as of the Effective Date ("Initial Payment"), which Initial Payment shall be nonrefundable once paid to Seller except as otherwise provided herein and shall represent consideration to Seller to undertake activities to secure the Substation Use Approval.

3.2 Purchase Price Balance. The balance of the Purchase Price, in the amount of ONE HUNDRED AND TWO THOUSAND DOLLARS ($102,000.00), as adjusted pursuant to Section 6, shall be paid by Buyer to Seller, payable in cash or by cashier's check, certified check or wire transfer, as selected by Seller, on the Closing Date.
4. **Covenants and Representations.** The parties covenant and represent as follows:

4.1 **Approval of Agreement by Two Corporate Boards of Directors.** This Agreement shall not be binding upon Buyer or Seller until it has been ratified and confirmed by the Boards of Directors or equivalent governing bodies of both Buyer and Seller.

4.2 **Survey.** Neither Seller nor Buyer has obtained a survey of the Fee Lands. Buyer hereby acknowledges that it is purchasing the Fee Lands subject to all of the discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts that would be disclosed by a survey of the Fee Lands.

4.3 **Access and Inspection.** Buyer and its agents, from the Effective Date to the Closing Date, shall have the right to access and inspect the Real Property at such times as are reasonable and convenient for Seller. Buyer acknowledges that it is entering into the transactions contemplated by this Agreement based on its own inspection, investigation and evaluation of the Real Property and Buyer hereby releases Seller from, and waives all claims against Seller for, liabilities arising out of or relating to the condition of the Real Property. Seller makes no, and expressly disclaims, representation or warranty, express or implied, concerning the condition of the Real Property and Buyer shall take the Real Property “AS IS WHERE IS.”

4.4 **Disclaimer of Warranty.** Seller makes no representations, warranties, and Buyer shall have no right or recourse, of any kind whatsoever, express, implied or otherwise, regarding the Real Property including, without limitation, any representation, warranty or right or recourse with respect to: (i) zoning of the Real Property by the appropriate governmental agency for the intended use of Buyer; (ii) compliance with applicable environmental laws related to the Real Property (including without limitation, the existence or absence or effect of any hazardous substances or any environmental, health and safety liability or conditions or the compliance or noncompliance with any environmental law or any occupational safety and health law); (iii) the condition of the Real Property; (iv) rights of way across, easements upon, or access to the Real Property; (v) suitability of the Real Property for building or fitness for a particular purpose; (vi) merchantability, habitability, freedom from defects, quality, or value, or (vii) title to the Real Property. Seller hereby negates and disclaims, and Buyer hereby waives, any such representations, warranties, rights or recourse. Seller shall have no obligation to provide a title policy, or other title evidence, to Buyer.

4.5 **Reclamation Activities.** Seller, at its sole discretion and at Seller’s cost and expense, shall use its commercially reasonable efforts to conduct reclamation activities on or affecting the Reclamation Tract as required by Seller’s mine permit, bonds or sureties and applicable law (“Reclamation Activities”), including, without limitation, securing the Substation Use Approval. Buyer shall cooperate with Seller and shall take, or cause to be taken, such actions are reasonably necessary to facilitate, but shall not interfere with, Seller’s reclamation activities. Buyer shall not conduct any activity on or affecting the Reclamation Tract without the prior written consent of Seller.
which consent may be unreasonably withheld and which consent may be conditioned upon and subject to the requirements of Seller's reclamation activities.

4.6 Other Properties Not Subject to this Agreement. This Agreement does not include rights to, and Buyer acknowledges that it will not acquire any interest in, the State Lands, the State Lease, the BLM Lands or the BLM ROWs. Seller shall retain all rights and title to the State Lease and the BLM ROWs and may, at its sole discretion, terminate, abandon, amend, modify or forfeit the State Lease or the BLM ROWs. Nothing in this Agreement shall, nor shall it be interpreted to, require Seller to grant or assign to Buyer an interest in or right to the State Lease or the BLM ROWs or to replace or amend the State Lease or the BLM ROWs.

4.7 Buyer's Right of Way. Seller consents to, and shall cooperate with Buyer to acquire, an access right of way across the BLM Lands.

4.8 Operations Prior to Closing. During the period from the date of this Agreement to the Closing Date ("Executory Period"), Seller shall operate and maintain the Real Property in the ordinary course of business in accordance with prudent and reasonable business standards. Seller shall not execute any contracts, leases or other agreements affecting the Real Property during the Executory Period which are not terminable on or before the Closing Date, without the prior written consent of Buyer, which consent shall not be unreasonably withheld. Nothing in this Section shall restrict Seller's activities to secure the Substation Use Approval.

4.9 Title. No later than thirty (30) days prior to Closing, Buyer shall notify Seller in writing of any exceptions to title which were created by, through or under Seller disclosed by a preliminary title report or title insurance commitment prepared for Buyer ("Title Exceptions"). Seller shall have the right, in its sole discretion (but not the obligation) prior to the Closing to cure or remove the Title Exceptions. If Seller is unable or fails (or elects in its sole discretion not) to cure or remove the Title Exceptions, Buyer shall have the following exclusive remedies: (i) the right to terminate this Agreement and receive back from Seller $9,000 of the Initial Payment, or (ii) the right to waive the Title Defects. Buyer acknowledges that Seller's retention of $9,000 of the Initial Payment represents fair and reasonable consideration for Seller's efforts to secure the Substation Use Approval. Buyer shall be deemed to have elected to waive the Title Exceptions unless it provides Seller written notice of its election to terminate this Agreement within five (5) days from the Closing Date. If Buyer waives or is deemed to have waived Title Exceptions, this Agreement will remain in full force and effect and the Initial Payment shall be retained by Seller. Failure of Buyer to notify Seller of any Title Exceptions prior to 30-days before Closing shall be deemed a waiver of all such Title Exceptions and acceptance of the Real Property as suitable for purchase.

5. Closing. The closing of the purchase and sale contemplated by this Agreement ("Closing") shall occur no later than 90 days from satisfaction (evidenced by Seller's notice to Buyer) or waiver by Buyer of the Condition Precedent ("Closing Date"), provided, however, that this Agreement shall automatically terminate 180 days from the Effective Date unless otherwise agreed by the parties in writing. Except for termination resulting under Section 1.2 or Section
4.9, or terminate resulting directly from Seller's breach, as determined by a court of competent jurisdiction, upon automatic termination under this Section 5, Seller shall retain the Initial Payment. In the absence of an agreement between Seller and Buyer to close elsewhere, the Closing shall occur at the offices of Seller, 6955 South Union Park Center, Suite 540, Midvale, Utah. Seller agrees to deliver possession of the Real Property to Buyer on the Closing Date.

5.1 Seller's Closing Documents. On the Closing Date, Seller shall execute and deliver to Buyer the following (collectively, "Seller's Closing Documents"), all in form and content as provided herein:

a. Quitclaim Deed. A Quitclaim Deed for the purpose of conveying the Real Property in the form of the attached Exhibit C; and

b. Other Documents. All other documents reasonably determined by Seller and Buyer to be necessary to transfer the Real Property to Buyer.

5.2 Buyer's Closing Obligations. On the Closing Date, Buyer shall:

a. Buyer's Closing Documents. Execute and deliver to Seller such other documents as Seller shall reasonably request (collectively, the "Buyer's Closing Documents" and together with the Seller's Closing Documents, the "Closing Documents"); and

b. Purchase Price. Deliver to Seller funds representing the balance of the Purchase Price, as adjusted pursuant to Section 6, by cash, cashier's check, certified check or wire transfer, as selected by Seller.

6. Responsibility for Costs. Seller and Buyer agree to the following allocation of costs regarding this Agreement:

6.1 Real Estate Taxes and Special Assessments. Real estate taxes and installments of special assessments payable in the year in which closing occurs shall be prorated as of the Closing Date on a calendar year basis.

6.2 Attorney's Fees. Each party shall pay its own attorney's and broker's fees, except that a party defaulting under this Agreement or any of the Closing Documents shall pay the reasonable attorney's fees and court costs incurred by the non-defaulting party to enforce its rights hereunder.

6.3 Broker's Fees. Seller represents that it has not engaged the services of any broker in connection with this transaction, and Seller shall not be responsible for the payment of any broker's commissions or finder's fees in connection with this transaction.

6.4 Recording Costs. Buyer shall pay all recording costs in connection with the transactions contemplated by this Agreement.

6.5 Title Insurance. Buyer shall pay for all title insurance.
7. Notices. All notices, payments and other communications to the parties under this Agreement must be in writing and shall be addressed respectively as follows:

**SELLER**
Canyon Fuel Company, L.L.C.
6955 South Union Park Center, Suite 540,
Midvale, Utah 84047

and

Ark Land Company
Suite 300 CityPlace One
St. Louis, Missouri 63141
Attention: Steven E. McCurdy

**BUYER**
East Carbonics Inc.
P.O.Box 87
Manti, Utah 84642

8. Miscellaneous.

8.1 Special Taxing Districts. Special taxing districts may be subject to general obligation indebtedness that is paid by revenues produced from annual tax levies on the taxable property within such districts. Property owners in such districts may be placed at risk for increased mill levies and excessive tax burdens to support the servicing of such debt where circumstances arise resulting in the inability of such a district to discharge such indebtedness without such an increase in mill levies. Buyer should investigate the debt financing requirements of the authorized general obligation indebtedness of such districts, existing mill levies of such district servicing such indebtedness, and the potential for an increase in such mill levies.

8.2 Binding Effect. This Agreement shall be binding upon the parties hereto and their respective heirs, successors and assigns.

8.3 Choice of Law. This Agreement shall be governed by the law of the State of Utah, without giving effect to choice of law principles.

8.4 Further Assurances. Each party agrees to take any action reasonably necessary to effect the transactions contemplated by this Agreement.

8.5 Counterparts and Facsimile Transmissions. This Agreement may be executed by one or more counterpart signatures. Signatures submitted by facsimile shall be effective to bind the parties to this Agreement.

8.6 Entire Agreement. This Agreement and the exhibits to this Agreement constitute the entire agreement between the parties and supersedes any understandings or agreements between the parties not specifically included in this Agreement.

8.7 Rule Against Perpetuities. The parties do not intend that there shall be any violation of the Rule Against Perpetuities, the Rule Against Unreasonable Restraint on the Alienation of Property, or any similar rule. Accordingly, if any right or option to acquire any interest in any real properties exists in this Agreement, such right or option...
must be exercised, if at all, so as to vest such interest within time periods permitted by applicable rules. If, however, any such violation should inadvertently occur, the parties hereby agree that a court or arbitrator shall reform that provision in such a way as to approximate most closely the intent of the parties within the limits permissible under such rules.

Seller and Buyer have executed this Agreement as of the Effective Date.

SELLER:
CANYON FUEL COMPANY, L.L.C.

By: \[Signature\]  
Name: Richard D. Pick  
Title: President

BUYER:
EAST CARBONICS INC.

By: \[Signature\]  
Name: Troy Shelley  
Title: President

LIST OF EXHIBITS:
Exhibit A – Fee Lands
Exhibit B – Reclamation Tract
Exhibit C – Quitclaim Deed
Exhibit A

to

Purchase and Sale Agreement

FEE LANDS

Township 15 South, Range 12 East
Carbon County, Utah

Section 16: SE/4SE/4;
Section 21: E/2NE/4.
Exhibit B

to

Purchase and Sale Agreement

RECLAMATION TRACT

The following described parcel of land is located in the SE/4SE/4 Section 16, T15S, R12E, SLB&M, more specifically described as follows:

Beginning at a point S00°37'09"W 1321.3', more or less, along the Section line From the East Quarter Corner of Section 16, T15S, R12E, SLB&M, said corner being a rock corner with a rebar placed along side, which appears to be consistent with GLO notes; thence N89°22'46"W 346.0' along the 40 acre line; thence S00°37'09"W 326.0', more or less, to an existing Northeast and Southwest trending fence line; Thence N58°50'57"E 232.0' along the existing fence line; thence S67°46'39"E 160.0', more or less, to a point on the east section line of Section 16, said last call being approximately 7.4' south of an existing ditch line; thence N00°37'09"E 262.8', more or less, along the section line to the point of beginning, containing 1.99 acres, more or less.

Basis of Bearing is S00°37'09"W between the Northeast Section Corner and East Quarter Corner of Section 16, T15S, R12E, SLB&M.
MAIL TAX NOTICE TO:
East Carbonics Inc.
97 North Main
P.O. Box 87
Manti, Utah 84642

QUITCLAIM DEED

THIS QUITCLAIM DEED, dated effective as of ________, 2003 ("Effective Date"), is by and between Canyon Fuel Company, LLC, a Delaware Limited Liability Company, as successor in interest to Coastal States Energy Company, with its principal office at 6955 South Union Park Center, Suite 540, Midvale, Utah 84047 ("Grantor") and East Carbonics Inc., a Utah corporation, with its office at 97 North Main, P.O. Box 87, Manti, Utah 84642 ("Grantee").

For and in consideration of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Grantor QUITCLAIMS to Grantee the tract of land more particularly described on Exhibit A attached hereto and made a part hereof, located in Carbon County, State of Utah ("Property"), EXCLUDING from the Property a parcel more particularly described on Exhibit A, and SUBJECT TO all burdens, easements, restrictions, rights of way and all other matters appearing of record or enforceable in law and equity and to the terms and conditions of this instrument.

THIS QUITCLAIM DEED IS MADE WITHOUT REPRESENTATION, WARRANTY OR RIGHT OR RECOURSE OF ANY KIND WHATSOEVER, EXPRESS, IMPLIED OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION, WARRANTY OR RIGHT OR RECOURSE WITH RESPECT TO TITLE, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, FREEDOM FROM DEFECTS, QUALITY, VALUE, RESERVES AND ENVIRONMENTAL CONDITION (INCLUDING WITHOUT LIMITATION THE EXISTENCE OR ABSENCE OR EFFECT OF ANY HAZARDOUS SUBSTANCES OR ANY ENVIRONMENTAL, HEALTH AND SAFETY LIABILITIES OR CONDITIONS, OR THE COMPLIANCE OR NONCOMPLIANCE WITH ANY ENVIRONMENTAL LAW OR ANY OCCUPATIONAL SAFETY AND HEALTH LAW), AND GRANTOR NEGATES AND DISCLAIMS, AND GRANTEE WAIVES, ANY SUCH REPRESENTATIONS, WARRANTIES, RIGHTS OR RECOURSE.

Grantee acknowledges that the Property has historically been used for coal mining operations and Grantee is purchasing and accepts the Property "AS IS AND WHERE IS" as of
the Effective Date and based on Grantee's own inspection, investigation and evaluation. Grantee releases Grantor from, and waives all claims against Grantor for, liabilities arising out of or relating to the condition of the Property.

In witness whereof, the Grantor and Grantee have executed and delivered this Quitclaim Deed to be effective for all purposes as of the Effective Date.

CANYON FUEL COMPANY, LLC

By
Its

EAST CARBONICS INC.

By
Its

STATE OF ________
COUNTY OF ________

On the __ day of ________, 2003, personally appeared before me ________________, who being by me duly sworn, did say each for himself, that the said ________________ is the ________________ of Canyon Fuel Company, LLC, a Delaware limited liability company, as successors in interest to Coastal States Energy Company, a Texas corporation, and that the foregoing instrument was signed in behalf of said limited liability company and ________________ duly acknowledged to me that said limited liability company executed the same.

Notary Public
Residing at:

STATE OF ________
COUNTY OF ________

On the __ day of ________, 2003, personally appeared before me ________________, who being by me duly sworn, did say each for himself, that the said ________________ is the ________________ of East Carbonics Inc., a Utah corporation, and that the foregoing instrument was signed in behalf of said corporation and ________________ duly acknowledged to me that said corporation executed the same.

Notary Public
Residing at:
Exhibit A
to
QuitClaim Deed

Property

Township 15 South, Range 12 East, Carbon County, Utah

Section 16: SE/4SE/4;
Section 21: E/2NE/4.

EXCLUDING from the Property and RESERVING to Grantor a parcel of land located in the SE/4SE/4 Section 16, T15S, R12E, SLB&M, more specifically described as follows:

Beginning at a point S00°37'09"W 1321.3', more or less, along the Section line From the East Quarter Corner of Section 16, T15S, R12E, SLB&M, said corner being a rock corner with a rebar placed along side, which appears to be consistent with GLO notes; thence N89°22'46"W 346.0' along the 40 acre line; thence S00°37'09"W 326.0', more or less, to an existing Northeast and Southwest trending fence line; Thence N58°50'57"E 232.0' along the existing fence line; thence S67°46'39"E 160.0', more or less, to a point on the east section line of Section 16, said last call being approximately 7.4' south of an existing ditch line; thence N00°37'09"E 262.8', more or less, along the section line to the point of beginning, containing 1.99 acres, more or less.

Basis of Bearing is S00°37'09"W between the Northeast Section Corner and East Quarter Corner of Section 16, T15S, R12E, SLB&M.