Chapter 1

R645-301-100 General Contents
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## CHAPTER 1 GENERAL CONTENTS

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[INCORPORATED]

DEC 16 2010

Div. of Oil, Gas & Mining
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<td>Sub-Surface Ownership</td>
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10/06/10
R645-301-100 GENERAL CONTENTS
R645-301-112 Identification of Interests

112.100 Statement of corporation
   Gentry Mountain Mining LLC is a limited liability company, registered in the state of Utah. Gentry Mountain Mining LLC is the payer of the abandoned mine reclamation fee. Federal Identification Number: 82-3919015.

112.200-230 Names, addresses, and telephone numbers of the applicant, and the applicant’s resident agent who will accept service of process.

   Applicant:  Gentry Mountain Mining LLC
              53 W Angelo Ave
              Salt Lake City, UT 84115
              (435) 687-5454 (This is the number to the mine dispatch who can locate and transfer calls to any corporate officers during all hours of operation)

Correspondence should be sent to the Applicant.

   Resident Agent:  Paul Cannon
                   3212 South State Street
                   Salt Lake City, UT 84115
                   801-746-2477

Person paying the abandoned mine land reclamation fee.

   Hyrum Patrick Peterson
   53 W Angelo Ave
   Salt Lake City, UT 84115
   (435) 687-5454

112.300 For each person who owns or controls the applicant:

112.310 Name and address of each officer, partner, principal, principal shareholder, and director or other person performing a function similar to a director

See Appendix H Ownership and Control pages H-3 through H-17.
112.320 The persons ownership and control relationship to the applicant including percentage ownership and location in the organization structure

See Appendix H Ownership and Control.

112.330 The title of the person's position, date position was assumed, and when submitted under R645-300-147.

See Appendix H Ownership and Control.

112.340 All names under which the applicant operates or previously operated a coal mine and reclamation operation in the United States within the 5 years preceding the date of application.

The Applicant does not operate any other mines and has not operated any other mines in the last 5 years

112.350 Not Applicable

112.400 Pending, current, and previous coal mining and reclamation operation permit applications.

C/015/0036 Utah Division of Oil Gas and Mining
C/015/0025 Utah Division of Oil Gas and Mining

112.410 Federal or State permit numbers and MSHA numbers, the date of issuance, and the regulatory authority.

See Table 1-2 on the following page.

112.420 Not Applicable
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<tr>
<th>Agency and Address</th>
<th>Permit/License</th>
<th>Reference</th>
<th>ID #</th>
<th>Approval Date</th>
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<td>Reclamation Permits</td>
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<td>11/02/89</td>
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<tr>
<td>1594 West Temple</td>
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<td></td>
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<td>11/04/85</td>
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<td>Utah Pollutant Discharge Elimination System, Utah General Permit for Coal Mining</td>
<td>Utah Water Pollution Control Act</td>
<td>UTH040006</td>
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<td>Utah Air Conservation Regulation</td>
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<td>Mine Safety and Health Act</td>
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112.500 & 112.600 Surface ownership, subsurface ownership and description of permit area.

Plate 1-1 shows the Permit Area, Plate 1-2 shows Surface Ownership, Plate 1-3 shows Sub-Surface Ownership. The initials COP on the plates stand for C.O.P. Coal Development Company. Table 1-3 lists the owners of the surface and mineral property rights within the permit area.

Table 1-3 Property Ownership

<table>
<thead>
<tr>
<th>Surface</th>
<th>Coal</th>
<th>Minerals</th>
<th>Grazing</th>
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<td>B</td>
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<tr>
<td>C</td>
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<tr>
<td>D</td>
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<tr>
<td>E</td>
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1. C.O.P. Coal Development Co.
   3212 South State Street
   Salt Lake City, Utah 84115

2. U.S. Forest Service
   599 W. Price River Drive
   Price, Utah 84501

3. Bureau of Land Management
   125 South 600 West
   Price, Utah 84501

See Plate 1-2 for location of areas A, B, C, D, and E.
Plate 1-1 shows the Permit Area, Plate 1-2 shows Surface Ownership, Plate 1-3 shows Sub-Surface Ownership. The initials COP on the plates stand for C.O.P. Coal Development Company. Table 1-3 lists the owners of the surface and mineral property rights within the permit area.

Federal lease U-024316, U-024318, U-020668, U-38727, U-46484, U-61048, and U-61049 and a Fee Ground are held by C.O.P. Coal Development Co.

Federal leases SL-025431, SL-069985, U-51923 and Fee Ground are held by ANR Inc.

The total disturbed acreage within the permit area is approximately 40.64 acres.
A total of 10,991.83 acres are included in the permit area. This includes 6,615.43 acres of federal coal and 4,376.40 acres of private coal owned by C. O. P. Development. Following is a description of the Permit Area.

A. T16S, R7E SLBM

- Sec. 14 S1/2
- Sec. 23 E1/2, E1/2 W1/2
- Sec. 24 W1/2, W1/2 E1/2
- Sec. 25 NW1/4 NW1/4, E1/2 NW1/4, SW1/4 SW1/4, E1/2 SW1/4
- Sec. 26 NE1/4 NE1/4, NW1/4 NE1/4, N1/2 SW1/4 NE1/4 and the access/haul road and topsoil storage area as shown on Plate 2-1.

B. T16S, R7E SLBM

- Sec. 1 Lots 1 and 2, S1/2 NE1/4, SE1/4
- Sec. 10 N1/2, N1/2 S1/2, SE1/4 SW1/4, S1/2 SE1/4
- Sec. 11 All
- Sec. 12 All
- Sec. 13 All
- Sec. 14 NE1/4, E1/2 NW1/4
- Sec. 24 E1/2, E1/2,
- Sec. 25 E1/2

C. T16S, R7E SLBM

- Sec. 25 SW1/4 NW1/4, NW1/4 SW1/4
- Sec. 6 Lots 11-14, E1/2 SW1/4, W1/2 SE1/4, SE1/4 SE1/4

D. T16S, R8E SLBM

- Sec. 31 NE1/4 NW1/4, NW1/4 NE1/4

E. T6S, R8E SLBM

- Sec. 19 Lot 1, NE1/4 NW1/4, N1/2 NE1/4
- Sec. 20 N1/2 NW1/4, NE1/4, NE1/4, NE1/4
- Sec. 21 W1/2 NW1/4, N1/2 SW1/2, SE1/4 SW1/4, S1/2 SE1/4

Note: Letter (A, B, C, D & F) corresponds with ownership shown in Table 1-3.

06/2014
112.700 Mine associated structures MSHA numbers

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<td>Bear Canyon #3</td>
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<tr>
<td>Bear Canyon #4</td>
<td>Mine MSHA # 42-02335</td>
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112.800 Interest in Lands, options, or bids for lands contiguous to the permit area.

There are no current interests, options or pending bids for lands contiguous to the permit area.

112.900 Not Applicable

R645-301-113 Violation Information

113.100 A statement as to whether the applicant has:

113.110 Had a federal or state coal mining permit revoked

Gentry Mountain Mining LLC has had no federal or state mining andreclamations permits revoked.

113.120 Forfeited a performance bond or security deposit

Gentry Mountain has never forfeited a performance bond.

113.200-240 Not Applicable

113.300-350 For any violation include the date of issuance and identity of the issuing regulatory authority. A brief description of the violation alleged in the notice. The date and location of any judicial proceeding initiated concerning the violation. The current status of the proceedings and of the violation notice. The actions taken by any person identified to abate the violation.

Violation information for Castle Valley Gentry Mountain Mining Company is given in Appendix 1-A

B.C. 1-7 09/22/20
R645-301-114 Right of Entry Information

114.100-300 A description of the documents upon which the legal right to enter and begin coal mining and reclamation is based.

The applicant's right to enter the lands and to conduct operations in the permit area is based on the documents listed below. (See Appendix I-I)

1. Order from the United States Bankruptcy Court for the Southern District of Ohio (Case No 20-12043) Entered 09/04/20 17:20:40

2. Permit Transfer and Operating Agreement (9/9/20)

3. C.O.P Right of Entry (9/25/20)
R645-301-115  Status of Unsuitability Claims

115.100  Information as to whether the permit area is within an area designated as unsuitable for coal mining and reclamation operations.

No portion of the area to be permitted is within an area designated as unsuitable for mining under the provision of 30 CFR 764 and 765. To the best of the applicant's knowledge, no portion of the area to be permitted is under study of designation as unsuitable for mining in an administrative proceeding under 30 CFR 764 and 765.

In preparing this application, Co-Op has conducted the most comprehensive study known to date of the suitability of the permit area. That study makes up the chapters that follow in this report.

State and Federal regulations allow an area to be unsuitable for the mining of coal if:

1. Reclamation is not economically or technologically feasible.

Reclamation at the Bear Canyon Mine is economically and technologically feasible. Reclamation plans are detailed in R645-301-240.

2. Coal mining is incompatible with state and local land use.

Coal mining is compatible with present and future land use of the permit area. R645-301-411 describes land use in detail.
3. Mining would affect fragile or historical lands and significantly damage historical, cultural, scientific, or aesthetic values of natural systems.

The permit area is neither historically significant nor fragile. There is only one archaeological site in the permit area, which will not be affected by mining and reclamation activities. (see R645-301-411.143.) Damage to natural systems will be minimal and will be mitigated (R645-301-535), and R645-301-731). The area contains no endangered animal or plant species (R645-301-322).

4. Mining would effect renewable-resource lands and result in substantial losses of food, fiber, or water supply.

The permit area contains no prime farmland (R645-301-221) and limited merchantable timber (R645-301-411.120). The mine will have only minor impact, some of it beneficial, on water resources (R645-301-731.100).

5. Mining would affect natural-hazard lands and thereby endanger life and property.

The permit lands are not natural-hazard lands.

In addition, the permit area includes no cemeteries, no national trails, no wild and scenic rivers, no wilderness study areas, and no significant harvestable forest cover.
115.200 Claim of exemption as described in R645-301-333

No exemption claimed

115.300 Information regarding owners of nearby buildings

Waiver letters from the occupants of dwellings located within 300 feet of the coal mining operations are found in Appendix 1-F. The dwelling nearest to the underground mine workings is the hunting cabin. Pictures were taken in 2004 for the pre-blast survey and are stored at the mine site.

R645-301-116 Permit Term

116.100 Starting and termination dates and the anticipated number of acres to be affected during each phase of mining over the life of the mine.

The mine started construction in 1981 and was in production by late fall of 1981.

Termination dates anticipated for each phase of mining are nebulous at this time although a detailed estimate of production and reserves are included in the Geology Section and a projection of 13 years appears realistic (from 200520). The final termination date for the mining operation is expected to be 204833.

The actual surface acreage disturbed by the mine operation is identified in Table 1-4, R645-301-222.300, and R645-301-240. Plate 1-1 shows the permit area and Plates 5-2 show the surface facilities and disturbed area.
R645-301-117 Insurance, Proof of Publication and Facilities or Structures Used in Common

117.100 Proof of liability insurance.

A copy of ————Gentry Mountain Mining LLC certificate of insurance is provided (Appendix 1-C)

117.200 Proof of publication in newspapers for permit, significant revision, and permit renewal.

As required with the filing of this application with Division of Oil, Gas, and Mining, the applicant has filed an advertisement with the Emery County Progress and Salt Lake Tribune, local newspapers with circulation in Emery & Carbon countries sufficient to cover the locality of the applicant's operations. This advertisement follows the format required under 30 CFR 786.11 9aO and R645-300-121. Proof of publication can be found with a copy of the publication in Appendix 1-D.

117.300 Facilities Shared With Other Operations
Not Applicable
R645-301-120  Permit Application Format and Contents

R645-301-130  Reporting of Technical Data

All technical data submitted is accompanied by the names of persons or organizations that collected and analyzed the data along with the dates it was collected and analyzed and the methods used.

131.000  No Response Necessary
132.000  No Response Necessary

R645-301-140  Maps and Plans

All maps of the permit area are at a scale of 1:6,000 or larger. All maps of adjacent area are at a scale of 1:24,000 or larger and clearly show the lands and waters. All maps include the types of information set forth U.S.G.S. 1:24,000 scale series. All maps distinguish which phase of operation it is showing, and which areas mining and reclamation has occurred.

R645-301-150  Completeness

All information required under R645-301 will be included.
### Table 1-4 Surface Disturbance Summary

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>Total acres</th>
<th>Pre-1977 acres</th>
<th>New acres</th>
<th>Reclaimed Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ball Park Topsoil Pile</td>
<td>1.27</td>
<td>-0-</td>
<td>1.27</td>
<td></td>
</tr>
<tr>
<td>Lower Haul Road</td>
<td>1.6</td>
<td>1.6</td>
<td>-0-</td>
<td></td>
</tr>
<tr>
<td>Sed Pond B &amp; Scale Office Pad</td>
<td>2.6</td>
<td>1.23</td>
<td>1.37</td>
<td></td>
</tr>
<tr>
<td>Sed Pond A</td>
<td>0.75</td>
<td>-0-</td>
<td>0.75</td>
<td></td>
</tr>
<tr>
<td>Main Pad Area</td>
<td>12.32</td>
<td>8.89</td>
<td>3.43</td>
<td></td>
</tr>
<tr>
<td>Portal Access Road</td>
<td>3.25</td>
<td>0.02</td>
<td>3.23</td>
<td></td>
</tr>
<tr>
<td>Blind Canyon Seam Portal Area</td>
<td>0.63</td>
<td>0.51</td>
<td>0</td>
<td>1.18</td>
</tr>
<tr>
<td>Upper Storage Pad</td>
<td>0</td>
<td>-0-</td>
<td>0</td>
<td>0.87</td>
</tr>
<tr>
<td>Shower House Pad</td>
<td>2.19</td>
<td>-0-</td>
<td>2.19</td>
<td></td>
</tr>
<tr>
<td>Tank Seam Access Road</td>
<td>0</td>
<td>-0-</td>
<td>0</td>
<td>2.91</td>
</tr>
<tr>
<td>Tank Seam Portal Pad</td>
<td>0</td>
<td>-0-</td>
<td>0</td>
<td>0.66</td>
</tr>
<tr>
<td>No. 3 Mine Access Road</td>
<td>3.26</td>
<td>-0-</td>
<td>3.26</td>
<td></td>
</tr>
<tr>
<td>Conveyor belt Access/Topsoil Stockpile</td>
<td>1.56</td>
<td>-0-</td>
<td>0.06</td>
<td></td>
</tr>
<tr>
<td>Upper Conveyor belt Access Road No. 2</td>
<td>0.96</td>
<td>-0-</td>
<td>0.96</td>
<td></td>
</tr>
<tr>
<td>WHR Blind Canyon Seam Portal Area</td>
<td>1.58</td>
<td>-0-</td>
<td>1.58</td>
<td></td>
</tr>
<tr>
<td>1No. 4 Mine Access Road</td>
<td>0.89</td>
<td>-0-</td>
<td>0.89</td>
<td></td>
</tr>
<tr>
<td>2WHR Tank Seam Portal Pad Area</td>
<td>2.22</td>
<td>-0-</td>
<td>2.22</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>35.08</strong></td>
<td><strong>12.25</strong></td>
<td><strong>21.21</strong></td>
<td><strong>5.62</strong></td>
</tr>
</tbody>
</table>

116.200 No Response is needed

**INCORPORATED**

**OCT 30 2019**

Div. of Oil, Gas & Mining

B.C. 1-14 10/11/2019
Appendix 1A
Violation Information
Bear Canyon Permit # C/015/025

Below is a list of violations received for the above referenced permit number in the previous three years as of 2/14/06

N-04-46-1-1

The violation was issued 4/26/04 because ditches and culverts did not meet their design capacity. Rocks and sediment were removed from the ditches and culverts to restore them to their design capacity.

N-04-46-2-2

The violation was issued 6/29/04 because the mine refuse from the rock tunnels was being stored in sediment pond D causing it to not have the required storage capacity. The material was moved to the appropriate storage site to abate the violation.

N-05-46-1-1

The violation was issued 4/15/05 because the operator was two weeks late in submitting the fourth quarter water monitoring date for monitoring points SBC-9a, SBC-11, MH-1, and all of the NPDES outfall sites. The sites were all no flow. The amendment was abated by submitting the required information.

N-06-46-1-1

The violation was issued 2/1/06 because the operator failed to collect baseline waste monitoring data in August of 2005. The violation will be abated by collecting the baseline samples in August of 2006.
April 2, 2001

CERTIFIED RETURN RECEIPT
7099 3400 0016 8895 9840

Wendell Owen, Mine Manager
Co-Op Mining Company
P.O. Box 1245
Huntington, Utah 84528

Re: Proposed Assessment for State Violation No. NO1-43-1-1, C/015/025, Compliance File

Dear Mr. Owen:

The undersigned has been appointed by the Division of Oil, Gas & Mining as the Assessment Officer for assessing penalties under R645-401.

Enclosed is the proposed civil penalty assessment for the above referenced violation. The violation was issued by Division Inspector, James Smith, on March 7, 2001. Rule R645-401-600 et. seq. has been utilized to formulate the proposed penalty. By these rules, any written information which was submitted by your or your agent within fifteen (15) days of receipt of the Notice of Violation has been considered in determining the facts surrounding the violation and the amount of penalty.

Under R645-401-700, there are two informal appeal options available to you:

1. If you wish to informally appeal the fact of violation, you should file a written request for an Informal Conference within 30 days of receipt of this letter. This conference will be conducted by the Division Director. This Informal Conference is distinct from the Assessment Conference regarding the proposed penalty.

2. If you wish to review the proposed penalty assessment, you should file a written request for an Assessment Conference within 30 days of receipt of this letter. If you are also requesting a review of the fact of violation, as noted in paragraph 1, the Assessment Conference will be scheduled immediately following that review.
If a timely request for review is not made, the fact of violation will stand, the proposed penalty(ies) will become final, and the penalty(ies) will be due and payable within thirty (30) days of the proposed assessment. Please remit payment to the Division, mail c/o Vickie Southwick.

Sincerely,

Pamela Grubaugh-Littig
Assessment Officer

cc: OSM Compliance Report
Vickie Southwick, DOGM
O:\015025.BCN\Compliance\Assessment\N01-43-1-1 P-as seen.pd
COMPANY/MINE: Co-Op Mining Company/Bear Canyon Mine

PERMIT: C/015/025

NOV #: NO1-43-1-1

VIOLATION: 1 of 1

ASSESSMENT DATE: 03/29/2001

ASSESSMENT OFFICER: Pamela Grubaugh-Littig

I. HISTORY (Max. 25 pts.)

A. Are there previous violations, which are not pending or vacated, which fall one (1) year of today’s date?

PREVIOUS VIOLATIONS | EFFECTIVE DATE | POINTS
---|---|---

1 point for each past violation, up to one (1) year
5 points for each past violation in a CO, up to one (1) year
No pending notices shall be counted

TOTAL HISTORY POINTS: 0

II. SERIOUSNESS (Either A or B)

NOTE: For assignment of points in Parts II and III, the following apply:

1. Based on facts supplied by the inspector, the Assessment Officer will determine within each category the violation falls.

2. Beginning at the mid-point of the category, the Assessment Officer will adjust the points up or down, utilizing the inspector’s and operator’s statements as guiding documents.

Is this an EVENT (A) or HINDRANCE (B) violation? (A) Event

A. EVENT VIOLATION (Max 45 pts.)
1. What is the event which the violated standard was designed to prevent?

Prevent off-site impacts or activity outside the permit area.

2. What is the probability of the occurrence of the event which a violated standard was designed to prevent?

<table>
<thead>
<tr>
<th>PROBABILITY</th>
<th>RANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>0</td>
</tr>
<tr>
<td>Unlikely</td>
<td>1-9</td>
</tr>
<tr>
<td>Likely</td>
<td>10-19</td>
</tr>
<tr>
<td>Occurred</td>
<td>20</td>
</tr>
</tbody>
</table>

ASSIGN PROBABILITY OF OCCURRENCE POINTS 20

PROVIDE AN EXPLANATION OF POINTS:

Sediment was carried outside the permit area by runoff.

3. What is the extent of actual or potential damage? RANGE 0-25

In assigning points, consider the duration and extent of said damage or impact, in terms of area and impact on the public or environment.

ASSIGN DAMAGE POINTS 5

PROVIDE AN EXPLANATION OF POINTS:

There was no evidence that sediment reached Bear Creek.

B. HINDRANCE VIOLATION (Max 25 pts.)

1. Is this a POTENTIAL or ACTUAL hindrance to enforcement? RANGE 0-25

Assign points based on the extent to which enforcement is actually or potentially hindered by the violation.

ASSIGN HINDRANCE POINTS

PROVIDE AN EXPLANATION OF POINTS:

TOTAL SERIOUSNESS POINTS (A or B) 25

Page 2 of 4

INTEGRATED NOV 03 2005
Div. of Oil, Gas & Mining
III. NEGLIGENCE (Max 30 pts.)

A. Was this an inadvertent violation which was unavoidable by the exercise of reasonable care? IF SO--NO NEGLIGENCE: or was this a failure of a permittee to prevent the occurrence of a violation due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation due to the same? IF SO--GREATER DEGREE OF FAULT THAN NEGLIGENCE.

<table>
<thead>
<tr>
<th>Negligence Type</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Negligence</td>
<td>0</td>
</tr>
<tr>
<td>Negligence</td>
<td>1-15</td>
</tr>
<tr>
<td>Greater Degree of Fault</td>
<td>16-30</td>
</tr>
</tbody>
</table>

STATE DEGREE OF NEGLIGENCE

ASSIGN NEGLIGENCE POINTS 10

PROVIDE AN EXPLANATION OF POINTS:

The permittee had been notified in December 2000 to maintain these straw bales.

IV. GOOD FAITH (Max 20 pts.)

(Either A or B)
(Does not apply to violations requiring no abatement measures)

A. Did the operator have onsite, the resources necessary to achieve compliance of the violated standard within the permit area?
   IF SO--EASY ABATEMENT

Easy Abatement Situation
- Immediate Compliance -11 to -20* (Immediately following the issuance of the NOV)
- Rapid Compliance -1 to -10 (Permittee used diligence to abate the violation)
- Normal Compliance 0 (Operator complied within the abatement period required)

* Assign in upper or lower half of range depending on abatement occurring the 1st or 2nd half of abatement period.

B. Did the permittee not have the resources at hand to achieve compliance, or does
the situation require the submission of plans prior to physical activity to achieve compliance?

IF SO--DIFFICULT ABATEMENT

Difficult Abatement Situation
- Rapid Compliance -11 to -20*
  (Permittee used diligence to abate the violation)
- Normal Compliance -1 to -10*
  (Operator complied within the abatement period required)
- Extended Compliance 0
  (Permittee took minimal actions for abatement to stay within the limits of the NOV or the violated standard of the plan submitted for abatement was incomplete)
  (Permittee complied with conditions and/or terms of approved Mining and Reclamation Plan)

EASY OR DIFFICULT ABATEMENT? Easy

ASSIGN GOOD FAITH POINTS -10

PROVIDE AN EXPLANATION OF POINTS:

The permittee was given 30 days to abate this violation (i.e., until April 7, 2001). The violation was terminated, effective March 23, 2001.

V. ASSESSMENT SUMMARY

NOTICE OF VIOLATION N01-43-1-1
I. TOTAL HISTORY POINTS 0
II. TOTAL SERIOUSNESS POINTS 25
III. TOTAL NEGLIGENCE POINTS 10
IV. TOTAL GOOD FAITH POINTS -10
    TOTAL ASSESSED POINTS 25

TOTAL ASSESSED FINE $300

INCORPORATED
NOV 03 2005
Div. of Oil, Gas & Mining
To the following Permittee or Operator:

<table>
<thead>
<tr>
<th>Name</th>
<th>Mine</th>
<th>County</th>
<th>State</th>
<th>Telephone</th>
<th>Mailing Address</th>
<th>Ownership Category</th>
<th>Date of inspection</th>
<th>Time of inspection</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>P.O. Box 1245, Huntington, Utah 84528</td>
<td></td>
<td>22 Feb 2001</td>
<td>09 a.m.</td>
</tr>
</tbody>
</table>

Under authority of the Utah Coal Mining and Reclamation Act, Section 40-10-1 et seq., Utah Code Annotated, 1953, the undersigned authorized representative of the Division of Oil, Gas & Mining has conducted an inspection of above mine on above date and has found violation(s) of the act, regulations or required permit condition(s) listed in attachment(s). This notice constitutes a separate Notice of Violation for each violation listed.

You must abate each of these violations within the designated abatement time. You are responsible for doing all work in a safe and workmanlike manner.

The undersigned representative finds that cessation of mining is ☐ is not ☒ expressly or in practical effect required by this notice. For this purpose, "mining" means extracting coal from the earth or a waste pile, and transporting it within or from the mine site.

This notice shall remain in effect until it expires as provided on reverse side of this form, or is modified, terminated or vacated by written notice of an authorized representative of the director of the Division of Oil, Gas & Mining. Time for abatement may be extended by authorized representative for good cause, if a request is made within a reasonable time before the end of abatement period.

Date of service/mailing ___________ Time of service/mailing ___________

Permittee/Operator representative

Signature

Title

SEE REVERSE SIDE
NOTICE OF VIOLATION NO. N-2001-43-1-1

Violation No. 1 of 1

Nature of violation:
The permit boundary at the fill field is no longer trapping sediment because sediment has filled in since the fill outfall has been removed, and the fill is into an unpermitted area.

Provisions of act, regulations or permit violated:
- R675-301-742.110, -742.111

Portion of operation to which notice applies:
The soil pile at the fill field—the straw hole at the bottom of the outslope.

Remedial action required (including any interim steps):
Build sediment behind the straw bale and perform any other necessary maintenance so the bale functions to trap sediment before it can leave the permit area.

Abatement time (including interim steps):
Thirty days from receipt of NOV

INTEGRATED

NOV 6, 2005
Div. of Oil, Gas & Mining
VACATION/TERRMINATION OF 
NOTICE OF VIOLATION/CESSATION ORDER

To the following Permittee or Operator:

Name: Co-Up Mining Company (Bear Cyn Mine)
Mailing Address: P.O. Box 1644, Helper, Utah 84520
State Permit No.: C/015/025

Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., Utah Code Annotated (1953):

Cessation Order No. C _____________________________ dated ____________ 19__.

Part 1 of 1 is vacated terminated because A new silt fence was installed at the haul road top soil pile used to control sediment in runoff and to keep it within the disturbed area.

Part ___ of ___ is vacated terminated because ____________________________

Part ___ of ___ is vacated terminated because ____________________________

Date of service/mailing __________________________ Time of service/mailing ____________ a.m. __ p.m.

Permittee/Operator representative __________________________ Title __________________________

Signature __________________________

JAMES D. SMITH
Division of Oil, Gas & Mining

Reclamation Specialist __________________________ Title __________________________

Signature __________________________

INTEGRATED NOV 03 2005

Div. of Oil, Gas & Mining

an equal opportunity employer

5/85
SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS CONTAINED IN SCHEDULE B AND THE PROVISIONS OF THE CONDITIONS AND STIPULATIONS HEREOF, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, hereinafter called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage not exceeding the amount of insurance stated in Schedule A, and costs, attorneys' fees and expenses which the Company may become obligated to pay because, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested otherwise than as stated therein
2. Any defect or burden or encumbrance upon such title
3. Lack of a right of access, to and from the land or
4. Unmarketability of such title

IN WITNESS WHEREOF, First American Title Insurance Company has caused this policy to be signed and sealed by its duly authorized officers, as of Date of Policy shown in Schedule A.

First American Title Insurance Company

[Signatures]

INCORPORATED

NOV 03 2005

Div. of Oil, Gas & Mining
SCHEDULE A

Total Fee for Title Search, Examination
and Title Insurance

Order No. 4593-5

Amount of Insurance: 

Policy No. 4593-1

Date of Policy: September 25, 1961, at 12:10 p.m.

1. Name of Insured:

C.O.P. COAL DEVELOPMENT COMPANY,
a Utah corporation.

2. The estate or interest referred to herein is at Date of Policy vested in:

C.O.P. COAL DEVELOPMENT COMPANY,
a Utah corporation.

3. The estate or interest in the land described in Schedule C and which is covered by this policy is:

INCORPORATED

NOV 3 2005

Div. of Oil, Gas & Mining
The land referred to in this policy is situated in the County of Emery, State of Utah, and is described as follows:

Section 26: E\textsuperscript{\textfrac{1}{4}}NW\textsuperscript{\textfrac{1}{4}} and all that part of SE\textsuperscript{\textfrac{1}{4}}NW\textsuperscript{\textfrac{1}{4}} and the SE\textsuperscript{\textfrac{1}{4}} lying West of a Northeast-Southwest fault line.

EXCEPTING THEREFROM all coal.

14: S\textsuperscript{\textfrac{1}{4}}
22: E\textsuperscript{\textfrac{1}{4}}, N\textsuperscript{\textfrac{1}{4}}, W\textsuperscript{\textfrac{1}{4}}
23: All
24: NW\textsuperscript{\textfrac{1}{4}}NW\textsuperscript{\textfrac{1}{4}} and all that part of the SW\textsuperscript{\textfrac{1}{4}}NW\textsuperscript{\textfrac{1}{4}} and the W\textsuperscript{\textfrac{1}{4}}SW\textsuperscript{\textfrac{1}{4}} lying West of a Northeast-Southwest fault line.

25: All that part of the NW\textsuperscript{\textfrac{1}{4}}NW\textsuperscript{\textfrac{1}{4}} lying West of a Northeast-Southwest fault line.

26: W\textsuperscript{\textfrac{1}{4}}NE\textsuperscript{\textfrac{1}{4}}, N\textsuperscript{\textfrac{1}{4}}NW\textsuperscript{\textfrac{1}{4}}, and all that part of the NE\textsuperscript{\textfrac{1}{4}}NE\textsuperscript{\textfrac{1}{4}} lying West of a Northeast-Southwest fault line.
AGREEMENT

This agreement made and entered into this 3rd day of August, 1983, by and between Emery County, a body corporate and politic (County), and Co-Op Mining Company, a Utah general partnership (Co-Op),

WHEREAS, there is an existing road in Emery County known as Bear Creek Road, and

WHEREAS, Co-Op requires extensive use of said road, and

WHEREAS, due to said extensive use, said road should be relocated for the health, safety and welfare of the citizens of County as well as others who may have occasion to use said road,

NOW, THEREFORE, be it agreed as follows:

1. The parties hereto agree and acknowledge that the southern 0.65 miles of the road known as Bear Creek Road is a County road. Said County road runs from State Road 31 in a northerly direction for approximately 0.65 miles to a presently existing gate. Thereafter the road is a private road.

2. That Co-Op will relocate the Bear Creek Road according to the plans and specifications prepared by the Emery County Engineer and described on the document entitled Bear Canyon County Road Relocation dated October 12, 1982.

3. Co-Op will relocate the Road according to the plans and specifications referred to above at their expense. Co-Op will reimburse County for engineering costs incurred by County concerning the preparation of said plans and specifications and site inspections up to One Thousand ($1,000.00) Dollars.

4. Co-Op will indemnify and defend County for any damage caused, or loss incurred to or claim made by any public or private individual, firm, group, association, partnership or corporation as a result of the construction conducted to relocate Bear Creek Road. Said indemnification will continue until such time as County approves the completed roadway and accepts the construction thereof.

5. Co-Op acknowledges and accepts the easements of North Emery Water Users and Huntington City which exist in, along and across the relocate Bear Creek Road. Said easements are in existence on the ground. Co-Op's acknowledgment thereof herein recognizes and preserves said easements.

6. Co-Op agrees to encase water lines of North Emery Water Users and Huntington City in nestable corrugated pipe pursuant to plans and specifications prepared by the Emery County Engineer.
7. Co-Op agrees to allow access to other property served by the relocated Bear Creek Road. Said access shall be allowed to the owner of the property, their successor in interest or any other individual, firm, group, association, partnership or corporation who requires access due to their association with the owner or because the owner has granted permission to the individual, firm, group, association, partnership or corporation to go upon his property. Co-Op will not withhold access due to the type of activity which the then owner or his agents, employees or invitees intend or in fact conduct.

8. Co-Op will provide a completion and performance bond to Emery County upon the execution hereof in the amount of Twenty-Five Thousand ($25,000.00) Dollars which will remain in force and effect for twelve (12) months after the date said road is accepted by County as indicated in paragraph 4 above.

9. Co-Op will provide liability insurance in an amount not less than Five Hundred Thousand ($500,000.00) Dollars to be in force during the construction of said road. Said policy will name County as an insured.

10. Co-Op agrees to complete said road in a timely manner not to exceed eighteen (18) months from the date of this agreement. County may make demand upon the bonding company under the bond provided pursuant to paragraph 8 above and secure completion of the relocation in the event construction is not completed within the agreed upon eighteen (18) months.

11. It is further understood that any additional improvements of the relocated Bear Creek Road will be at the expense of all primary users.

12. The Co-Op agrees to reclaim that portion of the old Bear Creek Road according to the specifications and requirements of the Bureau of Land Manager (BLM).

13. That the Co-Op agrees to provide Emery County with the necessary easement agreements with the Utah Department of Transportation.

14. Co-Op acknowledges and agrees to comply with standard number 6.3.8 "Protection Zone" of the Utah State Health Drinking Water Standards as it applies to supplies of drinking water in Bear Canyon.

15. County agrees to inspect the relocated Bear Creek Road within ten (10) days after notification by Co-Op of the completion thereof. County must within five (5) working days of said inspection accept the road or notify Co-Op of any deficiencies which must be then corrected by Co-Op within the time period outlined in paragraph 10 above. Should County fail to notify Co-Op of any deficiencies within five (5) working days, the road is deemed accepted by County and the twelve (12) month period indicated in paragraph 8 above begins to run from the sixth (6th) day after inspection.
IN WITNESS WHEREOF, this agreement is executed the day and year above first written, at Castle Dale, Utah, pursuant to a resolution of the Emery County Board of Commissioners at a regularly scheduled meeting of the Board.

EMERY COUNTY, a body politic and corporate,

ATTEST

[Signature]
County Clerk

By [Signature]
Chairman of the Emery County Board of Commissioners

IN WITNESS WHEREOF this agreement is executed at Huntington, Utah. DATED this ___ day of August, 1983.

CO-OP MINING COMPANY, a Utah general partnership

By [Signature]
a General Partner
CORPORATION SPECIAL WARRANTY DEED

THIS CORPORATION SPECIAL WARRANTY DEED, made this ___ day of ___, 1980, by PEABODY COAL COMPANY ("Grantor"), a Delaware corporation at 301 North Memorial Drive, P.O. Box 23$, St. Louis, Missouri 63186, to C.O.P. COAL DEVELOPMENT COMPANY ("Grantee"), a Utah corporation at 375 South State Street, Salt Lake City, Utah 84115.

Grantor, for and in consideration of the sum of $10.00 and other valuable consideration in hand paid by Grantee, receipt whereof is hereby acknowledged, conveys and, as hereinafter provided, warrants to the Grantee, and to its successors, heirs, and assigns, forever, all of that real estate ("Property"), situated in Emery County, Utah, described in Appendix D-1 affixed hereto and hereby made a part hereof.

Together with all the hereditaments and appendances thereunto belonging, and with all the estate, right, title, interest, claim or demand whatsoever, of the Grantor, either in law or equity of, in and to the Property.

TO HAVE AND TO HOLD the Property unto the Grantee, his heirs, successors and assigns forever; provided, however, that this conveyance is made and accepted upon the following covenants, which shall be binding upon and enforceable against Grantee and his heirs, successors and assigns and shall be deemed covenants running with the land:

(a) Grantee knows and understands that the Property may include mined-out areas with rough, unnatural and unstable surfaces, loose rocks and shale, open pits and shafts, slurry ponds, haulage roads, areas which have been used for blasting, subsidence areas and areas which have been used for operation of heavy equipment;

(b) Grantee assumes all risks and responsibility for any injuries or damages sustained by any person or to any property, in whole or in part, resulting from, arising out of, or in any way connected with, the possession or use of the Property by Grantee, and Grantee agrees to indemnify and hold harmless Grantor, its agents, employees or representatives, from any and all claims, demands, actions, or suits of any kind or nature whatsoever for such injuries and damages, and any expenses connected therewith;

(c) Grantor does not warrant or represent subjacent or lateral support of the surface and subsurfaces of the Property;

(d) Grantor does not warrant or represent that the Property is safe, habitable, or otherwise suitable for the purposes for which it is intended to be used by Grantee or for any other purpose whatsoever. Grantee represents that he has inspected the Property and agrees to accept the same "as is".

The Grantor, for itself and for its successors, does represent, warrant, promise, and agree to and with the Grantee, its heirs, successors and assigns, that Grantor has not done, or suffered to be done, anything whereby Grantor's estate in said Property hereby granted is, or has been, in any manner encumbered or charged, except as herein recited; and that Grantor will warrant and forever defend Grantor's estate in Property hereby granted.

PEABODY COAL COMPANY

[Signature]

[Stamp]

utb 1, 1980

PEARSON COAL COMPANY, Division of Oil, Gas & Mining

[Stamp]

Div. of Oil, Gas & Mining

Nov 3, 2005
persons lawfully claiming, or to claim the same, by, through, or under Grantor.

The conveyance is subject to all rights-of-way, easements, leases, deed and plat restrictions, partitions, severances, encumbrances, licenses, reservations and exceptions which are of record as of the date first above written, and to all rights of persons in possession, and to physical conditions, encroachments, and possessory rights which would be evident from an inspection of the Property, and to taxes and assessments not delinquent; and to all reservations and exceptions (if any) stated in Appendix D-1.

IN WITNESS WHEREOF, said Grantor has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by its Vice President of Resource Management, and attested by its Assistant Secretary, the day and year first above written.

ATTEST: J. M. Tenthill

PEABODY COAL COMPANY

BY: James F. Hobbs

Title: Vice President

STATE OF MISSOURI

COUNTY OF ST. LOUIS

On the _/___ day of ___ , 1980, personally appeared before me JAMES F. HOBBS, who being by me duly sworn, did say that he is the Vice President, Resource Management of Peabody Coal Company, and that the attached instrument was signed in behalf of said corporation by authority of a resolution of the Board of Directors and said JAMES F. HOBBS acknowledged to me that said corporation executed the same.

Given under my hand and notarial seal this ___ day of ___ , 1980.

My Commission Expires: ___

Notary Public

MARIAN E. WEB

THIS INSTRUMENT PREPARED BY:
James C. Sevem, Attorney
301 North Memorial Drive
St. Louis, Missouri 63102

INCORPORATED

NOV 0 5 2005

Div. of Oil, Gas & Mining
SURFACE LANDS

Township 16 South, Range 7 East, SLM(Utah)
Section 26: E 1/2 NE 1/4; all that part of SE 1/4 NE 1/4 and SE 1/4 lying West of a Northeast-Southwest fault line.

COAL LANDS

Township 16 South, Range 7 East, SLM(Utah)
Section 14: S 1/2
Section 22: E 1/2 NE 1/4, NW 1/4 SE 1/4, NE 1/4 SE 1/4
Section 23: All
Section 24: NW 1/4 NW 1/4, all that part of the SW 1/4 NW 1/4 lying West of a Northeast-Southwest fault line, all that part of the W 1/2 SW 1/4 lying West of a Northeast-Southwest fault line.
Section 25: All that part of the NW 1/4 NW 1/4 lying West of a Northeast-Southwest fault line.
Section 26: All that part of the NE 1/4 NE 1/4 lying West of a Northeast-Southwest fault line, W 1/2 NE 1/4, NW 1/4 NW 1/4
PARTIAL ASSIGNMENT OF FEDERAL COAL LEASE UTAH 024318

THIS ASSIGNMENT, made this 1st day of April, 1980, by PEABODY COAL COMPANY ("Assignor"), a Delaware Corporation at 301 North Memorial Drive, P.O. Box 235, St. Louis, Missouri 63166, to C.O.P. COAL DEVELOPMENT COMPANY ("Assignee"), a Utah corporation at 3753 South State Street, Salt Lake City, Utah 84115.

Assignor, for and in consideration of the sum of $10,000 and other valuable consideration in hand paid by the Assignee, the receipt and sufficiency of which are hereby acknowledged, does ASSIGN, TRANSFER, CONVEY, AND, AS HEREINAFTER STATED, WARRANT unto Assignee, and to its successors, heirs, and assigns forever, all Assignor's right, title and interest in and to Assignor's leasehold estate, and all property rights of Assignor held in connection therewith, in that certain Coal Lease from the United States of America (Appendix E-2-1 attached), which bears serial number Utah 024318, but only sofar as said estate and rights relate to that certain real estate ("Federal Property"), which is described in Appendix E-2-2 affixed hereto and made a part hereof.

Assignee accepts the foregoing assignment and does hereby assume and agree to pay and discharge, or cause to be paid and discharged, all obligations and liabilities of Assignor under said Coal Lease from and after the date hereof, but only sofar as such obligations and liabilities relate to the said Federal Property.

The Assignor, for itself and for its successors, does represent, warrant, promise and agree to and with the Assignee, its successors, heirs and assigns, that Assignor has not done, or suffered to be done, anything whereby Assignor's estate in said Federal Property hereby granted is, or has been, in any manner encumbered or charged, except as herein recited; and that Assignor will warrant and forever defend Assignor's estate in said Property against all persons lawfully claiming, or to claim the same, by, through, or under Assignor.

The assignment is subject to grazing rights and to those rights-of-way, easements, leases, deed and plat restrictions, partitions, severances, encumbrances, licenses, reservations, and exceptions which are of record on this assignment date, and to all rights of persons in possession, and to physical conditions, encroachments and possessory rights which would be evident from an inspection of the Federal Property.

The Assignee agrees to reassign the said partial Federal Lease to Assignor, with special warranties of title, in the event the transactions contemplated by the Contract for the Sale of Real Estate dated April 1, 1980, between the parties are not closed by the Closing Date contained in said Contract.
IN WITNESS WHEREOF, said Assignor has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by its Vice President of Resource Management and attested by its Assistant Secretary, the day and year first above written.

ATTEST:

PEABODY COAL COMPANY

Title: Assistant Secretary

Title: Vice President

Resource Management

ACCEPTED BY C.O.P. COAL DEVELOPMENT COMPANY

By: Joseph C. King

Title: Vice President

STATE OF

COUNTY OF

On the _day of __________, 1980, personally appeared before me JAMES F. HOEBS, who being by me duly sworn, did say that he is the Vice President, Resource Management of Peabody Coal Company, and that the attached instrument was signed in behalf of said corporation by authority of a resolution of the Board of Directors and said JAMES F. HOEBS acknowledged to me that said corporation executed the same.

Given under my hand and notarial seal this _day of __________, 1980.

My Commission Expires:

STATE OF

COUNTY OF

On the _day of __________, 1980, personally appeared before me ________________, who being by me duly sworn, did say that he is the ________________, and that the attached instrument was signed in behalf of said corporation by authority of a resolution of the Board of Directors and said ________________ acknowledged to me that said corporation executed the same.

Given under my hand and notarial seal this _day of __________, 1980.

My Commission Expires:

Assignment Approved Effective:

THE UNITED STATES OF AMERICA

Incorporated

Div. of Oil, Gas & Mining

J. C. Bevem, Attorney
301 North Memorial Drive
St. Louis, Missouri 63102

Chief Adjudication Branch
Bureau of Land Management

NOV 03 2005
PARTIAL ASSIGNMENT OF FEDERAL COAL LEASE UTAH 024315

THIS ASSIGNMENT, made this 1st day of April, 1980, by PZAROZY
COMPANY ("Assignor"), a Delaware Corporation at 301 North Memorial Drive, P.O. Box
535, St. Louis, Missouri 63165, to C.O.P. COAL DEVELOPMENT COMPANY ("Assignee"),
a Utah corporation at 3753 South State Street, Salt Lake City, Utah 84115.

Assignor, for and in consideration of the sum of $10.00 and other valuable
consideration in hand paid by the Assignee, the receipt and sufficiency of which are
hereby acknowledged, does ASSIGN, TRANSFER, CONVEY, AND, AS HEREAFTER
STATED, WARRANT unto Assignee, and to its successors, heirs, and assigns forever, all
Assignor’s right, title and interest in and to Assignor’s leasehold estate, and all property
rights of Assignor held in connection therewith, in that certain Coal Lease from the
United States of America (Appendix E-1-1 attached), which bears serial number Utah
024315, but only insofar as said estate and rights relate to that certain real estate
("Federal Property"), which is described in Appendix E-1-2 affixed hereto and made a part
hereof.

Assignee accepts the foregoing assignment and does hereby assume and agree to
pay and discharge, or cause to be paid and discharged, all obligations and liabilities of
Assignor under said Coal Lease from and after the date hereof, but only insofar as such
obligations and liabilities relate to the said Federal Property.

The Assignor, for itself and for its successors, does represent, warrant, promise and
agree to and with the Assignee, its successors, heirs and assigns, that Assignor has not
done, or suffered to be done, anything whereby Assignor’s estate in said Federal Property
hereby granted is, or has been, in any manner encumbered or charged, except as herein
replied; and that Assignor will warrant and forever defend Assignor’s estate in said
Property against all persons lawfully claiming, or to claim the same, by, through, or
under Assignor.

The assignment is subject to grazing rights and to those rights-of-way, easements,
leases, deed and plat restrictions, partitions, severances, encumbrances, licenses,
reservations, and exceptions which are of record on this assignment date, and to all
rights of persons in possession, and to physical conditions, encroachments and possessory
rights which would be evident from an inspection of the Federal Property.

The Assignee agrees to reassign the said partial Federal Lease to Assignor, with
special warranties of title, in the event the transactions contemplated by the Contract
for the Sale of Real Estate dated April 1, 1980, between the parties are not closed by the
Closing Date contained in said Contract.
IN WITNESS WHEREOF, said Assignor has caused its corporate seal to be hereunto
affixed, and has caused its name to be signed to these presents by its Vice President of
Resource Management and attested by its Assistant Secretary, the day and year first
above written.

ATTEST:

[Signature]
Title: Assistant Secretary

PEABODY COAL COMPANY

By: [Signature]
Title: Vice-President

Resource Management

ACCEPTED BY C.O.P. COAL
DEVELOPMENT COMPANY

By: [Signature]
Title: President

STATE OF Washington

COUNTY OF King

On the 1st day of April, 1980, personally
appeared before me JAMES F. HOBBS, who being by me duly sworn,
did say that he is the Vice President, Resource Management of
Peabody Coal Company, and that the attached instrument was signed
in behalf of said corporation by authority of a resolution of the
Board of Directors and said JAMES F. HOBBS acknowledged to me
that said corporation executed the same.

Given under my hand and notarial seal this 1st day
of April, 1980.

James C. [Signature]
Notary Public

STATE OF Utah

COUNTY OF Salt Lake

On the 1st day of April, 1980, personally
appeared before me [Signature], who
being by me duly sworn, did say that he is the
Manager at C.O.P. Coal Development Company,
and that the attached instrument was signed in behalf of said
corporation by authority of a resolution of the Board of
Directors and said [Signature] acknowledged to me that said corporation executed the same.

Given under my hand and notarial seal this 1st day
of April, 1980.

J. C. Sevem, Attorney
301 North Memorial Drive
St. Louis, Missouri 63102

Assignment Approved Effective:

THE UNITED STATES OF AMERICA

By ________
Chief Adjudication Branch
Bureau of Land Management

INCORPORATED
NOV 05 2005
Div. of Oil, Gas & Mining
APPENDIX E-I-2

FEDERAL PROPERTY

255-016 Township 18 South, Range 7 East, BLM (Utah)
Section 13: W 1/2 W 1/2
Section 14: E 1/2 NW 1/4, NE 1/4
Containing 400 acres, more or less.
PERMIT
10844

District No. ___4___ Date: October 1, 1982 Application of Co-op Mining Company

By: Name: ________________ Title: ________________

Address: Box 124, Huntington, W. Va. Phone: 740-338 ______, in ______ County

This Permit is hereby granted, subject to the Regulations for the Control and Protection of State Highway Right-of-Way, Standard Specifications for Road and Bridge Construction, Specifications for Excavation on State Highways, General Safety Orders of the Industrial Commission, Safety Manual for Road and Bridge Construction, Instructions to Flagmen, the approved plans, and any special limitations set forth herein, permission for the purpose of

within right-of-way limits of Highway No. 31, State Maintenance Section No. 08-31-01. Milepost No. 32, in the following location:

about 12 miles northwest of the intersection of State Route 10 and Route 31 on the south side of the highway.

Receipt of $5.00 permit fee is hereby acknowledged (delete where not applicable). The work permitted herewith shall commence October 2, 1982 and shall diligently be prosecuted to completion. The work shall be completed and all disturbed surfaces or objects restored on or before October 30, 1982. In the event work is commenced under this permit, the applicant agrees to prosecute the same to completion by the date herein above specified. In the event the applicant fails or refuses to complete the work the Utah Department of Transportation may, at its election, fill in or otherwise correct any existing impediments at the expense of and subject to immediate payment by the applicant.

Applicant shall execute a bond in the minimum amount of $1000, increased by multiples thereof as determined by the District Director, to insure faithful performance of the permittee's obligation. The bond shall remain in force for three years after completion of the work.

Before work permitted herewith is commenced, the applicant shall notify: John C. Johnson, Mountain View, and commencement of said work is understood to indicate that the applicant will comply with all instructions and regulations of the Utah Department of Transportation with respect to performance of said work, and that he will properly safeguard said work to prevent accident and shall indemnify and hold harmless the Utah Department of Transportation from all damages arising out of any and all operations performed under this Permit.

Permittee shall not perform any work on State highway right-of-way beyond those areas or operations stipulated on the permit.

If applicant fails to comply with Utah Department of Transportation regulations, specifications, or instructions pertinent to this permit, the District Director or his duly authorized representative may by verbal order suspend the work until the violation is corrected. If the applicant fails or refuses to comply promptly, the District Director or his authorized representative may issue a written order stopping all or any part of the work. When satisfactory corrective action is taken, an order permitting resumption of work may be issued.

Special Limitations: ________________ attached as ________________

(Signature of Applicant)

Approved by: __________________________

District Director

INCORPORATED

NOV. 3, 2005

Div. of Oil, Gas & Mining

THIS COPY MUST BE CONSPICUOUSLY POSTED AT THE ENCROACHMENT SITE DURING THE ENTIRE ENCROACHMENT PERIOD.
Mr. Wendell Owen
CO-OP Mining Company
P. O. Box 1245
Huntington, Utah 84528

Dear Mr. Owen:

Right-of-way U-52411 was issued to Emery County on September 15, 1983, for the Bear Canyon Road. A copy of the agreement between your company and the County has been received. We are therefore closing Trespasses UT-060-6434 and UT-060-6438.

Sincerely yours,

[Signature]

Area Manager

cc: Joe Helfrich, Utah Div. of Oil, Gas and Mining
4241 State Office Building, SLC, UT 84114
PROPERTY DESCRIPTION

THE SW 1/4 OF THE SW 1/4, SECTION 24,
T 16 S., R 7 E., SBL&M

THE NW 1/4 OF THE NW 1/4, SECTION 25,
T 16 S., R 7 E., SBL&M

THE EAST 1/2 OF THE NE 1/4, SECTION 26,
T 16 S., R 7 E., SBL&M

CONTAINING 160 ACRES. TOTAL

KEY MAP

INTEGRATED EXPANSION COMPANY
NOV 03 2005
Div. of Oil, Gas & Mining
C.O.P. COAL DEVELOPMENT COMPANY
53 West Angelo Avenue
Salt Lake City, Utah 84115

January 21, 2001

State of Utah
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Gentlemen:

Please be advised that C.O.P. Coal Development Company is the record owner of the fee ground and Federal Coal lease #’s 020668, 024316, 024318, 38727, 46484, and 61049, located in Bear Canyon, Emery County, Utah, which includes all of the real property involved in Permit No. Act/015/025. C.O.P. is currently leasing all of the property to Co-op Mining Company and the lease permits Co-op to use the land for coal mining and related activities. This lease agreement will automatically be extended without amendment unless either party gives 30 days written notice of cancellation.

Very truly yours,

[Signature]
Joseph O. Kingston, President
C.O.P. Coal Development Company

JOK/Im

INCORPORATED
MAY 03 2005
Div. of Oil, Gas & Mining

1B-19
9/16/2005
DEcision

C.O.P. Coal Development Company
53 West Angelo Avenue
Salt Lake City, Utah 84115

Coal Leases
U-020668 and U-38727

Assignments Approved

On May 17, 1991, assignments of coal leases U-020668 and U-38727 entered into on May 2, 1991, between C.O.P. Coal Development Company, as assignee, and Nevada Electric Investment Company, as assignor, were filed in this office.

Satisfactory evidence of the qualifications and holdings of C.O.P. Coal Development Company has been filed. The lease accounts are presumed to be in good standing inasmuch as neither of the leases appear on the Mineral Management Service (MMS) list of leases with unpaid assessments. The assignee, C.O.P. Coal Development Company, has agreed by letter dated September 18, 1991, to be liable for any delinquent rent/royalty payments discovered through an MMS audit. Therefore, the assignments appear to meet the requirements of the regulations and are hereby approved effective February 1, 1992. Approval of these assignments does not constitute approval of any of the terms therein which may be in violation of the lease terms.

Cash lease bonds in the amount of $5,000 each were filed and accepted on January 10, 1992, with an effective date of February 1, 1992.

Enclosure
Assignment

cc: Nevada Electric Investment Company
2835 S. Jones, Suite 5
Las Vegas, Nevada 89102

boc: Dr. Dianne Nielson
Division of Oil, Gas, and Mining
MMS, APS, Denver, CO w/encl.
Moab District Office
Price Coal Office
U-921

Chief, Minerals
Adjudication Section

INcorporated
Nov 03 2005
Div. of Oil, Gas & Mining
APPENDIX 1-C

INSURANCE
hereby approved, and the requirements of sections 365(b)(1) and 365(f)(2) of the Bankruptcy Code (including to the extent, if any, modified by section 365(b)(3) of the Bankruptcy Code) with respect thereto are hereby deemed satisfied. The Assigned Contracts shall be deemed assumed by the Debtors and assigned to Buyers on the Closing pursuant to this Order, and Buyers shall be fully and irrevocably vested in all right, title, and interest of each Assigned Contract. The Debtors shall cooperate with, and take all actions reasonably requested by, the Buyers to effectuate the foregoing, as further provided in the Sale Agreements.

27. Each counterparty to the Assigned Contracts is hereby forever barred, estopped, and permanently enjoined from raising or asserting against the Debtors or the Buyers, or the property of any of them, any assignment fee, default, breach, claim, pecuniary loss, liability, or obligation (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or noncontingent, known or unknown, liquidated or unliquidated senior or subordinate), or any Interest, arising under or out of, in connection with, or in any way related to the Assigned Contracts existing as of the Closing Date or arising by reason of the Closing.

28. **Adequate Assurance.** The Buyers have provided adequate assurance of their future performance under the relevant Assigned Contracts within the meaning of sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code (including to the extent, if any, modified by section 365(b)(3) of the Bankruptcy Code). All other requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the Debtors’ assumption and assignment to the Buyers of the Assigned Contracts have been satisfied.

29. **Anti-Assignment Provisions Unenforceable.** No sections or provisions of the Assigned Contracts that purport to (a) prohibit, restrict, or condition Debtors’ assignment of the Assigned Contracts, including, but not limited to, the conditioning of such assignment on the
APPENDIX 1-D

AFFIDAVIT OF PUBLICATION
AFFIDAVIT OF PUBLICATION

STATE OF UTAH                ss.
County of Emery,              

I, Robert L. Finney, on oath, say that I am the Publisher of The Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, 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 1st day of April, 1981, and that the last publication of such notice was in the issue of such newspaper dated the 22nd day of April, 1981.

Subscribed and sworn to before me this 7th day of May, 1982.

My Commission expires October 26, 1983

Residing at Price, Utah

Publication fee, $ 41.60

NOTICE OF FILING
APPLICATION FOR COAL MINING AND RECLAMATION PERMIT

Co-op Mining Company, Box 300, Huntington, Utah, hereby announces its intent to file application for a coal mining permit for the Bear Canyon mine with the Division of Oil, Gas, and Mining under the laws of the State of Utah. A copy of the complete application is available for public inspection at the Emery County Recorder's Office, Emery County Court House, Castle Dale, Utah 84513. Written comment on the application should be submitted to the State of Utah Oil, Gas, and Mining Division, 1568 West North Temple, Salt Lake City, Utah 84118.

The area to be mined can be found on the USGS Hiawatha quadrangle map. The approximately 820 acres of the permit area are on private property (fee coal area) described as follows:

Area 16 South; Range 7 East SLM
Sec. 14; SW 1/4
Sec. 23; E 1/4; E 1/4 NW
Sec. 24; All West of the N-S fault
Sec. 25; All West of the N-S fault

Published in the Emery County Progress April 1, 8, 15 and 22, 1981.
AFFIDAVIT OF PUBLICATION

STATE OF UTAH  
County of Carbon, 

I, Dan Stockburger, on oath, say that I am the General Manager of The Sun-Advocate, a 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 30th day of January 1987, and that the last publication of such notice was in the issue of such newspaper dated the 19th day of February 1987.

Subscribed and sworn to before me this 19th day of February 1987.

Notary Public.

My Commission expires MY COMMISSION EXPIRES OCTOBER 22, 1990

Publication fee, $ 69.60

INCORPORATED NOV 0 3 2005
Div. of Oil, Gas & Mining
AFFIDAVIT OF PUBLICATION

STATE OF UTAH  
County of Emery.

I, Dan Stockburger, on oath, say that I am the General Manager of the The Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, 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 28th day of March, 1989, and that the last publication of such notice was in the issue of such newspaper dated the 18th day of April, 1989.

Subscribed and sworn to before me this 18th day of April, 1989.

Notary Public.

My Commission expires October 2, 1990.  
Residing at Price, Utah.

Publication fee, $ 45.00

INTEGRITY

NOV 03 2005  
Div. of Oil, Gas & Mining
Newspaper Agency Corporation
The Salt Lake Tribune        DESERET NEWS
MORNING & SUNDAY            EVENING & SUNDAY

Affidavit of Publication

Hereby certify that the attached advertisement for COAL MINE COMPANY was published by the NEWSPAPER AGENCY CORPORATION, AGENT FOR THE SALT LAKE TRIBUNE and DESERET NEWS, daily newspapers printed in the English language with general circulation in Utah, and published in Salt Lake City, Salt Lake County in the State of Utah.

PUBLISHED ON MAR 30 APR 06 13 20 1989

SUBSCRIBED AND SWORN TO BEFORE ME THIS 21ST DAY OF APRIL 1989

COMMISSION EXPIRE

NOTARY PUBLIC
MARCH 1, 1998
RESIDING IN SALT LAKE COUNTY

---

LEGAL ADVERTISING INVOICE

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TOTAL AMOUNT DUE: 125.24

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TO INSURE PROPER CREDIT

PLEASE RETURN THIS PORTION

WITH YOUR PAYMENT IN THE ENCLOSED ENVELOPE

MAKE CHECKS PAYABLE TO:
NEWSPAPER AGENCY CORPORATION

ACCOUNT NUMBER: LE-3612450
BILLING DATE: 04/21/99
AD NUMBER: P-29
PAY THIS AMOUNT: 125.24

INCORPORATED

NOV 03 2005

Div. of Oil, Gas & Mining
STATE OF UTAH)  

ss.  

County of Emery,)

I, Dan Stockburger, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, 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 the last four (4) consecutive issues, and that the first publication was on the 22nd day of June, 1993.

and that the last publication of such notice was in the issue of a newspaper dated the 13th day of July, 1993.

Subscribed and sworn to before me this 13th day of July, 1993.

Notary Public

My Commission expires January 10, 1995

Residing at Price, Utah

Publication fee, $64.00

NOTICE

Co-Op Mining Company, P.O. Box 1245, Huntington, Utah, hereby announces its intent to file application to extend mining into the Tank Seam, located above the existing seam within the existing permit area of the Bear Canyon Mine (ACT/015/025) with the Division of Oil, Gas, and Mining under the laws of the State of Utah. This includes an additional surface disturbance of approx. 3.5 acres. A copy of the complete application is available for public inspection at the Division of Oil, Gas, and Mining offices, 355 West, North Temple, Suite 350, Salt Lake City, Utah 84180-1203. Written comments on the application should be submitted to the State of Utah, Division of Oil, Gas & Mining, at the above address. The area to be mined can be found on the USGS Hiawatha quadrangle map. The proposed mining and surface disturbance is within privately owned Fee Land. The coal area is described as follows: T16S, R7E, SLBM Fee Land, Sec. 14 SW¼, SE¼, Sec. 23 E¼, E½, W½, Sec. 24 All West of N-S Bear Canyon Fault, Sec. 25 All West of N-S Bear Canyon Fault, Sec. 26 NE½ NE¼, NW¼, NE½ N¼, SW¼ NE½ and access haul road and top soil storage area shown on Plate 2-1 of the Mining and Reclamation Plan.

Published in the Emery County Progress June 22, 29 and July 6 and 13, 1993.
STATE OF UTAH

ss.

County of Carbon,

I, Dan Stockburger, 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

22nd day of June, 1993

and that the last publication of such notice was in the issue of such newspaper dated the

13th day of July, 1993

Subscribed and sworn to before me this

13th day of July, 1993

Notary Public

My Commission expires January 10, 1995

Residing at Price, Utah

Publication fee, $64.20

NOTICE

Co-Op Mining Company, P.O. Box 1245, Huntington, Utah, hereby announces it's intent to file application to extend mining into the Tank Seam, located above the existing seam within the existing permit area of the Bear Canyon Mine (ACT/015/025) with the Division of Oil, Gas, and Mining under the laws of the State of Utah. This includes an additional surface disturbance of approx. 3.5 acres. A copy of the complete application is available for public inspection at the Division of Oil, Gas, and Mining offices, 355 West, North Temple, Suite 350, Salt Lake City, Utah 84180-1203. Written comments on the application should be submitted to the State of Utah, Division of Oil, Gas & Mining, at the above address. The area to be mined can be found on the USGS Hiawatha quadrangle map. The proposed mining and surface disturbance is within privately owned Fee Land. The coal area is described as follows: T16S, R7E, S1/2 of Sec. 22, N1/2 of Sec. 21, all West of N-S Boundary, all East of S-W Boundary, all North of E-W Boundary, and all South of W-E Boundary. Published in the Sun Advocate June 22, 29 and July 6 and 13, 1993.

INCORPORATED

NOV 03 2005

Div. of Oil, Gas & Mining
LEGAL ADVERTISING INVOICE

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<tr>
<td>CALI. (801) 237-2822</td>
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AFFIDAVIT OF PUBLICATION

AS NEWSPAPER AGENCY CORPORATION LEGAL BOOKKEEPER, I CERTIFY THAT THE ATTACHED ADVERTISEMENT OF NOTICE/CO-OP MINING COMPANY, P.O. BOX 1245, HUNTINGTON, UT 84528 FOR CO-OP MINING COMPANY WAS PUBLISHED BY THE NEWSPAPER AGENCY CORPORATION, AGENT FOR THE SALT LAKE TRIBUNE AND DESERET NEWS/DAILY NEWSPAPERS PRINTED IN THE ENGLISH LANGUAGE WITH GENERAL CIRCULATION IN UTAH AND PUBLISHED IN SALT LAKE CITY, SALT LAKE COUNTY IN THE STATE OF UTAH.

PUBLISHED ON: JUN 29, JUL 06, 1983

SIGNATURE: 

DATE: 07/06/93

ACCOUNT NAME | TELEPHONE
--------------|-------------
CO-OP MINING COMPANY | 801-381-2450

SCHEDULE | AD NUMBER | CAPTION | MISC. CHARGES
----------|-----------|---------|-------------
06 1993 | 6P9820170 |         |             

SIZE | TIMES | RATE | AD CHARGE
---|------|-----|--------
1 COLUMN | 2 | 1.16 | 97.44

IN WILD STORY:

IN COLUMNS:

IN TOTAL AMOUNT DUE:

97.44

THANK YOU FOR TAKING TIME TO ADVERTISE.
Newspaper Agency Corporation
The Salt Lake Tribune (Deseret News)

LEGAL ADVERTISING INVOICE

CUSTOMER NAME AND ADDRESS

CO-OP MINING COMPANY
P.O. BOX 1245
HUNTINGTON,
UT 84528

ACCOUNT NUMBER
08-2317440

BILLING DATE
07/21/93

FOR BILLING INFORMATION
SALT 211-237-2822

AFFIDAVIT OF PUBLICATION

AS NEWSPAPER AGENCY CORPORATION LEGAL BOOKKEEPER, I CERTIFY THAT THE ATTACHED ADVERTISEMENT OF CO-OP MINING COMPANY, P.O. BOX 1245, H FOR CO-OP MINING COMPANY WAS PUBLISHED BY THE NEWSPAPER AGENCY CORPORATION, AGENT FOR THE SALT LAKE TRIBUNE AND DESERET NEWS, DAILY NEWSPAPERS PRINTED IN THE ENGLISH LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND PUBLISHED IN SALT LAKE CITY, SALT LAKE COUNTY IN THE STATE OF UTAH.

PUBLISHED ON
JUL 21 1993

SIGNATURE

DATE
07/21/93

ACCOUNT NAME

CO-OP MINING COMPANY

SCHEDULE

801-381-2450

AD NUMBER

76820040

NO. |

1

CAPTION

NOTICE CO-OP MINING COMPANY, P.O. BOX 1245, H

MISC. CHARGES

.00

4E TIMES RATE AD CHARGE

1

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ON RECEIPT OF THIS INVOICE TOTAL AMOUNT DUE

.00

THANK YOU FOR USING LEGAL ADVERTISING
## PROOF OF PUBLICATION

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### SCHEDULE

START 07/11/95  END 08/08/95

### CAPTION

NOTICE

CO-OP MINING COMPANY, P.

SIZE

40 LINES  1.00 COLUMN

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MISC. CHARGES  AD CHARGES

.00   232.00

TOTAL COST  232.00

### AFFIDAVIT OF PUBLICATION

AS NEWSPAPER AGENCY CORPORATION LEGAL BOOKKEEPER, I CERTIFY THAT THE ATTACHED ADVERTISEMENT OF NOTICE CO-OP MINING COMPANY, P. FOR CO-OP MINING CO. WAS PUBLISHED BY THE NEWSPAPER AGENCY CORPORATION, AGENT FOR THE SALT LAKE TRIBUNE AND DESERET NEWS, DAILY NEWSPAPERS PRINTED IN THE ENGLISH LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND PUBLISHED IN SALT LAKE CITY, SALT LAKE COUNTY IN THE STATE OF UTAH.

PUBLISHED ON  START 07/11/95  END 08/08/95

SIGNATURE

DATE  08/08/95

INCORPORATED

JULY 27, 2005

Div. of Oil, Gas & Mining

THIS IS NOT A STATEMENT BUT A "PROOF OF PUBLICATION" PLEASE PAY FROM BILLING STATEMENT.
AFFIDAVIT OF PUBLICATION

STATE OF UTAH)  ss.
County of Emery.)

I, Kevin Ashby, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, 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 4 (Four) consecutive issues, and that the first publication was on the 22nd day of August, 1995 and that the last publication of such notice was in the issue of such newspaper dated the 12th day of September, 1995.

Kevin Ashby - Publisher

Subscribed and sworn to before me this 12th day of September, 1995.

Linda Thayn
Notary Public My commission expires January 10, 1999 Residing at Price, Utah

Publication fee, $96.00

NOTICE

Co-Op Mining Company, P.O. Box 1245, Huntington, Utah 84528 hereby announces its intent to renew its coal mine and reclamation permit for coal mining activities at the Bear Canyon Mine, Permit No: ACT/015/025, issued Nov 1, 1995. The Bear Canyon Mine is located on Bear Canyon, approximately 12 road miles west of Huntington, Utah. The permit area, found on the USGS Horseshoe Quadrangle map, is described as follows: T16S, R10E, SLBM, SW1/4, SE1/4, Sec. 13, E1/2, E1/2, W1/2, Sec. 23, All Sec. 24 West of N-S Fault, All Sec. 25 West of N-S Fault, NE1/4, NE1/4, NW1/4, NE1/4, NE1/4, SW1/4, NE1/4 and access/haul road and topsoil storage area, Sec. 26, as shown on Plate 1 of the Mining and Reclamation Plan. Written comments, objections, or requests for informal conferences should be directed to the Utah Division of Oil, Gas & Mining, 3 Triad Center, Suite 350, Salt Lake City, Utah, 84180-1203. Copies of the renewal application are available for public inspection at the office of the Utah Division of Oil, Gas & Mining, Salt Lake City and at the Emery County Recorder's office, Emery County Courthouse, Castle Dale, Utah 84722.

Published in the Emery County Progress August 22, 20, September 5 and 12, 1995.
AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Emery.)

1. Kevin Ashby, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, 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 4 (Four) consecutive issues, and that the first publication was on the 13th day of May, 1997 and that the last publication of such notice was in the issue of such newspaper dated the 3rd day of June, 1997.

Kevin Ashby - Publisher

Subscribed and sworn to before me this 3rd day of June, 1997.

Notary Public My commission expires January 10, 1999 Residing at Price, Utah

Publication Fee $83.20

NOTICE

Co Op Mining Company, P.O Box 1245, Huntington, Utah, 84528 hereby announces its intent to expand its coal mining activities in the Tank Seam at the Bear Canyon Mine Permit No. ACT-ID5/025, issued Nov. 1, 1985. The Bear Canyon Mine is located in Bear Canyon approximately 12 road miles west of Huntington, Utah. The proposed permit expansion area, found on the USGS Hiawatha Quadrangle map, is described as follows: T16S, R1E, S13, W1/4, Sec. 13, NE1/4, Sec. 14, as shown on Plate 2-1 of the Mining and Resumption Plan. Coal mining activities in this area will involve mining coal from the Tank Seam, Bear Canyon #2 Mine. Any comments, objections, or requests for informal conferences should be directed to the Utah Division of Oil, Gas & Mining, 1534 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801. Copies of the permit application are available for public inspection at the office of the Utah Division of Oil, Gas & Mining, Salt Lake City and at the Emery County Recorder's office: Emery County Courthouse, Castle Dale, Utah, 84513.

Published in the Emery County Progress May 13, 20, 27 and June 3, 1997

INCORPORATED

NOV 03 2005

Div. of Oil, Gas & Mining
Newspaper Agency Corporation
The Salt Lake Tribune (NA) DESERET NEWS

PROOF OF PUBLICATION

CUSTOMER NAME AND ADDRESS  ACCOUNT NUMBER  DATE

CO-OP MINING COMPANY  C6872450L-07  06/03/97
ATTN: CHARLES REYNOLDS
P.O. BOX 1245
HUNTINGTON, UT 84528

ACCOUNT NAME
CO-OP MINING COMPANY

TELEPHONE  INVOICE NUMBER
801-687-2450  T1598201771

SCHEDULE
START 05/13/97  END 06/03/97
CUST. REF. NO.

NOTICE

CAPTION

SIZE
39 LINES  1.00 COLUMN

TIMES
4

RATE
1.16

MISC. CHARGES
AD CHARGES

180.96

TOTAL COST

180.96

AFFIDAVIT OF PUBLICATION

AS NEWSPAPER AGENCY CORPORATION LEGAL BOOKKEEPER, I CERTIFY THAT THE ATTACHED ADVERTISEMENT OF NOTICE CO-OP MINING COMPANY FOR CO-OP MINING COMPANY WAS PUBLISHED BY THE NEWSPAPER AGENCY CORPORATION, AGENT FOR THE SALT LAKE TRIBUNE AND DESERET NEWS, DAILY NEWSPAPERS PRINTED IN THE ENGLISH LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND PUBLISHED IN SALT LAKE CITY, SALT LAKE COUNTY IN THE STATE OF UTAH.

PUBLISHED ON  START 05/13/97  END 06/03/97

SIGNATURE

DATE 06/03/97

INCORPORATED

NOV 03 2005

THIS IS NOT A STATEMENT BUT A "PROOF OF PUBLICATION" PLEASE PAY FROM BILLING STATEMENT.
AFFIDAVIT OF PUBLICATION

STATE OF UTAH

County of Emery.)

I, Kevin Ashby, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, 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 4 (Four) consecutive issues, and that the first publication was on the 7th day of December, 1999 and that the last publication of such notice was in the issue of such newspaper dated the 28th day of December, 1999.

Kevin Ashby - Publisher

Subscribed and sworn to before me this 28th day of December, 1999.

Linda Shaye
Notary Public My commission expires January 10, 2003 Residing at Price, Utah

Publication fee, $158.40

NOTICE

Co-Op Mining Company, P.O. Box 1245, Huntington, Utah, hereby announces its intent to expand its coal mine and reclamation permit for coal mining activities at the Bear Canyon Mine Permit No. ACT/015/025, issued Nov. 1, 1985. The Bear Canyon Mine is located in Bear Canyon approximately 12 road miles west of Huntington, Utah. The permit expansion area, which will include new portals in the Wild Horse Ridge area, consists of 620.26 private acres and 1,338.17 federal acres within Federal Coal Leases U-020668 and U-38727. The area can be found on the USGS Hiawatha Quadrangle map and is described as follows:

T16S, R7E, S14
Section 24 All portions east of north-south fault except NE1/4NE1/4
Section 25 All portions east of the north-south fault

T16S, R8E, S14
Section 19 S1/2NW1/4, SW1/4, SW1/4SE1/4
Section 30 W1/2, W1/2SE1/4, NW1/4SE1/4
Section 31 NE1/4NW1/4, NW1/4NE1/4

The area is shown on Plate 2-1 of the Mining and Reclamation Plan. Written comments, objections, or requests for informal conferences should be directed to the Utah Division of Oil, Gas & Mining, 1994 West North Temple, Suite 1210, Salt Lake City, Utah, 84114-5801. Copies of the Wild Horse Ridge application are available for public inspection at the office of the Utah Division of Oil, Gas & Mining, Salt Lake City and at the Emery County Recorder's office, Emery County Courthouse, Castle Dale, Utah, 84513.

Published in the Emery County Progress December 7, 14, 21 and 28, 1999

INCORPORATED

NOV 03 2005

Div. of Oil, Gas & Mining
## Newspaper Agency Corporation

**The Salt Lake Tribune**  
**DESERET NEWS**  
**PROOF OF PUBLICATION**

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## AFFIDAVIT OF PUBLICATION

AS NEWSPAPER AGENCY CORPORATION, LEGAL BOOKKEEPER, I CERTIFY THAT THE ADVERTISEMENT OF NOTICE Co-Op Mining Company, WAS PUBLISHED BY THE NEWSPAPER CORPORATION, AGENT FOR THE SALT LAKE TRIBUNE AND DEERET NEWS, DAILY PRINTED IN THE ENGLISH LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND IN SALT LAKE CITY, SALT LAKE COUNTY IN THE STATE OF UTAH.

PUBLISHED ON 12/07/99  
START 12/07/99  
END 12/28/99

SIGNATURE  
DATE 12/28/99

THIS IS NOT A STATEMENT BUT A "PROOF OF PUBLICATION"  
PLEASE PAY FROM BILLING STATEMENT.
Newspaper Agency Corporation
The Salt Lake Tribune \ DESERET NEWS
PROOF OF PUBLICATION

CUSTOMER NAME AND ADDRESS
CO-OP MINING COMPANY
P.O. BOX 1245
HUNTINGTON UT 84528

ACCOUNT NAME
CO-OP MINING COMPANY

ACCOUNT NUMBER DATE
C68724501.07 08/29/00

TELEPHONE INVOICE NUMBER
435-687-2450 TL82008ED1.1

SCHEDULE
START 08/08/00 END 08/29/00
CUST. REF. NO.

CAPTION
NOTICE Co-Op Mining Company,
SIZE
43 LINES 1.00 COLUMN
TIMES RATE
4 1.16

MISC. CHARGES AD CHARGES
00 199.52

TOTAL COST 199.52

AFFIDAVIT OF PUBLICATION

AS NEWSPAPER AGENCY CORPORATION LEGAL BOOKKEEPER, I CERTIFY THAT THE ADVERTISEMENT OF NOTICE Co-Op Mining Company, FOR CO-OP MINING COMPANY WAS PUBLISHED BY THE NEWSPAPER AGENCY CORPORATION, AGENT FOR THE SALT LAKE TRIBUNE AND DESERET NEWS, DAILY NEWSPAPERS PRINTED IN THE ENGLISH LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND PUBLISHED IN SALT LAKE CITY, SALT LAKE COUNTY IN THE STATE OF UTAH.

PUBLISHED ON START 08/08/00 END 08/29/00

SIGNATURE

DATE 08/29/00

THIS IS NOT A STATEMENT BUT A "PROOF OF PUBLICATION" PLEASE PAY FROM BILLING STATEMENT.

INCORPORATED
NOV. 03 2005
Div. of Oil, Gas & Mining
AFFIDAVIT OF PUBLICATION

STATE OF UTAH

ss.

County of Emery;

I, Kevin Ashby, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, 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 4 (Four) consecutive issues, and that the first publication was on the 8th day of August, 2000 and that the last publication of such notice was in the issue of such newspaper dated the 29th day of August, 2000.

Kevin Ashby - Publisher

Subscribed and sworn to before me this 29th day of August, 2000.

Linda Hayn

Notary Public  My commission expires January 10, 2003 Residing at Price, Utah

Publication fee,  $104.00

NOTICE

Co Op Mining Company, P.O. Box 1245, Huntington, Utah 84528 hereby announces its intention to renew its application and request for permit the real mining activities at the Bear Canyon Mine, Permit No. AOT-015025, issued Nov. 1, 1985. The Bear Canyon Mine is located in Bear Canyon, approximately 12 road miles west of Huntington, Utah. The permit area, found on the USGS Hawaiian Quadrangle map, is described as follows: T16S, R7E, S1B, W14, Sec. 13, NE1/4SW1/4, SE1/4, Sec. 14, SE1/4, E1/2, Sec. 1, W1/2, Sec. 23. All Sec. 24 West of N/S Fault. All Sec. 25 West of N/S Fault. NE1/4NE1/4, NW1/4NE1/4, NW1/4SW1/4 and access haul road and topsoil storage area, Sec. 26, as shown on Plate 2-1 of the Mining and Reclamation Plan. Written comments, objections, or requests for informal conferences should be directed to the Utah Division of Oil, Gas & Mining, 394 West North Temple, Suite 1210, P.O. Box 145601, Salt Lake City, Utah 84114-5601. Duplicates of the renewal application are available for public inspection at the office of the Utah Division of Oil, Gas & Mining, Salt Lake City and at the Emery County Recorder's office, Emery County Courthouse, Castle Dale, Utah 84513.

Published in the Emery County Progress August 8, 15, 22 and 29, 2000.
AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Emery,

I, Ken Larson, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, 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 4 (Four) consecutive issues, and that the first publication was on the 20th day of September, 2005 and that the last publication of such notice was in the issue of such newspaper dated the 11th day of October, 2005.

Ken G Larson - Publisher

Subscribed and sworn to before me this 11th day of October, 2005.

Linda Thayn
Notary Public  My commission expires January 10, 2007 Residing at Price, Utah

Publication fee, $ 214.56
AFFIDAVIT OF PUBLICATION

STATE OF UTAH

ss.
County of Emery,

I, Richard Shaw, on oath, say that I am the General Manager of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, 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 4 (Four) consecutive issues, and that the first publication was on the 18th day of October, 2005 and that the last publication of such notice was in the issue of such newspaper dated the 8th day of November, 2005.

Richard Shaw - General Manager

Subscribed and sworn to before me this 8th day of November, 2005.

Notary Public. My commission expires January 10, 2007 Residing at Price, Utah

Publication fee, $238.40

NOTICE

Co-Op Mining Company, P. O. Box 1245, Huntington, Utah, 84528 hereby, announces its intent to expand underground coal mining activities at the Bear Canyon Mine, Permit No. C/015/025, Issued Nov. 1, 1985. The Bear Canyon Mine is located in Bear Canyon, approximately 12 road miles west of Huntington, Utah. The permit area addition will consist of 2,740.00 private acres and 4,764.36 federal acres within Federal Coal Leases U-024316, U-46484, U-61048, and U-61049. The expansion can be found on the U.S.G.S. Harrow Quadrangle map and is described as follows:

T16S R7E
Section 01: E1/2
Section 10: All except the SW1/4SW1/4
Section 11: All
Section 12: All
Section 13: E1/2, E1/2W1/2
Section 14: E1/2NW1/4

T16S R8E
Section 06: S1/2SW1/4, SW1/4, S1/2SE1/4, W1/2N1/2SE1/4
Section 07: All
Section 08: W1/2, W1/2E1/2
Section 16: All
Section 17: All
Section 18: All
Section 19: N1/2NW1/4, NE1/4, N1/2SE1/4
Section 20: N1/2, N1/2 SW1/4, NE1/4SE1/4
Section 21: All except the SW1/4SW1/4

The area is shown on Plate 1-1 of the Mining and Reclamation Plan. Written comments, objections, or requests for informal conference should be directed to the Utah Division of Oil, Gas, & Mining, 1594 West, North Temple, Suite 1210, Salt Lake City, Utah, 84114-5801. Copies of the of the application and the current mining plan are available for public inspection at the office of the Utah Division of Oil, Gas & Mining, Salt Lake City, and at the Emery County Recorder’s office, Emery County Courthouse, Castle Dale, Utah, 84513.

Published in the Emery County Progress October 18, 25, November 1 and 8, 2005.
PROOF OF PUBLICATION AFFIDAVIT

I, Traci Bishop, being first duly sworn, state that I am the Associate Editor of ETV News, a weekly newspaper of general circulation published at Price, County of Carbon, State of Utah; and that the advertisement or notice, a printed copy of which is attached hereto, was printed and published in said newspaper for four issues and on www.utahlegals.com website as follows:

October 14, 2020
October 21, 2020
October 28, 2020
November 4, 2020

[Signature]
Traci Bishop, Associate Editor

Subscribed to and sworn before me this 4th day of November, 2020.

[Signature]
Notary Public

SCOTTIE DRAPER
NOTARY PUBLIC-STATE OF UTAH
COMMISSION# 695038
COMM. EXP. 05-17-2021
NOTICE OF PERMIT TRANSFER GENTRY MOUNTAIN MINING, LLC

Notice is hereby given that the Gentry Mountain Mining, LLC, 3212 South State Street, Salt Lake City, UT 84115 has submitted an application to the Division of Oil, Gas and Mining to transfer the Bear Canyon Mine Permit # C/015/0025 (formerly held by Castle Valley Mining) to Gentry Mountain Mining. The mine is currently active. The permit encompasses the following areas:

Township 16 South, Range 7 East, SLBM
Sec. 1: Lots 1 and 2, S1/2NE1/4, SE1/4;
Sec. 10: N1/2, N1/2S1/2, SE1/4SW1/4, S1/2SE1/4
Sec. 11: All
Sec. 12: All
Sec. 13: All
Sec. 14: NE1/4, E1/2NW1/4, S1/2
Sec. 23: E1/2, E1/2W1/2
Sec. 24: All
Sec. 25: All
Sec. 26: NE1/4NE1/4, NW1/4NE1/4, N1/2SW1/4NE1/4 and the access/haul road and topsoil storage area.

Township 16 South, Range 8 East.
Sec. 6: Lots 11-14, E1/2 SW1/4, W1/2 SE1/4, SE1/4SE1/4;
Sec. 7: All
Sec. 8: NW1/4, W1/2 E1/2, N1/2 SW1/4, SE1/4 SW1/4, SW1/4
Sec. 16: All;
Sec. 17: All;
Sec. 18: All;
Sec. 19: S1/2 NW1/4, SW1/4, SE1/4, N1/2SE1/4, S1/2 NE1/4, Lot 1, NE1/4 NW1/4, N1/2 NE1/4;
Sec. 20: S1/2 NW1/4, N1/2 SW1/4, N1/2 NW1/4, NE1/4, NE1/4 SE1/4;
Sec. 21: E1/2 NW1/4, NE1/4, N1/2 SE1/4, W1/2 NW1/4, N1/2 SW1/4, SE1/4SW1/4, S1/2SE1/4;
Sec. 30: W1/2, W1/2 NE1/4, NW1/4 SE1/4;

The total disturbed areas of the mine is 35.08 acres.

A copy of the permit transfer application may be examined at the office of the Division of Oil, Gas, and Mining, 1594 West North Temple, Suite 1210 Salt Lake City, Utah 84114-5801. Written comments objections, or requests for an informal conference may be submitted to the Division of Oil, Gas, and Mining address above. Said comments must be submitted thirty (30) days from the date of publication of this notice.

This notice is being published to comply with the Surface Mining Control and Reclamation Act of 1977, and State and Federal regulations promulgated pursuant to said Act.

Published in the ETV Newspaper on October 14, October 21, October 28 and November 4, 2020.
APPENDIX 1-E

FEDERAL LEASE
CERTIFIED MAIL

DECISION

C.O.P. Coal Development Company
53 West Angelo Avenue
Salt Lake City, Utah 84115

C.O.P. Coal Development Company

Coal

U-024316

U-024318

Assignments Approved
Bond Accepted

On April 25, 1980, Assignments of Coal leases U-024316 and U-024318, entered into on April 1, 1980 between Peabody Coal Company, as assignor, and C.O.P. Coal Development Company, as assignee, were filed in this office.

Satisfactory evidence of the qualifications and holdings of C.O.P. Coal Development Company has been filed and the lease accounts are in good standing. The assignments appear to meet the requirements of the regulations and are hereby approved effective September 1, 1980. Approval of the assignments does not constitute approval of any of the terms therein which may be in violation of the lease terms.

As required by the regulations in 43 CFR 3472.2(a), a Personal Bond and Power of Attorney, secured by $5,000 cash, was filed in this office on August 20, 1980, for each coal lease. The bonds are satisfactory and are accepted effective August 20, 1980.

Chief, Minerals Section

INCORPORATED

NOV 03 2005
Div. of Oil, Gas & Mining
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

COAL LEASE READJUSTMENT

Serial Number U-024316
Lease Date May 1, 1958

Part I. LEASE RIGHTS GRANTED

This lease, entered into by and between the United States of America, hereinafter called the lessor, through the Bureau of Land Management, and

C. O. P. Coal Development Company
53 West Angelo Avenue
Salt Lake City, UT 84115

hereinafter called lessee, is readjusted, effective May 1, 1988, for a period of 10 years and for so long thereafter as coal is produced in commercial quantities from the leased lands, subject to readjustment of lease terms at the end of each 10 year lease period.

Sec. 1. This lease readjustment is subject to the terms and provisions of the:


and to the regulations and formal orders of the Secretary of the Interior which are now or hereafter in force, when not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants to lessee the exclusive right and privilege to drill for, mine, extract, remove or otherwise process and dispose of the coal deposits in, upon, or under the following described lands:

T. 16 S., R. 7 E., SLM, Utah, Emery County
Sec. 13, W\%W\%;
Sec. 14, N\%E, E\%N\%W.

containing 400.00 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

[INCORPORATED]

NOV 03 2005

Div. of Oil, Gas & Mining
PART II. TERMS AND CONDITIONS

Sec. 1. (a) RENTAL RATE - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate of $3.00 for each lease year.

(b) RENTAL CREDITS - Rental shall not be credited against either production or advance royalties for any year.

Sec. 2. (a) PRODUCTION ROYALTIES - The royalty shall be 12% percent of the value of coal produced by strip or auger mining methods and 8 percent of the value of coal produced by underground mining methods. Royalties are due to lessor the final day of the months succeeding the calendar month in which the royalty obligation accrues.

(b) ADVANCE ROYALTIES - Upon request by the lessee, the authorized officer may accept for a total of not more than 10 years, the payment of advance royalties in lieu of continued operation, consistent with the regulations. The advance royalty shall be based on a percent of the value of a minimum number of tons determined in the manner established by the advance royalty regulations in effect at the time the lessee requests approval to pay advance royalties in lieu of continued operation.

Sec. 3. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of $5,000. The authorized officer may require an adjustment in the amount of the bond to reflect changed conditions.

Sec. 4. DILIGENCE - This lease is subject to the conditions of diligent development and continued operation, except that these conditions are excused when operations under the lease are interrupted by strikes, the elements, or casualties not attributable to the lessee. The lessor, in the public interest, may suspend the condition of continued operation upon payment of advance royalties in accordance with the regulations in existence at the time of the suspension. Lessee's failure to produce coal in commercial quantities at the end of 10 years shall terminate the lease. If not submitted already, lessee shall submit an operation and reclamation plan pursuant to Section 7 of the Act not later than 3 years after the effective date of this lease readjustment.

The lessor reserves the power to assent to or order the suspension of the terms and conditions of this lease in accordance with, inter alia, Section 39 of the Mineral Leasing Act, 30 U.S.C. 209.

Sec. 5. LOGICAL MINING UNIT (LMU) - Either upon approval by the lessor of the lessee's application or at the direction of the lessor, this lease shall become a LMU or part of a LMU, subject to the provisions set forth in the regulations.

The stipulations established in a LMU approval in effect at the time of LMU approval will supersede the relevant inconsistent terms of this lease so long as the lease remains committed to the LMU. If the LMU of which this lease is a part is dissolved, the lease shall then be subject to the lease terms which would have been applied if the lease had not been included in an LMU.

Sec. 6. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

INTEGRATED

NOV 03 2005

Div. of Oil, Gas
Lessee shall keep open at all times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, works, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall allow lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 7. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall comply at its own expense with all reasonable orders of the Secretary, respecting diligent operations, prevention of waste, and protection of other resources.

Lessee shall not conduct exploration operations, other than casual use, without an approved exploration plan. All exploration plans prior to the commencement of mining operations within an approved mining permit area shall be submitted to the authorized officer.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health, or property, and prevention of waste, damage or degradation to any land, air, water, cultural, biological, visual, and other resources, including mineral deposits and formations of mineral deposits not leased hereunder, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures. Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits, not covered hereunder and approving easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 8. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor.
Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 9. (a) TRANSFERS

This lease may be transferred in whole or in part to any person, association, or corporation qualified to hold such lease interest.

This lease may be transferred in whole or in part to another public body, or to a person who will mine the coal on behalf of, and for the use of, the public body, or to a person who for the limited purpose of creating a security interest in favor of a lender agrees to be obligated to mine the coal on behalf of the public body.

This lease may only be transferred in whole or in part to another small business qualified under 13 CFR 121.

Transfers of record title, working or royalty interest must be approved in accordance with the regulations.

(b) RELINQUISHMENT – The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 10. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC.

At such time as all portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all workings in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities incidental thereto, and reclaim access roads or trails.

Sec. 11. PROCEEDINGS IN CASE OF DEFAULT – If lessee fails to comply with applicable laws, existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later
cancellation for the same default occurring at any other time.

Sec. 12. HEIRS AND SUCCESSORS - IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 13. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee’s activities and operations under this lease.

Sec. 14. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1151 - 1175); the Clean Air Act (42 U.S.C. 1857 et seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation, including the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.)

Sec. 15. SPECIAL STIPULATIONS -

1. The Regulatory Authority shall mean the State Regulatory Authority pursuant to a cooperative agreement approved under 30 CFR Part 745 or in the absence of a cooperative agreement, Office of Surface Mining. The authorized officer shall mean the State Director, Bureau of Land Management. The authorized officer of the Surface Management Agency shall mean the Forest Supervisor, Forest Service. Surface Management Agency for private surface is the Bureau of Land Management. For adjoining private lands with Federal minerals and which primarily involve National Forest Service issues, the Forest Service will have the lead for environmental analysis and, when necessary, documentation in an environmental assessment or environmental impact statement.

2. The authorized officers, of the Bureau of Land Management, Office of Surface Mining (Regulatory Authority), and the Surface Management Agency (Forest Service) respectively, shall coordinate, as practical, regulation of mining operations and associated activities on the lease area.

3. 'In accordance with Sec. 523(b) of the "Surface Mining Control and Reclamation Act of 1977," surface mining and reclamation operations conducted on this lease are to conform with the requirements of this Act and are subject to compliance with Office of Surface Mining Regulations, or as applicable, a Utah program equivalent approved under cooperative agreement in accordance with Sec. 523(c). The United States Government does not warrant that the entire tract will be susceptible to mining.
4. Federal Regulations 43 CFR 3400 pertaining to Coal Management make provisions for the Surface Management Agency, the surface of which is under the jurisdiction of any federal agency other than the Department of Interior, to consent to leasing and to prescribe conditions to insure the use and protection of the lands. All or part of this lease contain lands the surface of which are managed by the United States Department of Agriculture, Forest Service Manti-LaSal National Forest.

The following stipulations pertain to the lessee responsibility for mining operations on the lease area and on adjacent areas as may be specifically designated on National Forest System lands.

5. Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the lessee may be required to conduct a cultural resource inventory and a paleontological appraisal of the areas to be disturbed. These studies shall be conducted by qualified professional cultural resource specialists or qualified paleontologists, as appropriate, and a report prepared itemizing the findings. A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified cultural or paleontological resources.

If cultural resources or paleontological remains (fossils) of significant scientific interest are discovered during operations under this lease, the lessee prior to disturbance shall, immediately bring them to the attention of the appropriate authorities. Paleontological remains of significant scientific interest do not include leaves, ferns, or dinosaur tracks commonly encountered during underground mining operations.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the lessee.

6. If there is reason to believe that threatened or endangered (T&E) species of plants or animals, or migratory bird species of high Federal interest occur in the area the lessee shall be required to conduct an intensive field inventory of the area to be disturbed and/or impacted. The inventory shall be conducted by a qualified specialist and a report of findings will be prepared. A plan will be prepared making recommendations for the protection of these species or action necessary to mitigate the disturbance.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the lessee.

7. The lessee shall be required to perform a study to secure adequate baseline data to quantify the existing surface resources on and adjacent to the lease area. Existing data may be used if such data is adequate for the intended purposes. The study shall be adequate to locate, quantify, and demonstrate the inter-relationship of the geology, topography, surface hydrology, vegetation, and wildlife. Baseline data will be established so that future programs of observation can be incorporated at regular intervals for comparison.

8. Powerlines used in conjunction with the mining of coal from this lease shall be constructed so as to provide adequate protection for raptors and other large birds. When feasible, powerlines will be located at least 100 yards from public roads.
9. The limited area available for mine facilities at the coal outcrop, steep
topography, adverse winter weather, and physical limitations on the size and design
of the access road, are factors which will determine the ultimate size of the sur-
face area utilized for the mine. A site specific environmental analysis will be
prepared for each new mine site development and for major modifications to existing
developments to examine alternatives and mitigate conflicts.

10. The lessee shall be required to establish a monitoring system to locate,
measure, and quantify the progressive and final effects of underground mining
activities on the topographic surface, underground and surface hydrology and
vegetation. The monitoring system shall utilize techniques which will provide a
continuing record of change over time and an analytical method for location and
measurement of a number of points over the lease area. The monitoring shall
incorporate and be an extension of the baseline data.

11. The lessee shall provide for the suppression and control of fugitive dust on
haul roads and at coal handling and storage facilities. On Forest Development
Roads (FDR), lessees may perform their share of road maintenance by a commensurate
share agreement if a significant degree of traffic is generated that is not related
to their activities.

12. Except at specifically approved locations, underground mining operations shall
be conducted in such a manner so as to prevent surface subsidence that would: (1)
cause the creation of hazardous conditions such as potential escarpment failure and
landsides, (2) cause damage to existing surface structures, and (3) damage or
alter the flow of perennial streams. The lessee shall provide specific measures
for the protection of escarpments, and determine corrective measures to assure that
hazardous conditions are not created.

13. In order to avoid surface disturbance on steep canyon slopes and to preclude
the need for surface access, all surface breakouts for ventilation tunnels shall be
constructed from inside the mine, except at specifically approved locations.

14. The coal contained within, and authorized for mining under this lease, shall
be extracted only by underground mining methods.

15. Existing Forest Service owned or permitted surface improvements will need to
be protected, restored, or replaced to provide for the continuance of current land
uses.

16. In order to protect big game wintering areas, elk calving and deer fawning
areas, sagegrouse strutting areas, and other critical wildlife habitat and/or
activities, specific surface uses outside the mine development area may be
curtailed during specific periods of the year.

17. Support facilities, structures, equipment, and similar developments will be
removed from the lease area within 2 years after the final termination of use of
such facilities. This provision shall apply unless the requirement of Section 10
of the lease form is applicable. Disturbed areas and those areas previously
occupied by such facilities will be stabilized and rehabilitated, drainages
reestablished, and the areas returned to a premining land use.

18. The lessee at the conclusion of the mining operations, or at other times as
surface disturbance related to mining may occur, will replace all damaged, dis-
turbed, or displaced corner monuments (section corners, quarter corners, etc.)
their accessories and appendages (witness trees, bearing trees, etc.), or restore them to their original condition and location, or at other locations that meet the requirements of the rectangular surveying system. This work shall be conducted at the expense of the lessee, by a professional land surveyor registered in the State of Utah and to the standards and guidelines found in the manual of surveying instruction, U.S. Department of Interior.

19. The lessee at his expense will be responsible to replace any surface water identified for protection, that may be lost or adversely affected by mining operations, with water from an alternate source in sufficient quantity and quality to maintain existing riparian habitat, fishery habitat, livestock and wildlife use, or other land uses.

20. The lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the lease. The Secretary of Agriculture’s rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of Interior, (2) uses of all existing improvements, such as Forest Development Roads, within and outside the area licensed, permitted or leased by the Secretary of Interior, and (3) use and occupancy of the NFS not authorized by a permit/operation plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor
Manti-LaSal National Forest
599 West Price River Drive
Price, Utah 84501

Telephone No.: 801-637-2817

who is the authorized representative of the Secretary of Agriculture.
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number U-024318
Lease Date May 1, 1958

COAL LEASE READJUSTMENT

Part I. LEASE RIGHTS GRANTED

This lease, entered into by and between the United States of America, hereinafter called the lessor, through the Bureau of Land Management, and

C. O. P. Coal Development Company
53 West Angelo Avenue
Salt Lake City, UT 84115

hereinafter called lessee, is readjusted, effective May 1, 1988, for a period of 10 years and for so long thereafter as coal is produced in commercial quantities from the leased lands, subject to readjustment of lease terms at the end of each 10 year lease period.

Sec. 1. This lease readjustment is subject to the terms and provisions of the:


and to the regulations and formal orders of the Secretary of the Interior which are now or hereafter in force, when not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants to lessee the exclusive right and privilege to drill for, mine, extract, remove or otherwise process and dispose of the coal deposits in, upon, or under the following described lands:

T. 16 S., R. 7 E., SLM, Utah, Emery County
Sec., 26, E½NW¼.

containing 80.00 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

INCORPORATED

NOV 03 2005

Div. of Oil, Gas & Mining
PART II. TERMS AND CONDITIONS

Sec. 1. (a) RENTAL RATE - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate of $3.00 for each lease year.

(b) RENTAL CREDITS - Rental shall not be credited against either production or advance royalties for any year.

Sec. 2. (a) PRODUCTION ROYALTIES - The royalty shall be 12% percent of the value of coal produced by strip or auger mining methods and 8 percent of the value of coal produced by underground mining methods. Royalties are due to lessor the final day of the months succeeding the calendar month in which the royalty obligation accrues.

(b) ADVANCE ROYALTIES - Upon request by the lessee, the authorized officer may accept for a total of not more than 10 years, the payment of advance royalties in lieu of continued operation, consistent with the regulations. The advance royalty shall be based on a percent of the value of a minimum number of tons determined in the manner established by the advance royalty regulations in effect at the time the lessee requests approval to pay advance royalties in lieu of continued operation.

Sec. 3. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of $5,000. The authorized officer may require an adjustment in the amount of the bond to reflect changed conditions.

Sec. 4. DILIGENCE - This lease is subject to the conditions of diligent development and continued operation, except that these conditions are excused when operations under the lease are interrupted by strikes, the elements, or casualties not attributable to the lessee. The lessor, in the public interest, may suspend the condition of continued operation upon payment of advance royalties in accordance with the regulations in existence at the time of the suspension. Lessee's failure to produce coal in commercial quantities at the end of 10 years shall terminate the lease. If not submitted already, lessee shall submit an operation and reclamation plan pursuant to Section 7 of the Act not later than 3 years after the effective date of this lease readjustment.

The lessor reserves the power to assent to or order the suspension of the terms and conditions of this lease in accordance with, inter alia, Section 39 of the Mineral Leasing Act, 30 U.S.C. 209.

Sec. 5. LOGICAL MINING UNIT (LMU) - Either upon approval by the lessor of the lessee's application or at the direction of the lessor, this lease shall become a LMU or part of a LMU, subject to the provisions set forth in the regulations.

The stipulations established in a LMU approval in effect at the time of LMU approval will supersede the relevant inconsistent terms of this lease so long as the lease remains committed to the LMU. If the LMU of which this lease is a part is dissolved, the lease shall then be subject to the lease terms which would have been applied if the lease had not been included in an LMU.

Sec. 6. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.
Lessee shall keep open at all times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, works, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall allow lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 7. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall comply at its own expense with all reasonable orders of the Secretary, respecting diligent operations, prevention of waste, and protection of other resources.

Lessee shall not conduct exploration operations, other than casual use, without an approved exploration plan. All exploration plans prior to the commencement of mining operations within an approved mining permit area shall be submitted to the authorized officer.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health, or property, and prevention of waste, damage or degradation to any land, air, water, cultural, biological, visual, and other resources, including mineral deposits and formations of mineral deposits not leased hereunder, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures. Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits, not covered hereunder and approving easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 8. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor.
Neither lessee nor lessee's sub-contractors shall maintain segregated facilities.

Sec. 9. TRANSFERS

(a) This lease may be transferred in whole or in part to any person, association, or corporation qualified to hold such lease interest.

(b) This lease may be transferred in whole or in part to another public body, or to a person who will mine the coal on behalf of, and for the use of, the public body or to a person who for the limited purpose of creating a security interest in favor of a lender agrees to be obligated to mine the coal on behalf of the public body.

(c) This lease may only be transferred in whole or in part to another small business qualified under 13 CFR 121.

Transfers of record title, working or royalty interest must be approved in accordance with the regulations.

(b) RELINQUISHMENT - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 10. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC.

- At such time as all portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all workings in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities incidental thereto, and reclaim access roads or trails.

Sec. 11. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later
cancellation for the same default occurring at any other time.

Sec. 12. HEIRS AND SUCCESSORS - IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 13. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 14. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1151 - 1175); the Clean Air Act (42 U.S.C. 1857 et seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation, including the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.)

Sec. 15. SPECIAL STIPULATIONS -

The following stipulations made part of this lease may be waived or amended with the mutual consent of the lessor and lessee.

1. In accordance with Sec. 523(b) of the "Surface Mining Control and Reclamation Act of 1977," surface mining and reclamation operations conducted on this lease are to conform with the requirements of this act and are subject to compliance with Office of Surface Mining regulations, or as applicable, a Utah program equivalent approved under cooperative agreement in accordance with Sec. 523(c). The United States Government does not warrant that the entire tract will be susceptible to mining.

2. The permitting of any mining operations on the lease will be subject to the possible designation of any portion of the lease as unsuitable for some or all kinds of surface mining under the regulations of the Department under the Surface Mining Control and Reclamation Act of 1977 (SMCRA) in effect at the time of action on the mine plan permit.

3. Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the lessee may be required to conduct a cultural resource inventory of the areas to be disturbed. These studies shall be conducted by qualified professional cultural resource specialists and a report prepared.
Itemizing the findings. A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified cultural resources.

If significant cultural resources are discovered during operations under this lease, the lessee shall immediately bring them to the attention of the authorized officer who shall evaluate or have evaluated such discoveries and, within 5 working days, shall notify the Lessee what action shall be taken with respect to such discoveries.

The cost of conducting the inventory, preparing reports, and carrying out necessary protective mitigating measures shall be borne by the lessee.

4. Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the lessee may be required to conduct a paleontological appraisal of the areas to be disturbed. The appraisal shall be conducted by qualified paleontologists and a report prepared itemizing the findings. A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified paleontological resources.

If paleontological remains (fossils) of significant scientific interest are discovered during operations under this lease, the lessee shall immediately bring them to the attention of the authorized officer who shall evaluate or have evaluated such discoveries brought to his attention and, within 5 working days, shall notify the lessee what action shall be taken with respect to such discoveries. Paleontological remains of significant scientific interest do not include leaves, ferns, or dinosaur tracks commonly encountered during underground mining operations.

The cost of conducting the inventory, preparing reports, and carrying out necessary protective mitigating measures shall be borne by the lessee. The cost of salvage of paleontological remains (fossils) shall be borne by the United States.

5. If there is reason to believe that threatened or endangered (T&E) species of plants or animals, or migratory species of high Federal interest occur in the area, the lessee shall be required to conduct an intensive field inventory of the area to be disturbed and/or impacted. A listing of migratory birds of high Federal interest in Federal coal producing regions is published by the Fish and Wildlife Service, Migratory Bird Management Office, Washington, D.C. The inventory shall be conducted by qualified specialist and a report of findings will be prepared. A plan will be prepared making recommendations for the protection of these species or action necessary to mitigate the disturbance.

The cost of conducting the inventory, preparing reports, and carrying out necessary protective mitigating measures shall be borne by the lessee.

6. The lessee shall be required to perform a study to secure adequate baseline data to quantify the existing surface resources on and adjacent to the lease area. Existing data may be used if such data is adequate for the intended purposes. The study shall be adequate to locate, quantify, and demonstrate the inter-relationship of the geology, topography, surface hydrology, vegetation, and wildlife. Baseline data will be established so that future programs of observation can be incorporated at regular intervals for comparison.
7. Powerlines on the lease area used in conjunction with the mining of coal from this lease shall be constructed so as to provide adequate protection for raptors and other large birds. When feasible, powerlines will be located at least 100 yards from public roads.

8. The lessee shall provide for the suppression and control of fugitive dust on haul roads and at coal handling and storage facilities on the lease area. The migration of road surfacing and subsurface materials into streams and water courses shall be prevented.

9. The lessee shall be required to establish a monitoring system to locate, measure, and quantify the progressive and final effects of underground mining activities on the topographic surface, underground and surface hydrology and vegetation. The monitoring system shall utilize techniques which will provide a continuing record of change over time and an analytical method for location and measurement of a number of points over the lease area. The monitoring shall incorporate and be an extension of the baseline data.

10. Except at specifically approved locations, underground mining operations shall be conducted in such a manner so as to prevent surface subsidence that would: 1) cause the creation of hazardous conditions such as potential escarpment failure and landslides, 2) cause damage to existing surface structures, and 3) damage or alter the flow of perennial streams.

11. In order to avoid surface disturbance on steep canyon slopes and to satisfy the need for surface access, all surface breakouts for ventilation tunnels shall be constructed from inside the mine, except at specifically approved locations.

12. Support facilities, structures, equipment, and similar developments will be removed from the lease area within 2 years after the final termination of use of such facilities. This provision shall apply unless the requirement of Section 10 of the lease form is applicable. Disturbed areas and those areas occupied by such facilities will be stabilized and rehabilitated, drainages reestablished, and the areas returned to a premining land use.
Leases Readjusted Effective May 1, 1988

On October 30, 1987, Nevada Electric Investment Company was sent a Notice of Proposed Readjustment of Leases in connection with coal leases U-020668 and U-38727. No objections to the terms as stated were filed within the 60 day period allowed. Therefore, coal leases U-020668 and U-38727 are readjusted effective May 1, 1988 as stipulated in the decision and Coal Lease Readjustments.

The new rental and royalty rates will be effective simultaneously with the effective date of the readjustments.

Lease bonds in the amount of $5,000 for each of the subject leases are currently on file. These bonds are conditioned upon compliance with all the terms and conditions of the coal leases. It has been determined that these bonds are presently adequate coverage for these leases.

ROGER LUNZ
Chief, Minerals
Adjudication Section

Enclosure
Coal Lease Readjustments

cc: Resource Development Committee w/encl.
Solid Minerals w/encl.
USFS, Ogden w/encl.
BMS, AF5, Denver w/encl.
Mojab District w/encl.

INCORPORATED
NOV 03 2005
Div. of Oil, Gas & Mining
Part I. LEASE RIGHTS GRANTED

This lease, entered into by and between the United States of America, hereinafter called the lessor, through the Bureau of Land Management, and

Nevada Electric Investment Company
P. O. Box 230
Las Vegas, NV 89151

hereinafter called lessee, is readjusted, effective May 1, 1988, for a period of 10 years and for so long thereafter as coal is produced in commercial quantities from the leased lands, subject to readjustment of lease terms at the end of each 10 year lease period.

Sec. 1. This lease readjustment is subject to the terms and provisions of the:


and to the regulations and formal orders of the Secretary of the Interior which are now or hereafter in force, when not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants to lessee the exclusive right and privilege to drill for, mine, extract, remove or otherwise process and dispose of the coal deposits in, upon, or under the following described lands:

- T. 16 S., R. 7 E., SLM, Utah, Emery County
  Sec. 25, SE%NE%, NE%SE%.
- T. 16 S., R. 8 E., SLM, Utah
  Sec. 30, lots 1-4, W%NE%, E%NW%, NW%SE%;
  Sec. 31, NW%NE%, NE%NW%.

containing 626.32 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.
PART II. TERMS AND CONDITIONS

Sec. 1. (a) RENTAL RATE - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate of $3.00 for each lease year.

(b) RENTAL CREDITS - Rental shall not be credited against either production or advance royalties for any year.

Sec. 2. (a) PRODUCTION ROYALTIES - The royalty shall be 12% percent of the value of coal produced by strip or auger mining methods and 8 percent of the value of coal produced by underground mining methods. Royalties are due to lessor the final day of the months succeeding the calendar month in which the royalty obligation accrues.

(b) ADVANCE ROYALTIES - Upon request by the lessee, the authorized officer may accept for a total of not more than 10 years, the payment of advance royalties in lieu of continued operation, consistent with the regulations. The advance royalty shall be based on a percent of the value of a minimum number of tons determined in the manner established by the advance royalty regulations in effect at the time the lessee requests approval to pay advance royalties in lieu of continued operation.

Sec. 3. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of $5,000. The authorized officer may require an adjustment in the amount of the bond to reflect changed conditions.

Sec. 4. DILIGENCE - This lease is subject to the conditions of diligent development and continued operation, except that these conditions are excused when operations under the lease are interrupted by strikes, the elements, or casualties not attributable to the lessee. The lessor, in the public interest, may suspend the condition of continued operation upon payment of advance royalties in accordance with the regulations in existence at the time of the suspension. Lessee's failure to produce coal in commercial quantities at the end of 10 years shall terminate the lease. If not submitted already, lessee shall submit an operation and reclamation plan pursuant to Section 7 of the Act not later than 3 years after the effective date of this lease readjustment.

The lessor reserves the power to assent to or order the suspension of the terms and conditions of this lease in accordance with, inter alia, Section 39 of the Mineral Leasing Act, 30 U.S.C. 209.

Sec. 5. LOGICAL MINING UNIT (LMU) - Either upon approval by the lessor of the lessee's application or at the direction of the lessor, this lease shall become a LMU or part of a LMU, subject to the provisions set forth in the regulations.

The stipulations established in a LMU approval in effect at the time of LMU approval will supersede the relevant inconsistent terms of this lease so long as the lease remains committed to the LMU. If the LMU of which this lease is a part is dissolved, the lease shall then be subject to the lease terms which would have been applied if the lease had not been included in an LMU.

Sec. 6. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

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Lessee shall keep open at all times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, works, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall allow lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 7. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall comply at its own expense with all reasonable orders of the Secretary, respecting diligent operations, prevention of waste, and protection of other resources.

Lessee shall not conduct exploration operations, other than casual use, without an approved exploration plan. All exploration plans prior to the commencement of mining operations within an approved mining permit area shall be submitted to the authorized officer.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health, or property, and prevention of waste, damage or degradation to any land, air, water, cultural, biological, visual, and other resources, including mineral deposits and formations of mineral deposits not leased hereunder, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures. Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits, not covered hereunder and approving easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 8. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are situated are more restrictive than the provisions in this paragraph, then the State laws apply.

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

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Div. of Oil, Gas & Mining
Neither lessee nor lessee’s subcontractors shall maintain segregated facilities.

Sec. 9. (a) TRANSFERS

This lease may be transferred in whole or in part to any person, association, or corporation qualified to hold such lease interest.

This lease may be transferred in whole or in part to another public body, or to a person who will mine the coal on behalf of, and for the use of, the public body or to a person who for the limited purpose of creating a security interest in favor of a lender agrees to be obligated to mine the coal on behalf of the public body.

This lease may only be transferred in whole or in part to another small business qualified under 13 CFR 121.

Transfers of record title, working or royalty interest must be approved in accordance with the regulations.

(b) RELINQUISHMENT - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor’s acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 10. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC.

- At such time as all portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all workings in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee’s activity or activities incidental thereto, and reclaim access roads or trails.

Sec. 11. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later
cancellation for the same default occurring at any other time.

Sec. 12. HEIRS AND SUCCESSORS - IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 13. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 14. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1151 - 1175); the Clean Air Act (42 U.S.C. 1857 et seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation, including the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.)

Sec. 15. SPECIAL STIPULATIONS -

1. The Regulatory Authority shall mean the State Regulatory Authority pursuant to a cooperative agreement approved under 30 CFR Part 745 or in the absence of a cooperative agreement, Office of Surface Mining. The authorized officer shall mean the State Director, Bureau of Land Management. The authorized officer of the Surface Management Agency shall mean the Forest Supervisor, Forest Service. Surface Management Agency for private surface is the Bureau of Land Management. For adjoining private lands with Federal minerals and which primarily involve National Forest Service issues, the Forest Service will have the lead for environmental analysis and, when necessary, documentation in an environmental assessment or environmental impact statement.

2. The authorized officers, of the Bureau of Land Management, Office of Surface Mining (Regulatory Authority), and the Surface Management Agency (Forest Service) respectively, shall coordinate, as practical, regulation of mining operations and associated activities on the lease area.

3. In accordance with Sec. 523(b) of the "Surface Mining Control and Reclamation Act of 1977," surface mining and reclamation operations conducted on this lease are to conform with the requirements of this Act and are subject to compliance with Office of Surface Mining Regulations, or as applicable, a Utah program equivalent approved under cooperative agreement in accordance with Sec. 523(c). The United States Government does not warrant that the entire tract will be susceptible to mining.

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Federal Regulations 43 CFR 3400 pertaining to Coal Management make provisions for the Surface Management Agency, the surface of which is under the jurisdiction of any Federal agency other than the Department of Interior, to consent to leasing and to prescribe conditions to insure the use and protection of the lands. All or part of this lease contain lands the surface of which are managed by the United States Department of Agriculture, Forest Service Manti-LaSal National Forest.

The following stipulations pertain to the lessee responsibility for mining operations on the lease area and on adjacent areas as may be specifically designated on National Forest System lands.

5. Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the lessee may be required to conduct a cultural resource inventory and a paleontological appraisal of the areas to be disturbed. These studies shall be conducted by qualified professional cultural resource specialists or qualified paleontologists, as appropriate, and a report prepared itemizing the findings. A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified cultural or paleontological resources.

If cultural resources or paleontological remains (fossils) of significant scientific interest are discovered during operations under this lease, the lessee prior to disturbance shall, immediately bring them to the attention of the appropriate authorities. Paleontological remains of significant scientific interest do not include leaves, ferns, or dinosaur tracks commonly encountered during underground mining operations.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the lessee.

6. If there is reason to believe that threatened or endangered (T&E) species of plants or animals, or migratory bird species of high Federal interest occur in the area the lessee shall be required to conduct an intensive field inventory of the area to be disturbed and/or impacted. The inventory shall be conducted by a qualified specialist and a report of findings will be prepared. A plan will be prepared making recommendations for the protection of these species or action necessary to mitigate the disturbance.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the lessee.

7. The lessee shall be required to perform a study to secure adequate baseline data to quantify the existing surface resources on and adjacent to the lease area. Existing data may be used if such data is adequate for the intended purposes. The study shall be adequate to locate, quantify, and demonstrate the inter-relationship of the geology, topography, surface hydrology, vegetation, and wildlife. Baseline data will be established so that future programs of observation can be incorporated at regular intervals for comparison.

8. Powerlines used in conjunction with the mining of coal from this lease shall be constructed so as to provide adequate protection for raptors and other large birds. When feasible, powerlines will be located at least 100 yards from public roads.
9. The limited area available for mine facilities at the coal outcrop, steep topography, adverse winter weather, and physical limitations on the size and design of the access road, are factors which will determine the ultimate size of the surface area utilized for the mine. A site specific environmental analysis will be prepared for each new mine site development and for major modifications to existing developments to examine alternatives and mitigate conflicts.

10. The lessee shall be required to establish a monitoring system to locate, measure, and quantify the progressive and final effects of underground mining activities on the topographic surface, underground and surface hydrology and vegetation. The monitoring system shall utilize techniques which will provide a continuing record of change over time and an analytical method for location and measurement of a number of points over the lease area. The monitoring shall incorporate and be an extension of the baseline data.

11. The lessee shall provide for the suppression and control of fugitive dust on haul roads and at coal handling and storage facilities. On Forest Development Roads (FDR), lessees may perform their share of road maintenance by a commensurate share agreement if a significant degree of traffic is generated that is not related to their activities.

12. Except at specifically approved locations, underground mining operations shall be conducted in such a manner so as to prevent surface subsidence that would: (1) cause the creation of hazardous conditions such as potential escarpment failure and landslides, (2) cause damage to existing surface structures, and (3) damage or alter the flow of perennial streams. The lessee shall provide specific measures for the protection of escarpments, and determine corrective measures to assure that hazardous conditions are not created.

13. In order to avoid surface disturbance on steep canyon slopes and to preclude the need for surface access, all surface breakouts for ventilation tunnels shall be constructed from inside the mine, except at specifically approved locations.

14. If removal of timber is required for clearing of construction sites, etc., such timber shall be removed in accordance with the regulations of the surface management agency.

15. The coal contained within, and authorized for mining under this lease, shall be extracted only by underground mining methods.

16. Existing Forest Service owned or permitted surface improvements will need to be protected, restored, or replaced to provide for the continuance of current land uses.

17. In order to protect big game wintering areas, elk calving and deer fawning areas, sagegrouse strutting areas, and other critical wildlife habitat and/or activities, specific surface uses outside the mine development area may be curtailed during specific periods of the year.

18. The lessee at the conclusion of the mining operations, or at other times as surface disturbance related to mining may occur, will replace all damaged, disturbed, or displaced corner monuments (section corners, quarter corners, etc.) their accessories and appendages (witness trees, bearing trees, etc.), or restore them to their original condition and location, or at other locations that meet the
requirements of the rectangular surveying system. This work shall be conducted at the expense of the lessee, by a professional land surveyor registered in the State of Utah and to the standards and guidelines found in the manual of surveying instruction, U.S. Department of Interior.

19. The lessee at his expense will be responsible to replace any surface water identified for protection, that may be lost or adversely affected by mining operations, with water from an alternate source in sufficient quantity and quality to maintain existing riparian habitat, fishery habitat, livestock and wildlife use, or other land uses.

20. The lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the lease. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of Interior, (2) uses of all existing improvements, such as Forest Development Roads, within and outside the area licensed, permitted or leased by the Secretary of Interior, and (3) use and occupancy of the NFS not authorized by a permit/operation plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor
Manti-LaSal National Forest
599 West Price River Drive
Price, Utah 84501

Telephone No.: 801-637-2817

who is the authorized representative of the Secretary of Agriculture.
United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

In Reply Refer To:
3432
UTU-38727
(UT-924)

JUN 19 2002

DECISION

C.O.P. Coal Development Company : Coal Lease
53 West Angelo Avenue : UTU-38727
Salt Lake City, Utah 84115

Coal Lease UTU-38727 Modified

Coal lease UTU-38727 was modified effective June 19, 2002. All terms and conditions of the original lease were made consistent with the laws, regulations, and lease terms applicable at the time of this modification.

Additional rental of $110.00 to cover the estimated additional rental for the current rental year was submitted June 17, 2002. Rental in the amount of $3.00 per acre, or a total of $2,343 is due on May 1, 2003.

Within 30 days after the effective date of this lease modification, the lessee shall amend its Bear Canyon Logical Mining Unit application to include the 40.00 acres added to coal lease UTU-38727 by this modification. The modified land shall be segregated into another Federal coal lease should the lessee fail to file such amendment.

Enclosures:
1. Copy of Modified Lease (12 pp)

cc:
MMS, Solids (w/copy of modification)
Resource Development Coordinating Committee (w/copy of modification)
Price Coal Office (Attn: Steve Falk) (w/copy of modification)
Manti-LaSal National Forest (w/copy of modification)
Lowell Braxton, Director, UDOGM, Box 145801, SLC, UT 84114 (w/copy of modification)
SITLA, Attn: John Blake (w/copy of modification)

INTEGRATED

INCORPORATED

NOV 03 2005
Div. of Oil, Gas & Mining
PART I.

THIS MODIFIED COAL LEASE is entered into on JUN 19 2002, by and between the UNITED STATES OF AMERICA, hereinafter called the Lessor, through the Bureau of Land Management, and

C.O.P. Coal Development Company
53 West Angelo Avenue
Salt Lake City, Utah 84115

hereinafter called Lessee.

This modified lease shall retain the effective date of May 1, 1958, of the original COAL LEASE UTU-38727, and is effective for a period of 20 years therefrom, and for so long thereafter as coal is produced in commercial quantities from the leased lands, subject to readjustment of lease terms at the end of the 20th lease year (May 1, 1978), and each 10-year period thereafter.

Sec. 1. This lease is issued pursuant and subject to the terms and provisions of the: (NOTE: Check the appropriate Act or Acts.)


and to the regulations and formal orders of the Secretary of the Interior which are now or hereafter in force, when not inconsistent with the express and specific provisions herein.

Sec. 2. Lessee as the holder of Coal Lease UTU-38727, issued effective May 1, 1958, was granted the exclusive right and privilege to drill for, mine, extract, remove or otherwise process and dispose of the coal deposits in, upon, or under the lands described below as Tract 1.

The Lessor in consideration of fair market value, rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to Lessee the exclusive right and privilege to drill for, mine, extract, remove, or otherwise process and dispose of the coal deposits in, upon, or under the lands described below as Tract 2.

Tract 1: T. 16 S., R. 7 E., SLM, UT
   Sec. 24, SENE, E2SE;
   Sec. 25, N2NE,SWNE,SWNW,
   NWSW,W2SE,SESE.

Tract 2: T. 16 S., R. 8 E., SLM, UT
   Sec. 19, lots 2-4,SENW, E2SW, SWSE.

containing 780.39 acres, more or less, together with the right to construct such works, buildings,

and to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.
Part II. TERMS AND CONDITIONS

Sec. 1.(a) RENTAL RATE - Lessee shall pay Lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate of $3.00 per acre for each lease year.

(b) RENTAL CREDITS - Rental shall not be credited against either production or advance royalties for any year.

Sec. 2.(a) PRODUCTION ROYALTIES - The royalty shall be 8 percent of the value of the coal as set forth in the regulations. Royalties are due to Lessor the final day of the month succeeding the calendar month in which the royalty obligation accrues.

(b) ADVANCE ROYALTIES - Upon request by the Lessee, the authorized officer may accept, for a total of not more than 10 years, the payment of advance royalties in lieu of continued operation, consistent with the regulations. The advance royalty shall be based on a percent of the value of a minimum number of tons determined in the manner established by the advance royalty regulations effect at the time the Lessee requests approval to pay advance royalties in lieu of continued operation.

Sec. 3. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of $5,000. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 4. DILIGENCE - This lease is held by inclusion in an amendment to the Bear Canyon LMU.

The Lessor reserves the power to assent to or order the suspension of the terms and conditions of this lease in accordance with, inter alia, Section 39 of the Mineral Leasing Act, 30 U.S.C. 209.

Sec. 5. LOGICAL MINING UNIT (LMU) - The lands contained in the original lease have been included in the Bear Canyon LMU application UTU-73342 filed April 20, 1990. Within 30 days after the effective date of this lease modification, the Lessee shall amend its application for the Bear Canyon Logical Mining Unit to include the 40.00 acres added to Coal Lease UTU-38727 by this modification. The modified land shall be segregated into another Federal coal lease should the Lessee fail to file such an amendment.

The stipulations established in an LMU approval in effect at the time of LMU approval or modification will supersede the relevant inconsistent terms of this lease so long as the lease remains committed to the LMU. If the LMU of which this lease is a part is dissolved, the lease shall then be subject to the lease terms which would have been applied if the lease had not been included in an LMU.

Sec. 6. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as Lessor may prescribe, Lessee shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of Lessor, the leased premises and all surface and underground improvements, works, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall allow Lessor access to and copying of documents reasonably necessary to verify Lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 7. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall comply at its own expense with all reasonable orders of the Secretary, respecting diligent operations, prevention of waste, and protection of other resources.

Lessee shall not conduct exploration operations, other than casual, without an
approved exploration plan. All exploration plans prior to the commencement of mining operations within an approved mining permit area shall be submitted to the authorized official.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health, or property, and prevention of waste, damage or degradation any land, air, water, cultural, biological, visual, and other resources, including mineral deposits and formations of mineral deposits not leased hereunder, and to other land uses or users. Lessee shall take measures deemed necessary by Lessor to accomplish the intent of this lease term. Such measures may include, but not limited to, modification to proposed siting or design of facilities, timing of operations, and specifications of interim and final reclamation procedures. Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder and approving easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of Lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 8  PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither Lessee nor Lessee’s subcontractors shall maintain segregated facilities.

Sec. 9.(a) TRANSFERS (Check the appropriate space)

X__ This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

____ This lease may be transferred in whole or in part to another public body, or to a person who will mine the coal on behalf of, and for the use of, the public body or to a person who for the limited purpose of creating a security interest in favor of a lender agrees to be obligated to mine the coal on behalf of the public body.

____ This lease may only be transferred in whole or in part to another small business qualified under 13 CFR 121.

Transfers of record title, working or royalty interest must be approved in accordance with the regulations.

(b) RELINQUISHMENTS - The Lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon Lessor’s acceptance of the relinquishment, Lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 10. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such times as all portions of this lease are returned to Lessor, Lessee shall deliver up to Lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all workings in condition for suspension or abandonment. Within 180 days thereof, Lessee shall remove from the premises all
other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the Lessor, but Lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the Lessor. If the surface is owned by third parties, Lessor shall waive the requirement for removal, provided the third parties do not object to such waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by Lessee's activity or activities incidental thereto, and reclaim access roads or trail.

Sec. 11. PROCEEDINGS IN CASE OF DEFAULT
If Lessee fails to comply with applicable laws, existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the Lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by Lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 12. HEIRS AND SUCCESSORS - IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall insure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 13. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the Lessee's activities and operations under this lease.

Sec. 14. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1151 - 1175); the Clean Air Act (42 U.S.C. 1857 et seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation, including the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.)
Sec. 15. SPECIAL STIPULATIONS -

SEE ATTACHED STIPULATIONS

INTEGRATED

INCORPORATED

NOV 03 2005

Div. of Oil, Gas & Mining
SPECIAL STIPULATIONS FOR
MODIFIED COAL LEASE U-38727

1. The Regulatory Authority shall mean the State Regulatory Authority pursuant to a cooperative agreement approved under 30 CFR Part 745 or in the absence of a cooperative agreement, Office of Surface Mining. The authorized officer shall mean the State Director, Bureau of Land Management. The authorized officer of the Surface Management Agency shall mean the Forest Supervisor, Forest Service. Surface Management Agency for private surface is the Bureau of Land Management. For adjoining private lands with Federal minerals and which primarily involve National Forest Service issues, the Forest Service will have the lead for environmental analysis and, when necessary, documentation in an environmental assessment or environmental impact statement.

2. The authorized officers, of the Bureau of Land Management, Office of Surface Mining (Regulatory Authority), and the Surface Management Agency (Forest Service) respectively, shall coordinate, as practical, regulation of mining operations and associated activities on the lease area.

3. In accordance with Sec. 523(b) of the "Surface Mining Control and Reclamation Act of 1977," surface mining and reclamation operations conducted on this lease are to conform with the requirements of this Act and are subject to compliance with Office of Surface Mining Regulations, or as applicable, a Utah program equivalent approved under cooperative agreement in accordance with Sec. 523(c). The United States Government does not warrant that the entire tract will be susceptible to mining.

4. Federal Regulations 43 CFR 3400 pertaining to Coal Management make provisions for the Surface Management Agency, the surface of which is under the jurisdiction of any Federal agency other than the Department of Interior, to consent to leasing and to prescribe conditions to insure the use and protection of the lands. All or part of this lease contain lands the surface of which are managed by the United States Department of Agriculture, Forest Service Manti-LaSal National Forest.

The following stipulations pertain to the lessee responsibility for mining operations on the lease area and on adjacent areas as may be specifically designated on National Forest System lands.

5. Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the lessee may be required to conduct a cultural resource inventory and a paleontological appraisal of the areas to be disturbed. These studies shall be conducted by qualified professional cultural resource specialists or qualified paleontologists, as appropriate, and a report prepared itemizing the findings. A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified cultural or paleontological resources.
If cultural resources or paleontological remains (fossils) of significant scientific interest are discovered during operations under this lease, the lessee prior to disturbance shall, immediately bring them to the attention of the appropriate authorities. Paleontological remains of significant scientific interest do not include leaves, ferns, or dinosaur tracks commonly encountered during underground mining operations.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the Lessee.

6. If there is reason to believe that Threatened or Endangered (T&E) species of plants or animals, or migratory bird species of high Federal interest occur in the area, the Lessee shall be required to conduct an intensive field inventory of the area to be disturbed and/or impacted. The inventory shall be conducted by a qualified specialist and a report of findings will be prepared. A plan will be prepared making recommendations for the protection of these species or action necessary to mitigate the disturbance.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the Lessee.

7. The Lessee shall be required to perform a study to secure adequate baseline data to quantify the existing surface resources on and adjacent to the lease area. Existing data may be used if such data are adequate for the intended purposes. The study shall be adequate to locate, quantify, and demonstrate the interrelationship of the geology, topography, surface and ground water hydrology, vegetation and wildlife. Baseline data will be established so that future programs of observation can be incorporated at regular intervals for comparison.

8. Powerlines used in conjunction with the mining of coal from this lease shall be constructed so as to provide adequate protection for raptors and other large birds. When feasible, powerlines will be located at least 100 yards from public roads.

9. The limited area available for mine facilities at the coal outcrop, steep topography, adverse winter weather, and physical limitations on the size and design of the access road, are factors which will determine the ultimate size of the surface area utilized for the mine. A site specific environmental analysis will be prepared for each new mine site development and for major modifications to existing developments to examine alternatives and mitigate conflicts.

10. Consideration will be given to site selection to reduce adverse visual impacts. Where alternative sites are available, and each alternative is technically feasible, the alternative involving the least damage to the scenery and other resources shall be selected. Permanent structures and facilities will be designed, and screening techniques employed, to reduce visual impacts, and where possible achieve a final landscape compatible with the natural surroundings. The creation of unusual, objectionable, or unnatural land forms and vegetative landscape features will be avoided.

INCORPORATED

NOV 03 2005
Div. of Oil, Gas & Mining
11. The lessee shall be required to establish a monitoring system to locate, measure, and quantify the progressive and final effects of underground mining activities on the topographic surface, underground and surface hydrology and vegetation. The monitoring system shall utilize techniques which will provide a continuing record of change over time and an analytical method for location and measurement of a number of points over the lease area. The monitoring shall incorporate and be an extension of the baseline data.

12. The lessee shall provide for the suppression and control of fugitive dust on haul roads and at coal handling and storage facilities. On Forest Development Roads (FDR), lessees may perform their share of road maintenance by a commensurate share agreement if a significant degree of traffic is generated that is not related to their activities.

13. Except at specifically approved locations, underground mining operations shall be conducted in such a manner so as to prevent surface subsidence that would: (1) cause the creation of hazardous conditions such as potential escarpment failure and landslides, (2) cause damage to existing surface structures, or (3) damage or alter the flow of perennial streams. The lessee shall provide specific measures for the protection of escarpments, and determine corrective measures to assure that hazardous conditions are not created.

14. In order to avoid surface disturbance on steep canyon slopes and to preclude the need for surface access, all surface breakouts for ventilation tunnels shall be constructed from inside the mine, except at specifically approved locations.

15. If removal of timber is required for clearing of construction sites, etc., such timber shall be removed in accordance with the regulations of the surface management agency.

16. The coal contained within, and authorized for mining under this lease, shall be extracted only by underground mining methods.

17. Existing Forest Service owned or permitted surface improvements will need to be protected, restored, or replaced to provide for the continuance of current land uses.

18. In order to protect big game wintering areas, elk calving and deer fawning areas, sagegrouse strutting areas, and other critical wildlife habitat and/or activities, specific surface uses outside the mine development area may be curtailed during specific periods of the year.

19. Support facilities, structures, equipment, and similar developments will be removed from the lease area within 2 years after the final termination of use of such facilities. This provision shall apply unless the requirement of Section 10 of the lease form is applicable. Disturbed areas and those areas previously occupied by such facilities will be stabilized and rehabilitated, drainages reestablished, and the areas returned to a premining land use.
20. The Lessee at the conclusion of the mining operation, or at other times as surface disturbance related to mining may occur, will replace all damaged, disturbed, or displaced corner monuments (section corners, quarter corners, etc.) their accessories and appendages (witness trees, bearing trees, etc.), or restore them to their original condition and location, or at other locations that meet the requirements of the rectangular surveying system. This work shall be conducted at the expense of the Lessee, by a professional land surveyor registered in the State of Utah and to the standards and guidelines found in the Manual of Surveying Instructions, U.S. Department of Interior.

21. The Lessee, at his expense, will be responsible to replace any surface and/or developed ground water sources identified for protection, that may be lost or adversely affected by mining operations, with water from an alternate source in sufficient quantity and quality to maintain existing riparian habitat, fishery habitat, livestock and wildlife use, or other land uses (authorized by 36 CFR 251).

22. The Licensee/Permittee/Lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the license/permit/lease. The Secretary of Agriculture’s rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of Interior, (2) uses of all existing improvements, such as Forest Development Roads, within and outside the area licensed, permitted or leased by the Secretary of Interior, and (3) use and occupancy of the NFS not authorized by a permit/operation plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor  
Manti-LaSal National Forest  
599 West Price River Drive  
Price, Utah 84501

Telephone No.: 801-637-2817

who is the authorized representative of the Secretary of Agriculture.
23. Notwithstanding the approval of a resource recovery and protection plan by the BLM, lessor reserves the right to seek damages against the operator/lessee in the event (i) the operator/lessee fails to achieve maximum economic recovery [as defined at 43 CFR §3480.0-5(21)] of the recoverable coal reserves or (ii) the operator/lessee is determined to have caused a wasting of recoverable coal reserves. Damages shall be measured on the basis of the royalty that would have been payable on the wasted or unrecovered coal.

The parties recognize that under an approved R2P2, conditions may require a modification by the operator/lessee of that plan. In the event a coal bed or portion thereof is not to be mined or is rendered unminable by the operation, the operator shall submit appropriate justification to obtain approval by the AO to leave such reserves unmined. Upon approval by the AO, such coal beds or portions thereof shall not be subject to damages as described above. Further, nothing in this section shall prevent the operator/lessee from exercising its right to relinquish all or a portion of the lease as authorized by statute and regulation.

In the event the AO determines that the R2P2 as approved will not attain MER as the result of changed conditions, the AO will give proper notice to the operator/lessee as required under applicable regulations. The AO will order a modification if necessary, identifying additional reserves to be mined in order to attain MER. Upon a final administrative or judicial ruling upholding such an ordered modification, any reserves left unmined (wasted) under that plan will be subject to damages as described in the first paragraph under this section.

Subject to the right to appeal hereinafter set forth, payment of the value of the royalty on such unmined recoverable coal reserves shall become due and payable upon determination by the AO that the coal reserves have been rendered unminable or at such time that the lessee has demonstrated an unwillingness to extract the coal.

The BLM may enforce this provision either by issuing a written decision requiring payment of the MMS demand for such royalties, or by issuing a notice of non-compliance. A decision or notice of non-compliance issued by the lessor that payment is due under this stipulation is appealable as allowed by law.

24. WASTE CERTIFICATION: The lessee shall provide upon abandonment and/or sealing off a mined area and prior to lease termination/relinquishment, certification to the lessor that, based upon a complete search of all the operator’s records for the mine and upon their knowledge of past operations, there has been no hazardous substances per (40 CFR 302.4) or used oil as per Utah State Management Rule R-315-15, deposited within the lease, either on the surface or underground, or that all remedial action necessary has been taken to protect human health and the environment with respect to any such substances remaining on the property. The back-up documentation to be provided shall be described by the lessor prior to the first certification and shall include all documentation applicable to the Emergency Planning and Community Right-to-know Act (EPCRA, Public Law 99-499), Title III of the Superfund Amendments and Reauthorization Act of 1986 or equivalent.
25. UNDERGROUND INSPECTION: All safe and accessible areas shall be inspected prior to being sealed. The lessee shall notify the Authorized Officer in writing 30 days prior to the sealing of any areas in the mine and state the reason for closure. Prior to seals being put into place, the lessee shall inspect the area and document any equipment/machinery, hazardous substances, and used oil that is to be left underground. The Authorized Officer may participate in this inspection. The purpose of this inspection will be: (1) to provide documentation for compliance with 42 U.S.C. 9620 section 120(h) and State Management Rule R-315-15, and to assure that certification will be meaningful at the time of lease relinquishment. (2) to document the inspection with a mine map showing location of equipment/machinery (model, type of fluid, amount remaining, batteries etc.) that is proposed to be left underground. In addition, these items will be photographed at the lessee's expense and shall be submitted to the Authorized Officer as part of the certification. The abandonment of any equipment/machinery shall be on a case by case basis and shall not be accomplished unless the Authorized Officer has granted a written approval. Any on-lease disposal of non-coal waste must comply with 30 CFR § 817.89.

26. Due to the uncertainty of the amount of recoverable coal tons in this modification and the uncertainty in mining conditions, the lessee will pay the fair market value (FMV) for the coal resources mined in the area of Federal Coal Lease Modification (U-38727) at the rate of $0.25 per ton for the actual tonnage mined. Payment of FMV at the specified rate and tonnage mined will be on the schedule required for payment of production royalties to the Minerals Management Service (MMS). The lessee will clearly indicate which portion of the payment is for royalty and what is for lease bonus payment.
The United States of America

Bureau of Land Management
Utah State Office

Company or Lessee Name
COP COAL DEVELOPMENT COMPANY

Company Name

J.D. Kingston

(Signature of Lessee)

JOHN

(President)

Date
6-8-2002

(Date)

Title
President

Title

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

JUN 19 2002

(Date)

Title
Chief, Branch of Minerals Adjudication

Title

INTEGRATED NETWORK

INCORPORATED

NOV 03 2005

Div. of Oil, Gas & Mining
Coal Lease UTU-38727 Modified

Coal lease UTU-38727 was modified effective June 19, 2002. All terms and conditions of the original lease were made consistent with the laws, regulations, and lease terms applicable at the time of this modification.

Additional rental of $110.00 to cover the estimated additional rental for the current rental year was submitted June 17, 2002. Rental in the amount of $3.00 per acre, or a total of $2,343 is due on May 1, 2003.

Within 30 days after the effective date of this lease modification, the lessee shall amend its Bear Canyon Logical Mining Unit application to include the 40.00 acres added to coal lease UTU-38727 by this modification. The modified land shall be segregated into another Federal coal lease should the lessee fail to file such amendment.

Enclosures:
1. Copy of Modified Lease (12 pp)

cc:
- MMS, Solids (w/copy of modification)
- Resource Development Coordinating Committee (w/copy of modification)
- Price Coal Office (Attn: Steve Falk) (w/copy of modification)
- Manti-LaSal National Forest (w/copy of modification)
- Lowell Braxton, Director, UDOGM, Box 145801, SLC, UT 84114 (w/copy of modification)
- SITLA, Attn: John Blake (w/copy of modification)
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MODIFIED COAL LEASE

Date of Lease: May 1, 1958

PART I.

THIS MODIFIED COAL LEASE is entered into on JUN 19 2002, by and between the UNITED STATES OF AMERICA, hereinafter called the Lessor, through the Bureau of Land Management, and

C.O.P. Coal Development Company
53 West Angelo Avenue
Salt Lake City, Utah 84115

hereinafter called Lessee.

This modified lease shall retain the effective date of May 1, 1958, of the original COAL LEASE UTU-38727, and is effective for a period of 20 years therefrom, and for so long thereafter as coal is produced in commercial quantities from the leased lands, subject to readjustment of lease terms at the end of the 20th lease year (May 1, 1978), and each 10-year period thereafter.

Sec. 1. This lease is issued pursuant and subject to the terms and provisions of the: (NOTE: Check the appropriate Act or Acts.)


and to the regulations and formal orders of the Secretary of the Interior which are now or hereafter in force, when not inconsistent with the express and specific provisions herein.

Sec. 2. Lessee as the holder of Coal Lease UTU-38727, issued effective May 1, 1958, was granted the exclusive right and privilege to drill for, mine, extract, remove or otherwise process and dispose of the coal deposits in, upon, or under the lands described below as Tract 1.

The Lessor in consideration of fair market value, rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to Lessee the exclusive right and privilege to drill for, mine, extract, remove, or otherwise process and dispose of the coal deposits in, upon, or under the lands described below as Tract 2.

Tract 1: T. 16 S., R. 7 E., SLM, UT
   Sec. 24, SENE, E2SE;
   Sec. 25, N2NE, SWNE, SWNW, NWSW, W2SE, SESE.

Tract 2: T. 16 S., R. 7 E., SLM, UT
   Sec. 24, NENE.

containing 780.39 acres, more or less, together with the right to construct such works, buildings, rights, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.
Part II. TERMS AND CONDITIONS

Sec. 1.(a) RENTAL RATE - Lessee shall pay Lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate of $3.00 per acre for each lease year.

(b) RENTAL CREDITS - Rental shall not be credited against either production or advance royalties for any year.

Sec. 2.(a) PRODUCTION ROYALTIES - The royalty shall be 8 percent of the value of the coal as set forth in the regulations. Royalties are due to Lessor the final day of the month succeeding the calendar month in which the royalty obligation accrues.

(b) ADVANCE ROYALTIES - Upon request by the Lessee, the authorized officer may accept, for a total of not more than 10 years, the payment of advance royalties in lieu of continued operation, consistent with the regulations. The advance royalty shall be based on a percent of the value of a minimum number of tons determined in the manner established by the advance royalty regulations effect at the time the Lessee requests approval to pay advance royalties in lieu of continued operation.

Sec. 3. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of $5,000. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 4. DILIGENCE - This lease is held by inclusion in an amendment to the Bear Canyon LMU.

The Lessor reserves the power to assent to or order the suspension of the terms and conditions of this lease in accordance with, inter alia, Section 39 of the Mineral Leasing Act, 30 U.S.C. 209.

Sec. 5. LOGICAL MINING UNIT (LMU) - The lands contained in the original lease have been included in the Bear Canyon LMU Application UTU-73342 filed April 20, 1990. Within 30 days after the effective date of this lease modification, the Lessee shall amend its application for the Bear Canyon Logical Mining Unit to include the 40.00 acres added to Coal Lease UTU-38727 by this modification. The modified land shall be segregated into another Federal coal lease should the Lessee fail to file such an amendment.

The stipulations established in an LMU approval in effect at the time of LMU approval or modification will supersede the relevant inconsistent terms of this lease so long as the lease remains committed to the LMU. If the LMU of which this lease is a part is dissolved, the lease shall then be subject to the lease terms which would have been applied if the lease had not been included in an LMU.

Sec. 6. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as Lessor may prescribe, Lessee shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of Lessor, the leased premises and all surface and underground improvements, works, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall allow Lessor access to and copying of documents reasonably necessary to verify Lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 7. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall comply at its own expense with all reasonable orders of the Secretary, respecting diligent operations, prevention of waste, and protection of other resources.

Lessee shall not conduct exploration operations, other than casual use, without an
approved exploration plan. All exploration plans prior to the commencement of mining operations within an approved mining permit area shall be submitted to the authorized officer.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health, or property, and prevention of waste, damage or degradation any land, air, water, cultural, biological, visual, and other resources, including mineral deposits and formations of mineral deposits not leased hereunder, and to other land uses or users. Lessee shall take measures deemed necessary by Lessor to accomplish the intent of this lease term. Such measures may include, but not limited to, modification to proposed siting or design of facilities, timing of operations, and specifications of interim and final reclamation procedures. Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder and approving easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of Lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 8 PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither Lessee nor Lessee's subcontractors shall maintain segregated facilities.

Sec. 9.(a) TRANSFERS
(Choose the appropriate space)

- This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

- This lease may be transferred in whole or in part to another public body, or to a person who will mine the coal on behalf of, and for the use of, the public body or to a person who for the limited purpose of creating a security interest in favor of a lender agrees to be obligated to mine the coal on behalf of the public body.

- This lease may only be transferred in whole or in part to another small business qualified under 13 CFR 121.

Transfers of record title, working or royalty interest must be approved in accordance with the regulations.

(b) RELINQUISHMENTS - The Lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon Lessor's acceptance of the relinquishment, Lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 10. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such times as all portions of this lease are returned to Lessor, Lessee shall deliver up to Lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all workings in condition for suspension or abandonment. Within 180 days thereof, Lessee shall remove from the premises all
other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the Lessor, but Lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the Lessor. If the surface is owned by third parties, Lessor shall waive the requirement for removal, provided the third parties do not object to such waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by Lessee's activity or activities incidental thereto, and reclaim access roads or trail.

Sec. 11. PROCEEDINGS IN CASE OF DEFAULT
If Lessee fails to comply with applicable laws, existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the Lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by Lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 12. HEIRS AND SUCCESSORS - IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall insure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 13. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the Lessee's activities and operations under this lease.

Sec. 14. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1151 - 1175); the Clean Air Act (42 U.S.C. 1857 et seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation, including the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.)
Sec. 15. SPECIAL STIPULATIONS -

SEE ATTACHED STIPULATIONS
SPECIAL STIPULATIONS FOR
MODIFIED COAL LEASE U-38727

1. The Regulatory Authority shall mean the State Regulatory Authority pursuant to a cooperative agreement approved under 30 CFR Part 745 or in the absence of a cooperative agreement, Office of Surface Mining. The authorized officer shall mean the State Director, Bureau of Land Management. The authorized officer of the Surface Management Agency shall mean the Forest Supervisor, Forest Service. Surface Management Agency for private surface is the Bureau of Land Management. For adjoining private lands with Federal minerals and which primarily involve National Forest Service issues, the Forest Service will have the lead for environmental analysis and, when necessary, documentation in an environmental assessment or environmental impact statement.

2. The authorized officers, of the Bureau of Land Management, Office of Surface Mining (Regulatory Authority), and the Surface Management Agency (Forest Service) respectively, shall coordinate, as practical, regulation of mining operations and associated activities on the lease area.

3. In accordance with Sec. 523(b) of the "Surface Mining Control and Reclamation Act of 1977," surface mining and reclamation operations conducted on this lease are to conform with the requirements of this Act and are subject to compliance with Office of Surface Mining Regulations, or as applicable, a Utah program equivalent approved under cooperative agreement in accordance with Sec. 523(c). The United States Government does not warrant that the entire tract will be susceptible to mining.

4. Federal Regulations 43 CFR 3400 pertaining to Coal Management make provisions for the Surface Management Agency, the surface of which is under the jurisdiction of any Federal agency other than the Department of Interior, to consent to leasing and to prescribe conditions to insure the use and protection of the lands. All or part of this lease contain lands the surface of which are managed by the United States Department of Agriculture, Forest Service Manti-LaSal National Forest.

The following stipulations pertain to the lessee responsibility for mining operations on the lease area and on adjacent areas as may be specifically designated on National Forest System lands.

5. Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the lessee may be required to conduct a cultural resource inventory and a paleontological appraisal of the areas to be disturbed. These studies shall be conducted by qualified professional cultural resource specialists or qualified paleontologists, as appropriate, and a report prepared itemizing the findings. A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified cultural or paleontological resources.
If cultural resources or paleontological remains (fossils) of significant scientific interest are discovered during operations under this lease, the lessee prior to disturbance shall, immediately bring them to the attention of the appropriate authorities. Paleontological remains of significant scientific interest do not include leaves, ferns, or dinosaur tracks commonly encountered during underground mining operations.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the Lessee.

6. If there is reason to believe that Threatened or Endangered (T&E) species of plants or animals, or migratory bird species of high Federal interest occur in the area, the Lessee shall be required to conduct an intensive field inventory of the area to be disturbed and/or impacted. The inventory shall be conducted by a qualified specialist and a report of findings will be prepared. A plan will be prepared making recommendations for the protection of these species or action necessary to mitigate the disturbance.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the Lessee.

7. The Lessee shall be required to perform a study to secure adequate baseline data to quantify the existing surface resources on and adjacent to the lease area. Existing data may be used if such data are adequate for the intended purposes. The study shall be adequate to locate, quantify, and demonstrate the interrelationship of the geology, topography, surface and ground water hydrology, vegetation and wildlife. Baseline data will be established so that future programs of observation can be incorporated at regular intervals for comparison.

8. Powerlines used in conjunction with the mining of coal from this lease shall be constructed so as to provide adequate protection for raptors and other large birds. When feasible, powerlines will be located at least 100 yards from public roads.

9. The limited area available for mine facilities at the coal outcrop, steep topography, adverse winter weather, and physical limitations on the size and design of the access road, are factors which will determine the ultimate size of the surface area utilized for the mine. A site specific environmental analysis will be prepared for each new mine site development and for major modifications to existing developments to examine alternatives and mitigate conflicts.

10. Consideration will be given to site selection to reduce adverse visual impacts. Where alternative sites are available, and each alternative is technically feasible, the alternative involving the least damage to the scenery and other resources shall be selected. Permanent structures and facilities will be designed, and screening techniques employed, to reduce visual impacts, and where possible achieve a final landscape compatible with the natural surroundings. The creation of unusual, objectionable, or unnatural land forms and vegetative landscape features will be avoided.
11. The lessee shall be required to establish a monitoring system to locate, measure, and quantify the progressive and final effects of underground mining activities on the topographic surface, underground and surface hydrology and vegetation. The monitoring system shall utilize techniques which will provide a continuing record of change over time and an analytical method for location and measurement of a number of points over the lease area. The monitoring shall incorporate and be an extension of the baseline data.

12. The lessee shall provide for the suppression and control of fugitive dust on haul roads and at coal handling and storage facilities. On Forest Development Roads (FDR), lessees may perform their share of road maintenance by a commensurate share agreement if a significant degree of traffic is generated that is not related to their activities.

13. Except at specifically approved locations, underground mining operations shall be conducted in such a manner so as to prevent surface subsidence that would: (1) cause the creation of hazardous conditions such as potential escarpment failure and landslides, (2) cause damage to existing surface structures, or (3) damage or alter the flow of perennial streams. The lessee shall provide specific measures for the protection of escarpments, and determine corrective measures to assure that hazardous conditions are not created.

14. In order to avoid surface disturbance on steep canyon slopes and to preclude the need for surface access, all surface breakouts for ventilation tunnels shall be constructed from inside the mine, except at specifically approved locations.

15. If removal of timber is required for clearing of construction sites, etc., such timber shall be removed in accordance with the regulations of the surface management agency.

16. The coal contained within, and authorized for mining under this lease, shall be extracted only by underground mining methods.

17. Existing Forest Service owned or permitted surface improvements will need to be protected, restored, or replaced to provide for the continuance of current land uses.

18. In order to protect big game wintering areas, elk calving and deer fawning areas, sagegrouse strutting areas, and other critical wildlife habitat and/or activities, specific surface uses outside the mine development area may be curtailed during specific periods of the year.

19. Support facilities, structures, equipment, and similar developments will be removed from the lease area within 2 years after the final termination of use of such facilities. This provision shall apply unless the requirement of Section 10 of the lease form is applicable. Disturbed areas and those areas previously occupied by such facilities will be stabilized and rehabilitated, drainages reestablished, and the areas returned to a premining land use.
20. The Lessee at the conclusion of the mining operation, or at other times as surface disturbance related to mining may occur, will replace all damaged, disturbed, or displaced corner monuments (section corners, quarter corners, etc.) their accessories and appendages (witness trees, bearing trees, etc.), or restore them to their original condition and location, or at other locations that meet the requirements of the rectangular surveying system. This work shall be conducted at the expense of the Lessee, by a professional land surveyor registered in the State of Utah and to the standards and guidelines found in the Manual of Surveying Instructions, U.S. Department of Interior.

21. The Lessee, at his expense, will be responsible to replace any surface and/or developed ground water sources identified for protection, that may be lost or adversely affected by mining operations, with water from an alternate source in sufficient quantity and quality to maintain existing riparian habitat, fishery habitat, livestock and wildlife use, or other land uses (authorized by 36 CFR 251).

22. The Licensee/Permittee/Lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the license/permit/lease. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of Interior, (2) uses of all existing improvements, such as Forest Development Roads, within and outside the area licensed, permitted or leased by the Secretary of Interior, and (3) use and occupancy of the NFS not authorized by a permit/operation plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor
Manti-LaSal National Forest
599 West Price River Drive
Price, Utah 84501

Telephone No.: 801-637-2817

who is the authorized representative of the Secretary of Agriculture.
23. Notwithstanding the approval of a resource recovery and protection plan by the BLM, lessor reserves the right to seek damages against the operator/lessee in the event (i) the operator/lessee fails to achieve maximum economic recovery [as defined at 43 CFR §3480.0-5(21)] of the recoverable coal reserves or (ii) the operator/lessee is determined to have caused a wasting of recoverable coal reserves. Damages shall be measured on the basis of the royalty that would have been payable on the wasted or unrecovered coal.

The parties recognize that under an approved R2P2, conditions may require a modification by the operator/lessee of that plan. In the event a coal bed or portion thereof is not to be mined or is rendered unminable by the operation, the operator shall submit appropriate justification to obtain approval by the AO to leave such reserves unmined. Upon approval by the AO, such coal beds or portions thereof shall not be subject to damages as described above. Further, nothing in this section shall prevent the operator/lessee from exercising its right to relinquish all or a portion of the lease as authorized by statute and regulation.

In the event the AO determines that the R2P2 as approved will not attain MER as the result of changed conditions, the AO will give proper notice to the operator/lessee as required under applicable regulations. The AO will order a modification if necessary, identifying additional reserves to be mined in order to attain MER. Upon a final administrative or judicial ruling upholding such an ordered modification, any reserves left unmined (wasted) under that plan will be subject to damages as described in the first paragraph under this section.

Subject to the right to appeal hereinafter set forth, payment of the value of the royalty on such unmined recoverable coal reserves shall become due and payable upon determination by the AO that the coal reserves have been rendered unminable or at such time that the lessee has demonstrated an unwillingness to extract the coal.

The BLM may enforce this provision either by issuing a written decision requiring payment of the MMS demand for such royalties, or by issuing a notice of non-compliance. A decision or notice of non-compliance issued by the lessor that payment is due under this stipulation is appealable as allowed by law.

24. WASTE CERTIFICATION: The lessee shall provide upon abandonment and/or sealing off a mined area and prior to lease termination/relinquishment, certification to the lessor that, based upon a complete search of all the operator’s records for the mine and upon their knowledge of past operations, there has been no hazardous substances per (40 CFR 302.4) or used oil as per Utah State Management Rule R-315-15, deposited within the lease, either on the surface or underground, or that all remedial action necessary has been taken to protect human health and the environment with respect to any such substances remaining on the property. The back-up documentation to be provided shall be described by the lessor prior to the first certification and shall include all documentation applicable to the Emergency Planning and Community Right-to-know Act (EPCRA, Public Law 99-499), Title III of the Superfund Amendments and Reauthorization Act of 1986 or equivalent.
25. UNDERGROUND INSPECTION: All safe and accessible areas shall be inspected prior to being sealed. The lessee shall notify the Authorized Officer in writing 30 days prior to the sealing of any areas in the mine and state the reason for closure. Prior to seals being put into place, the lessee shall inspect the area and document any equipment/machinery, hazardous substances, and used oil that is to be left underground. The Authorized Officer may participate in this inspection. The purpose of this inspection will be: (1) to provide documentation for compliance with 42 U.S.C. 9620 section 120(h) and State Management Rule R-315-15, and to assure that certification will be meaningful at the time of lease relinquishment, (2) to document the inspection with a mine map showing location of equipment/machinery (model, type of fluid, amount remaining, batteries etc.) that is proposed to be left underground. In addition, these items will be photographed at the lessee's expense and shall be submitted to the Authorized Officer as part of the certification. The abandonment of any equipment/machinery shall be on a case by case basis and shall not be accomplished unless the Authorized Officer has granted a written approval. Any on-lease disposal of non-coal waste must comply with 30 CFR § 817.89.

26. Due to the uncertainty of the amount of recoverable coal tons in this modification and the uncertainty in mining conditions, the lessee will pay the fair market value (FMV) for the coal resources mined in the area of Federal Coal Lease Modification (U-38727) at the rate of $0.25 per ton for the actual tonnage mined. Payment of FMV at the specified rate and tonnage mined will be on the schedule required for payment of production royalties to the Minerals Management Service (MMS). The lessee will clearly indicate which portion of the payment is for royalty and what is for lease bonus payment.
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

DECISION
Nevada Electric Investment Company : Coal Lease
P. O. Box 320 : U-46484
Las Vegas, NV 89151 :

Lease Readjusted Effective May 1, 1988

On October 16, 1987, Nevada Electric Investment Company was sent a Notice of Proposed Readjustment of Lease in connection with U-46484. The land description in Section 2 of the readjusted lease form is corrected to read:

Sec. 10, N\text{NE}^\frac{1}{4}, \text{N}\text{SE}^\frac{3}{4}, \text{SE}_4\text{SW}_4, \text{SW}_4\text{SE}_4.
Sec. 11, all;
Sec. 12, W\text{NW}_2.

The only other objection stated was in regard to the number of tons of recoverable reserves contained on coal lease U-46484. As explained in our letter dated December 16, 1987, the coal reserve estimates are subject to change based on new data at any time within the ten year period following readjustment; therefore, coal lease U-46484 is readjusted effective May 1, 1988 as stipulated in the decision and Coal Lease Readjustment.

The new rental and royalty rate will be effective simultaneously with the effective date of the readjustment.

A lease bond in the amount of $5,000 is currently on file. This bond is conditioned upon compliance with all the terms and conditions of this coal lease and is determined to be adequate coverage at this time.

ROBERT LOPEZ
Chief, Minerals
Adjudication Section

Enclosure
Coal Lease Readjustment

cc: Resource Development Coordinating Committee w/encl.
Solid Minerals (U-921) w/encl.
USFS, Ogden, UT w/encl.
MMS, AFS, Denver, CO w/encl.
Moab District w/encl.

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Div. of Oil, Gas & Mining
Part I. LEASE RIGHTS GRANTED

This lease, entered into by and between the United States of America, hereinafter called the lessor, through the Bureau of Land Management, and

Nevada Electric Investment Company
P. O. Box 230
Las Vegas, NV 89151

hereinafter called lessee, is readjusted, effective May 1, 1988, for a period of 10 years and for so long thereafter as coal is produced in commercial quantities from the leased lands, subject to readjustment of lease terms at the end of each 10 year lease period.

Sec. 1. This lease readjustment is subject to the terms and provisions of the:


and to the regulations and formal orders of the Secretary of the Interior which are now or hereafter in force, when not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants to lessee the exclusive right and privilege to drill for, mine, extract, remove or otherwise process and dispose of the coal deposits in, upon, or under the following described lands:

T. 16 S., R. 7 E., SLM, Utah, Emery County
Sec. 10, N%, N%SW, SE%SW, S%SE;
Sec. 11, N%;
Sec. 12, W%.

containing 1,400.00 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

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PART II. TERMS AND CONDITIONS

Sec. 1. (a) RENTAL RATE - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate of $3.00 for each lease year.

(b) RENTAL CREDITS - Rental shall not be credited against either production or advance royalties for any year.

Sec. 2. (a) PRODUCTION ROYALTIES - The royalty shall be 12½ percent of the value of coal produced by strip or auger mining methods and 8 percent of the value of coal produced by underground mining methods. Royalties are due to lessor the final day of the months succeeding the calendar month in which the royalty obligation accrues.

(b) ADVANCE ROYALTIES - Upon request by the lessee, the authorized officer may accept for a total of not more than 10 years, the payment of advance royalties in lieu of continued operation, consistent with the regulations. The advance royalty shall be based on a percent of the value of a minimum number of tons determined in the manner established by the advance royalty regulations in effect at the time the lessee requests approval to pay advance royalties in lieu of continued operation.

Sec. 3. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of $5,000. The authorized officer may require an adjustment in the amount of the bond to reflect changed conditions.

Sec. 4. DILIGENCE - This lease is subject to the conditions of diligent development and continued operation, except that these conditions are excused when operations under the lease are interrupted by strikes, the elements, or casualties not attributable to the lessee. The lessor, in the public interest, may suspend the condition of continued operation upon payment of advance royalties in accordance with the regulations in existence at the time of the suspension. Lessee's failure to produce coal in commercial quantities at the end of 10 years shall terminate the lease. If not submitted already, lessee shall submit an operation and reclamation plan pursuant to Section 7 of the Act not later than 3 years after the effective date of this lease readjustment.

The lessor reserves the power to assent to or order the suspension of the terms and conditions of this lease in accordance with, Inter alia, Section 39 of the Mineral Leasing Act, 30 U.S.C. 209.

Sec. 5. LOGICAL MINING UNIT (LMU) - Either upon approval by the lessor of the lessee's application or at the direction of the lessor, this lease shall become a LMU or part of a LMU, subject to the provisions set forth in the regulations.

The stipulations established in a LMU approval in effect at the time of LMU approval will supersede the relevant inconsistent terms of this lease so long as the lease remains committed to the LMU. If the LMU of which this lease is a part is dissolved, the lease shall then be subject to the lease terms which would have been applied if the lease had not been included in an LMU.

Sec. 6. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.
Lessee shall keep open at all times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, works, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall allow lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 7. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS — Lessee shall comply at its own expense with all reasonable orders of the Secretary, respecting diligent operations, prevention of waste, and protection of other resources.

Lessee shall not conduct exploration operations, other than casual use, without an approved exploration plan. All exploration plans prior to the commencement of mining operations within an approved mining permit area shall be submitted to the authorized officer.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health, or property, and prevention of waste, damage or degradation to any land, air, water, cultural, biological, visual, and other resources, including mineral deposits and formations of mineral deposits not leased hereunder, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures. Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits, not covered hereunder and approving easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 8. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY — Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor.
Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 9. (a) TRANSFERS

This lease may be transferred in whole or in part to any person, association, or corporation qualified to hold such lease interest.

This lease may be transferred in whole or in part to another public body, or to a person who will mine the coal on behalf of, and for the use of, the public body or to a person who for the limited purpose of creating a security interest in favor of a lender agrees to be obligated to mine the coal on behalf of the public body.

This lease may only be transferred in whole or in part to another small business qualified under 13 CFR 121.

Transfers of record title, working or royalty interest must be approved in accordance with the regulations.

(b) RELINQUISHMENT - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 10. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC.
- At such time as all portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all workings in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities incidental thereto, and reclaim access roads or trails.

Sec. 11. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later

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cancellation for the same default occurring at any other time.

Sec. 12. **HEIRS AND SUCCESSORS - IN-INTEREST** - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 13. **INDEMNIFICATION** - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 14. **SPECIAL STATUTES** - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1151 - 1175); the Clean Air Act (42 U.S.C. 1857 et seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation, including the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.)

Sec. 15. **SPECIAL STIPULATIONS** -

1. The Regulatory Authority shall mean the State Regulatory Authority pursuant to a cooperative agreement approved under 30 CFR Part 745 or, in the absence of a cooperative agreement, Office of Surface Mining. The authorized officer shall mean the State Director, Bureau of Land Management. The authorized officer of the Surface Management Agency shall mean the Forest Supervisor, Forest Service. Surface Management Agency for private surface is the Bureau of Land Management. For adjoining private lands with Federal minerals and which primarily involve National Forest Service issues, the Forest Service will have the lead for environmental analysis and, when necessary, documentation in an environmental assessment or environmental impact statement.

2. The authorized officers, of the Bureau of Land Management, Office of Surface Mining (Regulatory Authority), and the Surface Management Agency (Forest Service) respectively, shall coordinate, as practical, regulation of mining operations and associated activities on the lease area.

3. In accordance with Sec. 523(b) of the "Surface Mining Control and Reclamation Act of 1977," surface mining and reclamation operations conducted on this lease are to conform with the requirements of this Act and are subject to compliance with Office of Surface Mining Regulations, or as applicable, a Utah program equivalent approved under cooperative agreement in accordance with Sec. 523(c). The United States Government does not warrant that the entire tract will be susceptible to mining.

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The following stipulations pertain to the lessee responsibility for mining operations on the lease area and on adjacent areas as may be specifically designated on National Forest System lands.

5. Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the lessee may be required to conduct a cultural resource inventory and a paleontological appraisal of the areas to be disturbed. These studies shall be conducted by qualified professional cultural resource specialists or qualified paleontologists, as appropriate, and a report prepared itemizing the findings. A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified cultural or paleontological resources.

If cultural resources or paleontological remains (fossils) of significant scientific interest are discovered during operations under this lease, the lessee prior to disturbance shall, immediately bring them to the attention of the appropriate authorities. Paleontological remains of significant scientific interest do not include leaves, ferns, or dinosaur tracks commonly encountered during underground mining operations.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the lessee.

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11. The lessee shall provide for the suppression and control of fugitive dust on haul roads and at coal handling and storage facilities. On Forest Development Roads (FDR), lessees may perform their share of road maintenance by a commensurate share agreement if a significant degree of traffic is generated that is not related to their activities.

12. Except at specifically approved locations, underground mining operations shall be conducted in such a manner so as to prevent surface subsidence that would: (1) cause the creation of hazardous conditions such as potential escarpment failure and landslides, (2) cause damage to existing surface structures, and (3) damage or alter the flow of perennial streams. The lessee shall provide specific measures for the protection of escarpments, and determine corrective measures to assure that hazardous conditions are not created.

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18: The lessee at the conclusion of the mining operations, or at other times as surface disturbance related to mining may occur, will replace all damaged, disturbed, or displaced corner monuments (section corners, quarter corners, etc.) their accessories and appendages (witness trees, bearing trees, etc.), or restore them to their original condition and location, or at other locations that meet the requirements of the rectangular surveying system. This work shall be conducted at the expense of the lessee, by a professional land surveyor registered in the State of Utah and to the standards and guidelines found in the manual of surveying instruction, U.S. Department of Interior.

19. The lessee at his expense will be responsible to replace any surface water identified for protection, that may be lost or adversely affected by mining operations, with water from an alternate source in sufficient quantity and quality to maintain existing riparian habitat, fishery habitat, livestock and wildlife use, or other land uses.

20. The lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the lease. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of Interior, (2) uses of all existing improvements, such as Forest Development Roads, within and outside the area licensed, permitted or leased by the Secretary of Interior, and (3) use and occupancy of the NFS not authorized by a permit/operation plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor
Manti-LaSal National Forest
599 West Price River Drive
Price, Utah 84501

Telephone No.: 801-637-2817

who is the authorized representative of the Secretary of Agriculture.
United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
www.blm.gov

DIVISION OF LANDS AND MINERALS

TELEFAX NUMBER (801) 539-4260

DATE: 9/21/05  NUMBER OF PAGES SENT: 15

FAX NUMBER: 435-687-5724

TO: Priscilla Burton

FROM: Stephen Falk

RE: Latest copy of lease document U-61048

re: adjusted Effective 2/8/03

COMMENTS:

I'm up at SLC office but I found a copy here. If this is not what you need call me Friday at 4pm.

IF YOU HAVE PROBLEMS WITH THIS FAX PLEASE CALL (801) 539-4080.
Coal lease UTU-61048 is part of the Bear Canyon Logical Mining Unit (LMU) application. The LMU has met its diligent development requirements from production on the fee lands in the application.

Coal lease UTU-61048 is hereby readjusted effective February 8, 2003, in accordance with the regulations at 43 CFR 3431.2.

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4, and the enclosed Form 1842.1. If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition (pursuant to regulation 43 CFR 4.21)(58 FR 4939, January 19, 1993) (request) for a stay (suspension) of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay must also be submitted to each party named in this decision and to the Board and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed in this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

**Standards for Obtaining a Stay**

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards.

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellant's success on the merits,
3. The likelihood of immediate and irreparable harm if the stay is not granted, and
4. Whether the public interest favors granting the stay.

/s/ Joseph J. Incardine
/s/ Kent Hoffman
Deputy State Director
Lands and Minerals

Enclosures
1. Form 1842-1 (1 p)
2. Coal Lease Readjustment (11 pp)
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

COAL LEASE READJUSTMENT

Serial Number: UTU-61048

Lease Date: February 8, 1923

Part I. LEASE RIGHTS GRANTED

This lease, entered into by and between the United States of America, hereinafter called the lessor, through the Bureau of Land Management, and

C.O.P. Coal Development Co.
53 West Angelo Avenue
Salt Lake City, Utah 84115

hereinafter called lessee, is readjusted, effective February 8, 2003, for a period of 10 years and for so long thereafter as coal is produced in commercial quantities from the leased lands, subject to readjustment of lease terms at the end of each 10 year lease period.

Sec. 1. This lease readjustment is subject to the terms and provisions of the:


and to the regulations and formal orders of the Secretary of the Interior which are now or hereafter in force, when not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants to lessee the exclusive right and privilege to drill for, mine, extract, remove or otherwise process and dispose of the coal deposits in, upon, or under the following described lands:

T. 16 S., R. 7 E., SLM, UT
Sec. 1, lot 1, SENE, E2SE;
Sec. 12, E2NE.

T. 16 S., R. 8 E., SLM, UT
Sec. 6, lots 11-14, E2SW, W2SE, SENE;
Sec. 7, lots 1, 2, E2NW, W2NE, SENE;
Sec. 8, SWSW.

containing 1,108.27 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.
Lessee shall keep open at all times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, works, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall allow lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 7. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS. Lessee shall comply at its own expense with all reasonable orders of the Secretary, respecting diligent operations, prevention of waste, and protection of other resources.

Lessee shall not conduct exploration operations, other than casual use, without an approved exploration plan. All exploration plans prior to the commencement of mining operations within an approved mining permit area shall be submitted to the authorized officer.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health, or property, and prevention of waste, damage or degradation to any land, air, water, cultural, biological, visual, and other resources, including mineral deposits and formations of mineral deposits not leased hereunder, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures. Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits, not covered hereunder and approving easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 8. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY. Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are situated are more restrictive than the provisions in this paragraph, then the State laws apply.

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

Neither lessee nor lessee's subcontractors shall maintain segregated facilities.
Sec. 13. INDEMNIFICATION. Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 14. SPECIAL STATUTES. This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1151-1175); the Clean Air Act (42 U.S.C. 1857 et seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation, including the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.)

Sec. 15. SPECIAL STIPULATIONS.

SEE ATTACHED STIPULATIONS
If cultural resources or paleontological remains (fossils) of significant scientific interest are discovered during operations under this lease, the Lessee prior to disturbance shall immediately bring them to the attention of the appropriate authorities. Paleontological remains of significant scientific interest do not include leaves, ferns, or dinosaur tracks commonly encountered during underground mining operations.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the Lessee.

6. If there is reason to believe that Threatened or Endangered (T&E) species of plants or animals, or migratory bird species of high Federal interest occur in the area, the Lessee shall be required to conduct an intensive field inventory of the area to be disturbed and/or impacted. The inventory shall be conducted by a qualified specialist and a report of findings will be prepared. A plan will be prepared making recommendations for the protection of these species or action necessary to mitigate the disturbance.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the Lessee.

7. The Lessee shall be required to perform a study to secure adequate baseline data to quantify the existing surface resources on and adjacent to the lease area. Existing data may be used if such data are adequate for the intended purposes. The study shall be adequate to locate, quantify, and demonstrate the interrelationship of the geology, topography, surface and groundwater hydrology, vegetation and wildlife. Baseline data will be established so that future programs of observation can be incorporated at regular intervals for comparison.

8. Powerlines used in conjunction with the mining of coal from this lease shall be constructed so as to provide adequate protection for raptors and other large birds. When feasible, powerlines will be located at least 100 yards from public roads.

9. The limited area available for mine facilities at the coal outcrop, steep topography, adverse winter weather, and physical limitations on the size and design of the access roads, are factors which will determine the ultimate size of the surface area utilized for the mine. A site specific environmental analysis will be prepared for each new mine site development and for major modifications to existing developments to examine alternatives and mitigate conflicts.

10. Consideration will be given to site selection to reduce adverse visual impacts. Where alternative sites are available, and each alternative is technically feasible, the alternative involving the least damage to the scenery and other resources shall be selected. Permanent structures and facilities will be designed, and screening techniques employed, to reduce visual impacts and, where possible, achieve a final landscape compatible with the natural surroundings. The creation of unusual, objectionable, or unnatural landforms and vegetative landscape features will be avoided.
20. The Lessee at the conclusion of the mining operation, or at other times as surface disturbance related to mining may occur, will replace all damaged, disturbed, or displaced corner monuments (section corners, quarter corners, etc.) their accessories and appendages (witness trees, bearing trees, etc.), or restore them to their original condition and location, or at other locations that meet the requirements of the rectangular surveying system. This work shall be conducted at the expense of the Lessee, by a professional land surveyor registered in the State of Utah and to the standards and guidelines found in the Manual of Surveying Instructions, U.S. Department of Interior.

21. The Lessee, at his expense, will be responsible to replace any surface and/or developed ground water sources identified for protection, that may be lost or adversely affected by mining operations, with water from an alternate source in sufficient quantity and quality to maintain existing riparian habitat, fishery habitat, livestock and wildlife use, or other land uses (authorized by 36 CFR 251).

22. The Licensee/Permittee/Lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the license/permit/lease. The Secretary of Agriculture’s rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of Interior, (2) uses of all existing improvements, such as Forest Development Roads, within and outside the area licensed, permitted or leased by the Secretary of Interior, and (3) use and occupancy of the NFS not authorized by a permit/operation plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor
Manti-LaSal National Forest
599 West Price River Drive
Price, Utah 84501

Telephone No.: 435-637-2817

who is the authorized representative of the Secretary of Agriculture.
24. WASTE CERTIFICATION: The Lessee must provide upon abandonment, transfer of operation, assignment of rights, sealing-off a mined area and prior to lease relinquishment, certification to the lessor that, based upon a complete search of all the records for the lease and its associated mine operation(s), and upon Lessee's and the operator's knowledge of past mining operations associated with the lease, there have been no reportable quantities of hazardous substances per 40 CFR 302.4 or used oil [as per Utah State Administrative Code R-315-15], discharged, deposited or released within the lease, either on the surface or underground, and that all remedial actions necessary have been taken to protect human health and the environment with respect to any such substances. Lessee must additionally provide to Lessor a complete list of all hazardous substances and hazardous materials and their Chemical Abstract Services Registry Numbers, and the oil and petroleum products used or stored on, or delivered to, the lease. Such disclosure will be in addition to any other disclosure required by law or agreement.

25. UNDERGROUND INSPECTION: All safe and accessible areas shall be inspected prior to being sealed. The Lessee shall notify the AO in writing 30 days prior to the sealing of any areas in the mine and state the reason for closure. Prior to seals being put into place, the lessee shall inspect the area and document any equipment/machinery, hazardous substances, and used oil that is to be left underground. The AO may participate in this inspection. The purpose of this inspection will be: (1) to provide documentation for compliance with 42 U.S.C. 9620 section 120(h) and Utah State Administrative Code R-315-15, and to assure that certification will be meaningful at the time of lease relinquishment, (2) to document the inspection with a mine map showing location of equipment/machinery (model, type of fluid, amount remaining, batteries etc.) that is proposed to be left underground. In addition, these items will be photographed at the Lessee's expense and shall be submitted to the AO as part of the certification. The abandonment of any equipment/machinery shall be on a case by case basis and shall not be accomplished unless the AO has granted a written approval. Any on-lease disposal of non-coal waste must comply with 30 CFR § 817.89.
United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

In Reply Refer To:
3451
U-61048
(UT-932)

CERTIFIED MAIL--Return Receipt Requested

NOTICE

C.O.P. Coal Development Company
53 West Angelo Avenue
Salt Lake City, Utah 84115

Coal Lease
U-61048

Lease Terms and Conditions to be Readjusted

Coal lease U-61048 was issued effective February 8, 1923, and the terms and conditions of the lease become subject to readjustment on February 8, 2003.

Notice is hereby given that the lease terms and conditions will be readjusted under the provisions of 43 CFR 3451.

As required by the regulations at 43 CFR 3451.1(c)(2), a decision containing the readjusted terms and conditions will be forwarded to you no later than February 8, 2003.

Robert Lopez
Chief, Branch of Minerals Adjudication

cc: Resource Development Coordinating Committee
Price Coal Office (Attn: Jay Marshall)
United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

In Reply Refer To:
3432
UTU-61049
(UT-924)

JUN 19 2002

DECISION

C.O.P. Coal Development Company : Coal Lease
53 West Angelo Avenue : UTU-61049
Salt Lake City, Utah 84115 :

Coal Lease UTU-61049 Modified

Coal lease UTU-61049 was modified effective June 19, 2002. All terms and conditions of the original lease were made consistent with the laws, regulations, and lease terms applicable at the time of this modification.

Additional rental of $200.00 to cover the estimated additional rental for the current rental year was submitted June 17, 2002. Rental in the amount of $3.00 per acre, or a total of $6,591 is due on November 1, 2002.

Within 30 days after the effective date of this lease modification, the lessee shall amend its Bear Canyon Logical Mining Unit application to include the 160.00 acres added to coal lease UTU-61049 by this modification. The modified land shall be segregated into another Federal coal lease should the lessee fail to file such amendment.

Enclosures:
1. Copy of Modified Lease (12 pp)

cc: MMS, Solids (w/copy of modification)
Resource Development Coordinating Committee (w/copy of modification)
Price Coal Office (Attn: Steve Falk) (w/copy of modification)
Manti-LaSal National Forest (w/copy of modification)
Lowell Braxton, Director, UDOGM, Box 145801, SLC, UT 84114 (w/copy of modification)
SITLA, Attn: John Blake (w/copy of modification)
PART I.

THIS MODIFIED COAL LEASE is entered into on JUN 19 2002, by and between the UNITED STATES OF AMERICA, hereinafter called the Lessor, through the Bureau of Land Management, and

C.O.P. Coal Development Company
53 West Angelo Avenue
Salt Lake City, Utah 84115

hereinafter called Lessee.

This modified lease shall retain the effective date of November 1, 1949, of the original COAL LEASE UTU-61049, and is effective for a period of 20 years therefrom, and for so long thereafter as coal is produced in commercial quantities from the leased lands, subject to readjustment of lease terms at the end of the 20th lease year (November 1, 1969), and each 10-year period thereafter.

Sec. 1. This lease is issued pursuant and subject to the terms and provisions of the: (NOTE: Check the appropriate Act or Acts.)


and to the regulations and formal orders of the Secretary of the Interior which are now or hereafter in force, when not inconsistent with the express and specific provisions herein.

Sec. 2. Lessee as the holder of Coal Lease UTU-61049, issued effective November 1, 1949, was granted the exclusive right and privilege to drill for, mine, extract, remove or otherwise process and dispose of the coal deposits in, upon, or under the lands described below as Tract 1.

The Lessor in consideration of fair market value, rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to Lessee the exclusive right and privilege to drill for, mine, extract, remove, or otherwise process and dispose of the coal deposits in, upon, or under the lands described below as Tract 2.

Tract 1: T. 16 S., R. 7 E., SLM, UT
  Sec. 1, lot 2, SWNE, W2SE;
  Sec. 12, W2NE, E2W2, SE;
  Sec. 13, E2, E2W2.

Tract 2: T. 16 S., R. 8 E., SLM, UT
  Sec. 19, SENE, NESE;
  Sec. 20, SWNW, NWSE.

T. 16 S., R. 8 E., SLM, UT
  Sec. 7, lots 3, 4, E2SW;
  Sec. 18, lots 1-4, E2, E2W2;
  Sec. 19, SWNE, NWSE;
  Sec. 20, SENW, NESW.

containing 2196.09 acres, more or less, together with the right to construct such works, buildings, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.
Part II. TERMS AND CONDITIONS

Sec. 1.(a) RENTAL RATE - Lessee shall pay Lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate of $3.00 per acre for each lease year.

(b) RENTAL CREDITS - Rental shall not be credited against either production or advance royalties for any year.

Sec. 2.(a) PRODUCTION ROYALTIES - The royalty shall be 8 percent of the value of the coal as set forth in the regulations. Royalties are due to Lessor the final day of the month succeeding the calendar month in which the royalty obligation accrues.

(b) ADVANCE ROYALTIES - Upon request by the Lessee, the authorized officer may accept, for a total of not more than 10 years, the payment of advance royalties in lieu of continued operation, consistent with the regulations. The advance royalty shall be based on a percent of the value of a minimum number of tons determined in the manner established by the advance royalty regulations in effect at the time the Lessee requests approval to pay advance royalties in lieu of continued operation.

Sec. 3. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of $7,000. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 4. DILIGENCE - This lease is held by inclusion in an amendment to the Bear Canyon LMU.

The Lessor reserves the power to assent to or order the suspension of the terms and conditions of this lease in accordance with, inter alia, Section 39 of the Mineral Leasing Act, 30 U.S.C. 209.

Sec. 5. LOGICAL MINING UNIT (LMU) - The lands contained in the original lease have been included in the Bear Canyon LMU application UTU-73342 filed April 20, 1990. Within 30 days after the effective date of this lease modification, the Lessee shall amend its application for the Bear Canyon Logical Mining Unit to include the 160.00 acres added to Coal Lease UTU-61049 by this modification. The modified land shall be segregated into another Federal coal lease should the Lessee fail to file such an amendment.

The stipulations established in an LMU approval in effect at the time of LMU approval or modification will supersede the relevant inconsistent terms of this lease so long as the lease remains committed to the LMU. If the LMU of which this lease is a part is dissolved, the lease shall then be subject to the lease terms which would have been applied if the lease had not been included in an LMU.

Sec. 6. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as Lessor may prescribe, Lessee shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of Lessor, the leased premises and all surface and underground improvements, works, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall allow Lessor access to and copying of documents reasonably necessary to verify Lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 7. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall comply at its own expense with all reasonable orders of the Secretary, respecting diligent operations, prevention of waste, and protection of other resources.

Lessee shall not conduct exploration operations, other than casual inspection, without an
approved exploration plan. All exploration plans prior to the commencement of mining operations within an approved mining permit area shall be submitted to the authorized officer.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health, or property, and prevention of waste, damage or degradation any land, air, water, cultural, biological, visual, and other resources, including mineral deposits and formations of mineral deposits not leased hereunder, and to other land uses or users. Lessee shall take measures deemed necessary by Lessor to accomplish the intent of this lease term. Such measures may include, but not limited to, modification to proposed siting or design of facilities, timing of operations, and specifications of interim and final reclamation procedures. Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder and approving easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of Lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 8 PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither Lessee nor Lessee's subcontractors shall maintain segregated facilities.

Sec. 9.(a) TRANSFERS (Check the appropriate space)

X This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

This lease may be transferred in whole or in part to another public body, or to a person who will mine the coal on behalf of, and for the use of, the public body or to a person who for the limited purpose of creating a security interest in favor of a lender agrees to be obligated to mine the coal on behalf of the public body.

This lease may only be transferred in whole or in part to another small business qualified under 13 CFR 121.

Transfers of record title, working or royalty interest must be approved in accordance with the regulations.

(b) RELINQUISHMENTS - The Lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon Lessor's acceptance of the relinquishment, Lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 10. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such times as all portions of this lease are returned to Lessor, Lessee shall deliver up to Lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all workings in condition for suspension or abandonment. Within 180 days thereof, Lessee shall remove from the premises all
other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the Lessor, but Lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the Lessor. If the surface is owned by third parties, Lessor shall waive the requirement for removal, provided the third parties do not object to such waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by Lessee's activity or activities incidental thereto, and reclaim access roads or trail.

Sec. 11. PROCEEDINGS IN CASE OF DEFAULT
If Lessee fails to comply with applicable laws, existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the Lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by Lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 12. HEIRS AND SUCCESSORS - IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall insure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 13. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the Lessee's activities and operations under this lease.

Sec. 14. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1151 - 1175); the Clean Air Act (42 U.S.C. 1857 et seg.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation, including the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seg.).
Sec. 15. SPECIAL STIPULATIONS -

SEE ATTACHED STIPULATIONS
SPECIAL STIPULATIONS FOR
MODIFIED COAL LEASE U-61049

1. The Regulatory Authority shall mean the State Regulatory Authority pursuant to a cooperative agreement approved under 30 CFR Part 745 or in the absence of a cooperative agreement, Office of Surface Mining. The authorized officer shall mean the State Director, Bureau of Land Management. The authorized officer of the Surface Management Agency shall mean the Forest Supervisor, Forest Service. Surface Management Agency for private surface is the Bureau of Land Management. For adjoining private lands with Federal minerals and which primarily involve National Forest Service issues, the Forest Service will have the lead for environmental analysis and, when necessary, documentation in an environmental assessment or environmental impact statement.

2. The authorized officers, of the Bureau of Land Management, Office of Surface Mining (Regulatory Authority), and the Surface Management Agency (Forest Service) respectively, shall coordinate, as practical, regulation of mining operations and associated activities on the lease area.

3. In accordance with Sec. 523(b) of the "Surface Mining Control and Reclamation Act of 1977," surface mining and reclamation operations conducted on this lease are to conform with the requirements of this Act and are subject to compliance with Office of Surface Mining Regulations, or as applicable, a Utah program equivalent approved under cooperative agreement in accordance with Sec. 523(c). The United States Government does not warrant that the entire tract will be susceptible to mining.

4. Federal Regulations 43 CFR 3400 pertaining to Coal Management make provisions for the Surface Management Agency, the surface of which is under the jurisdiction of any Federal agency other than the Department of Interior, to consent to leasing and to prescribe conditions to insure the use and protection of the lands. All or part of this lease contain lands the surface of which are managed by the United States Department of Agriculture, Forest Service Manti-LaSal National Forest.

The following stipulations pertain to the lessee responsibility for mining operations on the lease area and on adjacent areas as may be specifically designated on National Forest System lands.

5. Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the lessee may be required to conduct a cultural resource inventory and a paleontological appraisal of the areas to be disturbed. These studies shall be conducted by qualified professional cultural resource specialists or qualified paleontologists, as appropriate, and a report prepared itemizing the findings. A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified cultural or paleontological resources.

INCORPORATED
NOV 03 2005
Div. of Oil, Gas & Mining
If cultural resources or paleontological remains (fossils) of significant scientific interest are discovered during operations under this lease, the lessee prior to disturbance shall, immediately bring them to the attention of the appropriate authorities. Paleontological remains of significant scientific interest do not include leaves, ferns, or dinosaur tracks commonly encountered during underground mining operations.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the Lessee.

6. If there is reason to believe that Threatened or Endangered (T&E) species of plants or animals, or migratory bird species of high Federal interest occur in the area, the Lessee shall be required to conduct an intensive field inventory of the area to be disturbed and/or impacted. The inventory shall be conducted by a qualified specialist and a report of findings will be prepared. A plan will be prepared making recommendations for the protection of these species or action necessary to mitigate the disturbance.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the Lessee.

7. The Lessee shall be required to perform a study to secure adequate baseline data to quantify the existing surface resources on and adjacent to the lease area. Existing data may be used if such data are adequate for the intended purposes. The study shall be adequate to locate, quantify, and demonstrate the interrelationship of the geology, topography, surface and ground water hydrology, vegetation and wildlife. Baseline data will be established so that future programs of observation can be incorporated at regular intervals for comparison.

8. Powerlines used in conjunction with the mining of coal from this lease shall be constructed so as to provide adequate protection for raptors and other large birds. When feasible, powerlines will be located at least 100 yards from public roads.

9. The limited area available for mine facilities at the coal outcrop, steep topography, adverse winter weather, and physical limitations on the size and design of the access road, are factors which will determine the ultimate size of the surface area utilized for the mine. A site specific environmental analysis will be prepared for each new mine site development and for major modifications to existing developments to examine alternatives and mitigate conflicts.

10. Consideration will be given to site selection to reduce adverse visual impacts. Where alternative sites are available, and each alternative is technically feasible, the alternative involving the least damage to the scenery and other resources shall be selected. Permanent structures and facilities will be designed, and screening techniques employed, to reduce visual impacts, and where possible achieve a final-landscape compatible with the natural surroundings. The creation of unusual, objectionable, or unnatural land forms and vegetative landscape features will be avoided.
11. The lessee shall be required to establish a monitoring system to locate, measure, and quantify the progressive and final effects of underground mining activities on the topographic surface, underground and surface hydrology and vegetation. The monitoring system shall utilize techniques which will provide a continuing record of change over time and an analytical method for location and measurement of a number of points over the lease area. The monitoring shall incorporate and be an extension of the baseline data.

12. The lessee shall provide for the suppression and control of fugitive dust on haul roads and at coal handling and storage facilities. On Forest Development Roads (FDR), lessees may perform their share of road maintenance by a commensurate share agreement if a significant degree of traffic is generated that is not related to their activities.

13. Except at specifically approved locations, underground mining operations shall be conducted in such a manner so as to prevent surface subsidence that would: (1) cause the creation of hazardous conditions such as potential escarpment failure and landslides, (2) cause damage to existing surface structures, or (3) damage or alter the flow of perennial streams. The lessee shall provide specific measures for the protection of escarpments, and determine corrective measures to assure that hazardous conditions are not created.

14. In order to avoid surface disturbance on steep canyon slopes and to preclude the need for surface access, all surface breakouts for ventilation tunnels shall be constructed from inside the mine, except at specifically approved locations.

15. If removal of timber is required for clearing of construction sites, etc., such timber shall be removed in accordance with the regulations of the surface management agency.

16. The coal contained within, and authorized for mining under this lease, shall be extracted only by underground mining methods.

17. Existing Forest Service owned or permitted surface improvements will need to be protected, restored, or replaced to provide for the continuance of current land uses.

18. In order to protect big game wintering areas, elk calving and deer fawning areas, sagegrouse strutting areas, and other critical wildlife habitat and/or activities, specific surface uses outside the mine development area may be curtailed during specific periods of the year.

19. Support facilities, structures, equipment, and similar developments will be removed from the lease area within 2 years after the final termination of use of such facilities. This provision shall apply unless the requirement of Section 10 of the lease form is applicable. Disturbed areas and those areas previously occupied by such facilities will be stabilized and rehabilitated, drainages reestablished, and the areas returned to a premining land use.
20. The Lessee at the conclusion of the mining operation, or at other times as surface
disturbance related to mining may occur, will replace all damaged, disturbed, or displaced
corner monuments (section corners, quarter corners, etc.) their accessories and
appendages (witness trees, bearing trees, etc.), or restore them to their original condition
and location, or at other locations that meet the requirements of the rectangular surveying
system. This work shall be conducted at the expense of the Lessee, by a professional land
surveyor registered in the State of Utah and to the standards and guidelines found in the

21. The Lessee, at his expense, will be responsible to replace any surface and/or
developed ground water sources identified for protection, that may be lost or adversely
affected by mining operations, with water from an alternate source in sufficient quantity and
quality to maintain existing riparian habitat, fishery habitat, livestock and wildlife use, or
other land uses (authorized by 36 CFR 251).

22. The Licensee/Permittee/Lessee must comply with all the rules and regulations of
the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal
Regulations governing the use and management of the National Forest System (NFS)
when not inconsistent with the rights granted by the Secretary of the Interior in the
license/permit/lease. The Secretary of Agriculture's rules and regulations must be complied
with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan
by the Secretary of Interior, (2) uses of all existing improvements, such as Forest
Development Roads, within and outside the area licensed, permitted or leased by the
Secretary of Interior, and (3) use and occupancy of the NFS not authorized by a
permit/operation plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor
Manti-LaSal National Forest
599 West Price River Drive
Price, Utah 84501

Telephone No.: 801-637-2817

who is the authorized representative of the Secretary of Agriculture.
23. Notwithstanding the approval of a resource recovery and protection plan by the BLM, lessor reserves the right to seek damages against the operator/lessee in the event (I) the operator/lessee fails to achieve maximum economic recovery [as defined at 43 CFR §3480.0-5(21)] of the recoverable coal reserves or (ii) the operator/lessee is determined to have caused a wasting of recoverable coal reserves. Damages shall be measured on the basis of the royalty that would have been payable on the wasted or unrecovered coal.

The parties recognize that under an approved R2P2, conditions may require a modification by the operator/lessee of that plan. In the event a coal bed or portion thereof is not to be mined or is rendered unminable by the operation, the operator shall submit appropriate justification to obtain approval by the AO to leave such reserves unmined. Upon approval by the AO, such coal beds or portions thereof shall not be subject to damages as described above. Further, nothing in this section shall prevent the operator/lessee from exercising its right to relinquish all or a portion of the lease as authorized by statute and regulation.

In the event the AO determines that the R2P2 as approved will not attain MER as the result of changed conditions, the AO will give proper notice to the operator/lessee as required under applicable regulations. The AO will order a modification if necessary, identifying additional reserves to be mined in order to attain MER. Upon a final administrative or judicial ruling upholding such an ordered modification, any reserves left unmined (wasted) under that plan will be subject to damages as described in the first paragraph under this section.

Subject to the right to appeal hereinafter set forth, payment of the value of the royalty on such unmined recoverable coal reserves shall become due and payable upon determination by the AO that the coal reserves have been rendered unminable or at such time that the lessee has demonstrated an unwillingness to extract the coal.

The BLM may enforce this provision either by issuing a written decision requiring payment of the MMS demand for such royalties, or by issuing a notice of non-compliance. A decision or notice of non-compliance issued by the lessor that payment is due under this stipulation is appealable as allowed by law.

24. WASTE CERTIFICATION: The lessee shall provide upon abandonment and/or sealing off a mined area and prior to lease termination/relinquishment, certification to the lessor that, based upon a complete search of all the operator's records for the mine and upon their knowledge of past operations, there has been no hazardous substances per (40 CFR 302.4) or used oil as per Utah State Management Rule R-315-15, deposited within the lease, either on the surface or underground, or that all remedial action necessary has been taken to protect human health and the environment with respect to any such substances remaining on the property. The back-up documentation to be provided shall be described by the lessor prior to the first certification and shall include all documentation applicable to the Emergency Planning and Community Right-to-know Act (EPCRA, Public Law 99-499), Title III of the Superfund Amendments and Reauthorization Act of 1986 or equivalent.
25. UNDERGROUND INSPECTION: All safe and accessible areas shall be inspected prior to being sealed. The lessee shall notify the Authorized Officer in writing 30 days prior to the sealing of any areas in the mine and state the reason for closure. Prior to seals being put into place, the lessee shall inspect the area and document any equipment/machinery, hazardous substances, and used oil that is to be left underground. The Authorized Officer may participate in this inspection. The purpose of this inspection will be: (1) to provide documentation for compliance with 42 U.S.C. 9620 section 120(h) and State Management Rule R-315-15, and to assure that certification will be meaningful at the time of lease relinquishment, (2) to document the inspection with a mine map showing location of equipment/machinery (model, type of fluid, amount remaining, batteries etc.) that is proposed to be left underground. In addition, these items will be photographed at the lessee’s expense and shall be submitted to the Authorized Officer as part of the certification. The abandonment of any equipment/machinery shall be on a case by case basis and shall not be accomplished unless the Authorized Officer has granted a written approval. Any on-lease disposal of non-coal waste must comply with 30 CFR § 817.89.

26. Due to the uncertainty of the amount of recoverable coal tons in this modification and the uncertainty in mining conditions, the lessee will pay the fair market value (FMV) for the coal resources mined in the area of Federal Coal Lease Modification (U-61049) at the rate of $0.25 per ton for the actual tonnage mined. Payment of FMV at the specified rate and tonnage mined will be on the schedule required for payment of production royalties to the Minerals Management Service (MMS). The lessee will clearly indicate which portion of the payment is for royalty and what is for lease bonus payment.
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.
APPENDIX 1-F

WAIVER LETTERS

INCORPORATED

NOV 03 2005

Div. of Oil, Gas & Mining
To Whom it May Concern:

C.O.P. Coal Development Company, as the owner of a dwelling within 300 feet of the mining and reclamation operations of Co-op Mining Company at Bear Canyon, Utah, which dwelling is occupied by Kenny Defa and family, is aware of its legal right to deny mining within 300 feet of the dwelling and has knowingly waived that right and consented to the mining and reclamation activities of Co-op Mining Company at Bear Canyon, Utah.

C.O.P. Coal Development Co.

By

Kenny Defa, as occupant of the dwelling above described, hereby waives any right he may have to the mining and reclamation activities of Co-op Mining Company within 300 feet of said dwelling and expressly consents to the same.
Salt Lake City, Utah  84115
July 2, 1991

To Whom it May Concern:

C.O.P. Coal Development Company, as the owner of a dwelling within 300 feet of the mining and reclamation operations of Co-op Mining Company at Bear Canyon, Utah, which dwelling is occupied by Wendell Owen and family, is aware of its legal right to deny mining within 300 feet of the dwelling and has knowingly waived that right and consented to the mining and reclamation activities of Co-op Mining Company at Bear Canyon, Utah.

C.O.P. Coal Development Co.

By

Wendell Owen, as occupant of the dwelling above described, hereby waives any right he may have to the mining and reclamation activities of Co-op Mining Company within 300 feet of said dwelling and expressly consents to the same.

Wendell Owen
To Whom It May Concern:

C.O.P. Coal Development Company, as the owner of a dwelling within 300 feet of the mining and reclamation operations of Co-op Mining Company at Bear Canyon, Utah, which dwelling is occupied by Sportsmans, is aware of its legal right to deny mining within 300 feet of the dwelling and has knowingly waived that right and consented to the mining and reclamation activities of Co-op Mining Company at Bear Canyon, Utah.

C.O.P. Coal Development Company

By

Joseph O. Kingston, President
C.O.P. Coal Development Company

Sportsmans, as occupant of the dwelling above described, hereby waives any right he may have to the mining and reclamation activities of Co-op Mining Company within 300 feet of said dwelling and expressly consents to the same.

Signed

Alan Jenkins, President
Sportsmans

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7/17/93 2005
Div. of Oil, Gas & Mining
APPENDIX 1H

OWNERSHIP AND CONTROL
Gentry Mountain Mining LLC Owner and Controller Information*

<table>
<thead>
<tr>
<th>Name</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hyrum Patrick Peterson</td>
<td>Director, Assistant CEO, and Treasurer</td>
</tr>
<tr>
<td></td>
<td>Start Date - 9-10-20</td>
</tr>
<tr>
<td>Shain Alma Stoddard</td>
<td>CEO</td>
</tr>
<tr>
<td></td>
<td>Start Date - 9-10-20</td>
</tr>
</tbody>
</table>

*No person of record owns 10% or more of the company*
APPENDIX 1-I
RIGHT OF ENTRY
IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF OHIO

In re: Hopedale Mining LLC, et al.,¹

) Chapter 11
)
)
)
)
) Case No. 20-12043 (GRH)
)
) (Jointly Administered)
) Honorable Guy R. Humphrey

ORDER (I) APPROVING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS’
ASSETS FREE AND CLEAR OF ALL NON-ASSUMED LIENS, CLAIMS,
ENCUMBRANCES, AND INTERESTS; (II) APPROVING THE ASSUMPTION AND
ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED
LEASES; AND (III) GRANTING RELATED RELIEF [RELATED TO DOCKET NO. 26]

Upon the Debtors’ Motion for Entry of (I) An Order (A) Approving Bidding and Sale

Procedures with Respect to the Sale of Substantially All of the Debtors’ Assets, (B) Authorizing

INCORPORATED

Div. of Oil, Gas & Mining

MAR 07 2022

¹ The Debtors in these Chapter 11 cases are (with the last four digits of their federal tax identification numbers in parentheses): Rhino GP LLC (8619), Rhino Resource Partners LP (7517), Rhino Energy LLC (6320), Rhino Trucking LLC (8773), Rhino Exploration LLC (8863), Triad Roof Support Systems LLC (1183), Springdale Land LLC (9816), McClane Canyon Mining LLC (3783), Rhino Northern Holdings LLC (1858), CAM-Ohio Real Estate LLC (1859), CAM-Colorado LLC (4269), Taylorville Mining LLC (5106), CAM Coal Trading LLC (4143), Castle Valley Mining LLC (9495), Jewell Valley Mining LLC (9270), Rhino Services LLC (3356), Rhino Oilfield Services LLC (8938), Rhino Technologies LLC (0994), CAM Mining LLC (2498), Rhino Coalfield Services LLC (3924), Hopedale Mining LLC (9060), CAM-Kentucky Real Estate LLC (9089), CAM-BB LLC (9097), Leesville Land LLC (7794), CAM Aircraft LLC (5467), Pennyrile Energy LLC (6095), Rhino Eastern LLC (1457), Rockhouse Land LLC (7702).
the Entry Into the Asset Purchase Agreement with the Stalking Horse Bidder and the Granting of Stalking Horse Protections, (C) Scheduling an Auction and Sale Hearing and Approving the Form and Manner of Notice Thereof, (D) Approving the Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases, and (E) Granting Related Relief; and (II) An Order Approving the Sale of Such Assets and Related Relief (the “Sale Motion”) \(^2\) (Docket No. 26) dated July 22, 2020, of the above-captioned debtors and debtors-in-possession, pursuant to sections 105(a), 363, 365, and 503(b) of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Local Rule 6004-1, and the local Procedures for Complex Chapter 11 Cases, for, among other things, (i) approval of the sale or sales (collectively, the “Sale Transaction”) of substantially all assets of the Debtors (the “Assets”) free and clear of any pledges, liens, security interests, encumbrances, claims (as such term is defined in section 101(5) of the Bankruptcy Code), charges, options and interests thereon (collectively, the “Interests”) \(^3\) to the maximum extent permitted by section 363 of the Bankruptcy Code, except as otherwise provided in the Sale Agreements; (ii) approval of the assumption and assignment of the executory contracts and unexpired leases included in the Purchased Assets \(^4\) under the terms of the Sale Agreements, if any (the “Assigned Contracts”), and (iii) approval of related relief; and the Court having previously entered its Order (A) Approving Bidding and Sale Procedures with Respect to the Sale of Substantially All Assets, (B) Authorizing the Entry Into a Stalking Horse Agreement and the Provision of Stalking Horse  

\(^2\) Capitalized terms used, but not defined, herein have the meaning ascribed to them in the Sale Motion or the Stalking Horse Agreement (as defined in the Bidding Procedures Order) or such other applicable Asset Purchase Agreement (collectively, the “Sale Agreements”). In the event a term is defined in both the Sale Motion and the applicable Sale Agreements, the definition in the applicable Sale Agreements shall govern.

\(^3\) With respect to the Stalking Horse Bidder and the Buyers, “interests” shall be defined as set forth in Paragraph 13.

\(^4\) Reference to “Assets” with respect to assets purchased by the Buyers pursuant to the respective Sale Agreements means “Purchased Assets” as defined therein.
Protections, (C) Scheduling an Auction and Sale Hearing and Approving the Form and Manner of Notice Thereof, and (D) Approving the Procedures for the Assumption and Assignment of Executory Contracts and Unexpired Leases, and (E) Granting Related Relief (Docket No. 232) (the “Bidding Procedures Order”); and the Bankruptcy Court having conducted a hearing on the Sale Motion on September 4, 2020 (the “Sale Hearing”) and all parties in interest having been heard, or having had the opportunity to be heard, regarding the Sale Motion; and the Bankruptcy Court having reviewed and considered the Sale Motion, and the arguments of counsel made, and the evidence adduced, at the hearing to approve the Bidding Procedures (the “Bidding Procedures Hearing”) and the Sale Hearing; and upon the record of the Bidding Procedures Hearing and the Sale Hearing, and these chapter 11 cases and proceedings, and after due deliberation thereon, and good cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:  

A. **Bankruptcy Petitions.** On July 22, 2020 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (collectively, the “Chapter 11 Cases”). The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases.

B. **Jurisdiction and Venue.** The Bankruptcy Court has jurisdiction over the Sale Motion and the Sale Transaction pursuant to 28 U.S.C. §§ 157 and 1334 and General Order 30-3 from the United States Bankruptcy Court for the Southern District of Ohio, dated December 4, 2019 and may enter a final order on the Motion consistent with Article III of the United States

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5 To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such. Furthermore, any findings of fact or conclusions of law made by the Court on the record at the close of the Sale Hearing are incorporated herein.
Constitution. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue in this district is proper under 28 U.S.C. §§ 1408 and 1409.

C. **Statutory Predicates.** The statutory predicates for the relief requested in the Sale Motion are sections 105, 363, 365 and 503(b) of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, and 9014, Local Rule 6004-1, and the Procedures for Complex Chapter 11 Cases.

D. **Notice.** As evidenced by the affidavits of service (Docket Nos. 264, 265, and 281) previously filed with the Court, and based on the representations of counsel at the Sale Hearing, proper, timely, adequate, and sufficient notice of the Sale Motion, including, without limitation, the Sale Transaction, the assumption and assignment of the Assigned Contracts, the Auction, the Sale Hearing, and the Bidding Procedures (as defined in the Bidding Procedures Order) have been provided in accordance with sections 102(1), 363, and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, 9006, and 9007 and Local Rule 6004-1. Such notice was good and sufficient and appropriate under the particular circumstances. No other or further notice of the Sale Motion, including, without limitation, the Sale Transaction, the Debtors' assumption and assignment of the Assigned Contracts, the Cure Costs, the Auction, or the Sale Hearing, is necessary or shall be required. With respect to entities whose identities were not reasonably ascertained by the Debtors, publication of the Auction and Hearing Notice was made as provided in Docket No. 281, and such notice was sufficient and reasonably calculated under the circumstances to reach all known and unknown entities.

E. **Assumption/Assignment Notice.** As evidenced by the affidavit of service (Docket No. 264) previously filed with the Court, an Assumption/Assignment Notice (Docket No. 236) has been served on each of the non-Debtor counterparties to the Assigned Contracts identified on the list(s) the Debtors have filed on the docket, all in accordance with the Bidding Procedures Order.
The service of the Assumption/Assignment Notice was sufficient under the circumstances, and no further notice need be given in respect of the Debtors’ assumption and assignment of the Assigned Contracts or the establishment of associated Cure Costs. Non-debtor parties to the Assigned Contracts have had an adequate opportunity to object to the Debtors’ assumption and assignment of the Assigned Contracts and the associated Cure Costs.

F. **Opportunity to Object.** A reasonable opportunity to object or be heard regarding the requested relief has been afforded to all interested persons and entities.

G. **Business Justification.** In accordance with the Bidding Procedures, the Debtors in consultation with the Consultation Parties selected Baseline Bids. As part of that process, and in order to generate the most value for the Assets, the Pledge Servicing Partners, LLC (the “Stalking Horse Bidder”) agreed to an Amended and Restated Asset Purchase Agreement dated August 28, 2020, the terms of which allowed for various assets subject to the original Stalking Horse Agreement to be sold to other Qualified Bidders. The term Stalking Horse Agreement as used in this Order shall refer to the Amended and Restated Asset Purchase Agreement with the Stalking Horse Bidder dated August 28, 2020, which agreement is a Sale Agreement hereunder.

H. The Debtors have articulated good and sufficient business reasons evidencing an adequate business justification supporting (i) their entry into the Sale Agreements and consummation of the Sale Transaction for the sale of the Assets and (ii) the Debtors’ assumption and assignment of the Assigned Contracts. Such actions are an appropriate exercise of the Debtors’ business judgment and in the best interests of the Debtors, their estates, and their creditors. Such business reasons underlying the Debtors’ sound exercise of their business judgment include, but are not limited to, the facts that (i) the continued operation of the Assets and corresponding costs will continue to deplete the Debtors’ estates, so there is a “need for speed” to consummate the Sale.
Transaction; (ii) the Assets have been adequately marketed and each of the Sale Agreements\textsuperscript{6} by and between: (a) certain of the Debtors and the Stalking Horse Bidder, (b) C.O.P. Coal Development Company; Mountaineer Metallurgical Holdings, LLC; Eagle Specialty Materials, LLC; Carter Roag Coal Company; Ceres Consulting L.L.C.; and Prime Met, Inc. (the "\textbf{Other Buyers}\textsuperscript{7}", and collectively with the Stalking Horse Bidder, the "\textbf{Buyers}") constitutes the highest or otherwise best offer for the applicable Assets; (iii) the Sale Transaction will present the best opportunity to realize the value of the Assets on a going concern basis and to avoid decline and devaluation of the related business; (iv) the Bidding Procedures utilized were designed to yield the highest or otherwise best bids for the Assets; and (v) the Debtors and the Buyers engaged in good faith, arm’s-length negotiations in order to achieve the Sale Transaction contemplated in the Sale Agreements. Entry of this Order and all provisions hereof is a necessary condition precedent to the Buyers consummating the Sale Transaction. To maximize the value of the Assets and preserve the viability of the operations to which the Assets relate, it is essential that the Sale Transaction occur within the time constraints set forth in the Sale Agreements. Time is of the essence in consummating the Sale Transaction. Accordingly, cause exists to lift the stays contemplated by Bankruptcy Rules 6004 and 6006.

\textsuperscript{6} For the avoidance of doubt, the term “Sale Agreements” shall include such agreement as may be amended, supplemented, or otherwise modified, together with any and all agreements, certificates, instruments, or documents executed and delivered pursuant thereto.

\textsuperscript{7} To the extent necessary and applicable, “Other Buyers” shall include the following Qualified Bidders who are Alternate Bidders in the event the Debtors close with an Alternate Bidder instead of the previously identified Successful Bidders: RAMACO Resources Land Holdings, LLC and Wyoming Eagle, LLC (Joint Bid) as Alternate Bidder for Mountaineer Metallurgical Holdings, LLC on Asset Group 5 (Jewell Valley); Prime Met, Inc. as Alternate Bidder for Eagle Specialty Materials, LLC on Asset Group 6 (Rhino Eastern Reserve), for Carter Roag Coal Company on Asset Group 6 (Rich Mountain Reserve), and for the Stalking Horse Bidder on Asset Group 6 (Leesville Reserve). The Stalking Horse Bidder is the Alternate Bidder for Asset Group 6 (Hopedale Dock) and Asset Group 6 (Springdale Reserve).
I. **Opportunity to Bid.** The Bidding Procedures were substantively and procedurally fair to all parties and all potential bidders and afforded notice and a full, fair, and reasonable opportunity for any person or entity to make a higher or otherwise better offer to purchase the Assets. The Debtors and their professionals robustly marketed the Assets and conducted the marketing and sale process as set forth in the Sale Motion and in compliance with the Bidding Procedures and the Bidding Procedures Order. The Auction process included in the Bidding Procedures afforded a full and fair opportunity for any person or entity to make an offer to purchase the Assets. Based upon the record of these proceedings, all creditors and other parties in interest and all prospective purchasers have been afforded a reasonable and fair opportunity to bid for the Assets.

J. **Auction.** On August 28, 2020 and in accordance with the Bidding Procedures, the Debtors filed a *Notice of Baseline Bids and Conduct of Virtual Auction* (Docket No. 308) setting forth the Baseline Bids and providing notice of the processes for the Auction. On August 31, 2020, an Auction was conducted in accordance with the Bidding Procedures and after conclusion of the Auction, the Buyers were declared to have made the highest or otherwise best offers with respect to the Assets. The Debtors filed a *Notice of Filing Auction Transcript* on September 3, 2020 (Docket No. 388). The Auction was conducted at arm’s length, in compliance with the Bidding Procedures, without collusion, and in good faith. The Auction afforded potential purchasers a full, fair, and reasonable opportunity to make a higher or otherwise better offer for the Assets than that reflected in the Stalking Horse Agreement, including, without limitation, for any one Asset Group, for any combination of Asset Groups, or for any individual Assets within Asset Group 6.

K. **Highest or Otherwise Best Offer.** The Debtors determined in a valid and sound exercise of their business judgment that, and the Court finds that the total consideration provided
by the Buyers for the Assets is the highest or otherwise best offers received by the Debtors. The Buyers are the Successful Bidder for their respective Assets in accordance with the Bidding Procedures. On September 1, 2020, the Debtors filed a notice of Successful Bid (Docket No. 340) pursuant to which they notified parties in interest that the Buyers were the highest and best bidders for the Assets.

L. **Good Faith Purchaser.** The Sale Transaction has been negotiated by the Debtors and the Buyers (and their respective affiliates and representatives) in good faith, at arm’s length, and without collusion or fraud. The terms and conditions of the Sale Transaction, including the total consideration to be realized by the Debtors pursuant to the Sale Agreements are fair and reasonable, and the Sale Transaction is in the best interest of the Debtors, their creditors, and their estates. Each of the Buyers is a “good faith purchaser” entitled to the full benefits and protections of section 363(m) of the Bankruptcy Code and any other applicable bankruptcy or non-bankruptcy Law with respect to the sale and assignment of the Assets and the Sale Transaction, including in the event this Order or any portion thereof is reversed or modified on appeal. Buyers otherwise have proceeded in good faith in all respects in connection with the proceeding.

M. None of the Buyers is an “insider” of any of the Debtors as that term is defined by section 101(31) of the Bankruptcy Code, and no common identity of directors or controlling stockholders exists between any of the Buyers and the Debtors. The Sale Agreements were not controlled by an agreement between potential or actual bidders within the meaning of section 363(n) of the Bankruptcy Code. The Debtors and the Buyers have not engaged in any conduct, action, or inaction that would cause or permit the Sale Agreements or the consummation of the Sale Transaction to be avoided, or costs or damages to be imposed, under section 363(n) of the Bankruptcy Code or under any other federal, state, local or foreign law, statute, code, ordinance,
rule, regulation, order, judgment, writ, stipulation, award, injunction or decree or common law requirement ("Law"). Each of the Buyers are entitled to all the protections and immunities of section 363(n) of the Bankruptcy Code. This finding is without prejudice to any Challenges (as defined in the Final DIP Order) that may be brought by the Official Committee of Unsecured Creditors (the "Committee") against the Prepetition Secured Parties (as defined in the Final DIP Order); provided however, that the Committee agrees and stipulates that it will not challenge the Section 363(n) protection afforded to the Buyers herein; provided further, however, that the Committee shall not have the right to bring any Challenge that is resolved pursuant to the Stipulation and Agreed Order Regarding Certain Lien Matters and Extension of Initial Challenge Period (Docket No. 392) (the “Stipulation”) or otherwise resolved pursuant to the terms hereof.

N. Cause has been shown as to why this Order should not be stayed pursuant to Bankruptcy Rules 6004(h) and 6006(d).

O. **Highest or Otherwise Best Offer.** The Debtors and each of the Buyers are not and will not be entering the Sale Transaction fraudulently or for any improper purpose. The Sale Transaction enhances the value of the Debtors’ estates. No other person or entity or group of persons or entities has offered to purchase the Assets for an amount that would provide greater economic value to the Debtors than the Buyers. The Sale Transaction is not being consummated for the purpose of hindering, delaying, or defrauding creditors of the Debtors. The total consideration provided by the Buyers for the Assets is the highest or otherwise best offer received by the Debtors and constitutes reasonably equivalent value and fair consideration. Accordingly, the Sale Transaction may not be avoided under section 363(n), 548, or 549 of the Bankruptcy Code, the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act, any other applicable Law.
P. **Acquired Assets Property of Debtors’ Estates.** The Assets to be transferred and/or assigned, as applicable, to the Buyers pursuant to the Sale Agreements are property of the Debtors’ estates and title thereto is vested in the Debtors’ estates within the meaning of section 541(a) of the Bankruptcy Code. The Debtors are the sole and lawful owners of the Assets. Subject to the entry of this Order, the Debtors: (i) have full power and authority to deliver the Sale Agreements and all other documents contemplated thereby; (ii) have all of the power and authority necessary to perform their obligations and to consummate the transactions contemplated by the Sale Agreements; and (iii) have taken all corporate action necessary to authorize and approve the Sale Agreements, the Sale Transaction, the assignment of the Assigned Contracts, and all other actions required to be performed by the Debtors in order to consummate the transactions contemplated in the Sale Agreements. No consents or approvals, other than those expressly provided for in the Sale Agreements or this Order, are required for the Debtors to consummate the Sale Transaction.

Q. **Transfer of Assets and Assumed Liabilities.** The transfer of the Assets and Assumed Liabilities (as such term is defined in the Sale Agreements) in accordance with the terms of this Order is integral to the Sale Agreements and is in the best interests of the Debtors, their estates and their creditors, and the Debtors have an adequate business justification therefor.

R. **Assumption and Assignment in Best Interests.** The Debtors’ assumption and assignment of the Assigned Contracts pursuant to the terms of this Order is integral to the Sale Transaction and is in the best interests of the Debtors, their estates, their creditors, and all other parties in interest and represents the Debtors’ exercise of sound and reasonable business judgment. The Assigned Contracts being assigned to the Buyers are an integral part of the Assets being purchased by the Buyers, and accordingly, such assumption and assignment of the Assigned

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Contracts is reasonable and enhances the value of the Debtors’ estates. Pursuant to section 365(f) of the Bankruptcy Code, the Assigned Contracts shall be assigned and transferred to, and remain in full force and effect for the benefit of, the Buyers notwithstanding any provision of the Assigned Contracts or other restriction prohibiting their assignment or transfer.

S. **Cure Costs.** The Cure Costs required to be paid pursuant to section 365(b) of the Bankruptcy Code, whether agreed or judicially resolved, and as set forth in the Cure Notice are deemed to be the entire cure obligation due and owing under the Assigned Contracts under Bankruptcy Code section 365(b). To the extent that any non-Debtor counterparty to any of the Assigned Contracts failed to timely file an objection to any of the proposed Cure Costs filed with the Bankruptcy Court, the cure cost listed in the Cure Notice shall be deemed to be the entire cure obligation due and owing under any of the applicable Assigned Contracts. Each provision of the Assigned Contracts or applicable non-bankruptcy Law that purports to prohibit, restrict, or condition or could be construed as prohibiting, restricting, or conditioning assignment of any Assigned Contracts has been satisfied or is otherwise unenforceable under Bankruptcy Code section 365. Upon the assignment to the Buyers and the payment of the relevant Cure Costs by the Buyers, as required by the Sale Agreements, each of the Assigned Contracts shall be deemed valid and binding and in full force and effect in accordance with its terms, and all defaults thereunder, if any, shall be deemed cured, subject to the provisions of this Order.

T. **Adequate Assurance.** The Debtors have met all of the requirements of section 365(b) of the Bankruptcy Code for each of the Assigned Contracts. The Debtors or the Buyers, as applicable, have provided adequate assurance of cure of any default existing prior to the Closing Date (as defined in the Sale Agreements) under any of the Assigned Contracts, within the meaning of section 365(b)(1)(A) of the Bankruptcy Code, and provided adequate assurance of
compensation to any party for any actual pecuniary loss to such party resulting from such default under any of the Assigned Contracts within the meaning of section 365(b)(1)(B) of the Bankruptcy Code. Each of the Buyers has provided adequate assurance of future performance of and under the Assigned Contracts, within the meaning of section 365(b)(1)(C) of the Bankruptcy Code (including to the extent, if any, modified by section 365(b)(3) of the Bankruptcy Code). The non-Debtor parties to the Assigned Contracts were given notice and the opportunity to object and are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. Except as expressly set forth in the Sale Agreements, the transfer of the Assigned Contracts will not subject the Buyers or their assignees or designees, as applicable, to any liability whatsoever prior to the Closing Date, or by reason of such transfer under any applicable Laws or based, in whole or in part, on any theory of law or equity.

U. **Free and Clear.** The sale and assignment of the Assets to the respective Buyers will be, as of the Closing Date, a legal, valid and effective transfer of such assets, and each such transfer and assignment shall, upon the Closing Date, vest the respective Buyers with all right, title, and interest of the Debtors to the Assets free and clear of all Interests, with any such Interests to attach to the net proceeds to be received by the Debtors in the same priority and subject to the same defenses and avoidability, if any, as were in existence on the Closing Date. None of the Buyers would enter into the Sale Transaction if the sale of the Assets were not free and clear of all Interests, or if the Buyers would, or in the future could, be liable for any such Interests. A sale of the Assets other than one free and clear of all Interests would adversely impact the Debtors’ estates and would yield substantially less value for the Debtors’ estates, with less certainty than the Sale Transaction. There is no better available alternative for the Assets than the sales to the Buyers.

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V. **Satisfaction of 363(f) Standards.** The Debtors may sell and assign the Assets free and clear of all Interests, because, with respect to each creditor asserting an Interest, one or more of the standards set forth in sections 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Those holders of Interests who did not object or who withdrew their objections to the Sale Transaction or any Assumption/Assignment Notice are deemed to have consented to the Sale Motion and the Sale Transaction under section 363(f)(2) of the Bankruptcy Code. Those holders of Interests in the Assets who did object fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code and are adequately protected by having their Interests (if any) attach to the net proceeds of the Sale Transaction ultimately attributable to the Assets in which such holders allege an Interest, in the same order of priority, with the same validity, force, and effect that such holder had prior to the Sale Transaction, and subject to any claims and defenses the Debtors and their estates may possess with respect thereto. An injunction against creditors and third parties pursuing Interests is necessary to induce each of the Buyers to close the Sale Transaction; the issuance of such an injunction is therefore necessary to avoid irreparable injury to the Debtors’ estates and will benefit all creditors.

W. **No Successor Liability.** Each of the Buyers, their Designated Purchaser(s) (as defined in the applicable Sale Agreements), their respective designees, and their respective predecessors, successors, assigns, affiliates, shareholders, members, partners, principals, directors, officers, and employees (or equivalent of any of the foregoing) ("Buyers’ Related Persons") shall have no obligations with respect to any liabilities of the Debtors other than the Assumed Liabilities and will not and shall not be deemed or considered, by any theory of law or equity, (i) to be a legal successor in any respect to the Debtors or their estates as a result of the consummation of the Sale Transaction contemplated by the Sale Agreements or any other event occurring in these Chapter

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11 Cases; (ii) to be the successor of or successor employer (as described under COBRA and applicable regulations thereunder) to the Debtors, including without limitation with respect to any Collective Bargaining Agreement, to any Seller Benefit Plan (as defined in the applicable Sale Agreements), under the Coal Act, or under any common law successor liability, and shall instead be, and be deemed to be, a new employer with respect to any and all federal or state unemployment Laws, including any unemployment compensation or tax Laws, or any other similar federal or state Laws; (iii) to have, de facto or otherwise, merged or consolidated with or into the Debtors or their estates; (iv) to have a common identity with the Debtors; (e) to have a continuity of enterprise with the Debtors; (v) to be a continuation, or substantial continuation, or hold themselves out as a mere continuation of the Debtors or any enterprise of the Debtors or their estates; or (vi) to be liable for any acts or omissions of Debtors in the conduct of the Business or arising under or related to the Assets. There is no continuity of enterprise with the Debtors by any theory of law or equity.

X. **Compliance with Bankruptcy Code.** The consummation of the transactions contemplated by the Sale Agreements and Sale Transaction is legal, valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including without limitation sections 105(a), 363(b), 363(f), 363(m), 365(b), and 365(f) of the Bankruptcy Code and all of the applicable requirements of such sections have been or will be complied with in respect of the Sale Transaction as of the Closing Date.

**IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:**

1. **Relief Granted.** The relief requested in the Sale Motion is granted as set forth herein.

2. **Objections Overruled.** All objections and responses to the Sale Motion, this Order or the relief granted herein that have not been overruled, withdrawn, waived, settled, or otherwise

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resolved and all reservations of rights included therein, are hereby overruled and denied on their respective merits with prejudice.

3. **Notice.** Notice of the Sale Motion, including without limitation, the transactions set forth in the Sale Agreements and the assumption and assignment of the Assigned Contracts, the Auction, the Sale Hearing, and the Sale Transaction, was fair and reasonable under the circumstances and complied in all respects with sections 102(1), 363, and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, 9006, and 9007 and Local Rule 6004-1 and the Procedures for Complex Chapter 11 Cases.

4. **Approval of Sale Agreements.** Pursuant to sections 105, 363, and 365 of the Bankruptcy Code, the Sale Agreements and the Sale Transaction are hereby approved and authorized in all respects and shall be deemed in full force and effect. The Debtors are hereby authorized and empowered to enter into, to fully perform their obligations under, and to consummate the transactions as contemplated under the Sale Agreements and to execute and perform such agreements or documents and to take such other actions as are necessary or desirable to effectuate the terms of the Sale Agreements.

5. **Good Faith Buyers.** The Sale Agreements have been entered into by the Debtors and each of the Buyers in good faith, and each of the Buyers is a good faith purchaser of the Assets and is hereby granted and is entitled to all of the protections provided to a good faith purchaser under section 363(m) of the Bankruptcy Code. Pursuant to section 363(m) of the Bankruptcy Code, if any or all of the provisions of this Order are hereafter reversed, modified, or vacated by a subsequent order of the Bankruptcy Court or any other court, such reversal, modification, or vacatur shall not affect the validity and enforceability of any sale, transfer, or assignment under the Sale Agreements or obligation or right granted pursuant to the terms of this Order (unless **INCORPORATED**

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stayed pending appeal prior to the Closing Date) and, notwithstanding any reversal, modification, or vacatur, any sale, transfer, or assignment shall be governed in all respects by the original provisions of this Order or the Sale Agreements, as the case may be.

6. **Section 363(n) of the Bankruptcy Code.** The consideration provided by the Buyers for the Assets under the Sale Agreements shall be and hereby is deemed for all purposes to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code and any other applicable Law, and the Sale Transaction may not be avoided, or costs or damages imposed or awarded under Bankruptcy Code section 363(n) or any other provision of the Bankruptcy Code, the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act, or any other similar Laws.

7. **Authorization of Performance by the Debtors.** The Debtors are authorized and empowered to take any and all actions necessary or appropriate to fully perform under, consummate, and implement the terms of the Sale Agreements together with any and all additional instruments and documents that may be reasonably necessary or desirable to implement and effectuate the terms of the Sale Agreements, this Order, and the Sale Transaction, including, without limitation, deeds, assignments, operating agreements, and other agreements, certificates, instruments of transfer, or other documents executed and delivered in connection with the Sale Agreements, and to take all further actions as may reasonably be requested by the Buyers (which includes any designees or assignees of the applicable Purchaser as contemplated by the Sale Agreements) for the purpose of assigning, transferring, granting, conveying, and conferring to the Buyers and/or their designees, or reducing to possession any or all of the Assets free and clear of Interests, as may be necessary or appropriate to the performance of the Debtors’ obligations as...
contemplated by the Sale Agreements, without any further corporate action or orders of the Bankruptcy Court.

8. The Buyers and the Debtors shall have no obligation to close the Sale Transaction except as is contemplated and provided for in the Sale Agreements, the Bidding Procedures, and this Order. The Debtors and Buyers shall have no obligation to proceed with a Closing (as defined in the Sale Agreements) until all conditions precedent to their obligations to proceed have been met, satisfied, or waived in accordance with the terms of the applicable Sale Agreements.

9. The Debtors are authorized and empowered to cause to be filed with the secretary of state of any state or other applicable officials of any applicable government or governmental or regulatory body thereof, or political subdivision thereof, or any agency, authority, department, commission, board, bureau, official, or instrumentality of such body, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), whether foreign, federal, state, or local, or any agency, instrumentality or authority thereof, or any court or arbitrator thereof (public or private) of competent jurisdiction ("Governmental Body"), any and all certificates, agreements, or amendments necessary or appropriate to effectuate the transactions contemplated by the Sale Agreements, any related agreements and this Order, including amended and restated certificates or articles of incorporation and by-laws or certificates or articles of amendment and all such other actions, filings, or recordings as may be required under appropriate provisions of the applicable Laws of all applicable Governmental Bodies or as any of the officers of the Debtors may determine are necessary or appropriate. The execution of any such document or the taking of any such action shall be, and hereby is, deemed conclusive evidence of the authority of such person to so act.
10. **Valid Transfer.** Effective as of the Closing, the sale and assignment of all rights, title, and interest in the Assets and the Assigned Contracts by the Debtors to each of the Buyers shall constitute a legal, valid, and effective transfer of the Assets and the Assigned Contracts, notwithstanding any requirement for approval or consent by any person, and will vest each of the Buyers with all right, title, and interest of the Debtors in and to the applicable Assets, free and clear of all Interests (other than the Assumed Liabilities defined in the applicable Sale Agreements), pursuant to section 363(f) of the Bankruptcy Code.

11. **The Debtors Shall Not Retain Liability for Assigned Contracts and Assumed Liabilities.** Effective on the Closing and subject to the Sale Agreements, (a) the assumption of the Assigned Contracts and the Assumed Liabilities by the Buyers constitutes a legal, valid, effective, complete, and absolute sale, conveyance, and transfer from the Debtors to the applicable Buyers of any and all Liabilities under the Assigned Contracts that arise on or after the Closing Date, the Cure Costs with respect thereto, and Assumed Liabilities and (b) the Debtors shall have no liability to the Buyers, any Governmental Body, surety or any other person for any Assumed Liabilities under the Assigned Contracts that arise on or after the Closing Date, the Cure Costs with respect thereto, and such Assumed Liabilities.

12. Further, it is the Parties’ express intention that the Sale Transaction be, and be treated for all purposes, as an absolute sale, conveyance, and transfer of all Liabilities under the Assigned Contracts that arise on or after the Closing Date, the Cure Costs with respect thereto, and Assumed Liabilities.

13. **Free and Clear.** Except to the extent specifically provided in the applicable Sale Agreements, upon the Closing, the Debtors shall be, and hereby are, authorized, empowered, and directed, pursuant to sections 105, 363(b), and 363(f) of the Bankruptcy Code, to sell the Assets.
and assign the Assigned Contracts to the Buyers. The sale and assignment of the Assets (including the assignment of the Assigned Contracts) to the Buyers vests each of the Buyers with all right, title, and interest of the Debtors to the applicable Assets (including the Assigned Contracts) free and clear of any and all Interests, with all such Interests to attach only to the net proceeds of the sale with the same priority, validity, force, and effect as they now have in or against the Assets (including the Assigned Contracts). The Sale Motion shall be deemed to provide sufficient notice as to the sale and assignment of the Assets free and clear of all Interests in accordance with the Bankruptcy Code and the Bankruptcy Rules. Following the Closing, no holder of any Interest on the Assets may interfere with any of the Buyers’ use and enjoyment of the Assets based on or related to such Interest or any actions that the Debtors may take in their Chapter 11 Cases. For the avoidance of doubt, “Interests” include, without limitation:

a. Any “Lien” defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements) to mean any “interest” as that term is used in section 363(f) of the Bankruptcy Code, lien (statutory or otherwise), mechanic’s, workmen’s, repairmen’s, materialmen’s, warehousemen’s, carrier’s and other similar statutory or inchoate lien, covenant, encroachment, encumbrance, pledge, mortgage, deed of trust, security interest, claim (including “claim” (as defined in section 101(5) of the Bankruptcy Code)), lease, sublease, charge, option, right of first offer or first refusal, right of use or possession, restriction, easement, servitude, restrictive covenant, condition, encroachment or any other similar encumbrance, third party interest, other survey defect, charge, hypothecation, deemed trust, action, or restriction, whether imposed by Law, Contract, equity or otherwise;

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b. Any "Liability" defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements) to mean any debt, loss, liability, claim (including "claim" (as defined in section 101(5) of the Bankruptcy Code)), commitment, demand, responsibility, suit, judgment, undertaking, damage, expense, fine, penalty, cost, royalty, deficiency or obligation (including those arising out of any action, such as any settlement or compromise thereof or judgment or award therein), of any nature, whether known or unknown, disclosed or undisclosed, express or implied, primary or secondary, direct or indirect, matured or unmatured, determined or indeterminable, disputed or undisputed, secured or unsecured, joint or several, fixed, absolute, contingent, accrued or unaccrued, liquidated or unliquidated, and whether due or to become due, and whether in contract, tort or otherwise, and whether or not required to be accrued on the financial statements of any entity or individual;

c. Any "Excluded Liabilities" defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements) to mean any and all Liabilities of Debtors other than the Assumed Liabilities, including such Liabilities arising out of, resulting from, relating to or otherwise in respect of the following, in each case other than the Assumed Liabilities:

i. Debtors’ use, operation, possession or ownership of the Assets prior to the Closing;

ii. Debtors’ use, operation, possession or ownership of any assets or entities other than the Assets;
iii. all Liabilities of Debtors arising from the consummation of the transactions contemplated by the Sale Agreements;

iv. any Liability of Debtors or any ERISA Affiliate (as defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements)) (or any predecessor of any of the foregoing) arising under, relating to or with respect to any multiple employer pension plan, single employer pension plan or “multi-employer plan” (as defined in Section 3(37) of ERISA), and any Liability of any ERISA Affiliate arising under, relating to or with respect to any compensation or benefits agreement, arrangement, plan, policy, practice or program, including any Seller Benefit Plan (as defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements));

(ii) all Liabilities with respect to employees or former employees of any Debtor, or both (or the representatives, beneficiaries, independent contractors, or consultants of Debtors, and employees, contractors or consultants of any ERISA Affiliate, for any action or inaction of Debtors (or any predecessor of Debtors)) occurring prior to or on the Closing Date, including with respect to employment practices, classification of employees and independent contractors, payments of wages and other compensation, vacation, payroll, sick leave, unemployment benefits, retirement benefits, pension benefits, employee stock option, equity compensation, employee stock purchase or profit sharing plans, health care and other welfare plans, policies, programs, agreements, arrangements, practices or benefits (including COBRA Coverage or the Coal Act (as those terms are defined in

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the Stalking Horse Agreement (and, as applicable, the Sale Agreements)),
or any other employee plans, policies, programs, practices, agreements,
arrangements or benefits or other compensation of any kind to any
employee, including under any Seller Benefit Plans of any Subsidiary (as
defined in the Stalking Horse Agreement (and, as applicable, the Sale
Agreements)) or ERISA Affiliate, and Liabilities or other obligations of
Debtors and their respective predecessors pursuant to the Worker
Adjustment and Retraining Notification Act of 1988, and including any
similar state or local law ("**WARN Act**") to the extent arising or accruing
prior to or on the Closing Date or related to the transactions contemplated
by the Sale Agreements; (iii) any and all Liabilities to any current or former
employee, consultant or contractor or any spouse, dependent and/or any
beneficiary thereof, relating to any Seller Benefit Plan and any and all
Liabilities relating to any benefits or compensation agreement,
arangement, plan, policy, practice or program of any ERISA Affiliate,
including any Seller Benefit Plans; (iv) any and all Liabilities arising under
any employment or consulting agreement; collective bargaining
agreements, works council agreements, labor union contracts, trade union
agreements, and other similar agreements (each, a "**Collective Bargaining
Agreement**") or arrangement, or severance, retention or termination
agreement, plan, policy, practice, program or arrangement with any
employee, consultant or contractor (or its representatives) of any Debtor;
and (v) all Liabilities (other than Assumed Liabilities) accruing, arising out

of, or relating to any federal, state or local investigations of, or claims or actions against, any Debtor or any employee, agents, vendors or representatives of any Debtor, to the extent arising out of actions taken prior to the Closing or related to the transactions contemplated by the Sale Agreements;

v. any monetary fines and penalties imposed by any Governmental Body to the extent relating to periods prior to the Closing Date or imposed by a Governmental Body after the Closing Date but arising out of actions taken or facts or circumstances existing prior to the Closing ("Excluded Pre-Closing Fines");

vi. all Liabilities with respect to (A) any Taxes (as defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements)) imposed on or with respect to the Business (as defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements)) or the Assets that are attributable to any Pre-Closing Tax Period as determined pursuant to the Stalking Horse Agreement (and, as applicable, the Sale Agreements), or (B) any Taxes related to the Excluded Assets; and (ii) all Liabilities of Debtors or its stockholders or members, including any Liability of Debtors for the Taxes of any other individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body or other entity ("Person") under Section §1.1502-6 of the Treasury Regulations (or any similar provision of state, local or foreign law), as a transferee or successor, by statute or otherwise.
vii. all Liabilities of Debtors with respect to any bonds or reclamation or bonding obligations relating to any Permits (as defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements)) or Licenses (as defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements)) that are not Transferred Permits (as defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements));

viii. all Liabilities with respect to Causes of Action (as defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements)) pending before the Closing Date or to the extent against or giving rise to Liability against the Business of the Assets prior to the Closing Date, even if instituted after the Closing Date;

ix. any Liability of the Debtors under any Indebtedness (as defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements)), including any Indebtedness owed by any Debtor to any direct or indirect Affiliate (as defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements)) of such Debtor, and any obligations or liability under debtor in possession financing incurred by the Debtors during the Bankruptcy Cases;

x. subject to the Assumed Liabilities set forth in the Stalking Horse Agreement (and, as applicable, the Sale Agreements), all Liabilities under the Federal Coal Mine Safety and Health Act of 1969, the Black Lung Benefits Act of 1972, the MSHA, the Black Lung Benefits Reform Act of 1977, and the Black Lung Benefits Amendments of 1981, in each case as amended

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(collectively, the "Black Lung Act") or any Laws due to an employee claiming or having suffered or incurred any accident, injury, disease, exposure, illness, disability or other adverse mental or physical condition, including those Liabilities arising out of an employee’s and his or her beneficiaries’ rights under applicable Laws ("Workers’ Compensation Laws") related to the Assets including with respect to employees who have performed services for the Debtors or who worked or were employed at the Assets, including any such Liabilities of the Debtors or their respective Affiliates under the Black Lung Act or Workers’ Compensation Laws with respect to any of their respective predecessors;

xi. any Liabilities of any Debtor or any of their Affiliates relating to or arising from unfulfilled commitments, quotations, purchase orders, customer orders or work orders prior to the Closing Date that are not validly and effectively assigned to the Buyers and/or a Designated Purchaser pursuant to the Sale Agreements;

xii. other than the Assumed Liabilities set forth in the applicable Sale Agreements, any Liabilities arising out of, in respect of or in connection with the failure by any Debtor or any of its Affiliates to comply with any applicable Laws or order by any Governmental Body including any such obligations or Liabilities arising as a result of any Debtor’s failure to comply with the terms of any applicable Laws;

xiii. other than the Assumed Liabilities set forth in Sections 2.3(b) and 2.3(c) of the Sale Agreements, any Liability under the Assigned Contracts arising out
of or relating to events, breaches or defaults thereunder occurring on or prior to the Closing Date;

xiv. any Liability with respect to any coal sales or other goods sold or any service provided by the Debtors or their Affiliates, to the extent arising out of or related to events occurring on or prior to Closing, including any such Liability or obligation (i) pursuant to any express or implied representation, warranty, agreement, coal specification undertaking or guarantee made by any Debtor or any Affiliate of such Debtor, or alleged to have been made by Debtor or any Affiliate of such Debtor, (ii) imposed or asserted to be imposed by operation of applicable Law or (iii) pursuant to any doctrine of product liability, in each case to the extent arising out of or related to events occurring on or prior to Closing;

xv. any Liability (whether arising before, on or after Closing) with respect to any employee of any Debtor or any Affiliate of any Debtor (or any individual who applied for employment with any Debtor) who is not a Hired Employee (as defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements));

xvi. subject to the Assumed Liabilities set forth in the Stalking Horse Agreement (and, as applicable, the Sale Agreements), any Liability that relates to any Hired Employee arising out of or relating to their employment with any Debtor with respect to events occurring on or prior to the Closing Date;

xvii. any Liability under the WARN Act arising from the failure of the Debtors to give a timely WARN notice to any employee of any Debtor terminated
or laid off prior to the Closing Date even if such Liabilities are triggered by an event or action of Debtor occurring on or after the Closing Date;

xviii. all trade accounts payable, including Trade Payables (as defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements)), all accrued operating expenses and other current liabilities of the Debtors related to the Assets;

xix. any Liabilities arising under Environmental Laws (as defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements)) from or related to any use, transportation, release, treatment, storage, or disposal of, or human exposure to, Hazardous Materials (as defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements)) at any location not included in the Assets, and any Liabilities arising under Environmental Laws from or related to any use, transportation, release, treatment, storage, or disposal of, or human exposure to, Hazardous Materials at any location included in the Assets arising out of actions taken or facts or circumstances existing prior to the Closing Date;

xx. any and all brokerage or finder’s fees or commissions or similar payments based upon any agreement or understanding made, or alleged to have been made, by any Person with Debtors or its Affiliates (or any Person acting on their behalf) in connection with the Bankruptcy Case, the Sale Agreements, or otherwise with respect to the transactions contemplated by the Sale Agreements, including without limitation any amounts payable to Energy Ventures Analysis, Inc. or Evercore Group L.L.C.;
xxi. any and all Liabilities for (i) costs and expenses incurred or owed in connection with the administration of the Bankruptcy Cases (including all Professional Fee Claims (as defined in the Stalking Horse Agreement (and, as applicable, the Sale Agreements)); and (ii) all costs and expense incurred in connection with the negotiation, execution and consummation of the transactions contemplated by the Sale Agreements; and

xxii. other Liabilities as set forth in the applicable Sale Agreements; and

d. any Liabilities related to the Excluded Assets.

14. The provisions of this Order authorizing the sale and assignment of the Assets free and clear of Interests shall be self-executing, and neither the Debtors nor the Buyers shall be required to execute or file releases, termination statements, assignments, consents, or other instruments in order to effectuate, consummate, and implement the provisions of this Order, but shall have the authority to do so as otherwise provided herein.

15. None of the Buyers, any Buyers’ Related Persons or any of their respective current and former members, officers, directors, managed funds, investment advisors, attorneys, employees, partners, principals, affiliates, shareholders (or equivalent), financial advisors and representatives (each of the foregoing in its individual capacity), and anyone charged or chargeable with any of the foregoing’s liability or responsibility, shall have or incur any liability to, or be subject to any action by any of the Debtors or any of their estates, predecessors, successors, or assigns, arising out of the negotiation, investigation, preparation, execution, and delivery of the Sale Agreements and the entry into and consummation of the Sale Agreements, except as expressly provided in the Sale Agreements and this Order.

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16. Except as expressly provided in the Sale Agreements or by this Order, all persons and entities, including, but not limited to, the Debtors, all debt security holders; equity security holders; administrative agencies; governmental, tax and regulatory authorities; governmental units (as defined in section 101(27) of the Bankruptcy Code); secretaries of state; federal, state, and local officials; contract parties; lenders; vendors; suppliers; employees; former employees; bidders; lessors, warehousemen, mechanics, repairers, materialman, customs brokers, freight forwarders, carriers, and other parties in possession of any of the Assets at any time; trade creditors; litigation claimants; and all other persons holding Interests against or in the Debtors or the Debtors’ interests in the Assets (whether known or unknown, secured or unsecured, legal or equitable, matured or unmatured, contingent or noncontingent, senior or subordinated, liquidated or unliquidated, asserted or unasserted) whether arising prior to or subsequent to the commencement of these Chapter 11 Cases, whether imposed by agreement, understanding, law, equity or otherwise, including, without limitation, the non-debtor party or parties to each of the Assigned Contracts, arising under or out of, in connection with, or in any way relating to, the Assets or the transfer of the Assets to the Buyers, shall be and hereby are forever barred, estopped, and permanently enjoined from asserting, prosecuting, commencing, continuing, or otherwise pursuing in any manner any Interests against the Buyers or Buyers’ Related Persons or any of their respective current and former members, officers, directors, managed funds, investment advisors, attorneys, employees, partners, principals, affiliates, shareholders (or equivalent), financial advisors and representatives (each of the foregoing in its individual capacity), and anyone charged or chargeable with any of the foregoing’s liability or responsibility; the Assets; or the interests of the Debtors in such Assets. Following the Closing, no holder of an Interest shall interfere with the Buyers’ title to or use and enjoyment of the Assets based on or related to such Interest, except as
otherwise provided in the Sale Agreements or this Order. All persons and entities are hereby enjoined from taking action that would interfere with or adversely affect the ability of the Debtors to transfer the Assets in accordance with the terms of the Sale Agreements and this Order, with such actions that are barred hereby including, without limitation: (i) the commencement or continuation of any action or other proceeding, (ii) the enforcement, attachment, collection, or recovery of any judgment, award, decree, or order, (iii) the creation, perfection, or enforcement of any lien, claim, interest, or encumbrance, (iv) the assertion of any right of setoff, subrogation, or recoupment of any kind, (v) the commencement or continuation of any action that does not comply with, or is inconsistent with, the provisions of this Order, any actions contemplated or taken in respect hereof, or the Sale Agreements, and (vi) the revocation, termination, or failure or refusal to renew any license, permit, registration, or governmental authorization or approval to operate any of the Assets or conduct the businesses associated with such Assets. Without limitation of the foregoing: (a) all persons and entities holding Interests are hereby barred and enjoined from asserting such Interests against the Buyers, or any of them, any of their successors or assigns, or the Assets; and (b) no creditor or other party in interest shall assert any claims or take any legal or other actions against the Buyers, or any of them, or any of their principals or the Assets, relating to the Assets to be sold to the Buyers, or any of them. Nothing in this Paragraph 16 shall limit or release any right of the Committee to bring any Challenges (as defined in the Final DIP Order) against the Prepetition Secured Parties (as defined in the Final DIP Order); provided, however, that the Committee shall not have the right to bring any Challenge that is resolved pursuant to the Stipulation or otherwise resolved pursuant to the terms hereof.

17. **Direction to Creditors.** On the Closing Date, each of the Debtors’ creditors is authorized and directed to execute such documents and take all other actions as may be reasonably
necessary to release its Interests in the Assets, if any, as such Interests may otherwise exist. If any person or entity that has filed financing statements, mortgages, mechanics liens, or lis pendens or other documents, instruments, notices, or agreements evidencing any Interest against or in the Assets shall not have delivered to the Debtors before the Closing, in proper form for filing and executed by the appropriate parties, termination statements, releases, or instruments of satisfaction that the person or entity has with respect to the Assets, then with regard to the Assets, (a) the Debtors and/or the Buyers are authorized to execute and file such termination statements, releases, instruments of satisfaction, or other documents on behalf of the person or entity with respect to the Assets; and (b) the Debtors and/or Buyers are authorized to file, register, or otherwise record a certified copy of this Order which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of and shall act to cancel all Interests against the Assets. This Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, local, tribal or foreign government agency, department or office.

18. Direction to Government Agencies. Each and every filing agent; filing officer; title agent; recording agency; governmental department; secretary of state; federal, state and local official; and any other persons or entities that may be required by operation of law or the duties of their office or contract to accept, file, register, or otherwise record or release any documents or instruments or who may be required to report or insure any title in or to the Assets, is hereby authorized and directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Sale Agreements and this Order. All such entities described above in this paragraph are authorized and specifically directed to strike all recorded Interests against the Assets from their records and to the extent such entities do not do so, such Interests shall be deemed stricken.
19. **Direction to Surrender Possession or Control.** All persons or entities, presently or on or after the Closing Date, in possession or control of some or all of the Assets are directed to surrender possession or control of the Assets to the Buyers on the Closing Date or at such time thereafter as the Buyers may request. Consistent with the sale free and clear of Interests, all such persons or entities are prohibited from conditioning the surrender of possession or control of such Assets on any payment of any amounts based on or otherwise arising out of such Interests, with any such effort violating the provisions of paragraph above and being in contempt of this Order, entitling the applicable Buyer to recovery of any costs incurred to obtain possession or control of such Assets.

20. **Self-Executing.** Notwithstanding any other provisions of or rights under this Order, the provisions of this Order authorizing the sale of the Assets free and clear of all Interests shall be self-executing, and notwithstanding the failure of any party to execute, file, or obtain releases, discharges, termination statements, assignments, consents, or other instruments to effectuate, consummate, and/or implement the provisions hereof or the Sale Agreements, or any of them, or the other documents with respect to the sale of the Assets, all Interests on the Assets shall be deemed released.

21. **Licenses and Permits.** To the extent provided in the Sale Agreements and available under applicable Law, the Buyers shall be authorized, as of the Closing Date, to operate under any license, permit, registration, right, trademark and any other governmental authorization, permission or approval of the Debtors that are Assets, and all such licenses, permits, registrations, and governmental authorizations, and approvals are deemed to have been, and hereby are, directed to be transferred to the Buyers as of the Closing Date. To the extent any license or permit necessary for the operation of the business is determined not to be an executory contract assumable and
assignable under section 365 of the Bankruptcy Code, the Buyers shall apply for and obtain any necessary license or permit promptly after the Closing Date, and such licenses or permits of the Debtors shall remain in place for the Buyers’ benefit until new licenses and permits are obtained. No governmental unit may force the transfer of or require the Buyers to apply for the transfer of any license, permit, registration, right, trademark or any other governmental authorization, permission or approval to the Buyers except for those included in the Assets.

22. To the extent provided by section 525 of the Bankruptcy Code, no governmental unit may revoke or suspend any permit or license relating to the operation of the Assets sold, transferred, or conveyed to the Buyers on account of the filing or pendency of these Chapter 11 Cases or the consummation of the transactions contemplated by the Sale Agreements.

23. **No Successor Liability.** The Buyers and Buyers’ Related Persons shall have no obligations with respect to any liabilities of the Debtors other than the Assumed Liabilities and are not and shall not be deemed or considered, by any theory of law or equity, (a) to be a legal successor in any respect to the Debtors or their estates as a result of the consummation of the Sale Transaction contemplated by the Sale Agreements or any other event occurring in these Chapter 11 Cases; (b) to be the successor of or successor employer (as described under COBRA and applicable regulations thereunder) to the Debtors, including without limitation with respect to any Collective Bargaining Agreement, to any Seller Benefit Plan (as defined in the applicable Sale Agreements), under the Coal Act, or under any common law successor liability, and shall instead be, and be deemed to be, a new employer with respect to any and all federal or state unemployment Laws, including any unemployment compensation or tax Laws, or any other similar federal or state Laws; (c) to have, de facto or otherwise, merged or consolidated with or into the Debtors or their estates; (d) to have a common identity with the Debtors; (e) to have a continuity of enterprise with
the Debtors; (f) to be a continuation, or substantial continuation, or hold themselves out as a mere
continuation of the Debtors or any enterprise of the Debtors or their estates; or (g) to be liable for
any acts or omissions of Debtors in the conduct of the Business or arising under or related to the
Assets. There is no continuity of enterprise with the Debtors by any theory of law or equity. The
Buyers shall not assume, nor be deemed to assume or in any way be responsible for any liability
or obligation of any of the Debtors and/or their estates including, but not limited to, any Interests,
any bulk sales Law, successor liability, liability or responsibility for any claim against the Debtors
or against an insider of the Debtors, or similar liability except as otherwise expressly provided in
the Sale Agreements. The Sale Motion contains sufficient notice of such limitation in accordance
with applicable Law. Except for the Assumed Liabilities, the transfer of the Assets to the Buyers
under the Sale Agreements shall not result in (x) the Buyers, Buyers’ Related Persons or the Assets,
having any liability or responsibility for any claim against the Debtors or against an insider of the
Debtors (including, without limitation, Interests); (y) the Buyers, Buyers’ Related Persons or the
Assets, having any liability whatsoever with respect to or be required to satisfy in any manner,
whether at law or in equity, whether by payment, setoff or otherwise, directly or indirectly, any
Interests; or (z) the Buyers, Buyers’ Related Persons or the Assets, having any liability or
responsibility to the Debtors related to the transfer of the Assets to the Buyers under the Sale
Agreements except as is expressly set forth in the Sale Agreements. This provision is without
prejudice to any Challenges that may be brought by the Committee against the Prepetition Secured
Parties; provided however, that the Committee shall not have the right to bring any Challenge that
is resolved pursuant to Stipulation or otherwise resolved pursuant to the terms hereof.

24. Without limiting the generality of the foregoing, and except as otherwise provided
in the Sale Agreements, the parties intend and the Court hereby orders that the Buyers and Buyers’

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Related Persons shall not be liable for any Interest against any of the Debtors, or any of each Debtor’s predecessors or Affiliates, and the Buyers and Buyers’ Related Persons shall have no successor or vicarious liabilities of any kind or character, including, but not limited to, any theory of antitrust, environmental, successor, or transferee liability, labor Law, de facto merger or substantial continuity, whether known or unknown as of the Closing Date, now existing or hereafter arising, whether asserted or unasserted, fixed or contingent, liquidated or unliquidated with respect to the Debtors or any obligations of the Debtors arising on or prior to the Closing Date, including, but not limited to, liabilities on account of any taxes due in connection with, or in any way relating to, the Assets on or prior to the Closing Date. The consideration given by Buyers shall constitute valid and valuable consideration for the release of any potential claims of successor liability against Buyers and Buyers’ Related Persons, which releases shall be deemed to have been given in favor of the Buyers and Buyers’ Related Persons by all holders of Interests against the Debtors or the Assets.

25. **No Bulk Sales; No Brokers**: No bulk sales Law or any similar Law of any state or other jurisdiction shall apply in any way to the Sale Transaction. The Buyers are not, and will not become, obligated to pay any fee or commission or like payment to any broker, finder, or financial advisor as a result of the consummation of the Sale Transaction based upon any arrangement made by, or on behalf of, the Debtors.

26. **Assumption and Assignment of Assigned Contracts**: Under sections 105(a), 363, and 365 of the Bankruptcy Code, and subject to and conditioned upon the closing of the Sale Transaction, the Debtors’ assumption and assignment of the Assigned Contracts to the Buyers free and clear of all Interests pursuant to the terms set forth in the Sale Agreements, as modified by the terms of any amendments reached directly by the Buyers with the respective counterparty.
hereby approved, and the requirements of sections 365(b)(1) and 365(f)(2) of the Bankruptcy Code (including to the extent, if any, modified by section 365(b)(3) of the Bankruptcy Code) with respect thereto are hereby deemed satisfied. The Assigned Contracts shall be deemed assumed by the Debtors and assigned to Buyers on the Closing pursuant to this Order, and Buyers shall be fully and irrevocably vested in all right, title, and interest of each Assigned Contract. The Debtors shall cooperate with, and take all actions reasonably requested by, the Buyers to effectuate the foregoing, as further provided in the Sale Agreements.

27. Each counterparty to the Assigned Contracts is hereby forever barred, estopped, and permanently enjoined from raising or asserting against the Debtors or the Buyers, or the property of any of them, any assignment fee, default, breach, claim, pecuniary loss, liability, or obligation (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or noncontingent, known or unknown, liquidated or unliquidated senior or subordinate), or any Interest, arising under or out of, in connection with, or in any way related to the Assigned Contracts existing as of the Closing Date or arising by reason of the Closing.

28. **Adequate Assurance.** The Buyers have provided adequate assurance of their future performance under the relevant Assigned Contracts within the meaning of sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code (including to the extent, if any, modified by section 365(b)(3) of the Bankruptcy Code). All other requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the Debtors’ assumption and assignment to the Buyers of the Assigned Contracts have been satisfied.

29. **Anti-Assignment Provisions Unenforceable.** No sections or provisions of the Assigned Contracts that purport to (a) prohibit, restrict, or condition Debtors’ assignment of the Assigned Contracts, including, but not limited to, the conditioning of such assignment on the
consent of the non-debtor party to such Assigned Contracts; (b) authorize the termination, cancellation, or modification of the Assigned Contracts based on the filing of a bankruptcy case, the financial condition of the Debtors, or similar circumstances; (c) declare a breach or default as a result of a change in control in respect of the Debtors; or (d) provide for additional payments, penalties, conditions, renewals, extensions, charges, or other financial accommodations in favor of the non-debtor third party to the Assigned Contracts, or modification of any term or condition upon the assignment of an Assigned Contract or the occurrence of the conditions set forth in subsection (b) above, shall have any force and effect, and such provisions constitute unenforceable anti-assignment provisions under section 365(f) of the Bankruptcy Code and/or are otherwise unenforceable under section 365(e) of the Bankruptcy Code. The entry of this Order constitutes the consent of the non-debtor parties to the Assigned Contracts to the Debtors’ assumption and assignment of such Assigned Contracts to the Buyers. All Assigned Contracts shall remain in full force and effect, without existing default(s), subject only to payment of the appropriate Cure Costs, if any, by the Buyers.

30. **No Fees for Assumption and Assignment.** There shall be no rent accelerations, assignment fees, increases or any other fees charged to the Buyers, Buyers’ Related Persons or the Debtors as a result of the assumption and assignment of the Assigned Contracts.

31. **Cure Costs.** All defaults or other obligations shall be deemed cured by the Buyers’ payment or other satisfaction of the cure amounts, if any, associated with the Assigned Contracts (the “Cure Costs”).

32. **Notice of Assumption and Assignment.** The Debtors have served (Docket No. 264) all of the non-debtor counterparties to the Assigned Contracts, identified on the lists the Debtors have filed with the Bankruptcy Court, by first class mail, an Assumption/Assignment
Notice (Docket No. 236) that included (a) the title of the Assigned Contract, (b) the name of the counterparty to the Assigned Contract, (c) any applicable Cure Costs, (d) the deadline by which any such Assigned Contract counterparty must file an objection ("Cure Objection") to the proposed assumption and assignment. No other or further notice is required.

33. **Objections to Assumption and Assignment.** Except as provided herein, all Cure Objections have been overruled, withdrawn, waived, settled, or otherwise resolved at the Sale Hearing. The pendency of a dispute relating to a particular Assigned Contract shall not prevent or delay the assumption and assignment of any other Assigned Contract or the closing of the Sale Transaction.

34. Any non-debtor counterparty to the Assigned Contract designated for the Debtors’ assumption and assignment to the Buyers that has not filed an Objection on or before the deadline as set forth in the relevant Assumption/Assignment Notice is hereby enjoined from taking any action against the Buyers or the Assets with respect to any claim for cure under such Assigned Contract and shall be barred from objecting or asserting monetary or non-monetary defaults with respect to any such Assigned Contract, and such Assigned Contract shall be deemed assumed by the Debtors and assigned to the Buyers on the Closing Date. To the extent that any non-Debtor counterparty to any of the Assigned Contracts failed to timely file an objection to any of the proposed Cure Costs filed with the Bankruptcy Court, the Cure Cost listed in the Cure Notice shall be deemed to be the entire cure obligation due and owing under any of the applicable Assigned Contracts. Except for the Cure Costs, there are no defaults existing under the Assigned Contracts, nor shall there exist any event or condition which, with the passage of time or giving of notice, or both, would constitute such a default.
35. **Direction to Assigned Contracts Counterparties.** All counterparties to the Assigned Contracts shall cooperate and expeditiously execute and deliver, upon the reasonable requests of the Buyers, and shall not charge the Buyers for, any instruments, applications, consents, or other documents that may be required or requested by any public or quasi-public authority or other party or entity to effectuate the applicable transfers in connection with the Sale Transaction. Nothing in this Order, the Motion, the Cure Notice, or any notice or any other document is or shall be deemed an admission by the Debtors that any contract is an executory contract or must be assumed and assigned pursuant to the Sale Agreements or in order to consummate the Sale Transaction.

36. The failure of the Debtors or Buyers to enforce at any time one or more terms or conditions of any Assigned Contract shall not constitute a waiver of any such terms or conditions, or of the Debtors' or Buyers' rights to enforce every term and condition of the Assigned Contracts.

37. **Section 365(k).** Pursuant to section 365(k) of the Bankruptcy Code, effective on the Closing, the assignment of the Assigned Contracts to the Buyers relieves the Debtors' estates from any liability for any breach of such contract or lease occurring after such assignment.

38. **Residual Lease Rights.** The Stalking Horse Agreement includes the purchase of any and all residual rights of Sellers under any expired, terminated, or rejected Lease (as defined in the Stalking Horse Agreement) ("**Residual Lease Rights**") to enter onto the real property subject to such Lease to conduct reclamation activities, remove equipment, or otherwise in connection with the Purchased Operations (the "**Purchased Residual Lease Rights**"). Upon rejection of such Lease(s), the Stalking Horse Bidder shall own such Purchased Residual Lease Rights subject to applicable state law governing the rights of the parties upon a breach of a lease and the applicable Lease provisions regarding same.
39. **Release of Buyers.** Upon consummation of the Sale Transaction, the Debtors and their estates are deemed to release and forever discharge Buyers and Buyers’ Related Persons from any and all claims, causes of action, obligations, liabilities, demands, losses, costs, and expenses of any kind, character, or nature whatsoever, known or unknown, fixed or contingent, relating to all activities or conduct (a) after the Petition Date with respect to any Buyer other than the Stalking Horse Bidder, or (b) before or after the Petition Date with respect to the Stalking Horse Bidder, related to the negotiation of the Sale Agreements, the Sale Transaction, the Auction, or otherwise related in any way to the sale of the Assets or assignment of the Assigned Contracts, except for liabilities and obligations expressly assumed under the applicable Sale Agreements. This provision is without prejudice to any Challenges that may be brought by the Committee against the Prepetition Secured Parties; provided however, that the Committee shall not have the right to bring any Challenge that is resolved pursuant to Stipulation or otherwise resolved pursuant to the terms hereof.

40. **Amendments.** Subject to the terms of the applicable Sale Agreements, the Sale Agreements and any related agreements may be waived, modified, amended, or supplemented by agreement of the Debtors and the Buyers, without further action or order of the Bankruptcy Court; provided, however, that any such waiver, modification, amendment or supplement does not have a material and adverse effect on the Debtors and their estates. The Debtors and the Buyers are expressly authorized, without further order of the Bankruptcy Court, to execute an amendment to Sale Agreements to provide for the Closing to occur on one or more Closing Dates and to take all further actions as may reasonably be requested by the Buyers (or any of them, which includes any designees or assignees of the Buyers as contemplated by the Sale Agreements, or any of them). Any material modification, amendment, or supplement to the Sale Agreements that has a material
and adverse effect on the Debtors and their estates must be approved by order of the Bankruptcy Court following a motion on notice to all interested parties.

41. **Failure to Specify Provisions.** The failure specifically to include any particular provisions of the applicable Sale Agreements or any related agreements in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Bankruptcy Court, the Debtors, and the Buyers that the Sale Agreements and any related agreements are authorized and approved in their entirety with such amendments thereto as may be made by the parties in accordance with this Order. Likewise, all of the provisions of this Order are non-severable and mutually dependent.

42. **No Modification by Plan.** This Order shall not be modified by any Chapter 11 plan confirmed in these Chapter 11 Cases.

43. **Binding Order.** This Order shall be binding upon and govern the acts of all persons and entities, including without limitation, (i) the Debtors, the Buyers and Buyers’ Related Persons, their respective successors and permitted assigns, including, without limitation, any trustees, examiners, “responsible persons,” or other fiduciaries appointed in these Chapter 11 Cases for the Debtors’ estates or any trustee appointed in a chapter 7 case if this case is converted from chapter 11, all creditors of any Debtor (whether known or unknown); (ii) all creditors and interest holders of the Debtors, all non-debtor parties to any Assigned Contracts, and the Creditor’s Committee and each of their respective successors and permitted assigns; (iii) filing agents, filing officers, title agents, title companies, recording agencies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies or units, governmental departments or units, secretaries of state, federal, state and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract to accept, file, register, or otherwise...
record or release any documents or instruments or who may be required to report or insure any
title in or to the Assets. This Order, the Sale Agreements, and Sale Transaction shall not be subject
to rejection or avoidance under any circumstances. This Order shall inure to the benefit of the
Debtors, their estates, and their creditors; the Buyers and Buyers’ Related Persons; and each of the
foregoing’s respective successors and assigns. The Sale Agreements shall inure to the benefit of
the Debtors, their estates, and their creditors; the Buyers, their designees, successors and assigns;
and each of the foregoing’s respective successors and assigns.

44. If any order under Bankruptcy Code section 1112 is entered, such order shall
provide (in accordance with Bankruptcy Code sections 105 and 349) that this Order and the rights
granted to the Buyers hereunder shall remain effective and, notwithstanding such dismissal, shall
remain binding on parties in interest.

45. **Allocation of Consideration.** Except as provided in the Sale Agreements, all rights
of the respective Debtors’ estates with respect to the allocation of consideration received from the
Buyers in connection with the Sale Transaction (including, without limitation, the value of the
assumption of the Assumed Liabilities) are expressly reserved for later determination by the
Bankruptcy Court and, to the extent consideration is received by any Debtor that is determined to
be allocable to another Debtor, the recipient Debtor shall be liable to such other Debtor for a claim
with the status of an expense of administration in the case of the recipient Debtor under section
503(b) of the Bankruptcy Code.

46. **Relief from the Automatic Stay.** Relief from the automatic stay pursuant to
section 362 of the Bankruptcy Code is hereby provided with respect to the Debtors to the extent
necessary, without further order of the Bankruptcy Court, to allow the Buyers to deliver any notice
provided for in the Sale Agreements and allow the Buyers to take any and all actions required.
under the Sale Agreements, including, without limitation, terminating the Sale Agreements, in each case in accordance with the terms and conditions thereof.

47. **Retention of Jurisdiction.** The Bankruptcy Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation of this Order, including, without limitation, the authority to: (a) interpret, implement, and enforce the terms and provisions of this Order and the Sale Agreements, including the injunctive relief provided in this Order, all amendments to this Order and the Sale Agreements, and any waivers and consents under this Order and the Sale Agreements and each of the agreements executed in connection therewith, in all respects; (b) decide any disputes concerning this Order and the Sale Agreements, or the rights and duties of the parties hereunder or thereunder or any issues relating to the Sale Agreements and this Order including, but not limited to, the interpretation of the terms, conditions, and provisions hereof and thereof, the status, nature, and extent of the Assets and any Assigned Contracts and all issues and disputes arising in connection with the relief authorized herein, inclusive of those concerning (i) the transfer of the assets free and clear of all Interests and (ii) the absolute conveyance of the Assumed Liabilities and Assigned Contracts; and (c) compel delivery of all Assets to the Buyers.

48. **Further Assurances.** From time to time, as and when requested by any party, each party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such other party may reasonably deem necessary or desirable to consummate the Sale Transaction, including without limitation, such actions as may be necessary to vest, perfect or confirm, or record or otherwise, in the Buyers its right, title, and interest in and to the Assets and the Assigned Contracts.

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*Div. of Oil, Gas & Mining*
49. **Governing Terms.** To the extent this Order is inconsistent with any prior order or pleading in these Chapter 11 Cases, the terms of this Order shall govern. To the extent there is any inconsistency between the terms of this Order and the terms of the Sale Agreements, the terms of this Order shall govern.

50. **No Stay of Order.** Notwithstanding Bankruptcy Rules 6004 and 6006, this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing. Time is of the essence in closing the Sale Transaction referenced herein, and the Debtors and the Buyers intend to close the Sale Transaction as soon as practicable. Any party objecting to this Order must exercise due diligence in filing an appeal, pursuing a stay, and obtaining a stay prior to the Closing or risk its appeal being foreclosed as moot.

51. **Final Order.** This Order constitutes a final order within the meaning of 28 U.S.C. § 158(a). Notwithstanding any provision in the Bankruptcy Rules to the contrary, including but not limited to Bankruptcy Rule 6004(h), the Court expressly finds there is no reason for delay in the implementation of this Order and, accordingly: (a) the terms of this Order shall be immediately effective and enforceable upon its entry; (b) the Debtors are not subject to any stay of this Order or in the implementation, enforcement, or realization of the relief granted in this Order; and (c) the Debtors may, in their discretion and without further delay, take any action and perform any act authorized under this Order.

52. **Certain Government Matters.** Nothing in this Order (including but not limited to Paragraph 13(c)(xix)) or any Sale Agreements or related documents shall release, nullify, preclude, or enjoin the enforcement of any police power or regulatory liability to a governmental unit (as defined in section 101(27) of the Bankruptcy Code) that any entity would be subject to as the owner, lessee, permittee, controller, or operator of property or a mining operation after the Closing
of the Sale Transaction (including, but not limited to, liability for reclamation pursuant to the Surface Mining Control and Reclamation Act ("SMCRA")) and applicable state law, whether or not such liability is based in whole or part on acts or omissions prior to the date of entry of this Order; provided, however, that neither the Stalking Horse Bidder nor any of its affiliates shall assume any liability to a Governmental Unit for penalties for days of violation prior to the Closing of the Sale Transaction, or response costs incurred by a Governmental Unit or any other third party prior to the Closing of the Sale Transaction. Nothing in this Order or the Sale Agreements or any related documents shall waive any obligation of the Debtors or any of the Buyers or other entity to comply with applicable legal requirements and approvals under police or regulatory law governing the transfer or assignment of, or compliance with, any governmental (a) license, (b) permit, (c) registration, (d) authorization, (e) certification or (f) approval, or the discontinuation of any obligation thereunder, without compliance with all legal requirements or approvals under police or regulatory law. Nothing in this Order divests any tribunal of any jurisdiction that it may have under police or regulatory law to interpret this Order. Nothing in the Sale Agreements or this Order or related documents shall relieve the Debtors of liability for any permit or certification until the appropriate governmental unit has approved the transfer of any permit or certification to a Buyer. Prior the Closing of the Sale Transaction, the Buyer(s) may, in compliance with applicable non-bankruptcy laws, regulations, and rules, seek authorization to operate the Assets pursuant to any authorization from a governmental unit issued to the Debtors, as applicable to prevent interruption of the conduct of the mining operations with respect to the Assets. The Buyer(s) shall make all necessary filings to obtain, in compliance with applicable non-bankruptcy laws, regulations, and rules, all authorizations from any governmental unit necessary to operate the Assets on and after the Closing of the Sale Transaction.
53. Nothing in the Order or any Sale Agreements or related documents shall: (i) impair, adversely affect, or expand any right under applicable law of any governmental unit (as defined in section 101(27) of the Bankruptcy Code) with respect to any financial assurance, letter of credit trust, surety bond, or insurance proceeds; or (ii) limit any such governmental unit in the exercise of its police or regulatory powers in accordance with 11 U.S.C. § 362(b)(4) or 28 U.S.C. § 959. Notwithstanding anything to the contrary in the Sale Agreements or this Order or related documents, the Debtors shall cause all performance security or bonds, as applicable, to remain valid and in place until such time as the Buyer(s)’ obtain replacement performance security or bonds that are approved by the applicable governmental unit and comply with non-bankruptcy laws, regulations, and rules.

54. Neither this Order nor any of the Sale Agreements shall limit or otherwise impact the parties’ rights, obligations, or defenses relating to the Disputed Blackjewel Permits and all parties agree to be bound by any final, non-appealable order entered by the Blackjewel Bankruptcy Court in the Blackjewel Case in connection with all issues relating to the Disputed Blackjewel Permits and the Jewell Valley Assets (the “Permit Decision”). If Mountaineer Metallurgical Holdings, LLC is held responsible for liabilities associated with the Disputed Blackjewel Permits in the Blackjewel Case, it shall have no claim, administrative or otherwise, against the Debtors’ estates for such liabilities. Notwithstanding anything contained in the Asset Group 5 APA (as defined below) to the contrary, the Asset Group 5 APA is hereby deemed amended to delete Section 2.2(f) and to include the Disputed Blackjewel Permits on Schedule 2.1(b)(vi) and any other disputed permits as included by the Blackjewel Court in the disputed permit litigation, contingent on the Permit Decision. If the Permit Decision provides that neither the Debtors nor Mountaineer Metallurgical Holdings, LLC are in any way responsible for one or more of the Disputed
Blackjewel Permits, Section 2.2(f) of the Asset Group 5 APA will be further amended to remove from Schedule 2.1(b)(vi) any Disputed Blackjewel Permits for which the Permit Decision holds that neither the Debtors nor Mountaineer Metallurgical Holdings, LLC are responsible. The Rhino estate agrees that it will faithfully and diligently continue to litigate the Blackjewel matter and will not voluntarily release the lawsuit absent the Permit Decision.\(^8\) Blackjewel, L.L.C., Blackjewel Holdings L.L.C.; Revelation Energy Holdings, LLC; Revelation Management Corporation; Revelation Energy, LLC; Dominion Coal Corporation; Harold Keene Coal Co. LLC; Vansant Coal Corporation; Lone Mountain Processing, LLC; Powell Mountain Energy, LLC; and Cumberland River Coal LLC (collectively, the "\textbf{Blackjewel Debtors}")", the Debtors, and Mountaineer Metallurgical Holdings, LLC (collectively with the Blackjewel Debtors and Debtors, the "\textbf{Royalty Parties}") hereby agree to preserve all rights and remedies with respect to that certain Royalty Agreement between Blackjewel Holdings, L.L.C., as agent for the Blackjewel Debtors, and Jewell Valley Mining LLC dated August 14, 2019 (the "\textbf{Royalty Agreement}"). See Docket No. 403, Exhibit A. The Royalty Parties agree to preserve all of their rights related to the Royalty Agreement and, absent an agreement among the Royalty Parties that resolves all issues with respect to the Royalty Agreement, a hearing on any outstanding issues will be held on a later date as agreed to by the Royalty Parties (the "\textbf{Royalty Hearing}"). The Debtors agree not to request the rejection of the Royalty Agreement until any final, non-appealable order is entered by the Court in connection with the Royalty Agreement and the rights of the Blackjewel Debtors to oppose any such request is preserved.

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\(^8\) Terms used but not defined in this Paragraph 54 shall have the meanings ascribed to them in that certain Asset Purchase Agreement between certain of the Debtors and Mountaineer Metallurgical Holdings, LLC, dated October 340-3 (the "\textbf{Asset Group 5 APA}"").
55. To the extent any Buyers are acquiring Federal Leases (as defined herein), notwithstanding any provisions in the Sale Motion, this Order, the Sale Agreement, the Auction and Hearing Notice, the Assumption/Assignment Notice, any notice of cure or other agreements entered into by the Debtors pursuant to this Order or Federal Sale Documents (defined below) to the contrary, any assignment and/or transfer of any interests in contracts, leases, rights-of-use and easements, and rights-of-way or other interests or agreements with the federal government (collectively, the "Federal Leases"), shall be ineffective absent the consent of the United States. The Debtors, the Buyers, and proposed assignees and/or transferees agree to comply with all applicable bankruptcy and non-bankruptcy laws with respect to the Federal Leases, and nothing in any sale documents relating to the Federal Leases (the "Federal Sale Documents") shall affect any environmental reclamation obligations, diligent development obligations, or financial assurance requirements under the Federal Leases, as determined by the United States to be obligations of the Debtors or the Buyers. Moreover, nothing in the Federal Sale Documents shall be interpreted to set cure amounts for the Federal Leases or to require the United States to novate, approve or otherwise consent to the assignment and/or transfer of any interests in the Federal Leases. For the avoidance of doubt, in order to obtain the consent of the United States, all existing defaults under the Federal Leases, including without limitation any outstanding royalties and rent payments known to date, must be assumed and cured. Without limiting the foregoing, with respect to any Federal Lease subject to the laws and regulations of the Department of Interior ("DOI"): (1) the sale of any and all interests in the Federal Leases must be conditioned on (a) prompt payment to the DOI Office of Natural Resources Revenue ("ONRR") of all the amounts determined by ONRR to be owed by the Debtors for royalties and other amounts arising before the sale known to date including interest accrual through the date of receipt by ONRR of these.
amount(s) and (b) the payment to ONRR of all post-petition amounts determined by ONRR to be owed by the Debtors known to date, including interest accrual through the date of receipt by ONRR of these amounts, and (2) ONRR will retain and have the right to audit and/or perform any compliance review, and if appropriate, collect from the Debtors and/or Buyers any additional monies owed by the Debtors prior to the transfer or assignment of the Federal Leases without those rights being adversely affected by these bankruptcy proceedings. The Debtors and any of the Buyers that are able to obtain consent and an interest in the Federal Leases shall retain all defenses and/or rights, other than defenses and/or rights arising from the filing of these chapter 11 cases, to challenge any determinations relating to the Federal Leases: provided, however, that any challenge, including any challenge associated with this bankruptcy proceeding and any challenge to ONRR’s determination of pre-petition monies owed, may be raised exclusively in the United States’ administrative review process leading to a final agency determination by the DOI. The audit and/or compliance review period shall remain open for the full statute of limitations period established by federal law. Notwithstanding any provisions in the Motion, in this Order, any of the Sale Agreements, or other agreements entered into by the Debtors pursuant to this Order and/or the Federal Sale Documents to the contrary, nothing in the Federal Sale Documents or in this Order shall affect the United States’ police and regulatory powers, and the United States’ rights to offset or recoup any amounts due under, or relating to any Federal Leases (if any) are expressly preserved.

56. With respect to: (i) that certain Stalking Horse Agreement between certain of the Debtors and the Stalking Horse Bidder; and (ii) that certain Asset Purchase Agreement between certain of the Debtors and Ceres Consulting L.L.C., all permits and certifications associated with the respective Purchased Assets and respective Purchased Operations shall be deemed Transferred INCORPORATED
Permits, notwithstanding anything to the contrary in the applicable Sales Agreements or any documents related thereto under the respective Sales Agreements.

57. **Surety Bonds.** Indemnity National Insurance Company ("Surety") has (a) issued certain commercial surety bonds on behalf of and/or for the benefit of the Debtors (collectively, the "Existing Surety Bonds" and each an "Existing Surety Bond") and (b) entered into certain indemnity and related agreements with the Debtors, and certain non-debtor affiliates regarding the Existing Surety Bonds (the "Existing Bond Agreements"). Pursuant to the Existing Bond Agreements, the Debtors have posted, and the Surety controls and has a valid and perfected first-priority lien on certain cash collateral (the "Existing Collateral"). Nothing in this Order or any Sale Agreement shall release discharge, preclude, or enjoin any obligation of the Debtors to Surety under the Existing Surety Bonds, the Existing Bond Agreements, and/or the common law of suretyship and such obligations to Surety are not being released, discharged or precluded by this Order or any Sale Agreement. Further, nothing herein shall obligate Surety to issue any Replacement Surety Bonds on behalf of any Buyer or any other third party. Nothing in this Order or any Sale Agreement shall be interpreted to alter, diminish or enlarge the rights of Surety under an Existing Surety Bond to the obligee of such Existing Surety Bond, nor shall any of the foregoing be deemed to enjoin Surety from asserting any rights, claims or defenses against such obligee available to the Debtors or the Surety under applicable law.

58. To the extent that the closing of any sale of Assets to a Buyer occurs prior to (i) the replacement or assignment of the Debtors’ existing mining or other permits (the “Existing Permits”) with new or assigned mining or other permits (the “Replacement Permits”) and (ii) the replacement of the Existing Surety Bonds with new commercial surety bonds issued by Surety or another commercial surety company (collectively, the “Replacement Surety Bonds” and each a
“Replacement Surety Bond”), the Debtors and the applicable Buyer shall enter into an agreement (the “Interim Agreement”) that allows such Buyer to seek authorization from the appropriate governmental unit in accordance with non-bankruptcy law to operate the Assets purchased in the sale under the Existing Permits and the Existing Surety Bonds until such Buyer obtains the Replacement Permits and the Replacement Surety Bonds. At a minimum, the Interim Agreement shall provide that for the Assets purchased by the applicable Buyer, the applicable Buyer (i) assumes all obligations under the Existing Permits, the Existing Surety Bonds, and the Existing Indemnity Agreement for any activities conducted by such Buyer on the Existing Permits during the term of the Interim Agreement and (ii) indemnifies the Debtors and Surety from and against any and all claims, liability, losses or defaults that occur during the term of the Interim Agreement.

59. Notwithstanding anything in this Order or any Sale Agreement to the contrary, the Debtors’ rights in the Existing Collateral shall, upon execution of the Stalking Horse Bond Agreement (as defined below), be transferred to the Stalking Horse Bidder, provided, however, that the Existing Collateral shall remain in the possession and control of Surety and Surety’s liens on the Existing Collateral shall remain valid and perfected and shall, in addition to any other collateral required under the Replacement Bond Agreements, secure (i) the Stalking Horse Bidder’s obligations under the Replacement Bond Agreement with the Stalking Horse Bidder (the “Stalking Horse Bond Agreement”) and the Replacement Surety Bonds issued in favor of the Stalking Horse Bidder (the “Stalking Horse Bonds”); (ii) the Debtors’ obligations under the Existing Surety Bonds associated with the Jewell Valley Plant to the extent and in the manner set forth in the Stalking Horse Bond Agreement; and (iii) the Debtors’ obligations under the Existing Surety Bonds for which Surety is issuing the Stalking Horse Bonds and any associated obligations under the Existing Surety Agreement. Upon the closing of the sale transaction that is the subject
of the Stalking Horse Agreement, the treatment of the Existing Collateral shall be governed solely by the terms of the Stalking Horse Bond Agreement.

60. **DIP Credit Agreement in Full Force and Effect.** Except as expressly provided for herein, and pursuant to that certain *Final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Use Cash Collateral, (II) Granting Liens and Providing Superpriority Administrative Expense Status, (III) Granting Adequate Protection to the Prepetition Secured Parties, (IV) Modifying the Automatic Stay, and (V) Granting related Relief (Docket No. 238)* (the "**Final DIP Order**")\(^9\), all the DIP Secured Parties’ rights under the DIP Facility remain in full force and effect, including without limitation the provisions of the DIP Credit Agreement regarding Mandatory Prepayments.

61. **Committee Agreements.** In order the facilitate the Sale Transaction and the corollary value to the Estates, the Committee, the Debtors and the Stalking Horse Bidder reached certain agreements reflected in this Order as follows:

a. The Stalking Horse Bidder (or its assignees or designees) will acquire the Purchased Assets, including all Contingent Assets (each as defined in the Stalking Horse Agreement), and the Stalking Horse Bidder agrees to not remove the Contingent Assets from the Stalking Horse Agreement including, without limitation, under Section 8.5(b) thereof; provided, however, that the consummation of the Stalking Horse Agreement remains subject to all of the terms and conditions specified therein. For the avoidance of doubt and notwithstanding any terms in the Stalking Horse Agreement to the contrary, the Purchased Assets under the Stalking Horse Agreement do not include (i) any Causes of Action under chapter 5 of the

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\(^9\) Capitalized terms used in this paragraph shall have the meanings provided in the Final DIP Order or DIP Credit Agreement, as applicable.
Bankruptcy Code, or (ii) any commercial tort claims or any claims against the Debtors’ directors, officers, or shareholders (including any insurance policies and proceeds), Royal Energy Resources, Inc. and its affiliates, William Tuorto and his affiliates, Yorktown Partners LLC and its affiliates (collectively, “Yorktown Parties”), Danny Tayloe and his affiliates or any other insiders (the “Potential Litigation Parties”); provided, however, that the Causes of Action described in Section 8.17 of the Stalking Horse Agreement (the “Yorktown Scheduled Claims”) shall be irrevocably released, but only the specific Yorktown Scheduled Claims and no other claim or cause of action including, for avoidance of doubt, any claims under chapter 5 of the Bankruptcy Code, and nothing contained in the release of the Yorktown Scheduled Claims shall have any impact on any other claims brought against the Yorktown Parties by the Debtors’ estates.

b. The Stalking Horse Bidder (or its assignees or designees) agrees to serve as Alternate Bidder (as defined in the Sale Procedures Order) with respect to the Springdale Reserve Assets and Hopedale Dock Assets (each as defined in the Stalking Horse Agreement).

c. The Committee agrees that the entire availability under the DIP Facility (as defined in the Final DIP Order) has been funded by the DIP Lenders. The Prepetition Lenders and DIP Lenders hereby stipulate that, effective as of the Closing of the Sale Transaction, (i) all of the Debtors’ cash from the DIP Facility, including any unused professional fee carve-out amounts (if any), will remain available in the Debtors’ estates unencumbered by any liens or claims of the Prepetition Lenders and DIP Lenders; (ii) any cash held in the Debtors’ deposit accounts held at East
West Bank and BB&T (the "Unencumbered Deposit Accounts") may be used to fund administrative and/or priority claims; and (iii) the Prepetition Lenders’ and DIP Lenders’ professionals’ fees shall be paid by the Debtors only to the extent set forth in the Approved Cash Flow Forecast.

d. If actual cash revenues collected by the Debtors (excluding contract termination payments, if any, from AEP Generation Resources, Inc. and Buckeye Power, Inc.), from the opening of business on August 29, 2020 through the close of business on September 10, 2020 (the "Measurement Period") are less than the aggregate receipts budgeted to be collected by Debtors in the attached Exhibit A (the "Measurement Period Budget") during the Measurement Period (the amount of such difference being referred to as the "Budgeted Revenue Shortfall"), then the DIP Lender/Stalking Horse Bidder will Release (as defined below) to the Debtors’ estates an amount of accounts receivable (together with the proceeds thereof, the "Released Receivables") with an aggregate face amount equal to the lesser of (A) an amount equal to the remainder of (i) the Budgeted Revenue Shortfall minus (ii) the Budgeted Expense Savings (as defined below), or (B) an amount equal to the remainder of (x) the aggregate amount of the Debtors’ inventory and accounts receivable as of the Closing on September 10, 2020 (determined by the Debtors in accordance with the methodology historically used by Debtors to prepare daily flash reports) that would comprise Purchased Assets under the Stalking Horse Asset Purchase Agreement (except for the provisions hereof), minus (y) the net of $13.5 million less the amount of inventory actually purchased and the proceeds thereof that are paid to the DIP Lenders/Stalking Horse Bidder (or their assignees or
designees) in connection with the Complementary Sales. If the remainder amount in clause (A) or (B) above is less than $0, then the amount determined under such clause shall be $0. For purposes of this paragraph, (i) “Budgeted Expense Savings” means the excess, if any, of budgeted cash expenditures of the Debtors during the Measurement Period as reflected in the Measurement Period Budget over the total of (i) actual cash expenditures during the Measurement Period, plus (ii) expenditures of the Debtors incurred but not yet paid during the Measurement Period, and (ii) “Release” means the Released Receivables will be (i) excluded from the Purchased Assets (as defined in the Stalking Horse Asset Purchase Agreement), (ii) not required to be used to repay amounts outstanding under the DIP Credit Agreement, and (iii) collections on the Released Receivables will be retained by the Debtors and available for payment by the Debtors of expenditures, including administrative expenses, professional fees or other expenditures. In addition, solely to the extent the Stalking Horse Bidder elects to extend the closing date of the Sale Transaction, the Debtors, the Committee, and the Stalking Horse Bidder will mutually agree on, and the Stalking Horse Bidder or DIP Lenders will pay, the incremental administrative claims relating to the extension period only; provided, however, that any expenses relating to the pre-extension period shall not be paid by the Stalking Horse Bidder or DIP Lenders. For the avoidance of doubt, the Prepetition Lenders, DIP Lenders, and Stalking Horse Bidder (and their assignees and designees) will not assume, fund, or pay any administrative or priority claims other than as specifically provided for herein.
e. Notwithstanding anything provided herein, all of the rights of the parties under the Stipulation remain in full force and effect.

f. Upon the Closing, the DIP Lenders and the Prepetition Lenders shall possess only unsecured, non-priority deficiency claims against the Debtors' estates for any amounts left on the DIP Facility and their prepetition debt after the Closing (the "Deficiency Claims"). For avoidance of doubt, the DIP Lenders and the Prepetition Lenders shall not possess any secured or administrative claims against the Debtors' estates, effective as of the Closing. The Committee reserves its rights to object to the Deficiency Claims pursuant to the terms of the Stipulation.

62. **Application of Proceeds.** At the Closing of each Complementary Transaction or Competing Transaction (each as defined in the Stalking Horse Agreement), all proceeds and consideration therefrom shall be directly paid to, and all non-cash proceeds shall be otherwise assigned to, the DIP Secured Parties and/or the Prepetition Secured Parties (or their assignees or designees), as provided in the Stalking Horse Agreement, the Final DIP Order and the DIP Credit Agreement.

63. **Reservation of Rights.** Except as expressly provided herein, all of the rights of the DIP Secured Parties and their assignees and designees under the DIP Facility and the Final DIP Order remain in full force and effect.

64. **Debtor Documents.** Other than as set forth in any Sale Agreement, no buyer, or its successors or assigns, shall be obligated or responsible to maintain or provide any records or information, conduct any data downloads or searches, allow any access to or respond to any subpoenas, discovery or information requests related to the Debtors, or any records, information, debts, liabilities, responsibilities or commitments in any way relating to the Assets, or the Debtors' INCORPORATED

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use of the Assets prior to the Closing and all persons and entities are hereby barred and enjoined from seeking such information from the Buyers or their successors or assigns; provided, however, the foregoing shall not apply to records that are in the possession of, and are required to be preserved according to applicable law by, the Buyers or their successors and assigns.

65. **West Virginia Mid Vol Objection.** On August 6, 2020, West Virginia Mid Vol, Inc. ("WVMV") filed with this Court a Complaint for Declaratory Judgment [Docket No. 143] (the "Complaint") against Debtor Rockhouse Land LLC ("Rockhouse"), initiating an adversary proceeding styled as West Virginia Mid Vol, Inc. v. Rockhouse Land LLC, Case No. 1:20-ap-01029 (the "WVMV Adversary Proceeding"). By the Complaint, WVMV seeks entry of a declaratory judgment that the Lease entered between WVMV, as Lessor, and Rockhouse, as Lessee and dated August 17, 2007 (the "WVMV Lease") terminated on its own terms on August 17, 2017 and is therefore not property of Rockhouse’s estate under 11 U.S.C. § 541(a). Rockhouse contests WVMV’s assertion that the WVMV Lease terminated on August 17, 2017 or at any time. Pursuant to this Order, the Debtors assume and assign the WVMV Lease to Eagle Speciality Materials, LLC ("ESM"), subject to resolution of the WVMV Adversary Proceeding, whether by adjudication, settlement or otherwise, which ESM has agreed to defend and prosecute. For the avoidance of doubt, if the Court determines, or if it is otherwise agreed to by WVMV and ESM, that the WVMV Lease terminated pre-petition, the WVMV Lease cannot be assumed and assigned and ESM shall not be entitled to a refund of any portion of the $1,800,000 it agreed to pay for the Rhino Eastern assets in Group 6 during the Auction that was held on August 31, 2020. However, if the Court determines, or if it is otherwise agreed to by WVMV and ESM, that the WVMV Lease remained active as of the Petition Date, the WVMV Lease is assumed and assigned to ESM pursuant to this Order in accordance with Section 365 of the Bankruptcy Code.
66. The objections to the entry of this Order raised by AEP Kentucky Coal, L.L.C. at Docket Nos. 306 and 380 shall be resolved by separate agreement pursuant to the statements read into the record at the Sale Hearing.

SO ORDERED.

Copies to: Default List
PERMIT TRANSFER AND OPERATING AGREEMENT

THIS PERMIT TRANSFER AND OPERATING AGREEMENT ("Agreement") dated as of September 9, 2020, (the "Effective Date") is made and delivered pursuant to that certain Asset Purchase Agreement dated as of August 27, 2020 (as amended or supplemented, the "Purchase Agreement") by and between RHINO GP LLC, RHINO RESOURCE PARTNERS LP, AND EACH OTHER DEBTOR SIGNATORY THERETO, which other Debtors include, inter alia, CASTLE VALLEY MINING LLC, a Delaware limited liability company ("Transferor"); and C. O. P. DEVELOPMENT COMPANY, a Utah corporation ("Transferee"). Transferor and Transferee are individually referred to as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to such terms in the Purchase Agreement;

WHEREAS, pursuant to the terms of the Purchase Agreement, Transferor has agreed to assign to Transferee all of its rights, title, interest and obligations in, under and to the Transferred Permits identified in Exhibit A attached hereto and made a part hereof (the "Permits"), and Transferee has agreed to receive and assume from Transferor the Assumed Liabilities related to the Permits all in accordance with the terms of this Agreement and the Purchase Agreement; and

WHEREAS, the assignment of the Permits and the assumption of the Assumed Liabilities relating to the Permits has been approved by the Sale Order;

WHEREAS, Transferee has filed or will file all necessary applications to obtain "advance approvals" of both the transfer and operator status for the Permits from each applicable Governmental Body (collectively, "Transfer Applications"), and to obtain the approvals of each applicable Governmental Body with respect thereto ("Transfer Approvals"); and

WHEREAS, the Parties desire to close the transactions contemplated by the Purchase Agreement and approved by the Sale Order before the Transfer Approvals are obtained and to enter into this Agreement to, inter alia, govern the rights, obligations, and liabilities of Transferor and Transferee in any way related to the Permits during the period of time beginning on the Closing Date and continuing through the date of receipt of all Transfer Approvals (the "Transfer Period").

NOW, THEREFORE, in consideration of the mutual covenants set forth in the Purchase Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Transfer of the Permits. Pursuant to the Purchase Agreement, Transferor hereby sells, assigns, transfers, conveys, and delivers unto Transferee all of its rights, title and interests in and to the Permits.

2. Assumption of Liabilities. Pursuant to the Purchase Agreement, Transferee hereby assumes and hereafter shall be liable for all the Assumed Liabilities relating to the Permits.
Transferee does not assume and shall not be obligated to pay, perform or otherwise discharge any Liability of, or Liability against, Transferor, other than the Assumed Liabilities, and Transferor shall be solely and exclusively liable with respect to all Liabilities of Transfer or other than the Assumed Liabilities. The Assumed Liabilities include all obligations under the Permits, the existing surety bonds and the existing indemnity agreements related to the Permits.

3. **Permit Transfer Application.** From and after the Effective Date, Transferee, at Transferee’s sole cost and expense, shall take all actions and do, or cause to be done, all things necessary or desirable under the applicable Laws with the appropriate Governmental Body which can only be taken or done after the Effective Date to put in place, to transfer, to amend, or to acquire the Permits as promptly as reasonably practicable after the Effective Date. Transferor shall provide, at Transferee’s sole cost and expense from and after the Effective Date, reasonable cooperation as reasonably requested by Transferee to bring about the transfer of the Permits to Transferee, including the execution by an officer of Transferor of any documentation reasonably requested by Transferee in connection with the transfer of the Permits.

4. **Existing Bonds.** Transferee acknowledges that Transferor, in connection with the Permits, has posted various bonds securing reclamation and other obligations under the Permits, which bonds and other security instruments and the amount of the bonds or other security under the Permits are set forth on Exhibit B (collectively, the “Bonds”). Transferee shall take all actions and do, or cause to be done, all things necessary under the applicable Laws to put in place with the any applicable governmental agencies or departments administering SMCRA as promptly as commercially reasonably possible following the Effective Date financial assurances necessary to cause the replacement of each Bond and to obtain the release of the Bonds in connection with the transfer of the Permits to Transferee. Transferor shall use commercially reasonable efforts (at Transferee’s sole cost and expense from and after the Effective Date) to cause the Bonds to remain in place and to maintain current levels of surety bond coverage with respect to each Permit until such time as the Transfer Approval for such applicable Permit is received, in each case to the extent required by applicable Laws.

5. **Commencement of Operations.** Transferee is attempting to achieve the status of “successor in interest permittee” and is desirous of commencing operations upon the property encompassed by the Permits before the transfer to Transferee of “permittee liability” under the Permits. In recognition thereof, Transferor agrees that as of the Effective Date, Transferee shall have the right to commence mining operations upon the property encompassed by the Permits and Transferor hereby agrees to execute all documents reasonably necessary to have Transferee designated an “operator” under the Permits until such time as the Permits have been transferred to Transferee. During the Transfer Period, Transferee agrees to comply with all Laws governing, and all conditions and requirements of, or pertaining to, the Permits. Transferee shall reimburse, indemnify and hold harmless Transferor and its Affiliates from any and all Liabilities incurred by Transferor or its Affiliates arising out of the foregoing arrangement. Transferor agrees that from the Effective Date through the earlier of the transfer of the Permits to Transferee or so long as Transferee shall continue to utilize the Permits either as a designated operator or under some other mutually satisfactory arrangement, so long as Transferee is not in material breach of this Agreement or the Purchase Agreement, Transferor shall not sell, transfer or otherwise dispose of the Permits or any portion thereof.

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The parties acknowledge that immediately upon the transfer to COP Coal Development Company as Transferee, COP Coal Development Company will assign its rights hereunder as Transferee to Gentry Mountain Mining, LLC and that Gentry Mountain Mining, LLC will be the operator of the mining operation upon the property. Castle Valley Mining, LLC hereby designates Gentry Mountain Mining, LLC as operator on the permits during the interim period until approval from the State of Utah is granted to transfer the permits. COP Coal Development Company will remain liable under this Agreement as Transferee under this operating agreement in the event Gentry Mountain Mining, LLC does not perform hereunder.

6. **Non-Compliance.** If any notice of violation, non-compliance or similar occurrence is issued with respect to Transferee’s operations under the Permits after the Effective Date but prior to the transfer of such Permit, Transferee shall have the duty to defend such violation, non-compliance or similar occurrence and, if applicable, to pay all fines associated therewith, to correct such violation, non-compliance or similar occurrence, and to perform all abative measures required by any Governmental Body. If Transferor receives notice of any such violation, non-compliance or similar occurrence with respect to the Permits, it shall promptly deliver notice of the violation, non-compliance or similar occurrence to Transferee. If Transferee fails to defend a violation, noncompliance or similar occurrence with respect to Transferee’s operations under the Permits after the Effective Date and prior to the transfer of such Permits or does not promptly and in good faith take all action reasonably necessary to correct or abate such violation, non-compliance or similar occurrence, Transferor shall have the right, but not the obligation, to defend, correct and/or abate such violation, noncompliance or similar occurrence (including right of entry onto the property covered by the applicable Permit). Transferor shall reimburse, indemnify and hold harmless Transferor and its Affiliates and all sureties on the Bonds from any and all Liabilities incurred by Transferor or its Affiliates arising out of the foregoing arrangement.

7. **Covenants of the Parties.**

   (a) The Parties shall promptly apply for and diligently pursue all applications for and shall use commercially reasonable efforts to promptly obtain such consents, authorizations and approvals from all applicable Governmental Bodies as shall be necessary or appropriate to permit the consummation of the transactions contemplated by this Agreement and shall use commercially reasonable efforts to bring about the satisfaction as soon as practicable of all the conditions necessary to effect the consummation of the transactions contemplated by this Agreement, even if such actions must occur after the Effective Date.

   (b) Transferor agrees that it will use commercially reasonable efforts to obtain, and shall diligently and in good faith pursue, any and all revisions, amendments or other modifications to the Permits until the transfer or issuance to Transferee of the Permits have been approved by the applicable Governmental Bodies.

   (c) Until the Permits are transferred to Transferee, the Parties shall promptly provide the other Party with a copy of all notices of non-compliance, cessation orders, if any, or other notices relating to the Permits received by a Party.
(d) Until the Permits are transferred to Transferee, Transferee shall maintain and keep in force and effect, at its sole cost and expense, general liability insurance coverage with a good and reputable insurance company or companies authorized to transact business in the State(s) where the permits were issued naming Transferor as an additional insured under such coverage.

(e) Transferor does hereby grant to Transferee a right of entry on, over and across the property covered by the Permits, together with rights of ingress and egress to and from such property (to the extent of Transferor’s authority to do so without the resulting breach of the instruments by which Transferor has rights in the property) as required by law or necessary to comply with the terms of the Permits and to conduct mining operations thereon and perform reclamation obligations related thereto.

(f) Except as otherwise set forth in the Purchase Agreement, Transferee shall have full responsibility for and shall pay all costs and expenses associated with the transfers of the Permits and Transferor’s other obligations hereunder; provided, however, that except as otherwise expressly set forth herein, each Party shall be responsible for the costs of its own lawyers and other advisors.

8. **Termination.** This Agreement shall terminate upon the Parties’ obtaining all Transfer Approvals.

9. **Notices.** All notices, requests, demands, waivers, approvals, consents and other communications (each, a “Notice”) required or permitted to be given under this Agreement shall be in writing and shall be (a) delivered personally or by commercial messenger, (b) sent via a recognized overnight courier service, (c) sent by registered or certified mail (postage prepaid and return receipt requested), or (d) sent by e-mail transmission (provided that, in the case of this clause (d), a copy of such e-mail transmission also shall be transmitted by one of the other foregoing means):

   (i) If to Transferor, then to:

   Rhino Resources Partners LP  
   424 Lewis Hargett Circle, Suite 250  
   Lexington, Kentucky 40503  
   Attention: Richard Boone  
   Email: rboone@rhinolp.com

   with a copy (which shall not constitute notice) to:

   Frost Brown Todd  
   Great American Tower  
   301 East Fourth Street, Suite 3300  
   Cincinnati, Ohio 45202  
   Attention: Douglas L. Lutz  
   Email: dlutz@fbtlaw.com

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(ii) If to Transferee:

C. M. Hughes  
3212 South State Street  
Salt Lake City, Utah 84115  
Email: carrimh@hotmail.com

with a copy (which shall not constitute notice) to:

Charles Reynolds  
c/o Management Services  
20 West Century Parkway  
Salt Lake City, Utah 84115  
Email: charles@smartmanagement.org

and

David E. Kington, Esq.  
3212 South State Street  
Salt Lake City, UT 84115  
Email: dek@deklawoffice.com

or to such other Person or address as any Party shall specify by Notice to the other Party. All Notices shall be deemed given upon receipt or refusal of receipt.

10. Amendment, Waivers, Etc. No amendment, modification or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by the Party against whom enforcement of the amendment, modification, discharge or waiver is sought. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the Party granting such waiver in any other respect or at any other time.

11. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

12. Governing Law; Consent to Jurisdiction and Venue; Jury Trial Waiver.

(a) Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts made and to be performed entirely in such state without.
regard to principles of conflicts or choice of laws or any other law that would make the laws of any other jurisdiction other than the State of Delaware applicable hereto.

(b) Without limitation of any Party’s right to appeal any Order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby, and (ii) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding; provided, however, that, if the Bankruptcy Case has been closed pursuant to Section 350(a) of the Bankruptcy Code, all Actions and Proceedings arising out of or relating to this Agreement shall be heard and determined in the state or federal court sitting in the state where the permit was issued and the Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such Action or Proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or Proceeding. The Parties consent to service of process by mail (in accordance with Section 9) or any other manner permitted by law.

(c) THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF TRANSFEROR, TRANSFEREE OR THEIR RESPECTIVE REPRESENTATIVES IN THE NEGOTIATION OR PERFORMANCE HEREOF.

13. **Counterparts.** This Agreement and any amendment hereto may be executed with counterpart signature pages or in one or more counterparts, each of which shall be deemed to be an original of this Agreement or such amendment, and all of which, when taken together, shall constitute one and the same instrument. Delivery of an executed counterpart signature page or counterpart by facsimile or other electronic transmission (including an e-mail attachment that contains a portable document format (.pdf) file of an executed counterpart signature page or executed counterpart) shall be effective as delivery of a manually executed counterpart signature page or counterpart.

14. **Severability.** If any provision of this Agreement or its application is invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of all other applications of that provision, and of all other provisions and applications hereof, will not in any way be affected or impaired. If any court shall determine that any provision of this Agreement is in any way unenforceable, such provision shall be reduced to whatever extent is necessary to make such provision enforceable.

15. **Entire Agreement.** All prior negotiations and agreements by and among the Parties with respect to the subject matter hereof are superseded by this Agreement and the other related agreements made a part thereof, and there are no representations, warranties, understandings or
agreements with respect to the subject matter hereof other than those expressly set forth in this Agreement, the Purchase Agreement, and the other related agreements made a part thereof.

16. **Heads.** Section headings are not to be considered part of this Agreement, are solely for convenience of reference, and shall not affect the meaning or interpretation of this Agreement or any provision in it.

17. **Assignment.** Transferee may assign or otherwise transfer this Agreement, in whole or in part, at any time without first obtaining the prior written consent of Transferor.

18. **Purchase Agreement Controls.** All the terms and conditions of, and all representations, warranties, covenants and agreements relating to, the transactions contemplated by the Purchase Agreement are set forth in the Purchase Agreement. To the extent that any provision of this Agreement is inconsistent or conflicts with the Purchase Agreement, the provisions of the Purchase Agreement shall control. Nothing contained in this Agreement shall be deemed to supersede, enlarge, limit or otherwise modify any of the representations, warranties, covenants and agreements contained in the Purchase Agreement.

19. **Representations and Warranties.** Each Party represents and warrants to the other Party that (a) this Agreement is legal, valid and binding obligation of such Party, and (b) such Party has full power and authority to enter into and perform its obligations under this Agreement in accordance with its terms.

20. **Rule of Construction.** The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement, and the Parties agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

21. **Further Acts.** Each of the Parties shall do, execute, acknowledge and deliver and cause to be done, executed, acknowledged and delivered all such further acts, instruments, transfers and assurances as shall be required in order to carry out this Agreement and consummate the transactions contemplated hereby.

[Remainder of Page Intentionally Left Blank; Signature page to follow]
IN WITNESS WHEREOF, the Parties have caused this Agreement to be made effective as of the Effective Date.

CASTLE VALLEY MINING LLC

By: [Signature]
Name: Richard A Boone
Title: President and CEO

INCORPORATED
MAR 07 2022
Div. of Oil, Gas & Mining
C. O. P. DEVELOPMENT COMPANY

By:   (signature)
Name: CM Hughes
Title: President

INcorporated
MAR 07 2022
Div. of Oil, Gas & Mining

(Signature Page to Permit Transfer and Operating Agreement – C. O. P. Development Company)
Exhibit A

[See Permit List attached]
<table>
<thead>
<tr>
<th>Mine Name</th>
<th>Permit Number</th>
<th>Expiration Date</th>
<th>NPDES / KPDES</th>
<th>MSHA ID NO.</th>
<th>AMD Treatment Site</th>
<th>Bond</th>
<th>Permit Status</th>
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<tbody>
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<td>Mine Name</td>
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<td>Logical Mining Unit</td>
<td>Air Quality Permit</td>
<td>USACE 404 Permit</td>
<td>Refuse Facility MSHA ID</td>
<td>Water Withdrawal Permit</td>
<td>State Permit to Purchase Explosives</td>
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 Rhino Energy LLC
Pending and Future Permit Actions

8/5/2020
Exhibit B

[See Bond List attached]
## Mining Financial Assurances

<table>
<thead>
<tr>
<th>Contract Permittee Permit</th>
<th>Bond</th>
<th>State</th>
<th>SFAA Code</th>
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<th>Current Bond Amount</th>
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<td>500,000.00</td>
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</table>
C. O. P. Coal Development Company (COP) purchased the Utah assets Castle Valley Mining LLC from their bankruptcy estate on September 9, 2020. COP has since transferred and assigned the rights of the Operating Agreement held by Castle Valley Mining, LLC to Gentry Mountain Mining LLC (GMM). The Operating Agreement is valid until December 31, 2030. This lease agreement includes all the property within the Bear Canyon Mine permit area (C/015/0025), including all federal coal leases held by COP. The lease permits GMM to use the land for coal mining and reclamation related activities, as the permittee and operator of the above-referenced permit number, subject to all other rights granted by COP to other third-party entities.

As the owner of an occupied dwelling within 300 feet of the Bear Canyon Mine surface operations, COP understands its legal right to deny mining within 300 feet of the dwelling and hereby knowingly waives that right and consents to the mining and reclamation activities of GMM.

Sincerely,

C. M. Hughes,
President

INCORPORATED
MAR 07 2022