CHAPTER 1

GENERAL CONTENTS
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<tr>
<td>1-2</td>
<td>Newspaper Advertisements</td>
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CHAPTER 1
GENERAL CONTENTS

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

111 Introduction

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

112 Identification of Interests

112.100 Business Entity

Fossil Rock Resources, LLC is a Limited Liability Company organized under the laws of Delaware on August 29, 2014 and is owned 100% by Canyon Fuel Company, LLC.

For additional information pertaining to this section(s) refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Fossil Rock Mine, Dugout Canyon Mine, Soldier Canyon Mine, SUFCO Mine, Skyline Mines, Banning Loadout and other operations.
112.200 Applicant and Operator

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

APPLICANT: Operations, Administration, Permit Revisions, and Amendments
Fossil Rock Resources, LLC
9815 South Monroe Street, Suite 203
Sandy, Utah 84070
Telephone: (801) 695-9107
EMPLOYER ID: 47-1742876

OPERATOR: Fossil Rock Resources, LLC
9815 South Monroe Street, Suite 203
Sandy, Utah 84070

RESIDENT AGENT: Corporation Service Company
919 North 1000 West
Logan, UT 84321

CONTACT PERSON: James Grech
Fossil Rock Resources, LLC
9815 South Monroe Street, Suite 203
Sandy, Utah 84070
Telephone: (801) 695-9107

PERSON WHO WILL PAY ABANDONED MINE RECLAMATION FEES: James Grech
Fossil Rock Resources, LLC
9815 South Monroe Street, Suite 203
Sandy, Utah 84070
Telephone: (801) 695-9107

INTEGRATED
112.300 Control Persons

For information pertaining to this section(s) refer to the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the Fossil Rock Mine, Dugout Canyon Mine, Soldier Canyon Mine, SUFCO Mine, Skyline Mines, Banning Loadout and other operations. Ownership and control information for Fossil Rock Resources, LLC is located in General Chapter 1.

112.400 Coal Mining and Reclamation Operation Permit Applications

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

<table>
<thead>
<tr>
<th>Permit</th>
<th>Issuing Authority</th>
<th>Approval Status/Identification No.</th>
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<td>Mining and Reclamation Permit C/015/0009</td>
<td>State of Utah&lt;br&gt;Department of Natural Resources&lt;br&gt;Division of Oil, Gas and Mining</td>
<td>Approved</td>
</tr>
<tr>
<td></td>
<td>Department of Interior&lt;br&gt;U.S. Geological Survey and&lt;br&gt;Office of Surface Mining</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Department of Agriculture&lt;br&gt;U.S. Forest Service&lt;br&gt;Manti La Sal National Forest</td>
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</tr>
</tbody>
</table>

1-3
A table of the Canyon Fuel Company, LLC mining permits and operations is in General Chapter 1.

Fossil Rock Mine C/015/0009

The issuing authority for the Canyon Fuel Company, LLC/Fossil Rock Resources, LLC permits is the UDOGM.

Operations held by Canyon Fuel Company, LLC and corporate structure are presented on Figure 1-1 in the General Chapter 1 for Canyon Fuel Company, LLC. Facility names, mailing addresses and permit numbers for these operations are provided in either Table 1-1 and/or Table 1-2. For additional information refer to the General Chapter 1 binder for Canyon Fuel Company, LLC.
112.500 Legal or Equitable Owner of the Surface and Mineral Properties

Owner of the surface under Federal Coal Leases UTU-49332, UTU-64375, UTU-82996 and (ROW) UTU-65027 are:

United States of America
Department of Agriculture
U.S. Forest Service
Manti-La Sal Forest
599 West Price River Drive
Price, Utah 84501

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

Lessee for the Federal Coal Leases and State of Utah Coal Lease is:

Canyon Fuel Company, LLC/Fossil Rock Resources, LLC
9815 So. Monroe Street, Suite 203
Sandy, Utah 84070
Telephone: (801) 695-9107

The Bureau of Land Management owns the mineral rights for the Federal Coal Leases and the State of Utah owns the mineral rights for the State Coal Lease.
The Applicant owns 56.36 acres of surface and coal within the lease area. This surface and coal are owned by:

Fossil Rock Resources, LLC
9815 So. Monroe Street, Suite 203
Sandy, Utah 84070
Telephone: (801) 695-9107

A property ownership map of the permit area and adjacent area is presented as Plates 5-4. No area within the lands to be affected by surface operations and facilities or within the area of coal to be mined is under a real estate contract.

Coal mining and reclamation operations are listed on Table 1-1 and the corporate structures is presented on Figure 1-1 in the General Chapter 1 binder. List of officers of Fossil Rock Resources, LLC is located in Appendix 1-1, there are no directors.

112.600 Owners of Record of Property Contiguous to Proposed Permit Area

The following list contains the names and addresses of owners of surface lands contiguous to the permit boundary:
United States of America, Department of Agriculture
U.S. Forest Service
Manti-La Sal National Forest
599 West Price River Drive
Price, Utah 84501

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

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

PacifiCorp
1407 West N. Temple, Suite 310
Salt Lake City, Utah 84116

The following list contains the names and addresses of the owners of mineral acreage contiguous to the permit boundary:

State of Utah
School and Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
United States of America
Department of Interior
Bureau of Land Management
Price Coal Office
125 South 600 West
Price, Utah 84501

PacifiCorp
1407 West N. Temple, Suite 310
Salt Lake City, Utah 84116

112.700 MSHA Numbers


112.800 Interest in Contiguous Lands

The applicant owns or controls, directly or indirectly, no legal or equitable interest in any lands contiguous to the permit area, with the exception of the SITLA Lease ML 51191 OBA and ML 51192 OBA (shown on Plate 5-5).

112.900 Certification of Submitted Information

Canyon Fuel Company, LLC/Fossil Rock Resources, LLC hereby attests that the information contained in this permit document is true and correct to the best of their knowledge.
113 Violation Information

For violation information refer to Table 1-2 in the General Chapter 1 binder for Canyon Fuel Company, LLC prepared for the operations.

114 Right-of-Entry Information

Fossil Rock Resources, LLC owns the fee land on which the surface facilities are located. The surface land was conveyed from PACIFICORP to Fossil Rock Resources, LLC by two Special Warranty Deeds (October 8, 2015). The Special Warranty Deeds are recorded in Emery County at entry numbers 410236 (Tax Parcel No. L3-11-1) and 412586 (Tax Parcel No. L3-0011-0003). The Special Warranty Deeds are presented in Appendix 1-1.

The right to enter the leaseholds conveyed by the Federal Coal Leases is conferred to the lessee by the Mineral Leasing Act of 1920 and the leases themselves. Copies of Federal Coal Leases UTU-49332, UTU-64375, UTU-082996, and (ROW) UTU-65027 which grant the right to enter and conduct underground mining operations on the leased premises are presented in Appendix 1-1.

The legal description of the Fossil Rock coal leases:

Federal Leases

Federal Coal Lease UTU-49332 - (380 acres +/-) - Assigned June 5, 2015

Assignment Approved by BLM August 13, 2015

T. 17 S., R. 6 E., SLM, Utah
Sec. 25, S1/2NW1/4, W1/2E1/2SW1/4, W1/2SW1/4
Sec. 26, SE1/4NE1/4, E1/2SW1/4NE1/4, E1/2SE1/4, E1/2W1/2SE1/4

Federal Coal Lease UTU-64375 - (260 acres +/-) - Assigned June 5, 2015
Assignment Approved by BLM August 13, 2015
T. 17 S., R. 6 E., SLM, Utah
Sec. 26, S1/2SW1/4, W1/2SW1/4SE1/4
Sec. 27, S1/2S1/2

Original Lease Acreage 2764.01, Relinquished Acreage 2504.01, Remaining Acreage 260 (2009)
Federal Coal Lease UTU-82996 - (80 acres +/-) - Assigned June 5, 2015
Assignment Approved by BLM August 13, 2015
T. 17 S., R. 6 E., SLM, Utah
Sec. 25, E1/2E1/2SW1/4, SW1/4SE1/4
Sec. 16, E2, SW4, S2NW4, NW4NW4

Right-of Way (Waste Rock Site)
BLM Right-of-Way UTU-65027 - (25.85 acres +/-) - Assigned by BLM August 17, 2015
Expires June 7, 2025
T. 17 S., R. 7 E., SLM
Sec. 34, Portions of SE1/4NE1/4, N1/2SE1/4, SW1/4SE1/4

Surveyed Legal Description
Township 17 South, Range 7 East, SLM
Section 34: Beginning at point N82° 39'28"W, 809.58 feet from the east 1/4 corner of Sec. 34; thence, S 74°09' 46" W, 246.23 feet; thence, S 27° 14' 28" W, 647.59 feet; thence, S 46° 59'05" W, 165.64 feet; thence, S 76° 41' 51" W, 264.72 feet; thence, N 72° 09'12" W, 670.20 feet; thence, S 06° 10' 47" W, 105.57 feet; thence, S 23° 08'12" W, 35.27 feet; thence, S 36° 59'41" W, 71.59 feet; thence, S 40° 44'45" W, 114.04 feet; thence, S 23°37'34" W, 93.77 feet; thence, S 60° 40'32" W, 113.86 feet; thence, S 05° 17'52" E, 108.19 feet; thence, S 23°20'37" E, 105.29 feet; thence, S 24°38'51" W, 61.70 feet; thence, S 31° 19'19" E, 129.90 feet;
thence, S29° 19' 58" E, 80.45 feet; thence, S 47° 47' 54" E, 168.95 feet; thence, S 40° 17' 54" E, 87.31 feet; thence, S 17° 50' 49" W, 43.32 feet; thence, S 72° 11' 49" E, 213.13 feet; thence, S 78° 08' 28" E, 287.64 feet; thence, N 11° 43' 23" E, 86.24 feet; thence, N 73° 40' 14" E, 120.87 feet; thence, N 17° 04' 33" E, 74.31 feet; thence, N 14° 20' 36" W, 65.70 feet; thence, N 17° 05' 06" E, 75.21 feet; thence, N 09° 13' 24" W, 65.92 feet; thence, N 12° 54' 35" W, 99.73 feet; thence, N 02° 44' 30" W, 82.47 feet; thence, N 08° 32' 17" W, 85.51 feet; thence, N 01° 39' 36" W, 104.82 feet; thence, N 17° 50' 48" E, 218.03 feet; thence, N 76° 41' 51" W, 353.88 feet; thence, N 27° 14' 28" E, 629.52 feet; thence, N 50° 42' 06" E, 123.74 feet; thence, N 74° 09' 48" E, 113.70 feet; thence, N 15° 50' 13" W, 150.00 feet; to the point of beginning. Said parcel contains 25.85 acres more or less.

Fee Property

Special Warranty Deed (Parcel L3-11-1) (53.5 +/- acres)
Beginning at the Southwest corner of the Northwest quarter of the Southeast quarter of Section 25, Township 17 South, Range 6 East, SLB&M: thence North 160 rods; thence East 44 rods, more or less, to the center line of Cottonwood Creek; thence in a Southernly direction along the centerline of said Cottonwood Creek to a point 76 rods, more or less East of beginning; thence West 76 rods more or less to the point of beginning.

Special Warranty Deed (Parcel L3-011-0003) (2.86 +/- acres)
Beginning at a point which is West, 116 Rods, more of less from the Northeast corner of the South East quarter of the Northeast quarter of Section 25, Township 17 South Rand 6 East SLB&M. See Appendix 1-1 for a more complete legal description.
The following legal description of the permit area reduces the acreage by 0.74 acres since the permit area will permanently reside on the western edge of the county road as opposed to the center line of the public road which is the fee coal and surface property line.

Legal description of the mine site permit area leased and fee:

T. 17 S., R. 6 E., SLM, Utah
   Sec  25, S1/2NW14, SW1/4, SW1/4SE1/4, W1/2NW1/4SE1/4, W1/2SW1/4NE1/4,
   Portions of E1/2NW1/4SE1/4, E1/2SW1/4NE1/4, and area lying west of the west edge of
   Cottonwood Canyon Road
   Sec  26, SE1/4NE1/4, E1/2SW1/4NE1/4, E1/2SE1/4, E1/2W1/2SE1/4, S1/2SW1/4,
   W1/2SW1/4SE1/4
   Sec  27, S1/2S1/2

Legal description of the waste rock site permit area leased:

T. 17 S., R. 7 E., SLM, Utah
   Sec.  34, Portions of SE1/4NE1/4, N1/2SE1/4, SW1/4SE1/4

The mining affected area, which is shown on Plates 5-3, 5-4 and 5-5, includes federal leases, fee land and fee coal leases and the waste rock disposal site.
Disturbed Area Legal Description

Mine Site: T. 17 S., R. 6 E, Section 25: Portions of W1/2E1/2NW1/4SE1/4, W1/2E1/2SW1/4NE1/4, E1/2W1/2SW1/4NE1/4 and area lying west of the west edge of Cottonwood Canyon Road. (10.39 acres)
WRDS: T. 17 S., R. 7 E, Section. 34, Portions of NW1/4SE1/4, N1/2SW1/4SE1/4, NW1/4NE1/4SE1/4 (15.82 acres)

Status of Unsuitability Claims

To the best knowledge of Canyon Fuel Company, LLC, no portion of the area to be permitted is designated, or under study for being designated, unsuitable for mining.

Since the Mine Facilities area was in use before passage of the Surface Mining Control and Reclamation Act of 1977, the unsuitability criteria were not applied to the existing surface facilities.

Fossil Rock Resources, LLC does not propose to conduct coal mining or reclamation operations within 300 feet of any occupied dwelling. Coal mining and reclamation operations have been or will be conducted within 100 feet of a public road. Upon resuming mining operations when appropriate the Emery Country road department will be contacted and proper authorization for use of a public road will be acquired.

Permit Term

Mining at the Fossil Rock Mine is scheduled to begin rehabilitation of the old works in 2020/2021. Development mining will begin in 2022. The applicant’s plan is to begin longwall production
in an adjacent lease in 2026. These dates will change depending on the coal market and the Applicant’s resources. The mine plan for 2020 through 2023 with timing is presented on Plate 5-3.

The perimeter of the mine workings encompasses approximately 802.21 acres which is the acres affected by the mine.

The disturbed area at the mine site is 10.39 acres (Plate 5-2). The disturbed area associated with the waste rock site is 15.82 acres (refer to Plate 4-1, Waste Rock volume of this M&RP).

117 Insurance and Proof of Publication

Certificates of Insurance issued to Canyon Fuel Company, LLC (Fossil Rock Resources, LLC) are located in the General Chapter 1 binder as prepared for the operations and on file with the Division.

The newspaper advertisement appears in Appendix 1-2. Verification of the advertisement appearing in the appropriate newspapers will be added to Appendix 1-2.

118 Filing Fee

The filing fee was submitted/paid to the Division in 1985.

120 Permit Application Format and Contents

The permit application contains clear, concise, current information, in the format required by the UDOGM.
130 Reporting of Technical Data

The technical data submitted in the permit application is accompanied by the names of persons or organizations that collected and analyzed the data. The technical data also contains the dates of collection and analysis of the data, and descriptions of the method used to collect and analyze data. A professional qualified in the subject, planed or directed the technical analyses.

140 Maps and Plans

The maps submitted in this permit application correspond to the format required by the regulations.

Those portions in the mine plan area in which underground coal mining activities occurred before August 3, 1997 and from August 3, 1977 to May 3, 1978 are presented on Plate 5-1.

150 Completeness

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

SPECIAL WARRANTY DEEDS, LEASES AND RIGHT-OF-ENTRY DOCUMENTS
APPENDIX 1-1

Special Warranty Deeds, Leases, Right-of-Entry Documents

INCORPORATED
MAY 10 2021
Div. of Oil, Gas & Mining
Errata Sheet Pertaining to Proposed Transfer of Permit From PacifiCorp to Fossil Rock Resources, LLC

This sheet is to be placed at the beginning of Chapters 1 thru 12 of the Trail Mountain Permit C/015/0009, the associated binders containing appendices, tables, figures, drawings, maps and to remain until such time that the permit is transferred and amended to reflect the information for the new permittee, Fossil Rock Resources, LLC (Fossil Rock Mine). This sheet is to be placed in the Waste Rock Site binder at the beginning of sections containing text, appendices and maps.

The facilities have changed hands multiple times, which means there are various references in the text, reports, studies, right-of-ways, leases and laboratory analyses which refer to the company owning or operating the mine facilities during a specific period of time. To provide clarification the following table lists the various names used through the life of the permit (to the best of our knowledge) and what entity under the new ownership those references will refer to.

<table>
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<th>Names Existing</th>
<th>Following Permit Transfer</th>
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<tr>
<td>PacifiCorp</td>
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<td>Beaver Creek Coal Company</td>
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<tr>
<td>Interwest Mining</td>
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<td>Energy West Mining Company</td>
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<td>Utah Power &amp; Light Company</td>
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<td>Utah Power &amp; Light Mining Division</td>
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<td>Fossil Rock Mine</td>
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<td>Trail Mountain Mine No. 9</td>
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<td>Cottonwood/Wilberg Waste Rock</td>
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<td>Natomas Mine</td>
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<td>Cottonwood Mine</td>
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<tr>
<td>Grimes Wash Facility</td>
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</tbody>
</table>

When use of the above referenced names appear in the permit documents to describe events which would be considered historic they will remain the same. When the names are used to imply a commitment or ownership the names will be changed or amended where possible as designated in this table.

INTEGRATED

MAY 10 2021

Div. of Oli, Gas & Mining
SPECIAL WARRANTY DEED

Tax Parcel No. L3-0011-0003
Trail Mountain Mine Silver Parcel

PACIFICORP, an Oregon corporation, having a mailing address of 1407 West North Temple, Suite 310, Salt Lake City, Utah 84116, as "Grantor," hereby conveys and warrants, against all those claiming by, through or under Grantor, but not otherwise, to FOSSIL ROCK RESOURCES, LLC, a Delaware limited liability company, having a mailing address of 6100 Dutchmans Lane, 9th Floor, Louisville, Kentucky 40205, as "Grantee," for the sum of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable consideration, that certain parcel of real property located in Emery County, State of Utah, together with any and all interests, rights and appurtenances thereto, as well as any and all improvements thereon (if any), as more particularly described in Exhibit A attached hereto (described hereinafter as the "Real Property").

Subject to: (i) any state of facts that an accurate and complete ALTA/ACSM Land Title Survey might disclose, (ii) all zoning regulations, restrictions, rules and ordinances, land use regulations, building restrictions, and other laws and regulations now in effect or hereafter adopted by any governmental authority having jurisdiction, and (iii) reservations, easements, rights-of-way, declarations, covenants, conditions, restrictions, encroachments, liens, and encumbrances and all other matters of record or enforceable at law or in equity.

IN WITNESS WHEREOF, the said Grantor has executed this Special Warranty Deed as of this 24th day of May, 2016.

PACIFICORP,
an Oregon corporation

[Signature]
Cindy A. Craze, President/CEO - PacifiCorp dba Rocky Mountain Power

INCORPORATED
MAY 10 2021
Div. of Oil, Gas & Mining
Exhibit A

Parcel East of Cottonwood Creek and West of Cottonwood Canyon Road

Legal Description:

That certain parcel of land located in Emery County, State of Utah, as more particularly described as follows:

Beginning at a point which is West, 116 Rods, more or less from the Northeast corner of the Southeast quarter of the Northeast quarter of Section 25, Township 17 South, Range 6 East, SLB&M (S 89°46'01" W, 1898.88 feet along 40 acre line by survey), said point being at the center of Cottonwood creek and running thence in a Southerly direction along center of said Creek to a point 84 Rods more or less, West of the Southeast corner of the Northeast quarter of the Southeast quarter of said Section 25 (S 89°20'20" W, 1482.82 feet along 40 acre line by survey); thence N 89°20'20" E, 68.64 feet to the centerline of Cottonwood Canyon Road; thence N 18°32'22" W, 211.65 feet along centerline of said road; thence N 18°00'23" W, 236.55 feet along centerline of said road; thence N 13°36'45" W, 219.23 feet along centerline of said road; thence N 10°17'37" W, 104.54 feet along centerline of said road; thence N 08°20'49" W, 350.40 feet along centerline of said road; thence N 10°33'11" W, 476.22 feet along centerline of said road; thence N 24°01'08" W, 163.55 feet along centerline of said road; thence N 20°01'04" W, 87.46 feet along centerline of said road; thence N 10°00'01" W, 150.85 feet along centerline of said road; thence N 02°27'38" W, 152.52 feet along centerline of said road; thence N 01°54'03" E, 211.25 feet along centerline of said road; thence N 00°12'51" W, 242.02 feet along centerline of said road; thence N 10°41'22" E, 106.12 feet along centerline of said road to the north line of the South half of the Northeast quarter of said Section 25; thence S 89°46'01" W, 48.79 feet along 40 acre line to the point of beginning.

Containing 2.86 acres more or less.
Trail Mountain No. 9 Mine

Special Use Permit

2/1/88

INCORPORATED
MAY 10 2021
Div. of Oil, Gas & Mining
SPECIAL USE PERMIT

Act of June 1, 1937
This permit is revocable and non-transferable
(Rev. FSM 2710)

Permission is hereby granted to **ROTOKAS COAL COMPANY**
of P.O. box 370, Orangeville, Utah 84537
hereinafter called the permittee, to use subject to the conditions set out below, the following described lands or improvements:

SEE ATTACHED MAP

12 Ft. Wide
This permit covers .25 acres and/or 900 ft. Length and is issued for the purpose of:
Installation of 4" steel pipeline for transportation of water to storage tank

1. Construction or occupancy and use under this permit shall begin within _______ months, and construction, if any, shall be completed within _______ months, from the date of the permit. This use shall be actually exercised at least 365 days each year, unless otherwise authorized in writing.

2. In consideration for this use, the permittee shall pay to the Forest Service, U.S. Department of Agriculture, the sum of Twenty five Dollars ($ 25.00) for the period from July 1, 19__ to December 31, 19__, and thereaf

3. This permit is accepted subject to the conditions set forth herein, and to conditions

   NAME OF PERMITTEE
   **ROTOKAS COAL COMPANY**

   SIGNATURE OF AUTHORIZED OFFICER

   ISSUING OFFICER
   NAME AND SIGNATURE
   Acting Forest Supervisor

   DATE
   MAY 10, 2021

   (CONTINUED ON REVERSE)

Div. of Oil, Gas & Mining

INTEGRATED
4. Development plans, layout plans, construction, reconstruction, or alteration of improvements; or revision of layout or construction plans for this area must be approved in advance and in writing by the forest supervisor. Trees or shrubs on the permitted area may be removed or destroyed only after the forest officer in charge has approved and has marked or otherwise designated that which may be removed or destroyed. Timber cut or destroyed will be paid for by the permittee as follows: Merchantable timber at appraised value; young growth timber below merchantable size at current damage appraisal value; provided that the Forest Service reserves the right to dispose of the merchantable timber to others than the permittee at no standard cost to the permittee. Trees, shrubs, and other plants may be planted in such manner and in such places about the premises as may be approved by the forest officers in charge.

5. The permittee shall maintain the improvements and premises in standards of repair, neatness, sanitation, and safety acceptable to the forest officers in charge.

6. This permit is subject to all valid claims.

7. The permittee, in exercising the privileges granted by this permit, shall comply with the regulations of the Department of Agriculture and all Federal, State, county, and municipal laws, ordinances, or regulations which are applicable to the area or operations covered by this permit.

8. The permittee shall take all reasonable precautions to prevent and suppress forest fires. No material shall be disposed of by burning in open fires during the closed season established by law or regulation without a written permit from the forest officer in charge or his authorized agent.

9. The permittee shall exercise diligence in protecting from damage the land and property of the United States covered by and used in connection with this permit, and shall pay the United States for any damage resulting from negligence or from the violation of the terms of this permit or of any law or regulation applicable to the National Forests by the permittee, or by any agents or employees of the permittee acting within the scope of their agency or employment.

10. The permittee shall fully repair all damage, other than ordinary wear and tear, to national forest roads and trails caused by the permittee in the exercise of the privilege granted by this permit.

11. No member of or delegate to Congress or President Commissioner shall be admitted to any share or part of the ament or to any benefit that may arise herefrom unless it is made with a corporation for its pecuniary benefit.

12. Upon abandonment, termination, revocation, or cancellation of this permit, the permittee shall remove within a reasonable time all structures and improvements except those owned by the United States, and shall restore the site, unless otherwise agreed upon in writing or in this permit. If the permittee fails to remove all such structures or improvements within a reasonable period, they shall become the property of the United States, but that will not relieve the permittee of liability for the cost of their removal and restoration of the site.

13. This permit is not transferable. If the permittee, through voluntary sale or transfer, or through enforcement of contract, foreclosure, tax sale, or other valid legal proceeding shall cease to be the owner of the physical improvements other than those owned by the United States situated on the land described in this permit and is unable to furnish adequate proof of ability to redeem or otherwise re-establish title to said improvements, this permit shall be subject to cancellation. But if the person to whom title to said improvements shall have been transferred in either manner provided is qualified as a permittee and is willing that his future occupancy of the premises shall be subject to such new conditions and stipulations as existing or prospective circumstances may warrant, his continued occupancy of the premises may be authorized by permit to him if, in the opinion of the issuing officer or his successor, issuance of a permit is desirable and in the public interest.

14. In case of change of address, the permittee shall immediately notify the forest supervisor.

15. The temporary use and occupancy of the premises and improvements herein described may be sublet by the permittee to third parties only with the prior written approval of the forest supervisor, but the permittee shall continue to be responsible for compliance with all conditions of this permit by persons to whom such premises may be sublet.

16. This permit may be terminated upon breach of any of the conditions herein or at the discretion of the regional forest officer or the Chief, Forest Service.

17. In the event of any conflict between any of the preceding printed clauses or any provisions thereof and any of the following clauses or any provisions thereof, the following clauses will control.
18. "A late payment charge in addition to the regular fees shall be made for failure to meet the fee payment due date or any of the dates specified for submission of statements required for fee calculation. The late payment charge shall be $15, or an amount calculated by applying the current rate prescribed by Treasury Fiscal Requirements Manual Bulletins to the overdue amount for each 30-day period or fraction thereof that the payment is overdue, whichever is greater. If the due date falls on a non-working day, the late payment charge will not apply until the end of the next working day."

19. (B-2) - During the performance of this permit, the permittee agrees:

a. In connection with the performance of work under this permit, including construction, maintenance, and operation of the facility, the permittee shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

b. The permittee and his employees shall not discriminate by segregation or otherwise against any person on the basis of race, color, religion, sex, or national origin by curtailing or refusing to furnish accommodations, facilities, services, or use privileges offered to the public generally.

c. The permittee shall include and require compliance with the above nondiscrimination provisions in any subcontract made with respect to the operations under this permit.

20. (B-3) - The permittee shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of National Forest lands under this permit.

21. (B-31) - Avalanches, rising waters, high winds, falling limbs or trees, and other hazards are natural phenomena in the forest that present risks which the permittee assumes. The permittee has the responsibility of inspecting his site, lot, right-of-way, and immediate adjoining area for dangerous trees, hanging limbs, and other evidence of hazardous conditions and, after securing permission from the Forest Service, of removing such hazards.

22. (D-2) - The permittee shall protect the scenic aesthetic values of the area under this permit, and the adjacent land, as far as possible with the authorized use, during construction, operation, and maintenance of the improvements.

23. (D-7) - The permittee shall be responsible for the prevention and control of soil erosion and gullying on the area covered by this permit and lands adjacent thereto, and shall provide preventive measures as required by the Forest Service.

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(2-4) - Unless sooner terminated or revoked by the Regional Forester, in accordance with the provisions of the permit, this permit shall expire and become void on December 31, 1990, but a new permit to occupy and use the same National Forest land may be granted provided the permittee will comply with the then existing laws and regulations governing the occupancy and use of National Forest lands and shall have notified the Forest Supervisor not less than 6 months prior to said date that such new permit is desired.

25. (X-5) - The land herein described is subject to certain rights reserved by or outstanding in parties other than the United States, and nothing herein shall abridge said rights or authorize prevention or obstruction of the reasonable exercise thereof.

26. (X-19) - The permittee agrees to permit the free and unrestricted access to and upon the premises at all times for all lawful and proper purposes not inconsistent with the intent of the permit or with the reasonable exercise and enjoyment by the permittee of the privileges thereof.

27. (X-29) - No signs or advertising devices shall be erected on the areas covered by this permit or highways leading thereto, without prior approval by the Forest Service as to location, design, size, color, and message. Erected signs shall be maintained or removed as necessary to meet and presentable standards.

28. (X-33) - This permit is granted with the express understanding that should future location of Government improvements or road rights-of-way require the relocation of the permittee's improvements, such relocation will be done by the permittee at his expense within sixty (60) days following request to relocate.

29. (X-81) - This permit confers no right to the use of water by the permittee.
Coal Leases

2/1/88

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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

Mountain Coal Company
555 Seventeenth Street
Denver, CO 80202

hereinafter called lessee, is readjusted, effective July 1, 1992, 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. 17 S., R. 6 E., SLM, Utah
Sec. 25, E¼E%SW¼, SW¼SE¼.

containing 80.00 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.
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 accurses.

(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 an LMU or part of an LMU, subject to the provisions set forth in the regulations.

The stipulations established in an 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 thereunder, 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. 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.

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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 locate at least 100 yards from public roads.

9. 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.

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 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. 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. 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, drainage established, and the areas returned to a premining land use.

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17. The lessees 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 return 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.

18. 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.

19. The lessee shall assure that mine facilities, parking areas, and equipment do not encroach on the Cottonwood Canyon Road nor interfere with traffic on this road.

20. Reasonable stock driveway access must be provided and maintained to the Trail Mountain cattle and horse allotment.

21. The Cottonwood Canyon road shall be maintained to insure suitable forest access as well as coal haulage. Because of the narrow confines of Cottonwood Canyon, all future and existing facilities such as power, telephone, water, and sewer lines, coal conveyers, and similar facilities, shall be constructed and/or maintained by the lessee to prevent interference with the Cottonwood Canyon road or access provided thereby.

22. 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

is the authorized representative of the Secretary of Agriculture.

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Div. of Oil, Gas & Mining
This lease between the United States of America (the lessor) through the Bureau of Land Management (BLM) and Trail Mountain Coal Company P. O. Box 356 Orangeville, Utah 84537

(lessee) is readjusted, effective as of July 1, 1983.

Sec. 1. STATUTES AND REGULATIONS. This lease readjustment is subject to the terms and provisions of the Mineral Leasing Act of February 25, 1920, as amended (41 Stat. 437, 30 U.S.C. §§ 191-253), hereinafter referred to as the Act, and of the Surface Mining Control and Reclamation Act of 1977. This lease is also subject to all regulations of the Secretary of the Interior (including, but not limited to, 30 CFR Part 211 and 43 CFR Group 3000) which are now or hereafter in force and which are made a part hereof. No amendment to the regulations made subsequent to the effective date hereof shall alter the rental and production royalty requirements in sections 5 and 6 of this lease until the next readjustment of this lease.

Sec. 2. RIGHTS OF LESSEE. The lessor, in consideration of the rents and royalty and other conditions hereinafter set forth, hereby grants to the lessee the exclusive right and privilege to mine and dispose of all coal in the following-described tracts (leased lands) situated in the State of Utah:

- T. 17 S., R. 6 E., SLM, Utah
- Sec. 25, E½E½S½W½, SW½E½.

containing 80.00 acres, more or less, together with the right to construct all work, buildings, structures, equipment, and appliances which may be necessary and convenient for the mining and preparation of the coal for market, and subject to the conditions herein provided to use so much of the surface as may reasonably be required in the exercise of the rights and privileges herein granted for so long as this lease remains in full force and effect under any provisions of the law and the applicable regulations thereunder.

Sec. 3 DILIGENT DEVELOPMENT AND CONTINUED OPERATION. The lessee shall engage in the diligent development of the coal resources subject to the lease. After diligent development is achieved, the lessee shall maintain continued operation of the mine or mines on the leased lands. The terms diligent development and continued operation are defined in the applicable regulations in Titles 30 and 43 of the Code of Federal Regulations.

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Sec. 4. BOND. The lessee shall file with the appropriate BLM office a lease bond in the amount of $1 for each acre or fraction thereof shall be paid in advance on or before the anniversary date of this lease. Rentals under this lease shall be payable for each and every year during the continuance of the lease. Rentals paid for any lease year commencing prior to the effective date of this readjustment shall be credited against royalties for that year. Rentals due and payable for any lease year commencing on or after the effective date of this readjustment may not be credited against royalties (43 CFR 3473.3-1).

Sec. 5. RENTAL. An annual rental of $1 for each acre or fraction thereof shall be paid in advance on or before the anniversary date of this lease. Rentals under this lease shall be payable for each and every year during the continuance of the lease. Rentals paid for any lease year commencing prior to the effective date of this readjustment shall be credited against royalties for that year. Rentals due and payable for any lease year commencing on or after the effective date of this readjustment may not be credited against royalties (43 CFR 3473.3-1).

Sec. 6. PRODUCTION ROYALTY. The lessee shall pay a production royalty of 1% percent of the value of coal produced by strip or auger mining methods and 5% percent of the value of coal produced by underground mining methods. The value of coal shall be determined as set forth in the regulations. Production royalties paid for a calendar month shall be reduced by the amount of any advance royalties paid under this lease to the extent that such advance royalties have not been used to reduce production royalties in a previous month. Production royalties shall be payable the final day of the month succeeding the calendar month in which coal is mined.

Sec. 7. ADVANCE ROYALTY. Upon request by the lessee the Mining Supervisor may accept, for a total of not more than ten years, the payment of advance royalties in lieu of the condition of continued operation for any particular year. Any payment of advance royalties in lieu of continued operation shall be pursuant to an agreement, signed by the lessee and the Mining Supervisor, which shall be made a part of this lease. The agreement shall include a schedule of payments and shall be subject to the advance royalty conditions set forth in the regulations. The advance royalty shall be based on a percent of the value of a minimum number of tons which shall be determined on a schedule sufficient to exhaust the leased reserves in 40 years from the date of approval of the mining and reclamation plans or from June 1, 1976, depending on the effective date of the lease.

Sec. 8. METHOD OF PAYMENTS. The lessee shall make rental payments to the appropriate BLM office until either production royalties or advance royalties become payable. Thereafter, all rentals, production royalties and advance royalties shall be paid to the Mining Supervisor. All remittances to BLM shall be made payable to the Bureau of Land Management; those to the Minerals Management Service shall be made payable to the Minerals Management Service.

Sec. 9. EXPLORATION PLAN. As specified in the regulations, the lessee shall submit an exploration plan before conducting any exploration on the leased lands, except casual use, between the effective date of this lease and the date of approval of the mining plan. The lessee shall not commence exploration without an approved exploration plan. Thereafter, the lessee shall conduct all exploration in accordance with the approved exploration plan.

Sec. 10. MINING PLAN. In accordance with the regulations in 30 CFR 211, 700, and 800, if the Lessee has not yet submitted a mining plan, he must do so within three years after the effective date of this readjustment. Unless or until the mining plan has been approved, the Lessee shall not conduct any operations on the leased lands except casual use or exploration, if an exploration plan has been approved. Thereafter, the Lessee shall conduct all operations in accordance with the approved mining plan.

Sec. 11. LOGICAL MINING UNITS (LMU). This lease is automatically considered to be an LMU and may be combined with other land, including other Federal leaseholds and non-Federal interests in coal, to form a larger LMU. The mining plan for such enlarged LMU must include a production schedule that provides for the mining of all the LMU reserves, both Federal and non-Federal, in a period of not more than 40 years from the date of the approval of the plan. The definition of LMU and LMU reserves and other conditions applicable to them are set forth in the regulations (43 CFR 3402.6-5).
Sec. 12. OPERATIONS ON LEASED LANDS. In accordance with the conditions of this lease, the exploration and mining plans, the regulations and the Act, the lessee shall exercise reasonable diligence, skill and care in all operations on the leased lands. The lessee's obligations shall include, but not be limited to the following:

(a) The lessee shall conduct all operations on the leased lands so as to avoid injury to life, health, or property.

(b) The lessee shall conduct operations in such a manner as may be necessary to avoid or, where avoidance is impracticable, to minimize and where practicable, to repair damage to: (1) any forage and timber growth on Federal lands; (2) crops, including forage and timber, or improvements of a surface owner; or (3) improvements, whether owned by the United States or by its permittees, licensees, or lessees. The lessor must approve the steps to be taken and the restoration to be made in the event of the occurrence of damage described in this subsection.

(c) The lessee shall minimize to the maximum extent possible wasting of the mineral deposits and other resources, including, but not limited to, surface resources which may be found in, upon, or under such lands.

Sec. 13. AUTHORIZATION OF OTHER USES AND DISPOSITION OF LEASED LANDS.

(a) The lessor reserves the right to authorize other uses of the leased lands by regulation or by issuing, in addition to this lease, leases, licenses, permits, easements or rights-of-way, including leases for the development of minerals other than coal under the Act. The lessor may authorize any other uses of the leased lands that do not unreasonably interfere with the exploration and mining operations of the lessee, and the lessee shall make all reasonable efforts to avoid interference with such authorized uses.

(b) The lessor reserves the right (1) to sell or otherwise dispose of the surface of the leased lands under existing law or laws hereafter enacted in so far as said surface is not necessary for the use of the lessee in the extraction and removal of the coal therein, or (2) to dispose of any resource in such lands if such disposal will not unreasonably interfere with the exploration and mining operations of the lessee.

(c) If the leased lands have been or shall hereafter be disposed of under laws reserving to the United States the deposits of coal therein, the lessee shall comply with all conditions as are or may hereafter be provided by the laws and regulations reserving such coal.

Sec. 14. EQUAL OPPORTUNITY CLAUSE. The lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

Sec. 15. CERTIFICATION OF NONSEGREGATED FACILITIES. By entering into this lease, the lessee certifies that he does not and will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not and will not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The lessee agrees that a breach of this certification is a violation of the Equal Opportunity clause of this lease. As used in this certification, the term "segregated facilities" means, but is not limited to, any visiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habits, local custom, or otherwise. Lessee further agrees that (except where the lessee has obtained identical certifications from proposed contractors and subcontractors for specific time periods) lessee will obtain identical certifications from proposed contractors and subcontractors prior to award of contracts or subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity Clause; that lessee will retain such certifications in lessee's files; and that lessee will
forward the following notice to such proposed contractors and subcontractors (except where proposed contractor or subcontractor has submitted identical certifications for specific time periods). Notice is to be provided by lessee to prospective contractors and subcontractors of requirement for certification of nonsegregated facilities. A Certification of Nonsegregated Facilities, as required by the May 9, 1967 Order (32 F. R. 7439, May 9, 1967) on Elimination of Segregated Facilities by the Secretary of Labor, must be submitted prior to the award of a contract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity Clause. Certification may be submitted either for each contract and subcontract or for all contracts and subcontracts during a period (i.e., quarterly, semiannually, or annually).

Sec. 16. EMPLOYMENT PRACTICES. The lessee shall pay all wages due persons employed on the leased lands at least twice each month in lawful money of the United States. The lessee shall grant all miners and other employees complete freedom to purchase goods and services of their own choice. The lessee shall restrict the workday to not more than 8 hours in any one day for underground workers, except in case of emergency. The lessee shall employ no person under the age of 16 years in any mine below the surface. If the laws of the State in which the mine is situated provide for a minimum age restriction for mining below the surface, other than the requirements of Federal Law, the laws of the State shall prevail.

Sec. 17. MONOPOLY AND FAIR PRACTICES. The lessor reserves full authority to promulgate and enforce rules and regulations under the provisions of Sections 30 and 32 of the Act (30 U.S.C. 66187 and 189) necessary to ensure that any sale of the production from the leased lands to the United States or to the public is at reasonable prices, to prevent monopoly, and to safeguard the public welfare, and such regulations shall upon promulgation be binding upon the lessee.

Sec. 18. ASSIGNMENT. This lease may be assigned, upon approval of the authorized officer in accordance with the provisions of 43 CFR Subpart 3453. An assignment will become effective on the first day of the month following approval by the authorized officer or, if the assignee requests, the first day of the month of approval.

Sec. 19. RELINQUISHMENT OF LEASE. The lessee may file a request to relinquish all or any legal subdivision of this lease. The request shall be filed in duplicate with the authorized officer. The authorized officer shall approve the relinquishment if he determines that the lessee has complied with the requirements of the lease, the exploration and mining plans, the regulations and the Act. Upon approval, the relinquishment shall be effective as of the date it is filed, subject to the continued obligation of the lessee and his surety to pay all accrued rentals and royalties and to comply with all other requirements of the lease, the regulations and the Act.

Sec. 20. NONCOMPLIANCE. Any failure to comply with the conditions of this lease, the exploration and mining plans, the regulations, or the Act shall be dealt with in accordance with the procedures set forth in the regulations.

Sec. 21. WAIVER OF CONDITIONS. The lessor reserves the right to waive any breach of the conditions contained in this lease, except the breach of such conditions as are required by the Act, but any such waiver shall extend only to the particular breach so waived and shall not limit the rights of the lessor with respect to any future breach; nor shall the waiver of a particular breach prevent cancellation of this lease for any other cause or for the same cause occurring at another time.

Sec. 22. READJUSTMENT OF TERMS AND CONDITIONS. (a) This lease is subject to reasonable readjustment of any conditions of the lease, including royalty rates, at the end of this readjustment period on July 1, 1992, and subject to readjustment at the end of each 10-year period thereafter. The lessor shall notify the lessee whether he intends to readjust conditions and, if he intends to readjust, the nature of the readjustments. The lessor shall give notice 120 days before the end of this readjustment period as to whether the lease terms will be readjusted. Unless the lessee, within 60 days after receipt of the proposed readjusted conditions files with the lessor an objection or relinquishes the lease as of the effective date of the readjustment, the lessee shall be deemed conclusively to have agreed to such conditions.

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(b) If the lessee files objections to the proposed readjusted conditions with the lessor, and agreement cannot be reached between the lessor and the lessee within a period of 30 days after the filing of the objections, the lease may be terminated by either party upon giving 30 days' notice to the other party; however, the lessor's right to terminate the lease shall be suspended by the lessee's filing of a notice of appeal pursuant to section 29 of this lease, and if the lessee is ultimately successful in his appeal, the lease shall continue without the change in the provisions, the imposition of which, the lessee appealed. If the lessee is unsuccessful in his appeal and within 30 days after receipt of the decision on appeal notifies the lessor that he accepts the decision rendered upon such appeal, then the lease shall continue as amended by the decision.

(c) If the lessee files objections to the proposed readjusted conditions, the existing conditions, except those concerning royalties, shall remain in effect until there has been an agreement between the lessor and the lessee on the new conditions to be incorporated in the lease, or until the lease is terminated; however, the readjusted royalty provisions shall be effective until there is either agreement between the lessor and the lessee or until the lease is terminated. If the readjusted royalty provisions are subsequently rescinded or amended, the lessee shall be permitted to credit any excess royalty payments against royalties subsequently due to the lessor.

Sec. 23. DELIVERY OF PREMISES. Upon termination of this lease for any reason, or relinquishment of a part of this lease, the lessee shall deliver to the lessor in good order and condition all or the appropriate part of the leased lands. Delivery of the leased lands shall include underground timbering and such other supports and structures as are necessary for the preservation of the nine or deposit, and shall be in accordance with all applicable provisions of the regulations for the completion of operations and abandonment.

Sec. 24. PROPRIETARY INFORMATION. Geological and geophysical data and information, including maps, trade secrets, and commercial and financial information which the lessor obtains from the lessee shall be treated in accordance with 43 CFR Part 2 and other applicable regulations.

Sec. 25. LESSEE'S LIABILITY TO LESSOR.

(a) The lessee shall be liable to the United States for any damage suffered by the United States in any way arising from or connected with the lessee's activities and operations under this lease, except where damage is caused by employees of the United States acting within the scope of their authority.

(b) The lessee shall indemnify and hold harmless the United States from any and all claims arising from or connected with the lessee's activities and operations under this lease.

(c) In any case where liability without fault is imposed on the lessee pursuant to this section, and the damages involved were caused by the action of a third party, the rules of subrogation shall apply in accordance with the law of the jurisdiction where the damages occurred.

Sec. 26. INSPECTIONS AND INVESTIGATIONS.

(a) All books and records maintained by the lessee showing information required by this lease or regulations must be kept current and in such manner that the books and records can be readily checked, upon request, by the Mining Supervisor or his representative at the place where they are customarily maintained.

(b) The lessee shall permit any duly authorized officer or representative of the lessor at any reasonable time (1) to inspect or investigate the leased lands and all surface and underground improvements, works, machinery, and equipment, and all books and records pertaining to the lessee's obligations to the lessor under this lease and regulations and (2) copy, and make extracts from any such books and records.
Sec. 27. UNLAWFUL INTEREST. No member of, or Delegate to, Congress, or
Resident Commissioner, after his election or appointment, either before or
after he has qualified and during his continuance in office, and no officer,
or employee of the Department of the Interior, except as provided in 43 CFR
74.4 (a)(3), shall hold any share or part in this lease or derive any benefit
therefrom. The provisions of Section 3741 of the Revised Statutes, as
amended, 18 U.S.C. §§ 431-433), relating to contracts, enter into and form a
part of this lease insofar as they may be applicable.

Sec. 28. APPEALS. The lessee shall have the right to appeal (a) under 43 CFR
3000.4 from an action or decision of any official of the Bureau of Land
Management (b) under 30 CFR Part 250 from an action, order, or decision of any
official of the Minerals Management Service, or (c) under applicable
regulations from any action or decision of any other official of the
Department of the Interior arising in connection with this lease, including
any action or decision pursuant to Section 23 of this lease with respect to
the readjustment of conditions.

Sec. 29. SPECIAL STATUTES. This lease is also subject to the provisions of
the Federal Water Pollution Control Act (33 U.S.C. 1151-1175) and the Clean
Air Act (42 U.S.C. 1857).

Sec. 30. SPECIAL STIPULATIONS.

The District Mining Supervisor shall mean the authorized representative of
the Minerals Management Service and the Regional Director shall mean the
authorized representative of the Office of Surfactant 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. The surface management agency for private
surface shall be the Forest Service.

1. The Lessee will be responsible to comply with applicable Federal, State,
and local laws and regulations.

2. In accordance with Sec. '523(b) of the "Surface Mining Control and
Reclamation Act of 1977," surface mining and reclamation operations con-
ducted 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) and final determination of suitability for
mining. The United States Government does not warrant that the entire tract
will be susceptible to mining.

3. The coal contained within the lease area and authorized for mining under
this lease shall be extracted only by underground mining methods.

4. All support facilities, structures, equipment, and similar developments will
be removed from the lease area within two years after the final termination of
use of such facilities. All disturbed areas and those areas occupied by such
facilities will be rehabilitated in accordance with an approved reclamation plan,
30 CFR 211 and the "Surface Mining Control and Reclamation Act of 1977" or
approved Utah program as applicable.

5. (a) Before undertaking any activities that may disturb the surface of the
lease lands, the Lessee may be required to conduct a cultural resource intensive
field inventory in a manner specified by the Regional Director and the Authorized
Officer of the surface managing agency on portions of the mine plan area and
adjacent areas, or exploration plan area, that may be adversely affected by lease-
related activities and which were not previously inventoried at such a level of
intensity. The inventory shall be conducted by a qualified professional cultural
resource specialist (i.e., archaeologist, historian, or historical architect,
as appropriate), approved by the Authorized Officer of the surface managing agency

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and a report of the inventory and recommendations for protecting any cultural resources identified shall be submitted to the Regional Director (or the District Mining Supervisor if activities are associated with coal exploration outside an approved mining permit area) and the Authorized Officer of the surface managing agency. The Lessee shall undertake measures, in accordance with instructions from the Regional Director (or the District Mining Supervisor if activities are associated with coal exploration outside an approved mining permit area), to protect cultural resources on the leased land. The Lessee shall not commence the surface disturbing activities until permission to proceed is given by the Regional Director or the District Mining Supervisor as appropriate.

(b) The Lessee shall protect all cultural resource properties within the lease area from lease-related activities until the cultural resource mitigation measures can be implemented as part of an approved mining and reclamation plan or exploration plan.

(c) The cost of conducting the inventory, preparing reports, and carrying out mitigation measures shall be borne by the Lessee.

(d) If cultural resources are discovered during operations under this lease, the Lessee shall immediately bring them to the attention of the Regional Director, (or the District Mining Supervisor as appropriate), and the Authorized Officer, Surface Management Agency. The Lessee shall not disturb such resources except as may be subsequently authorized by the Regional Director (or the District Mining Supervisor). Within two (2) working days of notification, the Regional Director (or the District Mining Supervisor, as appropriate) will evaluate or have evaluated any cultural resources discovered and will determine if any action may be required to protect or preserve such discoveries.

(e) All cultural resources shall remain under the jurisdiction of the United States until ownership is determined under applicable law.

6. Before undertaking any activities that may disturb the surface of the leased lands, the Lessee shall contact the Regional Director and Authorized Officer of the Surface Management Agency to determine whether the Lessee will be required to conduct a paleontological appraisal of the mine plan and adjacent areas, or exploration plan areas, that may be adversely affected by lease-related activities. If the Regional Director and Authorized Officer, Surface Management Agency, determines that one is necessary, the paleontological appraisal shall be conducted by a qualified paleontologist approved by the Authorized Officer of the surface management agency, using the published literature and, where appropriate, field appraisals for determining the possible existence of fossils of scientific significance. A report of the appraisal and recommendations for protecting any fossils of significant scientific interest on the leased lands so identified shall be submitted to and approved by the Regional Director and the Authorized Officer, Surface Management Agency. When necessary to protect and/or collect the fossils of significant scientific interest on the leased lands, the Lessee shall undertake the measures provided in the approval of the mining and reclamation plan or exploration plan.

(e) The Lessee shall not knowingly disturb, alter, destroy, or take any fossils of significant scientific interest, and shall protect all such fossils in conformance with the measures included in the approval of the mining and reclamation plan or exploration plan.

(b) The Lessee shall immediately bring any such fossils that might be altered or destroyed by his operation to the attention of the Regional Director or the District Mining Supervisor, as appropriate. Operations may continue as long as the fossil specimen or specimens would not be seriously damaged or destroyed by the activity. The Regional Director or the District Mining Supervisor, as appropriate, shall evaluate or have evaluated such discoveries brought to his attention and, within five (5) working days, shall notify the Lessee what action shall be taken with respect to such discoveries.

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(c) All such fossils of significant scientific interest shall remain under the jurisdiction of the United States until ownership is determined under applicable law. Copies of all paleontological resource data generated as a result of the lease term requirements will be provided to the Regional Director or the District Mining Supervisor, as appropriate.

(d) These conditions apply to all such fossils of significant scientific interest discovered within the lease area whether discovered in the overburden, interburden, or coal seam or seams. Fossils of significant scientific interest do not include those fossils commonly encountered during underground mining operations such as ferns and dinosaur tracks. Skeletal remains shall be considered significant.

7. The Lessee shall, prior to entry upon the lease, conduct an intensive field inventory for threatened and endangered plant and/or animal species, bald or golden eagles, or migratory species of high Federal interest on those areas to be disturbed and/or impacted including the access routes to the lease area. The inventory shall be conducted by a qualified specialist(s) approved by the Authorized Officer, Surface Management Agency, and a report of the inventory and recommendation for the protection of those species submitted to and approved by the Authorized Officer, Surface Management Agency, and Regional Director or District Mining Supervisor as appropriate. An acceptable report of any findings shall include the specific location, distribution, and habitat requirements of the species. The Lessee shall protect these species within the lease area from any activities associated with operations conducted under the terms of the lease and shall undertake such protective measures as may be required by the Authorized Officer, Surface Management Agency, and Regional Director, or District Mining Supervisor, as appropriate.

8. Powerlines used in conjunction with the mining of coal from this lease shall be constructed so as to conform with the publication, "Suggested Practices for Raptor Protection on Powerlines" (Edison Electric Institute, 1975). When feasible, powerlines will be located at least 100 yards from public roads.

9. The Lessee shall provide for the suppression and control of fugitive dust on all haul roads, and at coal hauling, transportation, and storage facilities. The migration of road surfacing materials shall be controlled by watering, chemical treatment, or hard surfacing. Loss of gravel courses shall be periodically replaced.

10. In order to avoid surface disturbance on steep canyon slopes and the need for surface access, all surface breakouts for ventilation tunnels shall be constructed from inside the mine, except at specific locations approved by the Regional Director with the concurrence of the Authorized Officer, Surface Management Agency and the District Mining Supervisor.

11. Prior to mining, the Lessee shall perform a study to secure adequate baseline data to quantify the existing surface resources on and adjacent to the lease area. The study will be established in consultation with and approved by the Authorized Officer, Surface Management Agency, the Regional Director, and the District Mining Supervisor and 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.

12. The Lessee shall establish a monitoring system to locate, measure, and quantify the progressive and final effects of underground mining activities on the topographic surface, underground 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 sufficient number of points over the lease area. The monitoring shall be an extension of the baseline data and shall be conducted by a method approved by the Regional Director in consultation with and concurrence by the Authorized Officer, Surface Management Agency and District Mining Supervisor.
13. Underground mining operations shall be conducted in such a manner so as to prevent surface subsistence that would (1) cause the creation of hazardous conditions such as potential escarpment failure and landslides, (2) cause damage to surface structures, and improvements, and (3) damage or alter the flow of perennial streams. The Lessee in his mining plan shall provide specific measures for the protection of escarpments. The Regional Director in consultation with and concurrence of the District Mining Supervisor and Authorized Officer, Surface Management Agency, shall approve such measures and may prescribe any additional measures to be employed such as mining methods, specify the amount of coal recovered, and determine any corrective measures considered necessary to assure that escarpment failure does not occur except at specifically approved locations, or that hazardous conditions are not created.

14. Existing surface improvements required for the surface uses of the lease area will need to be protected or maintained to provide for the post-mining continuance of the current land uses. Existing surface improvements whose utility may be lost or damaged as result of mining activities are to be replaced or restored.

15. The Lessee shall reclaim all areas disturbed as a result of mining and exploration operations to a land use capable of supporting the pre-mining levels of livestock grazing, big game winter range, and other wildlife habitat.

16. At the conclusion of the mining operation, or at the request of the Authorized Officer of the Surface Management Agency, all damaged, disturbed, or displaced land monuments, accessories and appendages shall be replaced or restored in their original location (or at other locations that meet the needs of the land net, and as approved by the Authorized Officer of the Surface Management Agency) and shall be done at the expense of the Lessee.

17. The Lessee will be responsible to replace any water lost or adversely affected by mining operations with water from an alternative source in sufficient quantity and quality to maintain existing riparian habitat, fishery habitat, and livestock and wildlife use.

18. The Lessee will be required to reconstruct the road in Cottonwood Canyon from the mine site to Highway 29 in a manner agreeable to Emery County and the authorized officer of the Surface Management agencies. In the interim, until reconstruction is completed, traffic management requirements will be imposed on the existing road commensurate with the season of use, road conditions, and volumes of traffic.

19. The Lessee shall assure that mine facilities, parking areas, and equipment do not encroach on the Cottonwood Canyon Road nor interfere with traffic on this road.

20. Reasonable stock driveway access must be provided and maintained to the Trail Mountain cattle and horse allotment.

21. The Cottonwood Canyon Road shall be maintained in such a manner so as to provide suitable forest access as well as coal haulage. Because of the narrow confines of Cottonwood Canyon, all future and existing facilities such as power, telephone, water and sewer lines, coal conveyors, and similar facilities, shall be constructed and/or maintained by the Lessee so as to not interfere with the Cottonwood Canyon Road or access provided thereby.

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John Bell  
P.O. Box 356  
Orem, UT 84057

and shall become effective on July 1, 1962, the effective date of the original lease. The lessee

Sec. 1. STATUTES AND REGULATIONS — This lease is issued pursuant to the terms and provisions of the Mine Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Sections 215-262, hereafter referred to as the Act. The lessee is also subject to all regulations of the Secretary of the Interior (including, but not limited to, 30 CFR Part 211 and 43 CFR Group 3000) which are now or hereafter in force and which are made a part hereof, except that no amendment to the regulations made subsequent to the effective date of this lease shall alter the rental and production royalty requirements in Section 8 and 9 of this lease. (Continued on page 3)

WITNESSETH:

Sec. 2. RIGHTS OF LESSEE — (a) The lessee is now the holder of coal lease Utah 032986, issued July 1, 1962, under the above-cited Act, which embraces 40 acres in Emery County, Utah.

(b) Upon application by the lessee for modification of the lease, it has been found that it would be in the interest of the United States to modify the lease under Sec. 3 of the Act cited to include as additional lands the tract in Sec. 25, T. 17 S., R. 6 E., SLH, Utah, containing 40 acres.

(c) The lessee, in consideration of the bonus, rents, and royalties and other conditions hereinafter set forth, hereby grants and leases to the lessee the exclusive right and privilege to mine and dispose of all coal in the following-described tracts (leased lands) situated in the State of Utah:

Tract 1:  
T. 17 S., R. 6 E., SLH, Utah  
Sec. 25, SW1/SE2.

Containing 40 acres.

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Div. of Oil, Gas & Mining
Request for Approval of Assignment

Trail Mountain Coal Company hereby requests approval of Assignment of certain coal lands in the State of Utah:

Tract No. 1: T.17S., R.6E. SLM
  Sec. 23, SW¼ SE¼
  Containing 40 Acres

Tract No. 2: T.17S., R.6E. SLM
  Sec. 25, E½ E½ SW¼
  Containing 40 Acres

Trail Mountain Coal Company is a corporation authorized to do business in Utah. A statement of qualifications is on file under U-38700. Assignee's interests do not exceed allowable levels in Utah since Trail Mountain Coal Company holds no federal leases at this time. The Assignee is the sole party in interest in this Assignment. The $50.00 filing fee is attached.

President
AMENDED
ASSIGNMENT OF FEDERAL COAL LEASE

FOR GOOD AND VALUABLE CONSIDERATION, RECEIPT OF WHICH IS HEREBY
ACKNOWLEDGED AND SUBJECT TO THE APPROVAL OF THE UNITED STATES BUREAU OF
LAND MANAGEMENT, 1, JOHN L. BELL OF 123 2nd AVE., SALT LAKE CITY, UTAH,
84103 THE SUESEE OF THAT CERTAIN FEDERAL COAL LEASE, SERIAL NO. U-082996,
SITUATED IN THE STATE OF UTAH.

TRACT #1 T.17 S., R.6 E.SLM, UTAH
SEC. 25, SW¼ SE¼ CONTAINING 40 ACRES

TRACT #2 T.17 S., R.6 E.SLM, UTAH
SEC. 25, E¼ SE¼ CONTAINING 40 ACRES

DO HEREBY ASSIGN, TRANSFER AND CONVEY SAID LEASE UNTO TRAIL MOUNTAIN
COAL COMPANY, A UTAH CORPORATION WITH ITS MINE OFFICE AT P.O. BOX 356, ORANGE-
VILLE, UTAH 84537 AND THE PRINCIPAL OFFICE AT P.O. BOX 84, SOMERSET, PENNSYL-
VANIA, 15501.

TO HAVE AND HOLD THE SAME FOR THE REMAINDER OF THE TERM OF SAID LEASE
AND SUBJECT TO THE BONUS, RENTS, ROYALTIES, AND PROVISIONS THERE IN SPECIFIED.

WITNESS THIS 4TH DAY OF AUGUST, 1980

__________________________
John L. Bell

STATE OF UTAH

COUNTY OF SALT LAKE

PERSONALLY APPEARED BEFORE ME THIS 4TH DAY OF AUGUST, 1980, JOHN L.
BELL, THE SIGNER OF THE FOREGOING INSTRUMENT WHO DULY ACKNOWLEDGED TO ME
THAT HE EXECUTED THE SAME.

__________________________
Notary Public

MY COMMISSION EXPIRES:

7-9-82

RESIDENCE:

Shelley

INCORPORATED

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Div. of Oil, Gas & Mining
SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made and entered the 8th day of January, 1981, by and among the holders (the "Shareholders") of all the outstanding shares of common stock, without par value (the "Shares"), of TRAIL MOUNTAIN COAL COMPANY, a Utah corporation (the "Company"), and NATOMAS MINERALS OF UTAH, INC. and NATOMAS TRAIL MOUNTAIN COAL COMPANY, California corporations (the "Purchasers"), and provides for the purchase of the Shares by the Purchasers from the Shareholders.

In consideration of the mutual covenants, agreements, representations, warranties and other provisions contained herein, the parties agree as follows:

SECTION 1. PURCHASE AND SALE OF THE SHARES

A. Agreement to Purchase and Sell

Subject to the terms and conditions of this Agreement, on the Closing Date (as hereinafter defined) the Purchasers (in the respective portions indicated in Section 7 hereof) will purchase from the Shareholders, and the Shareholders will sell, transfer and convey to the Purchasers, the Shares, for an aggregate purchase price (the "Purchase Price") of $1,000,000.00 (including payment or assumption of the liabilities of the Company). In a simultaneous transaction, a designee of the Purchasers will acquire from the Estate of Myron F. Fetterolf (the "Estate") an assignment of the Estate's rights as lessee under the coal lease with the State of Utah as lessor known as the "McKinnon Lease" (more particularly described on Exhibit D hereto) for a consideration of

B. Advance Payment

The Purchasers, upon the execution and delivery of this Agreement, have paid to The Fetterolf Group, Inc. as agent for the Shareholders the sum of $1,000,000.00 (the "Advance Payment"), as a payment in advance of a portion of the Purchase Price. The Advance Payment is secured by a statement authorizing confession of judgment of The Fetterolf Group, Inc., and shall be credited against the Purchase Price on the Closing Date (and any interest earned thereon shall be retained by The Fetterolf Group, Inc. on behalf of the Shareholders). In the event of termination of this Agreement pursuant to clause (a), (b), (d), (f), (g) or (h) of Section 20 hereof, the entire amount of the Advance Payment shall be returned to the Purchasers, with interest thereon at the prime rate of the Pittsburgh National Bank; provided, however, that if this Agreement is terminated pursuant to clause (b) of Section 20 hereof, one-half of the accrued interest shall be forgiven by the Purchasers. In the event of termination of this Agreement pursuant to clause (c) or (e) of Section 20 hereof, the Advance Payment (and any interest earned thereon) may be retained by The Fetterolf Group, Inc. on behalf of the Shareholders.

C. Escrow Deposit

The Purchasers, promptly after the execution and delivery of this Agreement, shall also deposit into the Escrow Account referred to in Section 8 hereof the sum of $1,000,000.00 (the "Escrow Deposit") as an additional payment in advance of a portion of the Purchase Price, to be held and disposed of in accordance with Section 8 and the Escrow Agreement referred to therein.
(iv) extraordinary loss (as defined in Opinion No. 30 of the Accounting Principles Board of the American Institute of Certified Public Accountants and in Financial Accounting Standards Board Statement No. 16) suffered by the Company which singly or in the aggregate is material to the Company, or any waiver by the Company of any rights of substantial value which singly or in the aggregate are material to the financial condition or the operations of the business of the Company;

(v) capital commitment or expenditure by the Company exceeding $10,000 not listed on Exhibit B to this Agreement;

(vi) issuance or commitment to issue capital stock of the Company, or declaration, setting aside or payment of a dividend or other distribution in respect of the capital stock of the Company, or any direct or indirect redemption, purchase or other acquisition by the Company of any of its capital stock; or

(vii) any other event, condition or state of facts of any character which materially and adversely affects, or threatens materially and adversely to affect, the results of operations or business or financial condition or prospects of the Company.

The Company has not since November 30, 1980, engaged in any transaction material to the Company not in the ordinary course of business. As used in this Section and elsewhere in this Agreement, "ordinary course of business" refers to ordinary day-to-day business activity conducted in a commercially reasonable and businesslike manner, having no unusual or special features, and being such as a corporation of a size similar to that of the Company and engaged in a similar business in the same community might reasonably be expected to conduct.

G. Tax Returns and Audits

Except as shown on Exhibit A to this Agreement, within the times and in the manner prescribed by law, the Company has filed all federal, state and local tax returns required by law and has paid all taxes, assessments and penalties shown thereon to be due and payable. The provisions for taxes reflected in the Balance Sheet are adequate for any and all federal, state and local taxes payable by the Company for the period ending on such date and for all prior periods, whether or not disputed. Except as shown on Exhibit A to this Agreement, there are no present disputes or claims or, to the knowledge of the Shareholders, threatened claims as to taxes of any nature payable by the Company and no waivers of statutes of limitations are in effect with respect to taxes that may be payable by the Company. The Company has not filed, and will not file on or before the Closing Date, any consent under Section 341(f) of the Internal Revenue Code of 1954, as amended. Except for satisfaction of the obligations shown on Exhibit E to this Agreement, no other consent or agreement is in effect which would restrict or adversely affect the right of the Company to transfer its assets, or of the transferee thereof to acquire such assets.

H. Real and Personal Property

There is set forth on Exhibits C or E to this Agreement (i) a complete and accurate legal description of each parcel of real property owned or held under lease by the Company or rights related thereto with a statement of the nature of
the Company's interest therein (including without limitation an indication of
whether rights in such property are limited to the surface or to particular seams
of coal, if the interest relates to less than the entire fee estate), (ii) a
description of all buildings, fixtures and other improvements located on such
property, (iii) the recording data necessary in order to locate the reference to
any real property owned by Company in the records of the county where such
property is located, and (iv) a schedule of all items of personal property owned or
leased by, in the possession of, or used in connection with the business of the
Company, with a statement of the nature of the Company's interest therein.
There is set forth on Exhibit D to this Agreement a complete and accurate
description of the McKinnon Lease between the State of Utah and the Estate
under which the Company has been operating as a sublessee. Prior to the Closing
Date the Company and the Estate shall execute the sublease under which the
Company has operated since August 13, 1979 (including without limitation the
8% royalty which has been paid thereunder). The $50,000 limitation as to the
indemnity obligation under Section 9 shall not apply to any claim by the
Company's coal customers based on such Sublease. Exhibits C and D list all
property ("the Mining Properties") owned by the Company, at any location, and
by the Estate in Utah, and describe any areas or interests not owned or leased by
the Company or the Estate within the confines of the Mining Properties, and all
mortgages, royalties, overriding royalties, production payments, contingent or
future interests and other burdens imposed upon any of the Mining Properties are
shown on Exhibit E to this Agreement.

The leasehold interests held by the Company and the Estate in the Mining
Properties are, and on the Closing Date will be, in full force and effect, and
sufficient for the mining purposes contemplated thereunder, with all rentals,
royalties and other obligations satisfied on a current basis and not subject to any
jeopardy as to their continued existence by any actions or failure to take actions
by the Company or the Estate. The fee interests held by the Company in the
Mining Properties are sufficient for mining of coal, including without limitation
exclusive access to such lands held by the fee interest for extracting coal and
other minerals, use of the surface of such lands held by fee interest for uses
compatible with mining and related purposes, rights to remove and sell coal and
other minerals from such lands held by fee interest and exclusive access across
and through such lands held by fee interest to the adjacent federal lands. The
Mining Properties are free and clear of restrictions on or conditions to transfer
or assignment, and of mortgages, liens, pledges, charges, encumbrances, security
interests, equities, claims, easements, rights of way, covenants, conditions and
restrictions, except (i) as listed on Exhibit E, (ii) the lien of current taxes not yet
due and payable and (iii) possible minor matters that, in the aggregate, are not
substantial in amount and do not materially detract from or interfere with the
present or intended use of any of such assets or properties, or materially impair
the Company's business operations. Notwithstanding the foregoing statement on
current taxes, the Estate shall prior to the Closing Date have obtained all tax
and other governmental approvals required for the transfer of the McKinnon
Lease and shall indemnify Purchasers against claims attributable to the
McKinnon Lease or the transfer thereof to the Purchasers, on the same basis as
set forth in Section 9 hereof for the Shareholders, except that the $50,000
limitation shall not apply to such indemnity.

There are no currently pending or, to the knowledge of the Shareholders,
threatened, condemnation or eminent domain proceedings, or sales in lieu
thereof, involving partial or total taking of the Mining Properties. The
Shareholders and the Estate are not aware of any actual or threatened claim contrary to their title and interest in the Mining Properties or any basis for any such claim. Prior to the Closing Date, the Company and the Estate shall obtain the satisfactory evidence contemplated in Paragraph K of Section 5. All deeds, leases and other documents and instruments under which the Company or the Estate, in the case of the McKinnon Lease, claims title to or any interest in its real or personal property, copies of which have been made available to the Purchasers for their inspection, are valid and effective in accordance with their terms.

J. **Contracts and Commitments**

Except as set forth on Exhibit F to this Agreement, the Company has no (i) collective bargaining agreements or pending National Labor Relations Board petitions to represent any of its employees or any obligation to bargain with any labor organization which has been certified or recognized as a majority representative of any of its employees, (ii) agreements that contain any severance pay liabilities or obligations, (iii) bonus, deferred compensation, pension, profit-sharing, stock option, employee stock purchase or retirement plans, or any other employee benefit plans or arrangements, (iv) employment or consulting agreement, contract or commitment with an employee or individual consultant or any consulting agreement, contract or commitment with a consulting firm or other organization, (v) agreement of guarantee or indemnification running to any person or entity, (vi) agreement, contract or commitment containing any covenant limiting the freedom of Company to engage in any line of business or compete with any person or (vii) agreement, contract or commitment requiring the Company to utilize the services of any entity, firm or individual or to pay any commission, fee or other payment related to the business of the Company, including without limitation any payments in coal or other property. The Company has not received notice that any party to any agreement listed on Exhibit F intends to cancel or terminate any such agreement and the Shareholders know of no fact or circumstance which would entitle any party to any such agreement to cancel or terminate the same.

K. **Trade Names, Trademarks, Copyrights, Patents and Trade Secrets**

The Company does not own or have any right or license in any trade name (other than its corporate name), trademark, service mark, copyright, patent, invention, industrial model, process design, patent application or trade secret, nor is it now subject to a claim of infringement with regard to, or, to the knowledge of the Shareholders, infringing on, any trade name, trademark, service mark, copyright, patent or proprietary or personal right of any other person, firm or corporation.

L. **Customers and Sales**

The Shareholders have no information, nor are they aware of any facts, indicating that any customers of the Company intend to cease doing business with the Company or materially alter the amount of the business that they are presently doing with the Company, whether on account of the proposed acquisition of the Shares by the Purchasers or otherwise.

**INTEGRATED**

**MAY 10 2021**

**Div. of Oil, Gas & Mining**
and hereto prior to making any press release relating to this Agreement the transactions contemplated hereby, or termination hereof.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in multiple original copies on the day and year first above written.

SHAREHOLDERS

THE FETTEROLF GROUP, INC.
P.O. Box 84
Somerset, Pennsylvania 15501

By

JOHN L. BELL
1351 Hogan Circle
Bloomington, Utah 84770

CHARLES A. BASS
2022 N.W. Troost
Roseburg, Oregon 97470

NATOMAS MINERALS OF UTAH, INC.

By

Chairman & Chief Executive Officer

NATOMAS TRAIL MOUNTAIN COAL COMPANY

By

President

The representations regarding the Estate are true and correct and the McKinnon Lease shall be transferred as required herein, subject to the receipt of the necessary approvals.

THE ESTATE OF MYRON F. FETTEROLF

By

INTEGRATED

MAY 10 2021
Div. of Oil, Gas & Mining
EXHIBIT C

Real and Personal Property

(1) Real estate owned in fee:

The following described land situated in Emery County, Utah:
Beginning at the southeast corner of the northwest quarter of the southeast
quarter of Section 25, Township 17 South, Range 6 East, Salt Lake Base and
Meridian, thence north 160 rods; thence east 44 rods, more or less, to the
center line of Cottonwood Creek; thence in a southerly direction along the
center line of said Cottonwood Creek to a point 76 rods, more or less, east
of beginning; thence west 76 rods, more or less, to the point of beginning,
containing 53.5 acres.

Subject to all reservations, restrictions, covenants, easements, conditions
and rights of way appearing of record.

Mineral lease: Utah - 082996 covering the following described tracts each
containing 40 acres in Emery County, Utah: the southwest quarter of the
southeast quarter and the east half of the east half of the southeast
quarter of Section 25, Township 17 South, Range 6 East, Salt Lake Base and
Meridian.

(2) Buildings, fixtures and other improvements:

a) office building (including shop, bathhouse, dressing area, etc.),
b) tipple and adjacent building,
c) scale house,
d) scoop storage house,
e) switch house,
f) powder house,
g) fan house.

(3) Recording data for real estate owned in fee: Deed book volume 102, page
803.

(4) Personal property owned or leased:

(1) Allis Chalmers Shaker with 25 Horsepower Motor
(1) Belt Drive on Stacker Belt 25 Horsepower
(1) Big Sam Spray Machine
(1) Block Generator Building
(1) Bonanza Fan 8" 
(1) Case Diesel High Lift Tractor
(3) Distribution Boxes
(1) Dodge Pickup 1979
(1) Emco Air Alert 300 Power Center
(1) Emco Air Alert 150 Power Center
(1) Emco Air Alert Section Power Center

INCORPORATED

MAY 10 2021

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

COAL LEASE

This lease, is entered into on FEB 18 1983, by the United States of America, the
lessor, the Bureau of Land Management, and

Natomas Minerals of Utah, Inc.
5970 So. Syracuse St., Ste 124
Englewood, CO 80111

and shall become effective on MAR 1 1983, (effective date), the lessee,

Sec. 1. STATUTES AND REGULATIONS--This lease is issued pursuant and subject to the
terms and provisions of the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as
amended, 30 U.S.C. Sections 181-263, hereinafter referred to as the Act; and of the
Surface Mining Control and Reclamation Act of 1977, 30 U.S.C. Section 1201, et seq., the
Federal Coal Leasing Amendments Act of 1976, as amended, 90 Stat. 1083-1092, and, in the
case of acquired lands, the Mineral Leasing Act for Acquired Lands of September 7, 1947,
as amended, 30 U.S.C. 351-359, et seq. This lease is also subject to all regulations of the
Secretary of the Interior (including, but not limited to, 30 CFR Part 211 and
Chapter VII and 43 CFR Group 3400), which are now in force or (except as expressly
limited herein) hereafter in force, and all of such regulations are made a part hereof.

WITNESSETH:

Sec. 2. RIGHTS OF LESSEE--The lessor, in consideration of any bonus paid (or to be
paid if deferred), rents and royalties and other conditions hereinafter set forth,
hereby grants and leases to the lessee the exclusive right and privilege to mine and
dispose of all coal in

T. 17 S., R. 6 E., SLM, Utah
Sec. 25, SHNWk, HWShk, M6EWSk;
Sec. 26, SEHNEk, ESHWNEk, ESEk,
EHWSEk;
Sec. 35, lots 1, 2, SEHNEk, ESHWNEk,
ESEk, EHWSEk,

containing 641.47 acres, more or less, and subject to the conditions, limitations and
prohibitions provided in this lease and in applicable acts and regulations, the right to
construct all works, buildings, structures, equipment, and appliances which may be
necessary and convenient for the mining and preparation of the coal for market, and
subject to the conditions herein provided, to use so much of the surface as may
reasonably be required in the exercise of the rights and privileges herein granted for a
period of 20 years and so long thereafter as the condition of continued operation is
met.

Sec. 3 DILIGENT DEVELOPMENT AND CONTINUED OPERATION--The lessee shall engage in
the diligent development of the coal resources subject to the lease. After diligent develop-
ment is achieved, the lessee shall maintain continued operation of the mine or mines
on the leased lands. The terms diligent development and continued operation are defined
in the applicable regulations in Titles 10, 30, and 43 of the Code of Federal

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Sec. 4. BOND--The lessee shall file with the appropriate Bureau of Land Management office a lease bond in the amount of $5,000.00, for the use and benefit of the United States, to insure payment of deferred bonus payments, rentals and royalties and to assure compliance with all other items of this lease, the regulations and the Act (except for reclamation within the area covered by a surface mining permit issued under the permanent regulatory program by the regulatory authority) and, if appropriate, for the protection of the interests of the surface owners on the leased lands. An increase in the amount of the lease bond may be required by the lessor at any time during the life of the lease to reflect changed conditions.

Sec. 5. RENTAL--An annual rental of $3.00 for each acre or fraction thereof shall be paid in advance on or before the anniversary date of this lease. This section shall not be subject to revision except in the course of lease readjustment.

Sec. 6. PRODUCTION ROYALTY--The lessee shall pay a production royalty of 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. The value of coal shall be determined as set forth in 30 CFR 211. Production royalties paid for a calendar month shall be reduced by the amount of any advance royalties paid under this lease to the extent that such advance royalties have not been used to reduce production royalties in a previous month. However, production royalties payable after the 20th year of the lease shall not be reduced by advance royalties paid during the first 20 years of the lease. Production royalties shall be payable the final day of the month succeeding the calendar month in which the coal is sold, unless otherwise specified in 30 CFR 211. The royalty rates provided in this section shall not be subject to revision except in the course of lease readjustment.

Sec. 7. ADVANCE ROYALTY--Upon request by the lessee, the District Mining Supervisor may accept, for a total of not more than 10 years, the payment of advance royalties in lieu of the condition of continued operation consistent with the regulations in 43 CFR 3473 and 30 CFR 211. The advance royalty shall be based on a percent of the value of a minimum number of tons which shall be determined in the manner established by the regulations in 43 CFR 3473.

Sec. 8. METHOD OF PAYMENTS--The lessee shall make rental payments to the appropriate Bureau of Land Management (BLM) office until production royalties become payable. Thereafter, all rentals, production royalties and advance royalties shall be paid to the appropriate office of the United States Geological Survey.

Sec. 9. EXPLORATION PLAN--The lessee shall not commence any exploration, except casual use, on the leased lands without an approved exploration plan. Exploration plans for leased lands covered by an approved mining permit shall be submitted to the Regional Director of the Office of Surface Mining in accordance with the regulations in 30 CFR Chapter VII. Exploration plans for leased lands not covered by an approved mining permit shall be submitted to the District Mining Supervisor in accordance with the regulations in 30 CFR 211.

Sec. 10. MINING PLAN--In accordance with the regulations in 30 CFR 211 and Chapter VII, the lessee shall submit a mining and reclamation plan not more than three years after the effective date of this lease. Mining operations shall not commence until after the mining and reclamation plan is approved. The mining and reclamation shall be conducted in accordance with the approved mining and reclamation plan. Exploration activities which were not included in the approved mining and reclamation plan require submittal of exploration plans in accordance with Section 9 of this lease.

Sec. 11. LOGICAL MINING UNIT (LMU)--This lease is automatically considered to be an LMU. This LMU may be enlarged, adjusted or diminished in accordance with the applicable regulations in Titles 10, 30, and 43 of the Code of Federal Regulations. The mining plan for the LMU shall require that the reserves of the LMU will be mined within a period of 40 years in accordance with 30 CFR 211 and 43 CFR 3400.0-5. The definition of LMU and LMU reserves and other applicable conditions are set forth in the regulations in 43 CFR 3400.0-5 and 3475, 30 CFR 211, and Title 10 of the Code of Federal Regulations.

Sec. 12. OPERATIONS ON LEASED LANDS--(a) In accordance with conditions of this lease, the exploration and mining and reclamation plans, the permit issued pursuant to 30 CFR Chapter VII, and all applicable acts and regulations, the lessee shall exercise reasonable diligence, skill, and care in all operations on leased lands.

(b) The lessee shall minimize to the maximum extent possible wasting of the coal deposits and other mineral and nonmineral resources, including but not limited to, surface resources which may be found in, upon, or under such land.
Sec. 13. SPECIAL STATUTES--The lessee shall comply with the provisions of the Federal Water Pollution Control Act, 33 U.S.C. 1151-1175, and the Clean Air Act, 42 U.S.C. 7401, et seq.

Sec. 14. AUTHORIZATION OF OTHER USES AND DISPOSITION OF LEASED LANDS--(a) The lessor reserves the right to authorize other uses of the leased lands by regulation or by issuing, in addition to this lease, leases, licenses, permits, easements, or rights-of-way, including leases for the development of minerals other than coal under the Act. The lessor may authorize any other uses of the leased lands that do not unreasonably interfere with the exploration and mining operations of the lessee, and the lessee shall make all reasonable efforts to avoid interference with such authorized uses.

(b) The lessor reserves the right: (i) to sell or otherwise dispose of the surface of the leased lands under existing law or laws hereafter enacted insofar as said surface is necessary for the use of the lessee in the extraction and removal of the coal therein, or (ii) to dispose of any resource in such lands if such disposal will not unreasonably interfere with the exploration and mining operations of the lessee.

(c) If the leased lands have been or shall hereafter be disposed of under laws reserving to the United States the deposits of coal therein, the lessee shall comply with all conditions as are or may hereafter be provided by the laws and regulations respecting such coal.

Sec. 15. EQUAL OPPORTUNITY CLAUSE--The 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.

Sec. 16. CERTIFICATION OF NONSEGREGATED FACILITIES--By entering into this lease, the lessee certifies that he does not and will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not and will not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The lessee agrees that a breach of this certification is a violation of the Equal Opportunity clause of this lease. As used in this certification, the term "segregated facilities" means, but is not limited to, any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. Lessee further agrees that (except where lessee has obtained identical certifications from proposed contractors and subcontractors for specific time periods) lessee will obtain identical certifications from proposed contractors and subcontractors prior to award of contracts or subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause; that lessee will retain such certifications in lessee's files; and that lessee will forward the following notice to all such proposed contractors and subcontractors (except where proposed contractor or subcontractor has submitted identical certifications for specific time periods). Notice to prospective contractors and subcontractors of requirement for certification of nonsegregated facilities. A Certification of Non-segregated Facilities, as required by the May 9, 1967 order (38 F.R. 4749, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted prior to the award of a contract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity clause. Certification may be submitted either for each contract and subcontract or for all contracts and subcontracts during a period (i.e., quarterly, semiannually, or annually).

Sec. 17. EMPLOYMENT PRACTICES--The lessee shall pay all wages due persons employed on the leased lands at least twice each month in lawful money of the United States. The lessee shall grant all miners and other employees complete freedom to purchase goods and services of their own choice. The lessee shall restrict the workday to not more than 8 hours in any one day for underground workers, except in case of emergency. The lessee shall employ no person under the age of 16 years in any mine below the surface. If the laws of the State in which the mine is situated prohibit the employment, in a mine below the surface, of persons of an age greater than 16 years, the lessee shall comply with those laws.

Sec. 18. MONOPOLY AND FAIR PRACTICES--The lessor reserves full authority to promulgate and enforce orders and regulations under the provisions of Sections 30 and 32 of the Act (30 U.S.C. Sections 187 and 189) necessary to insure that any sale of the production from the leased lands to the United States or to the public is at reasonable prices, to prevent monopoly, and to safeguard the public welfare, and such rules shall upon promulgation be binding upon the lessee.
Sec. 19. TRANSFERS--

This lease may be transferred in whole or in part to any person, association or corporation qualified under 43 CFR 3472.1-1 to hold a lease.

This lease may only 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 for the limited purpose of creating a security interest in favor of a lender who agrees to be obligated to mine the coal on behalf of the public body. The transferee must be qualified under 43 CFR 3472.

This lease may only be transferred in whole or in part to other small businesses qualifying under 13 CFR 121 and 43 CFR 3472.2-2(c).

Any transfer of this lease in whole or in part is subject to the procedures and requirements for approval in the relevant regulations in 43 CFR 3400. A transfer will become effective on the first day of the month following its approval by the authorized officer, or, if the transferee requests, the first day of the month of the approval.

Sec. 20. RELINQUISHMENT OF LEASE--The lessee may file a relinquishment of the entire lease, a legal subdivision or aliquot part thereof, but not less than 10 acres, or any bed of the coal deposits therein. The relinquishment shall be filed in triplicate with the authorized officer. Upon the determination by the authorized officer that the public interest shall not be impaired, that all accrued rentals and royalties have been paid and that all of the obligations of the lessee under the regulations and the lease terms have been met, the relinquishment shall be accepted effective the date filed.

Sec. 21. NONCOMPLIANCE--Any failure to comply with the conditions of this lease, the approved exploration and mining and reclamation plans, the regulations, or applicable acts, shall be dealt with in accordance with the procedures set forth in the regulations.

Sec. 22. WAIVER OF CONDITIONS--The lessor reserves the right to waive any breach of the conditions contained in this lease, except the breach of such conditions as are required by the Act, but any such waiver shall extend only to the particular breach so waived and shall not limit the rights of the lessor with respect to any future breach; nor shall the waiver of a particular breach prevent cancellation of this lease for any other cause, or for the same cause occurring at another time.

Sec. 23. READJUSTMENT OF TERMS AND CONDITIONS--(a) The lease is subject to readjustment on the 20th year after the effective date and on each 10th year thereafter. In order that the lease may be readjusted as close as possible to the dates when it becomes subject to readjustment, the lessor may propose the terms of readjustment of any conditions of this lease, including rental and royalty rates, before the 20th year after the effective date and before each 10-year interval thereafter. The authorized officer shall notify the lessee whether he intends to readjust the terms and conditions of the lease and, if he intends to readjust, the nature of the readjustments in accordance with the regulations in 43 CFR 3451. Unless the lessee, within 60 days after receipt of the proposed readjusted terms, files with the lessor an objection to the proposed readjusted conditions or relinquishes the lease as of the effective date of the readjustment, the lessee shall be deemed conclusively to have agreed to such conditions.

(b) If the lessee files objections to the proposed readjusted conditions, the existing conditions shall remain in effect until there has been an agreement between the lessor and the lessee on the new conditions to be incorporated in the lease, or until the lessee has exhausted his rights of appeal under Section 31 of this lease, or until the lease is relinquished, except that the authorized officer may provide in the notice of readjusted lease terms that the readjustment or any part thereof is effective pending the outcome of the appeal. If the readjusted royalty provisions are subsequently rescinded or amended, the lessee shall be permitted to credit any excess royalty payments against royalties subsequently due to the lessor.

Sec. 24. DELIVERY OF PREMISES--Upon termination of this lease for any reason, or relinquishment of a part of this lease, the lessee shall deliver to the lessor in good order and condition all or the appropriate part of leased lands. Delivery of the leased lands shall include underground timbering and such other supports and structures as are necessary for the preservation of the mine or deposit, and shall be in accordance with all other applicable provisions of the regulations, including 30 CFR 211 and Chapter VII, for the completion of operations and abandonment.
Sec. 25. PROPRIETARY INFORMATION--Geological and geophysical data and information, including maps, trade secrets, and commercial and financial information which the lessor obtains from the lessee shall be treated in accordance with 43 CFR Part 2, 30 CFR 211.6 and other applicable regulations. Total lease reserve figures developed from this information will not be confidential.

Sec. 26. LESSEE'S LIABILITY TO LESSOR--(a) The lessee shall be liable to the United States for any damage suffered by the United States in any way arising from or connected with the lessee's activities and operations under this lease, except where damage is caused by employees of the United States acting within the scope of their authority.

(b) The lessee shall indemnify and hold harmless the United States from any and all claims arising from or connected with the lessee's activities and operations under this lease.

(c) In any case where liability without fault is imposed on the lessee pursuant to this section, and the damages involved were caused by the action of a third party, the rules of subrogation shall apply in accordance with the law of the jurisdiction where the damages occurred.

Sec. 27. INSPECTIONS AND INVESTIGATIONS--(a) All books and records maintained by the lessee showing information required by this lease or regulations must be kept current and in such manner that the books and records can be readily checked at the mine, upon request, by the Regional Director or District Mining Supervisor or their representative.

(b) The lessee shall permit any duly authorized officer or representative of the lessor at any reasonable time (1) to inspect or investigate the leased lands, the exploration and mining and reclamation operations, and all surface and underground improvements, works, machinery, and equipment, and all books and records pertaining to the lessee's obligations to the lessor under this lease and regulations and (2) to copy, and make extracts from any such books and records.

Sec. 28. UNLAWFUL INTEREST--No member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, either before or after he has qualified and during his continuance in office, and no officer, or employee of the Department of the Interior, except as provided in 43 CFR 7.4(a)(3), shall hold any share or part in this lease or derive any benefit therefrom. The provisions of Section 3741 of the Revised Statutes, as amended, 41 U.S.C. Section 22, and the Act of June 25, 1948, 62 Stat. 702, as amended, 18 U.S.C. Sections 431-433, relating to contracts, enter into and form a part of this lease as far as they may be applicable.

Sec. 29. APPEALS--The lessee shall have the right to appeal (a) under 43 CFR 3000.4 from an action or decision of any official of the Bureau of Land Management (b) under Geological Survey, or (c) under applicable regulation from any action or decision of any official of the Department of the Interior arising in connection with this lease, in accordance with this lease pursuant to Section 23 of this lease with respect to the readjustment of conditions.

Sec. 30. DEFERRED BONUS--This lease is issued subject to the payment of $1,140,000 by the lessee as a deferred bonus. Payment of the deferred bonus by the lessee shall be made on a schedule specified in Section 31 (Special Stipulations) of this lease.

Sec. 31. SPECIAL STIPULATIONS--The District Mining Supervisor shall mean the authorized representative of the Minerals Management Service and the Regional Director shall mean the authorized representative of the 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. The surface management agency for private surface shall be the Forest Service.

1. The lessee will be responsible to comply with applicable Federal, State, and local laws and regulations.

2. 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) and final determination of suitability for mining. The United States Government does not warrant that the entire tract will be susceptible to mining.

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Div. of Oil, Gas & Mining
3. The coal contained within the lease area and authorized for mining under this lease shall be extracted only by underground mining methods.

4. All support facilities, structures, equipment, and similar developments will be removed from the lease area within two years after the final termination of use of such facilities. All disturbed areas and those areas occupied by such facilities will be rehabilitated in accordance with an approved reclamation plan, 30 CFR 211 and the "Surface Mining Control and Reclamation Act of 1977" or approved Utah program as applicable.

5. (a) Before undertaking any activities that may disturb the surface of the leased lands, the Lessee may be required to conduct a cultural resource intensive field inventory in a manner specified by the Regional Director and the Authorized Officer of the surface managing agency on portions of the mine plan area and adjacent areas, or exploration plan area, that may be adversely affected by lease-related activities and which were not previously inventoried at such a level of intensity. The inventory shall be conducted by a qualified professional cultural resource specialist (i.e., archaeologist, historian, or historical architect, as appropriate), approved by the Authorized Officer of the surface managing agency and a report of the inventory and recommendations for protecting any cultural resources identified shall be submitted to the Regional Director (or the District Mining Supervisor if activities are associated with coal exploration outside an approved mining permit area) and the Authorized Officer of the surface managing agency. The Lessee shall undertake measures, in accordance with instructions from the Regional Director (or the District Mining Supervisor if activities are associated with coal exploration outside an approved mining permit area), to protect cultural resources on the leased land. The Lessee shall not commence the disturbing activities until permission to proceed is given by the Regional Director or the District Mining Supervisor as appropriate.

(b) The Lessee shall protect all cultural resource properties within the lease area from lease-related activities until the cultural resource mitigation measures can be implemented as part of an approved mining and reclamation plan or exploration plan.

(c) The cost of conducting the inventory, preparing reports, and carrying out mitigation measures shall be borne by the Lessee.

(d) If cultural resources are discovered during operations under this lease, the Lessee shall immediately bring them to the attention of the Regional Director (or the District Mining Supervisor as appropriate), and the Authorized Officer, Surface Management Agency. The Lessee shall not disturb such resources except as may be subsequently authorized by the Regional Director (or the District Mining Supervisor). Within two (2) working days of notification, the Regional Director (or the District Mining Supervisor, as appropriate) will evaluate or have evaluated any cultural resources discovered and will determine if any action may be required to protect or preserve such discoveries.

(e) All cultural resources shall remain under the jurisdiction of the United States until ownership is determined under applicable law.

6. Before undertaking any activities that may disturb the surface of the leased lands, the Lessee shall contact the Regional Director and Authorized Officer of the Surface Management Agency to determine whether the Lessee will be required to conduct a paleontological appraisal of the mine plan area and adjacent areas, or exploration plan areas, that may be adversely affected by lease-related activities. If the Regional Director and Authorized Officer, Surface Management Agency, determines that one is necessary, the paleontological appraisal shall be conducted by a qualified paleontologist approved by the Authorized Officer of the surface management agency, using the published literature and, where appropriate, field appraisals for determining the possible existence of fossils of scientific significance. A report of the appraisal and recommendations for protecting any fossils of significant scientific interest on the leased lands so identified shall be submitted to and approved by the Regional Director and the Authorized Officer, Surface Management Agency. When necessary to protect and/or collect the fossils of significant scientific interest on the leased lands, the Lessee shall undertake the measures provided in the approval of the mining and reclamation plan or exploration plan.

(e) The Lessee shall not knowingly disturb, alter, destroy, or take any fossils of significant scientific interest, and shall protect all such fossils in conformance with the measures included in the approval of the mining and reclamation plan or exploration plan.
(b) The Lessee shall immediately bring any such fossils that might be altered or destroyed by his operation to the attention of the Regional Director or the District Mining Supervisor, as appropriate. Operations may continue as long as the fossil specimens or specimens would not be seriously damaged or destroyed by the activity. The Regional Director or the District Mining Supervisor, as appropriate, shall evaluate or have evaluated such discoveries brought to his attention and, within five (5) working days, shall notify the Lessee what action shall be taken with respect to such discoveries.

(c) All such fossils of significant scientific interest shall remain under the jurisdiction of the United States until ownership is determined under applicable law. Copies of all paleontological resource data generated as a result of the lease term requirements will be provided to the Regional Director or the District Mining Supervisor, as appropriate.

(d) These conditions apply to all such fossils of significant scientific interest discovered within the lease area whether discovered in the overburden, interburden, or coal seam or seams. Fossils of significant scientific interest do not include those fossils commonly encountered during underground mining operations such as ferns and dinosaur tracks. Skeletal remains shall be considered significant.

7. The Lessee shall, prior to entry upon the lease, conduct an intensive field inventory for threatened and endangered plant and/or animal species, bald or golden eagles, or migratory species of high Federal interest on those areas to be disturbed and/or impacted including the access routes to the lease area. The inventory shall be conducted by a qualified specialist(s) approved by the Authorized Officer, Surface Management Agency, and a report of the inventory and recommendation for the protection of these species submitted to and approved by the Authorized Officer, Surface Management Agency, and Regional Director or District Mining Supervisor as appropriate. An acceptable report of any findings shall include the specific location, distribution, and habitat requirements of the species. The Lessee shall protect these species within the lease area from any activities associated with operations conducted under the terms of the lease and shall undertake such protective measures as may be required by the Authorized Officer, Surface Management Agency, and Regional Director, or District Mining Supervisor as appropriate.

8. Powerlines used in conjunction with the mining of coal from this lease shall be constructed so as to conform with the publication "Suggested Practices for Raptor Protection on Powerlines" (Edison Electric Institute, 1975). When feasible, powerlines will be located at least 100 yards from public roads.

9. The Lessee shall provide for the suppression and control of fugitive dust on all haul roads, and at coal hauling, transportation, and storage facilities. The migration of road surfacing materials shall be controlled by watering, chemical treatment, or hard surfacing. Loss of gravel courses shall be periodically replaced.

10. In order to avoid surface disturbance on steep canyon slopes and the need for surface access, all surface breakout for ventilation tunnels shall be constructed from inside the mine, except at specific locations approved by the Regional Director with the concurrence of the Authorized Officer, Surface Management Agency and the District Mining Supervisor.

11. Prior to mining, the Lessee shall perform a study to secure adequate baseline data to quantify the existing surface resources on and adjacent to the lease area. The study will be established in consultation with and approved by the Authorized Officer, Surface Management Agency, the Regional Director, and the District Mining Supervisor and 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.

12. The Lessee shall 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 sufficient number of points over the lease area. The monitoring shall be an extension of the baseline data and shall be conducted by a method approved by the Regional Director in consultation with and concurrence by the Authorized Officer, Surface Management Agency and District Mining Supervisor.
13. 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 surface structures, and improvements, and (3) damage or alter the flow of perennial streams. The Lessee in his Regional Director in consultation with and concurrence of the District Mining Supervisor and Authorized Officer, Surface Management Agency, shall approve such measures and may prescribe any additional measures to be employed such as mining methods, specify the amount of coal recovered, and determine any corrective measures considered necessary to assure that escarpment failure does not occur except at specifically approved locations, or that hazardous conditions are not created.

14. Existing surface improvements required for the surface uses of the lease area will need to be protected or maintained to provide for the post-mining continuance of the current land uses. Existing surface improvements whose utility may be lost or damaged as result of mining activities are to be replaced or restored.

15. The Lessee shall reclaim all areas disturbed as a result of mining and exploration operations to a land use capable of supporting the pre-mining levels of livestock grazing, big game winter range, and other wildlife habitat.

16. At the conclusion of the mining operation, or at the request of the Authorized Officer of the Surface Managing Agency, all damaged, disturbed, or displaced land monuments, accessories and appendages shall be replaced or restored in their original location (or at other locations that meet the needs of the land use, and as approved by the Authorized Officer of the Surface Managing Agency) and shall be done at the expense of the Lessee.

17. The Lessee will be responsible to replace any water lost or adversely affected by mining operations with water from an alternative source in sufficient quantity and quality to maintain existing riparian habitat, fishery habitat, and livestock and wildlife use.

18. The Lessee will be required to reconstruct the road in Cottonwood Canyon from the mine site to Highway 29 in a manner agreeable to Emery County and the authorized officer of the Surface Managing agencies. In the interim, until reconstruction is completed, traffic management requirements will be imposed on the existing road commensurate with the season of use, road conditions, and volumes of traffic.

19. The Lessee shall assure that mine facilities, parking areas, and equipment do not encroach on the Cottonwood Canyon Road (FDR #50041) nor interfere with traffic on this road.

20. Reasonable stock driveway access must be provided and maintained to the Trail Mountain cattle and horse allotment.

21. The Cottonwood Canyon Road shall be maintained in such a manner so as to provide suitable forest access as well as coal haulage. Because of the narrow confines of Cottonwood Canyon, all future and existing facilities such as power, telephone, water and sewer lines, coal conveyors, and similar facilities, shall be constructed and/or maintained by the Lessee so as to not interfere with the Cottonwood Canyon Road or access provided thereby.

22. Deferred Bonus Payment Schedule:

The balance of the bonus bid shall be paid in equal annual installments in the amount of $285,000.00 due and payable on the next four anniversary dates of this lease.

If the lease is relinquished or otherwise cancelled or terminated, the unpaid remainder of the bid shall be immediately payable to the United States.
THE UNITED STATES OF AMERICA

By

STATE DIRECTOR

WITNESS TO SIGNATURE OF LESSEE

Sally Wagner

Diane J. Peterson

Mary Green

MAY 1, 2021

INCORPORATED

Div. of Oil, Gas & Mining
February 7, 1996

Interwest Mining Company
Scott M. Child
One Utah Center, Suite 2000
Salt Lake City, UT 84140-0020

Dear Mr. Child:

RE: ML 22603—Coal

Please be advised that the Director on January 31, 1996, approved and accepted your request for relinquishment of the above-numbered lease.

I trust this information will be sufficient for your needs.

Sincerely,

JOHN T. BLAKE
MINERAL RESOURCES SPECIALIST

tdw

CC: D. BAKER
D. JENSEN
D. LAURISLI
S. KOCHIELAR
G. PALLASTRO
P. DANIEL
January 19, 1996

Mr. John T. Blake
Mineral's Resources Specialist
State of Utah
School and Institutional Trust Lands Administration
355 West North Temple
3 Triad Center, Suite 400
Salt Lake City, Utah 84180-1204

RE: State Coal Lease ML-22603 - Trail Mountain Mine, Emery County, Utah

Dear John:

We're in receipt of your letter dated December 27, 1995, together with the lease readjustment originals of ML-22603. After our review of the readjusted lease terms and the overall disposition of this lease, Interwest Mining Company on the behalf of PacifiCorp, hereby declines the lease readjustment as there is no further interest in continuing the lease.

Therefore, this written notice is given in response to your letter of December 27, 1995, and in accordance with the provisions of Articles XI and XI of the existing lease, wherein PacifiCorp, (1) does not accept the terms and conditions of the readjusted lease, and (2) hereby relinquishes state lease ML-22603 in its entirety effective as of December 31, 1995.

We have appreciated the opportunity to work with the School and Institutional Trust Lands Administration in connection with this lease and look forward to having the opportunity to work with you again in the future. Returned with this letter are the original lease readjustments. Should you have questions or concerns, please contact me at 801-220-4612.

Sincerely,

Scott M. Child
Property Management Administrator

Enclosures

SMC12/LAND96 002

cc: IMC w/o copy encl. - D.W. Jense, S. Kochevar, G. Takenaka
     EWEST w/o copy encl. - L. LaFrentz, D. Lauriski, V. Payne, C. Pollastro

INCORPORATED
MAY 1 U 2021
Div. of Oil, Gas & Mining
Utah State Lease for COAL

This indenture of lease and agreement, made this 10th day of February, 1953, by and between the STATE LAND BOARD, acting in behalf of the State of Utah, hereinafter called the Leaser, and

FRED R. HELDNER
2222 South Main Street
Salt Lake City, Utah 84115

parties of the second part, hereinafter called the Lessee, under and pursuant to Title 63, Utah Code Annotated, 1953.

WITNESSETH: That the Lessee, in consideration of the rents and royalties to be paid and the covenants to be observed by the Lessee, as hereinafter set forth, does hereby grant and lease to the Lessee the exclusive rights and privileges to mine, remove, and dispose of all of said minerals on, upon, or under the following described tract of land situated in the County, State of Utah, to wit:

All of Section Thirty-six (36), Township Seventeen (17) South, Range Six (6) West, Salt Lake Meridian,

containing a total of 490.00 acres, more or less, together with the right to use and occupy so much of the surface of said land as may be necessary for all purposes reasonably incident to the mining, removing, and disposing of said minerals, according to the provisions of this lease, for a period ending ten years after the first day of January next succeeding the date hereof and so long thereafter as said minerals are produced to commercial quantities from said land, or Lessee shall continue to make the payments required by Article III hereof, upon condition that at the end of each ten-year (10) year period succeeding the first day of the year in which this lease is issued, with reasonable notice and convenience to the Lessee, the rental and conditions may be made as the Lessee may determine to be necessary in the interest of the State.

ARTICLE I

The lease is granted subject to all laws and the conditions of the laws of the State of Utah and existing rules and regulations and such operating rules and regulations as may be hereafter approved and adopted by the State Land Board.

ARTICLE II

The lease covers only the mining, removing, and disposing of the minerals specified in this lease, but the Lessee shall promise not to disturb the surface of any minerals existing from the described hereon.

ARTICLE III

The Lessee, in consideration of the payment of the rents and privileges aforesaid, hereby covenants and agrees as follows:

FIRST. To pay to the Lessee in rental for the land covered by this lease the sum of fifty (50) cents per acre per annum. All such annual payments of rental shall be made in advance on the 2nd day of January of each year, except the 2nd-5th rental which is paid on the expiration of this lease. All rentals shall be paid against rentals for the year in which they accrue.

SECOND. To pay to Lessee quarterly, on or before the 15th day of the month succeeding each quarter, royalty

(i) at the rate of $25 per ton of 2000 lbs. of coal produced from the leased premises, and
(ii) at the rate of an additional 5% of the total net book value of all similar coal sold under coal leases issued by the United States in that year.

whether more or less, and commencing with the year beginning the January 1 following the date hereof, to pay annual interest on at least $125 multiplied by the number of acres hereof leased representing the actual production, provided that Lessee may, in any case in the four seventeen days hereinbefore, cause the maximum annual royalty by not to exceed 50%.

INTEGRATED

MAY 10 2021

Div. of Oil, Gas & Mining

Exhibit A-1
STATE OF UTAH
COUNTY OF

On the ______ day of ________ , ______, personally appeared before me ________________ the signee of the above instrument, who duly acknowledged to me that ________________ executed the same.

Given under my hand and seal this ______ day of ______________________, ______.

My commission Expires: ____________________

Secretary Public, sealing as:

STATE OF UTAH
COUNTY OF

On the ______ day of ________ , ______, personally appeared before me ________________ who being duly sworn did say that he is an officer of ________________ and that said instrument was in behalf of said corporation by resolution of an Board of Directors, and said ________________ as authorized to me that said corporation executed the same.

Given under my hand and seal this ______ day of ______________________, ______.

My commission Expires: ____________________

Secretary Public, sealing as:

STATE OF UTAH
COUNTY OF SALT LAKE

On the ______ day of ________ , ______, personally appeared before me Max C. Gardner, who being by me duly sworn, did say that he is the Director of the State Land Board of the State of Utah and that said instrument was signed in behalf of said & constitution of the Board, and said Max C. Gardner acknowledged to me that said Board executed the same in behalf of the State of ______.

Given under my hand and seal this ______ day of ______________________, ______.

My commission Expires: ____________________

Secretary Public, sealing as:

INTEGRATED
MAY 10 2021
Exhibit A
Div. of Oil, Gas & Mining
CERTIFIED MAIL--Return Receipt Requested

Beaver Creek Coal Company
1305 S. Carbon Avenue
Price, Utah 84501

DECISION

Coal Lease
UTU-64375

On August 15, 1990, coal lease bond U 8001367 in the amount of $4,891,505 with Beaver Creek Coal Company, as principal, and United Pacific Insurance Company, as surety, was filed in this office to provide bond coverage for coal lease UTU-64375. The bond has been examined, found to be satisfactory, and is accepted effective August 15, the date of filing.

Pursuant to the Lease By Application Coal Sale held June 28, 1990, the bid of Beaver Creek Coal Company for the Trail Mountain Tract, assigned Serial No. UTU-64375, was determined to be the high bid. Satisfactory evidence of the qualifications and holdings of Beaver Creek Coal Company has been filed; therefore, coal lease UTU-64375 is hereby issued effective October 1, 1990.

Enclosure
Coal Lease UTU-64375
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

COAL LEASE

ART I. LEASE RIGHTS GRANTED

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

Beaver Creek Coal Company
1305 S. Carbon Avenue
Price, Utah 84501

OCT 1 1980

hereinafter called lessee, is effective [date] for a period of 20 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 the 20th lease year and each 10-year period thereafter.

1. This lease is issued pursuant and 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 specific provisions herein.

2. Lessee, in consideration of any bonuses, rents, and royalties to be paid, and the conditions and covenants to be observed as herein set forth, reys grants and leases to lease the exclusive right and privilege to drill for, mine, extract, remove, or otherwise process and dispose of the coal so in, upon, or under the following described lands:

T. 17 S., R. 6 E., SLM, Utah

Sec. 26, S1/2SW4, W1/2SW4SE4;
Sec. 27, S1/2SE4;
Sec. 34, 31;
Sec. 35, lots 3 and 4, W1/2SW4NE4,
S1/2NW4, SW4, W1/2SE4.

T. 18 S., R. 6 E., SLM, Utah

Sec. 1, lots 1-8, S1/2NE4,
E1/2NW4NE4SW4, N1/2NW4SE4;
Sec. 2, lots 1-8, S1/2NE4,
W1/2SW4NE4SW4, SE1/2NE4SW4,
N1/2NE4SE4SE4,
N1/2NW4SE4;
Sec. 3, lots 1, 2, and 8, NE4SE4SE4.

T. 18 S., R. 7 E., SLM, Utah

Sec. 6, lots 4-7, W1/2SE4NW4,
W1/2SE4SW4.

T. 17 S., R. 6 E., SLM, Utah

Sec. 1, lots 1-8, S1/2NE4,
E1/2NW4NE4SW4, N1/2NW4SE4;
Sec. 2, lots 1-8, S1/2NE4,
N1/2SW4NE4SW4,
W1/2NW4SE4SE4,
N1/2NW4SE4;
Sec. 3, lots 1, 2, and 8, NE4SE4SE4.

T. 18 S., R. 6 E., SLM, Utah

Sec. 1, lots 1-8, S1/2NE4,
E1/2NW4NE4SW4, N1/2NW4SE4;
Sec. 2, lots 1-8, S1/2NE4,
W1/2SW4NE4SW4, SE1/2NE4SW4,
N1/2NE4SE4SE4,
N1/2NW4SE4;
Sec. 3, lots 1, 2, and 8, NE4SE4SE4.

T. 18 S., R. 6 E., SLM, Utah

Sec. 1, lots 1-8, S1/2NE4,
E1/2NW4NE4SW4, N1/2NW4SE4;
Sec. 2, lots 1-8, S1/2NE4,
W1/2SW4NE4SW4, SE1/2NE4SW4,
N1/2NE4SE4SE4,
N1/2NW4SE4;
Sec. 3, lots 1, 2, and 8, NE4SE4SE4.

T. 18 S., SLM, Utah

Sec. 6, lots 4-7, W1/2SE4NW4,
W1/2SE4SW4.

T. 17 S., R. 6 E., SLM, Utah

Sec. 26, S1/2SW4, W1/2SW4SE4;
Sec. 27, S1/2SE4;
Sec. 34, 31;
Sec. 35, lots 3 and 4, W1/2SW4NE4,
S1/2NW4, SW4, W1/2SE4.

ART II. TERMS AND CONDITIONS

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

RENTAL CREDITS - Rental shall not be credited against either lease payment or advance royalties for any year.

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

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 Act. The advance royalty shall be based on a percent of the value of production determined by the advance royalty regulations in effect at the time the request is made.

3. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of $ 4,891,505.00. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

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 lessee, 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. Lessee shall submit an operation and reclamation plan pursuant to Section 7 of the Act not later than 3 years after lease issuance.

The lessee 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 lessee, this lease shall become an LMU or part of an LMU, subject to the provisions set forth in the regulations.

Stipulations established in an LMU prior to the lease or within 30 days of the LMU approval will supersede the terms and conditions of this lease so long as the lease remains committed to the LMU. If the LMU is not used by the lessee, all terms of the lease subject to the lease terms which would have been applied in the lease had not been included in an LMU.

Rev. 3-9-2021

Div. of Oil, Gas & Mining
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 thereof, and the amount used for production purposes or unavoidably lost.

Said lessors shall keep open at all reasonable times for the inspection of any 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 commencement of mining operations within an approved mining unit 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 regard for the prevention of injury to life, health, or property, and prevention of waste, damage or degradation to any land, air, water, natural, biological, visual, and other resources, including mineral deposits and formations of mineral deposits not leased hereunder, and 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 design of facilities, timing of operations, and specification of land final reclamation procedures. Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in or under the lands and the right to continue any existing uses and to develop future uses upon or in the leased lands, including issuing of lease for mineral deposits not covered hereunder and approving or modifying rights-of-way. Lessor shall condition such uses to prevent necessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral utilization.

Sec. 8. PROTECTION OF DIVERSE INTERESTS. AND EQUAL OPPORTUNITY - Lessee shall pay when due all taxes legally assessed and levied on the lands of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month equal to the amount of the United States; maintain a safe working environment in accordance with standard industry practices; restrict workday to no more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect health and safety of the public. No person over 18 years of age shall be employed in any mine below the surface. To the extent that the lessor of the State in which the lands are situated is 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 December 24, 1965, as amended, and the rules, regulations, and orders of the Secretary of Labor. Neither lessee nor lessee’s contractors shall maintain segregated facilities.

Sec. 9. (a) TRANSFER - This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

(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 lessee the lands 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 not required to accomplish the intent of this lease. If the lessor is not in possession of the premises at the end of 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, lessee shall waive the requirements for removal, provided the third parties do not object to such waiver. Lessee shall, prior to the termination of the lease, return the premises to the lessor in a condition substantially the same as when received, except for damage or losses caused by the lessee or its agents.

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 Clean Water Act (33 U.S.C. 1252 et seq.), the Clean Air Act (42 U.S.C. 1274 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.).
This coal lease is subject to termination if the lessee is determined at the time of issuance to be in noncompliance with Section 2(a)2(A) of the Mineral Leasing Act.

SEE ATTACHED 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, an equivalent Utah program approved under a 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 the 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.

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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. 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 premine land use.

20. 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 the Interior.
21. 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.

22. 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 the 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 the 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.
COTTONWOOD COMPETITIVE LEASING UNIT PARCEL #1 (REVERSIONARY TRACT)

THIS COAL MINING LEASE AND AGREEMENT (the "Lease") is entered into and executed in duplicate as of January 18, 2008 (the "Effective Date") by and between the STATE OF UTAH, acting by and through the SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION, 675 East 500 South, Suite 500, Salt Lake City, Utah 84102 ("Lessor"), and

Ark Land Company
One CityPlace Drive - Suite 300
St. Louis, MO 63141

having a business address as shown above ("Lessee").

WITNESSETH:

That the State of Utah, as Lessor, in consideration of the rentals, royalties, and other financial consideration paid or required to be paid by Lessee, and the covenants of Lessee set forth below, does hereby GRANT AND LEASE to Lessee the exclusive right and privilege to explore for, drill for, mine, remove, transport, convey, cross-haul, commingle, and sell the coal located within the boundaries of the following-described tract of land located in Emery County, State of Utah:

PARCEL 1 (Cottonwood Coal Exchange Tract - Partial)

Township 17 South, Range 6 East, SLB&M
Section 2: SW4
Section 3: Lots 1 thru 12, SE4 (All)
Section 4: Lots 1, 2, S2NE4, SE4
Section 9: E2, E2W2
Section 10: Lots 1 thru 8, E2 (All)
Section 11: All
Section 12: W2W2
Section 13: W2W2
Section 14: Lots 1 thru 4, E2, NW4 (All)
Section 15: Lots 1 thru 12, NE4 (All)
Section 16: NE4NW4
Section 20: E2E2
Section 21: All
Section 22: All
Section 23: Lots 1 thru 12, NE4 (All)
Section 24: W2W2
Section 25: N2NW4
Section 26: N2NE4, W2SW4NE4, NW4, N2SW4, W2NW4SE4

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Section 27: N2, N2S2
Section 28: N2, N2SW4, SE4
Section 29: NE4

Containing 8,203.87 acres, more or less.

Together with the right and privilege to make use of the surface (but only to the extent owned by Lessor) and subsurface of the Leased Premises for uses incident to the mining of coal by Lessee on the Leased Premises or on other lands under the control of Lessee or mined in connection with operations on the Leased Premises, including, but not limited to, conveying, storing, loading, hauling, commingling, cross-hauling, and otherwise transporting coal; excavating; removing, stockpiling, depositing and redepositing of surface materials; and the subsidence, mitigation, restoration and reclamation of the surface.

This Coal Mining Lease and Agreement is subject to, and Lessee hereby agrees to and accepts, the following covenants, terms, and conditions:

1. LEASED MINERALS.

1.1 Coal. This mineral lease covers coal, which shall mean and include black or brownish-black solid fossil fuels that have been subjected to the natural processes of coalification, and which fall within the classification of coal by rank as anthracite, bituminous, sub-bituminous, or lignitic, together with closely associated substances which include, but are not limited to other hydrocarbon substances physically contained within the same geologic strata as the coal. In the event that minerals other than coal are discovered during lease operations, Lessee shall promptly notify the Lessor.

1.2 Coalbed Methane. To the extent that Lessor owns gas, coalbed methane or coal seam gas (collectively "coalbed methane") within the Leased Premises, Lessee may remove, vent, flare or capture such coalbed methane from the coal strata being mined and any overlying formations if such removal is necessary for safety reasons in the reasonable discretion of Lessee. If Lessee captures or uses such coalbed methane, it shall pay Lessor royalties on the value of such coalbed methane at the prevailing state royalty rate for natural gas, unless such royalties are expressly waived by Lessor. In the event that Lessor does not own coalbed methane within the Leased Premises, Lessee must obtain the consent of the owner of such coalbed methane prior to removal or capture of such gas. Except as expressly granted herein, the right to extract gas, coalbed methane and coal seam gas is not granted by this Lease.

1.3 No Warranty of Title. Lessor claims title to the mineral estate covered by this Lease. Lessor does not warrant title nor represent that no one will dispute the title asserted by Lessor. It is expressly agreed that Lessor shall not be liable to Lessee for any alleged deficiency in title to the mineral estate, nor shall Lessee become entitled to any refund for any rentals, bonuses, or royalties paid under this Lease in the event of title failure.

1.4 Reversion of Leased Premises to United States. Pursuant to the May 8, 1998 "Agreement to Exchange Utah School Trust Lands Between the State of Utah and the United States of America", as ratified by Pub. L. No. 105-335, 112 Stat. 3139, ownership of the Leased Premises shall revert to the United States when SITLA has received $26,102,210 in rental and royalty income plus accrued interest, calculated pursuant to Section I.D.4 of that certain Memorandum of Understanding dated January 5, 1999 between the Utah School & Institutional Trust Lands

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Administration, the U.S. Department of the Interior, and the USDA-Forest Service. Upon reversion the United States shall succeed the State of Utah as Lessor.

2. RESERVATIONS TO LESSOR. Subject to the exclusive rights and privileges granted to Lessee under this Lease, and further provided that Lessor shall refrain from taking actions with respect to the Leased Premises that may unreasonably interfere with Lessee's operations, Lessor hereby excepts and reserves from the operation of this Lease the following rights and privileges (to the extent that Lessor has the right to grant such rights and privileges):

2.1 Rights-of-Way and Easements. Lessor reserves the right, following consultation with the Lessee, to establish rights-of-way and easements upon, through or over the Leased Premises, under terms and conditions that will not unreasonably interfere with operations under this Lease, for roads, pipelines, electric transmission lines, transportation and utility corridors, mineral access, and any other purpose deemed reasonably necessary by Lessor.

2.2 Other Mineral Leases. Lessor reserves the right to enter into mineral leases and agreements with third parties covering minerals other than coal, under terms and conditions that will not unreasonably interfere with operations under this Lease in accordance with Lessor's regulations, if any, governing multiple mineral development.

2.3 Use and Disposal of Surface. To the extent that Lessor owns the surface estate of the Leased Premises and subject to the rights granted to the Lessee pursuant to this Lease, Lessor reserves the right to use, lease, sell, or otherwise dispose of the surface estate or any part thereof. Lessor shall notify Lessee of any such sale, lease, or other disposition of the surface estate.

2.4 Previously Authorized Improvements. If authorized improvements have been placed upon the Leased Premises by a third party prior to the commencement of this Lease, Lessee shall allow the owner of such improvements to remove them within ninety (90) days after the Lease term commences. Nothing in this paragraph shall authorize Lessee to remove surface improvements where Lessor does not own the surface estate.

2.5 Rights Not Expressly Granted. Lessor further reserves all rights and privileges of every kind and nature, except as specifically granted in this Lease.

3. TERM OF LEASE: READJUSTMENT.

3.1 Primary Term. This Lease is granted for a "primary term" of ten (10) years commencing on the Effective Date and for a "secondary term" of an additional ten (10) years, subject to Lessee's compliance with the requirements of paragraph 3.3, Diligent Operations; Minimum Royalty.
3.2 Extension Beyond Secondary Term. Subject to Lessee’s compliance with the other provisions of this Lease, this Lease shall remain in effect beyond the secondary term and for as long thereafter as coal is produced in commercial quantities from the Leased Premises, or from lands constituting either (i) a logical mining unit approved by the Bureau of Land Management containing the Leased Premises, or (ii) a mining unit, in which the recoverable coal reserves can be developed in an efficient, economical and orderly manner as a unit with due regard to the conservation of recoverable coal reserves. The second type of mining unit requires a determination by the Lessor that the criteria set forth in item (ii) have been satisfied. The satisfaction of either (i) or (ii) above shall mean that the Lease is contained within an "approved mining unit". For the purposes of this Lease, production of coal in commercial quantities shall mean production during each lease year of at least one per cent (1%) of the recoverable coal reserves within the Leased Premises or within lands constituting an approved mining unit which includes the Leased Premises, as such recoverable coal reserves are determined by Lessor after consultation with Lessee, subject to adjustment from time to time based upon reasonable justification from the Lessee.

3.3 Diligent Operations; Minimum Royalty. In the absence of actual production in commercial quantities as set forth in paragraph 3.2, Extension Beyond Secondary Term, this Lease shall remain in effect beyond the primary term only if the Lessee is engaged in diligent operations, exploration, research, or development activity (which development activity shall include, but not be limited to, pursuit of required permits and approvals) which in Lessor’s reasonable discretion is calculated to advance development or production of coal from the Leased Premises or lands constituting an approved mining unit which includes the Leased Premises, and Lessee pays an annual minimum royalty in advance on or before the anniversary date of the Effective Date. The minimum royalty shall be calculated by determining the production royalty that would be payable upon production of one per cent (1%) of the recoverable coal reserves within the Leased Premises, as such recoverable coal reserves are determined by Lessor after consultation with Lessee, subject to adjustment from time to time based upon reasonable justification from the Lessee. The unit value of the recoverable coal reserves for purposes of determining the minimum royalty shall be determined by Lessor using the methodology set forth in 43 C.F.R. 3483.4(c)(1)-(3) (1998). Minimum royalties paid by Lessee pursuant to this paragraph may be credited against production royalties accruing during the term of this Lease.

3.4 Expiration; Cessation of Production. This Lease may not be extended pursuant to paragraph 3.3, Diligent Operations; Minimum Royalty, beyond the end of the twentieth year after the Effective Date except by the actual production of coal in commercial quantities from the Leased Premises or from lands constituting an approved mining unit which includes the Leased Premises. After expiration of the secondary term, this Lease will expire of its own terms, without the necessity of any notice or action by Lessor, if Lessee ceases production of coal in commercial quantities for an entire lease year, unless the Lease is suspended pursuant to paragraph 16.3, Suspension.

3.5 Readjustment. At the end of the primary term and at the end of each period of ten (10) years thereafter, Lessor may readjust the terms and conditions of this Lease (including without
limitation rental rates, minimum royalties, royalty rates and valuation methods, and provisions concerning reclamation). In the event that the State as Lessor makes such readjustment prior to reversion, it shall not apply terms and conditions more economically disadvantageous than corresponding federal regulations and lease terms unless, based upon written findings after consultation with Lessee, it determines that the individual term or condition imposing the economic disadvantage is necessary to serve the best interests of the beneficiaries of the subject trust lands. If within thirty (30) days after submission of the readjusted lease terms to the Lessee, the Lessee determines that any or all of the proposed readjusted terms and conditions are unacceptable, then Lessee shall so notify Lessor in writing and the parties shall attempt to resolve the objectionable term or condition. If the parties are unable to resolve the matter and agree upon the readjusted terms and conditions submitted by Lessor at the end of such ten (10) year period, Lessee shall forfeit any right to the continued extension of this lease, and the lease shall automatically terminate, provided that nothing herein shall be deemed to preclude Lessee from appealing any readjustment by Lessor pursuant to applicable law.

3.6 Relinquishment. Lessee may relinquish all or portions of this Lease at any time by filing a written notice of relinquishment with Lessor. Lessor may disapprove any relinquishment if Lessee has failed to pay all rentals, royalties, and other amounts due and owing to the Lessor, if the lease is otherwise not in good standing, or if relinquishment would in Lessor’s reasonable determination cause waste of economically recoverable coal. Lessee may not relinquish parcels smaller than a quarter-quarter section or surveyed lot. Upon approval, relinquishment shall relieve the Lessee of all future rental obligations as to the relinquished lands effective as of the date of filing of the relinquishment, but shall not relieve Lessee from other obligations to the extent provided in paragraph 15.2, Effect of Termination.

4. BONUS BID. Lessee agrees to pay Lessor, an initial bonus bid in the sum of $21,485,798.50 as partial consideration for Lessor’s issuance of this Lease, payable in five equal annual installments of $4,297,159.70. The first annual installment shall be due with Lessee’s application to lease and the unpaid balance of the bonus bid shall be paid in equal installments on or before the next four successive anniversaries of the Effective Date of the lease. The bonus bid shall not bear interest; provided, however, that if this Lease is relinquished or otherwise terminated prior to the payment in full of the bonus bid, or if Lessee fails to make any bonus bid payment when due, the entire unpaid balance of the bonus bid shall immediately become due without regard to such relinquishment or termination, and such balance shall thereafter bear interest as provided in paragraph 16.2, Interest. Lessor may require Lessee to submit a bond or other sufficient surety to secure Lessee’s obligation to pay the unpaid balance of the bonus bid. The initial bonus bid may not be credited against any other bonus payments, annual rentals or royalties accruing under the lease.

5. RENTALS. Lessee agrees to pay Lessor an annual rental of three dollars ($3.00) for each acre and fractional part thereof within the Leased Premises. Lessee shall promptly pay annual rentals each year in advance on or before the anniversary date of the Effective Date. Lessee may not credit rentals against
production royalties or against minimum royalties payable pursuant to paragraph 3.3, Diligent Operations; Minimum Royalty.

6. **ROYALTIES.**

6.1 **Production Royalties.** Lessee shall pay Lessor a production royalty of eight per cent (8%) of the value of all coal severed and removed from the Leased Premises. For all coal sold pursuant to an arm’s-length contract, value shall be determined on the basis of the gross proceeds received by Lessee from the sale or disposition of such coal. Gross proceeds shall include all bonuses, allowances or other consideration of any nature received by Lessee for coal actually produced. For any coal that is sold or disposed of other than by an arm's-length contract, or for coal that is used within the mine permit area containing the Leased Premises for generation of electricity or for gasification, liquefaction, in situ processing, or other method of extracting energy from such coal, the value of such coal shall be determined by Lessor with reference to (in order of priority): (i) comparable arms-length contracts or other dispositions of like-quality coal produced in the same coal field; (ii) prices reported for that coal to a public utility commission; (iii) prices reported to other governmental agencies; or (iv) other relevant information.

6.2 **Allowable Deductions.** It is expressly understood and agreed that none of Lessee's mining or production costs, including but not limited to costs for materials, labor, overhead, distribution, transportation within the mine permit area prior to the point of sale, loading, crushing, sizing, screening, or general and administrative activities, may be deducted in computing Lessor’s royalty. All such costs shall be entirely borne by Lessee and are anticipated by the rate of royalty set forth in this Lease. In the event that the point of sale for coal produced from this Lease is located outside the mine permit area boundary, Lessee may deduct the reasonable, actual costs of transportation of such coal from the mine permit area boundary to the point of sale from gross proceeds in computing Lessor's royalty; provided, however, that transportation deductions for coal transported by Lessee, Lessee’s affiliates, or by non-arm’s-length contract are subject to review and modification by Lessor. Lessee shall be allowed to deduct its actual, reasonable washing and treatment costs from gross proceeds in computing Lessor’s royalty; provided, however, that, upon Lessor’s request Lessee shall provide to Lessor appropriate justification to demonstrate that Lessee’s costs are reasonable.

6.3 **Reference to Federal Regulations.** It is the intent of Lessor and Lessee that the calculation of the value of coal for royalty purposes be consistent with federal coal regulations governing the valuation of coal, except where this Lease expressly provides otherwise. In no event shall the value of coal used for calculation of royalties under this Lease be less than the value which would be obtained were federal royalty valuation regulations applied.

6.4 **Royalty Payment.** For all coal severed and removed from the Leased Premises that is used, sold, transported or otherwise disposed of during a particular month, Lessee shall pay royalties to
Lessor on or before the end of the next succeeding month. Royalty payments shall be accompanied by a verified statement, in a form approved by Lessor, stating the amount of coal sold or otherwise disposed of, the gross proceeds accruing to Lessor, the calculation of allowable deductions, and any other information reasonably required by Lessor to verify production and disposition of the coal or coal products. In the event that Lessee uses or disposes of coal pursuant to a non-arm's-length contract, or uses coal for generation of electricity or for gasification, liquefaction, in situ processing, or other method of extracting energy from such coal, Lessee shall notify Lessor of such use or disposal on or before the end of the next succeeding month following such use or disposal, and shall pay royalties upon Lessee's good faith estimate of the value of such coal, subject to Lessor's right to determine the value of such coal pursuant to paragraph 6.1, Production Royalties. After reversion of the Leased Premises to the United States pursuant to paragraph 1.4, Reversion of Leased Premises to United States, Lessee shall report production and royalties monthly in accordance with applicable federal regulations.

6.5 Royalty Valuation After Reversion. After reversion of the Leased Premises to the United States pursuant to paragraph 1.4, Reversion of Leased Premises to United States, the Secretary of the Interior may establish the reasonable value of post-reversion production for royalty purposes in the same manner and by the same methods as the United States establishes value under coal leases issued by the United States.

6.6 Suspension, Waiver or Reduction of Rents or Royalties. Lessor, to the extent not prohibited by applicable law, is authorized to waive, suspend, or reduce the rental or minimum royalty, or reduce the royalty applicable with respect to the entire Lease, whenever in Lessor's judgment it is necessary to do so in order to promote development, or whenever in the Lessor's judgment the Lease cannot be successfully operated under the terms provided herein.

7. RECORDKEEPING; INSPECTION; AUDITS.

7.1 Registered Agent; Records. Lessee shall maintain a registered agent within the State of Utah to whom any and all notices may be sent by Lessor and upon whom process may be served. Lessee shall also maintain an office within the State of Utah containing originals or copies of all maps, engineering data, permitting materials, books, records or contracts (whether such documents are in paper or electronic form) generated by Lessee that pertain in any way to coal production, output and valuation; mine operations; coal sales and dispositions; transportation costs; and calculation of royalties from the Leased Premises. Lessee shall maintain such documents for at least seven years after the date of the coal production to which the documents pertain.

7.2 Inspection. Lessor's employees and authorized agents at Lessor's sole risk and expense shall have the right to enter the Leased Premises to check scales as to their accuracy, and to go on any part of the Leased Premises to examine, inspect, survey and take measurements for the purposes of verifying production amounts and proper lease operations. Upon reasonable notice to Lessee,
Lessor's employees and authorized agents shall further have the right to audit, examine and copy (at Lessor’s expense) all documents described in paragraph 7.1, Registered Agent; Records, whether such documents are located at the mine site or elsewhere. Lessee shall furnish all conveniences necessary for said inspection, survey, or examination; provided, however, that such inspections shall be conducted in a manner that is in conformance with all applicable mine safety regulations and does not unreasonably interfere with Lessor’s operations.

7.3 Federal Inspections. Lessee agrees that, prior to reversion of the Leased Premises to the United States, employees and authorized agents of the Bureau of Land Management ("BLM") may conduct underground inspections of the Leased Premises, both independently and in cooperation with the State in its capacity as Lessor. After reversion, employees and authorized agents of BLM may conduct underground inspections of the Leased Premises under the authority of applicable federal laws and regulations.

7.4 Geologic Information. In the event Lessee conducts core-drilling operations or other geologic evaluation of the Leased Premises, Lessor may inspect core samples, evaluations thereof, and proprietary geologic information concerning the Leased Premises.

7.5 Confidentiality. Any and all documents and geologic data obtained by Lessor through the exercise of its rights as set forth in paragraphs 7.2, Inspection., and 7.4, Geologic Information., may be declared confidential information by Lessee, in which event Lessor and its authorized agents shall maintain such documents and geologic data as protected records under the Utah Governmental Records Access Management Act or other applicable privacy statute (including applicable federal law after reversion), and shall not disclose the same to any third party without the written consent of Lessee, the order of a court of competent jurisdiction requiring such disclosure, or upon termination of this Lease. Following reversion of the Leased Premises to the United States, the United States as Lessor shall treat such information as confidential to the extent permitted by federal law.

8. USE OF SURFACE ESTATE.

8.1 Lessee-Owned Surface. If Lessor owns the surface estate of all or some portion of the Leased Premises, by issuance of this Lease the Lessee has been granted the right to make use of such lands to the extent reasonably necessary and expedient for the economic operation of the leasehold. Lessee’s right to surface use of Lessor-owned surface estate shall include the right to subside the surface. Such surface uses shall be exercised subject to the rights reserved to Lessor as provided in paragraph 2, RESERVATIONS TO LESSOR, and without unreasonable interference with the rights of any prior or subsequent lessee of Lessor.

8.2 Split-Estate Lands. If Lessor does not own the surface estate of any portion of the Leased Premises, Lessee’s access to and use of the surface of such lands shall be determined by
applicable law governing mineral development on split-estate lands, including without limitation applicable statutes governing access by mineral owners to split estate lands, and reclamation and bonding requirements. Lessee shall indemnify, defend and hold Lessor harmless for all claims, causes of action, damages, costs and expenses (including attorney’s fees and costs) arising out of or related to damage caused by Lessee’s operations to surface lands or improvements owned by third parties.

9. **APPLICABLE LAWS AND REGULATIONS: HAZARDOUS SUBSTANCES**

9.1 **Trust Lands Statute and Regulations.** This Lease is issued pursuant to the provisions of Title 53C, Utah Code Annotated, 1953, as amended, and Lessee is subject to and shall comply with all current and future rules and regulations adopted by the School and Institutional Trust Lands Administration and its successor agencies until reversion of the Leased Premises to the United States pursuant to paragraph 1.4, Reversion of Leased Premises to United States.

9.2 **Regulation Upon Reversion.** After reversion of the Leased Premises to the United States pursuant to paragraph 1.4, Reversion of Leased Premises to United States, Lessee will be subject to the requirements of the Mineral Leasing Act, 30 U.S.C. 181 et seq. (the "MLA"), and to the royalty, operating, and administrative procedure rules and regulations of the Department of Interior, the Minerals Management Service, and the Bureau of Land Management, and to any other federal laws and regulations generally applicable to coal leases issued under the MLA to the same extent as if the Lease were a federally-issued lease. Notwithstanding the foregoing, to the extent that the State, as Lessor, approves a significant operational decision prior to reversion, and Lessee makes a substantial economic commitment based upon such approval, Lessee may continue to rely upon that approval after reversion; provided, however, that no such approval shall act to limit the liability of Lessee, if any, under CERCLA, RCRA, the Clean Water Act, 33 U.S.C. 1251 et seq or other applicable environmental law. Upon reversion, nothing in this paragraph shall be deemed to require that the Leased Premises be included in the calculation of acreage held by Lessee for the purposes of the acreage limitation provisions of the MLA and associated regulations.

9.3 **Other Applicable Laws and Regulations.** Lessee shall comply with all applicable federal, state and local statutes, regulations, and ordinances, including without limitation the Utah Coal Mining and Reclamation Act, applicable statutes and regulations relating to mine safety and health, and applicable statutes, regulations and ordinances relating to public health, pollution control, management of hazardous substances and environmental protection.

9.4 **Hazardous Substances.** Lessee [or other occupant pursuant to any agreement authorizing mining] shall not keep on or about the premises any hazardous substances, as defined under 42 U.S.C. 9601(14) or any other Federal environmental law, any regulated substance contained in or released from any underground storage tank, as defined by the Resource Conservation and Recovery Act, 42 U.S.C. 6991, et seq, or any substances defined and regulated as “hazardous” by
applicable State law, (hereinafter, for the purposes of this Lease, collectively referred to as "Hazardous Substances") unless such substances are reasonably necessary in Lessee’s mining operations, and the use of such substances or tanks is noted and approved in the Lessee’s mining plan, and unless Lessee fully complies with all Federal, State and local laws, regulations, statutes, and ordinances, now in existence or as subsequently enacted or amended, governing Hazardous Substances. Lessee shall immediately notify Lessor, the Bureau of Land Management, the surface management agency, and any other Federal, State and local agency with jurisdiction over the Leased Premises, or contamination thereon, of (i) all reportable spills or releases of any Hazardous Substance affecting the Leased Premises, (ii) all failures to comply with any applicable Federal, state or local law, regulation or ordinance governing Hazardous Substances, as now enacted or as subsequently enacted or amended, (iii) all inspections of the Leased Premises by, or any correspondence, order, citations, or notifications from any regulatory entity concerning Hazardous Substances affecting the Leased Premises, (iv) all regulatory orders or fines or all response or interim cleanup actions taken by or proposed to be taken by any government entity or private Party concerning the Leased Premises.

9.5 Hazardous Substances Indemnity. Lessee [or other occupant pursuant to any agreement authorizing mining] shall indemnify, defend, and hold harmless Lessor and the United States (as successor Lessor or owner pursuant to reversion or as owner of surface estate) its agencies, employees, officers, and agents with respect to any and all damages, costs, liabilities, fees (including attorneys’ fees and costs), penalties (civil and criminal), and cleanup costs arising out of or in any way related to Lessee’s use, disposal, transportation, generation, sale or location upon or affecting the Leased Premises of Hazardous Substances, as defined in paragraph 9.4 of this Lease. This indemnity shall extend to the actions of Lessee’s employees, agents assigns, sublessees, contractors, subcontractors, licensees and invitees. Lessee shall further indemnify, defend and hold harmless Lessor and the United States from any and all damages, costs, liabilities, fees (including attorneys’ fees and costs), penalties (civil and criminal), and cleanup costs arising out of or in any way related to any breach of the provisions of this Lease concerning Hazardous Substances. This indemnity is in addition to, and in no way limits, the general indemnity contained in paragraph 16.1 of this Lease.

9.6 Waste Certification. The Lessee shall provide upon abandonment, transfer of operation, assignment of rights, sealing-off of a mined area, and prior to lease relinquishment, certification to the Lessor and the Bureau of Land Management that, based upon a complete search of all the operator’s records for the Lease, and upon its knowledge of past operations, there have been no reportable quantities of hazardous substances as defined in 40 C.F.R. 302.4, or used oil as defined in Utah Administrative Code R315-15, discharged (as defined at 33 U.S.C. 1321(a)(2)), deposited or released within the Leased Premises, 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 such substances. Lessee shall additionally provide to Lessor and the Bureau of Land Management a complete list of all hazardous substances, hazardous materials, and their respective Chemical
BONDING.

10.1 Lease Bond Required. At the time this lease is executed, Lessee shall execute and file with the Lessor a good and sufficient bond or other financial guarantee acceptable to Lessor in order to: (a) guarantee Lessee’s performance of all covenants and obligations under this Lease, including Lessee’s obligation to pay royalties; and (b) ensure compensation for damage, if any, to the surface estate and any surface improvements. The Lease Bond shall meet all federal mineral lease bond requirements as described in 43 C.F.R. Subpart 3474. The Lease Bond shall further provide that upon forfeiture after reversion of the Leased Premises to the United States, the Lease Bond shall be payable to the Secretary of the Interior.

10.2 Reclamation Bonding. The bond filed with the Utah Division of Oil, Gas and Mining (“UDOGM”) in connection with the issuance of a mine permit which includes the Leased Premises shall be deemed to satisfy Lessor’s bonding requirements with respect to Lessee’s reclamation obligations under this Lease; provided, however, upon notice to Lessee and a public hearing with respect to the basis for its decision, the Lessor may, in its reasonable discretion, determine that the bond filed with UDOGM is insufficient to protect Lessor’s interests. In such an event the Lessor shall enter written findings as to the basis for its calculation of the perceived insufficiency and enter an order establishing the amount of additional bonding required. Lessee shall file any required additional bond with Lessor within thirty (30) days after demand by Lessor. Lessor may increase or decrease the amount of any additional bond from time to time in accordance with the same procedure. Lessee may combine any additional bond required under this paragraph with the original lease bond filed under Paragraph 10.1, Lease Bond Required.

10.3 Release of Additional Bond. Any additional bond required by Lessor pursuant to Paragraph 10.2, Reclamation Bonding, may be released by Lessor at any time and shall be released no later than the time of final bond release by UDOGM with respect to the Leased Premises.

WATER RIGHTS.

11.1 Water Rights in Name of Lessor. If Lessee files to appropriate water for coal mining operations on the Leased Premises, the filing for such water right shall be made by Lessee in the name of Lessor at no cost to Lessor, and such water right shall become an appurtenance to the Leased Premises, subject to Lessee’s right to use such water right at no cost during the term of this Lease.
11.2 **Option to Purchase.** If Lessee purchases or acquires an existing water right for coal mining operations on the Leased Premises, Lessor shall have the option to acquire that portion of such water right as was used on the Leased Premises upon expiration or termination of this Lease. The option price for such water right shall be the fair market value of the water right as of the date of expiration or termination of this Lease. Upon expiration or termination of this Lease, Lessee shall notify Lessor in writing of all water rights purchased or acquired by Lessee for coal mining operations on the Leased Premises and its estimate of the fair market value of such water right. Lessor shall then have forty-five (45) days to exercise its option to acquire the water by payment to Lessee of the estimated fair market value. If Lessor disagrees with Lessee’s estimate of fair market value, Lessor shall notify Lessee of its disagreement within the 45 day option exercise period. The fair market value of the water right shall then be appraised by a single appraiser mutually acceptable to both parties, which appraisal shall be final and not subject to review or appeal. If the parties cannot agree upon the choice of an appraiser, the fair market value of the water right shall be determined by a court of competent jurisdiction. Conveyance of any water right pursuant to this paragraph shall be by quit claim deed.

11.3 **Reversion.** Upon reversion of the Leased Premises to the United States, the United States shall succeed to the interests of the State of Utah pursuant to this article 11.

12. **ASSIGNMENT OR SUBLEASE; OVERIDING ROYALTIES.**

12.1 **Consent Required.** Lessee shall not assign or sublease this Lease in whole or in part, or otherwise assign or convey any rights or privileges granted by this Lease, including, without limitation, creation of overriding royalties or production payments, without the prior written consent of Lessor. Any assignment, sublease or other conveyance made without prior written consent of Lessor shall have no legal effect unless and until approved in writing by Lessor. Exercise of any right with respect to the Leased Premises in violation of this provision shall constitute a default under this Lease.

12.2 **Binding Effect.** All of the terms and provisions of this Lease shall be binding upon and shall inure to the benefit of their respective successors, assigns, and sublessees.

12.3 **Limitation on Overriding Royalties.** Lessor reserves the right to disapprove the creation of an overriding royalty or production payment that would, in Lessor’s reasonable discretion, constitute an unreasonable economic burden upon operation of the Lease. In exercising its discretion to disapprove the creation of an overriding royalty, Lessor shall consult with Lessee and any third parties involved and shall prepare findings to evidence the basis of its decision. Cumulative overriding royalties of 2% or less shall be deemed presumptively reasonable unless special circumstances are shown by Lessor to exist.

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13. OPERATIONS.

13.1 Permitting. Before Lessee commences exploration, drilling, or mining operations on the Leased Premises, it shall have obtained such permits and posted such bonds as may be required under applicable provisions of the Utah Coal Mining and Reclamation Act, the Surface Mining Control and Reclamation Act, and associated regulations, together with applicable regulations of the surface management agency. Lessee shall maintain any required permits in place for the duration of mining operations and reclamation. Upon request, Lessee shall provide Lessor with a copy of all regulatory filings relating to permitting matters.

13.2 Plan of Operations. Prior to the commencement of any underground mining operations on the Leased Premises, Lessee shall obtain Lessor’s approval of a plan of operations for the Leased Premises. The plan of operations shall contain all information required to be contained in a federal Resource Recovery and Protection Plan, as described in 43 C.F.R. § 3482.1(b) and (c) (1998). Lessor may modify the proposed plan of operations as is needed to insure that there is no waste of economically recoverable coal reserves contained on the Leased Premises. In this context “waste” shall mean the inefficient utilization of, or the excessive or improper loss of an otherwise economically recoverable coal resource. Lessor shall notify Lessee in writing of its approval or modifications of the plan of operations. The plan of operations submitted by Lessee shall be deemed approved by Lessor if Lessor has not otherwise notified Lessee within sixty (60) days of filing.

13.3 Plan of Operations - Modification. In the event that material changes are required to the plan of operations during the course of mining, Lessee shall submit a modification of the plan of operations to the Lessor. Routine adjustments to the plan of operations based upon geologic circumstances encountered during day-to-day mining operations do not require the submission of a modification. If the proposed changes require emergency action by Lessor, then the Lessee shall so notify the Lessor at the time of submission of the modification and the parties shall use their best efforts to meet the Lessee’s time schedule regarding implementation of the changes. Non-emergency modifications will be reviewed promptly by Lessor to insure that there is no waste of economically recoverable coal reserves pursuant to the plan of operations, as modified, and Lessor shall notify lessee in writing of its approval or modification of the proposed modification. Prior to reversion, modifications shall be deemed approved by Lessor if Lessor has not otherwise notified Lessee within thirty (30) days of filing. After reversion, modifications shall be approved in accordance with applicable federal regulations.

13.4 Mine Maps. Lessee shall maintain at the mine office clear, accurate, and detailed maps of all actual and planned operations prepared and maintained in the manner prescribed by 43 C.F.R. 3482.3 (1998). Lessee shall provide copies of such maps to Lessor upon request.

13.5 Good Mining Practices. Lessee shall conduct exploration and mining operations on the Leased Premises in accordance with standard industry operating practices, and shall avoid waste of...
economically recoverable coal. Lessee shall comply with all regulations and directives of the Mine Safety and Health Administration or successor agencies for the health and safety of employees and workers. Lessee shall further comply with the performance standards for underground resource recovery set forth at 43 C.F.R. 3484.1(c) (1998); provided, however, that Lessor may waive such standards from time to time in its reasonable discretion, upon request by Lessee. Coal shall be mined from this Lease by underground methods only.

13.6 Mining Units. Lessor may approve the inclusion of the Leased Premises in a mining unit with federal, private or other non-state lands upon terms and conditions that it deems necessary to protect the interests of the Lessor, including without limitation segregation of production, accounting for commingled coal production, and minimum production requirements or minimum royalties for the Leased Premises.

14. EQUIPMENT; RESTORATION

14.1 Equipment. Upon termination of this Lease, Lessee shall remove, and shall have the right to remove, all improvements, equipment, stockpiles, and dumps from the Leased Premises within six (6) months; provided, however, that Lessor may, at Lessor's sole risk and expense, and subject to Lessee's compliance with requirements imposed by UDOGM and MSHA, require Lessee to retain in place underground timbering supports, shaft linings, rails, and other installations reasonably necessary for future mining of the Leased Premises. All improvements and equipment remaining on the Leased Premises after six (6) months may be deemed forfeited to Lessor upon written notice of such forfeiture to Lessee. Lessee may abandon underground improvements, equipment of any type, stockpiles and dumps in place if such abandonment is in compliance with applicable law, and further provided that Lessee provides Lessor with financial or other assurances sufficient in Lessor's reasonable discretion to protect Lessor from future environmental liability with respect to such abandonment or any associated hazardous waste spills or releases. Lessee shall identify and locate on the mine map the location of all equipment abandoned on the Lease Premises.

14.2 Restoration and Reclamation. Upon termination of this Lease, Lessee shall reclaim the Leased Premises in accordance with the requirements of applicable law, including mine permits and reclamation plans on file with UDOGM. Lessee shall further abate any hazardous condition on or associated with the Leased Premises. Lessee and representatives of all governmental agencies having jurisdiction shall have the right to re-enter the Leased Premises for reclamation purposes for a reasonable period after termination of the Lease.

15. DEFAULT

15.1 Notice of Default; Termination. Upon Lessee's violation of or failure to comply with any of the terms, conditions or covenants set forth in this Lease, Lessor shall notify Lessee of such default by
registered or certified mail, return receipt requested, at the last address for Lessee set forth in Lessor's files. Lessee shall then have thirty (30) days, or such longer period as may be granted in writing by Lessor, to either cure the default or request a hearing pursuant to the Lessor's administrative adjudication rules. In the event Lessee fails to cure the default or request a hearing within the specified time period, Lessor may cancel this Lease without further notice to or appeal by Lessee.

15.2 Effect of Termination. The termination of this Lease for any reason, whether through expiration, cancellation or relinquishment, shall not limit the rights of the Lessor to recover any royalties and/or damages for which Lessee may be liable, to recover on any bond on file, or to seek injunctive relief to enjoin continuing violations of the Lease terms. No remedy or election under this Lease shall be deemed exclusive, but shall, wherever possible, be cumulative with all other remedies available under this Lease, at law, or in equity. Lessee shall surrender the Leased Premises upon termination; however, the obligations of Lessee with respect to reclamation, indemnification and other continuing covenants imposed by this Lease shall survive the termination.

16. MISCELLANEOUS PROVISIONS.

16.1 Indemnity. Except as limited by paragraph 7.2, Inspection, Lessee shall indemnify and hold Lessor and the United States (as successor Lessor or owner pursuant to reversion or as owner of surface estate) harmless for, from and against each and every claim, demand, liability, loss, cost, damage and expense, including, without limitation, attorneys' fees and court costs, arising in any way out of Lessee's occupation and use of the Leased Premises, including without limitation claims for death, personal injury, property damage, and unpaid wages and benefits. Lessee further agrees to indemnify and hold Lessor harmless for, from and against all claims, demands, liabilities, damages and penalties arising out of any failure of Lessee to comply with any of Lessee's obligations under this Lease, including without limitation attorneys' fees and court costs.

16.2 Interest. Except as set forth in paragraph 4, BONUS BID, interest shall accrue and be payable on all obligations arising under this Lease at such rate as may be set from time to time by rule enacted by Lessor. Interest shall accrue and be payable, without necessity of demand, from the date each such obligation shall arise.

16.3 Suspension. In the event that Lessor in its reasonable discretion determines that suspension is necessary in the interests of conservation of the coal resource, or if Lessee has been prevented from performing any of its obligations or responsibilities under this Lease or from conducting mining operations by labor strikes, fires, floods, explosions, riots, any unusual mining casualties or conditions, Acts of God, government restrictions or orders, severe weather conditions, or other extraordinary events beyond its control, then the time for performance of this Lease by Lessee

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shall be suspended during the continuance of such acts which prevent performance, excepting any payments due and owing to Lessor.

16.4 Consent to Suit; Jurisdiction. Prior to reversion of the Leased Premises to the United States: (i) this Lease shall be governed by the laws of the State of Utah; (ii) Lessor and Lessee agree that all disputes arising out of this Lease shall be litigated only in the Third Judicial District Court for Salt Lake County, Utah; (iii) Lessee consents to the jurisdiction of such court; and (iv) Lessee shall not bring any action against Lessor without exhaustion of available administrative remedies and compliance with applicable requirements of the Utah Governmental Immunity Act. Notwithstanding the foregoing, after reversion of the Leased Premises to the United States, any litigation between the United States as Lessor and the Lessee shall be governed by the laws of the United States otherwise applicable to federal coal leases.

16.5 No Waiver. No waiver of the breach of any provision of this Lease shall be construed as a waiver of any preceding or succeeding breach of the same or any other provision of this Lease, nor shall the acceptance of rentals or royalties by Lessor during any period of time in which Lessee is in default be deemed to be a waiver of such default.

16.6 Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

16.7 Entire Lease. This Lease, together with any attached stipulations, sets forth the entire agreement between Lessor and Lessee with respect to the subject matter of this Lease. No subsequent alteration or amendment to this Lease shall be binding upon Lessor and Lessee unless in writing and signed by each of them.
IN WITNESS WHEREOF, the parties have executed this Lease as of the date hereinabove first written.

APPROVED AS TO FORM:
MARK L. SHURTLEFF
ATTORNEY GENERAL

By: [Signature]
Date: 11/8/08

THE STATE OF UTAH, acting by and through the SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION ("LESSOR")

THOMAS B. FADDIES
DIRECTOR/MINERALS

School & Institutional Trust Lands Administration - LESSOR

ARK LAND COMPANY ("LESSEE")

By: [Signature]
Its: [Signature]

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STATE OF UTAH

COUNTY OF SALT LAKE

On the 18th day of January, 2008, personally appeared before me personally, who being by me duly sworn did say that he is an officer of the School and Institutional Trust Lands Administration of the State of Utah and the signer of the above instrument, who duly acknowledged that he executed the same.

Given under my hand and seal this 18th day of January, 2008.

Notary Public
Residing at:

My commission expires: 5/25/2010

STATE OF UTAH

COUNTY OF SALT LAKE

On the 21st day of January, 2008, personally appeared before me personally, who being duly sworn did say that he is an officer of said corporation by resolution of its Board of Directors, and said that said instrument was signed in behalf of said corporation executed the same.

Given under my hand and seal this 21st day of January, 2008.

Notary Public
Residing at:

My commission expires: 10/28/2010
SPECIAL STIPULATIONS

Forest Service Stipulation #1

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 authority. 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.

Forest Service Stipulation #2

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.

Forest Service Stipulation #3

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.

Forest Service Stipulation #4

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

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yards from public roads.

Forest Service Stipulation #5

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 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 improvements to existing developments to examine alternatives and mitigate conflicts.

Forest Service Stipulation #6

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.

Forest Service Stipulation #7

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.

Forest Service Stipulation #8

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.

Forest Service Stipulation #9

Except at locations specifically approved by the Authorized Officer with concurrence of the Surface Management Agency, 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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**Forest Service Stipulation #10**

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 specific approved locations.

**Forest Service Stipulation #11**

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.

**Forest Service Stipulation #12**

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

**Forest Service Stipulation #13**

Existing Forest Service owned or permitted surface improvements shall be protected by the Lessee during coal mining operations. Any such improvements damaged or destroyed by such coal mining operations shall be restored or replaced by the Lessee as directed by the Forest Service.

**Forest Service Stipulation #14**

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

**Forest Service Stipulation #15**

Support facilities, structures, equipment, and similar developments will be removed from the lease area within two 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 re-established, and the areas returned to a premining land use.

**Forest Service Stipulation #16**

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, 1/4 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, United States Department of the Interior.
Forest Service Stipulation #17

The Lessee, at its expense, will be responsible to replace any surface and/or developed groundwater 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.

Forest Service Stipulation #18

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: (1) the May 8, 1998 "Agreement to Exchange Utah School Trust Lands Between the State of Utah and the United States of America", as ratified by Pub. L. No. 105-335, 112 Stat. 3139 and implemented by that certain Memorandum of Understanding dated January 5, 1999 between the Utah School & Institutional Trust Lands Administration, the U.S. Department of the Interior, and the USDA-Forest Service, as amended; or (2) the rights granted to Lessee under a mine permit issued under the Surface Mining Control and Reclamation Act and/or the Utah Coal Mining and Reclamation Act, and applicable rules and regulations under those statutes. 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 the mine permit; (2) uses of all existing improvements, such as Forest Development Roads, within and outside the area licensed, permitted or leased; and (3) use and occupancy of the NFS not authorized by the mine permit.

Requests for approval related to this stipulation are to be addressed to:

Forest Supervisor
Manti-La Sal National Forest
599 West Price River Drive
Price, Utah 84501
Telephone Number: 801-637-2817

who is the authorized representative of the Secretary of Agriculture, with a copy to Lessor

Stipulation #19 Protection of Joes Valley Dam and Reservoir

The plan of mining operations submitted by Lessee, and any modifications thereof, shall be designed to ensure no adverse impacts of such mining operations upon the nearby Joes Valley Dam and Reservoir and shall describe in detail such measures or precautions as may be taken to protect the dam and reservoir. Any apparent draining of Joes Valley Reservoir as a direct result of mining operations under the lease shall immediately be investigated by the lessee, employing competent geotechnical or hydrological engineers, and mitigated. Lessee's indemnity obligations to Lessor pursuant to Section 16.1 of this Lease shall extend to any claims, demands, liability, loss, cost, damage and expense, including, without limitation, attorneys' fees and court costs, arising in any way out of or related to mining-related impacts on the dam or reservoir. This indemnification obligation is not intended
to create any third-party rights to indemnification in parties other than the State of Utah as Lessor (or the United States as Lessor after reversion).

U.S. Bureau of Reclamation policy requires that whenever Joes Valley Dam experiences mining-induced ground accelerations equal to, or greater than, 0.05 g's, measured at the dam, a detailed inspection of the dam is performed. The inspection will include structural behavior surveys, piezometer readings, and visual inspection in accordance with the dam's Emergency Action Plan. The lessee will reimburse the Bureau of Reclamation and the Emery Water Conservancy District for reasonable out-of-pocket expenses incurred for such inspections when such mining-induced ground acceleration originated within the leased premises.

**Stipulation #20 Commencement of Minimum Annual Royalty**

Notwithstanding any other provisions of this lease, Lessee shall commence paying minimum royalties pursuant to paragraph 3.3 of this lease in the lease year beginning on the fifth anniversary of the Effective Date.

**Stipulation #21 Deferred Bonus Payments**

In addition to all other bonus bids or bonus payments specified in this lease, Lessee agrees to pay a deferred bonus upon each ton of coal in excess of 41,660,000 tons produced from the Leased Premises. The deferred bonus bid will be payable on a cents per ton basis at the time of production. The per ton deferred bonus will be calculated as a fraction, the numerator of which is the total initial bonus bid offered by the lessee and accepted by Lessor for this lease and the lease of trust lands in Section 16 of T. 17 S., R. 6 E., SLB&M, expressed in dollars, and the denominator of which is 48,535,000. Deferred bonuses shall accrue only as such coal is actually produced, and payments shall be timely made in the same manner as Royalty Payments specified in paragraph 6.4 of this lease. Each deferred bonus payment shall be adjusted for inflation, from the Effective Date of the lease, on the basis of the non-seasonally adjusted Producers Price Index (PPI) for Bituminous Coal and Lignite, contained in the Fuels and related products and power Group (Series ID: WPU0512) as published, whether Preliminary or not, by the U.S. Department of Labor, Bureau of Labor Statistics for the month immediately preceding the month in which such deferred bonus payment accrues. If such PPI index ceases to be published in the future then Lessor may determine and specify to Lessee the closest PPI Series-Group-Item, then published by the U.S. Department of Labor, Bureau of Labor Statistic, to serve in its place.

END OF SPECIAL STIPULATIONS
AMENDMENT NO. 1 TO
MINERAL LEASE 51191-OBA

This AMENDMENT NO. 1 TO MINERAL LEASE NO. 51191-OBA ("Amendment") is entered into as of the 1st day of February 2018, by and between the STATE OF UTAH, acting by and through the SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION, 675 East 500 South, Suite 500, Salt Lake City, UT 84102 ("LESSOR"), and Fossil Rock Resources LLC, 6011 Dutchman Lane, 9th Floor, Louisville, KY 40205 ("LESSEE").

Recitals

A. Effective January 25, 2008, LESSOR and LESSEE's predecessor-in-interest entered into Mineral Lease No. 51191-OBA (the "Lease"). The Lease grants LESSEE the right mine and remove coal (the "leased mineral") located on certain trust lands described therein (the "Lease Area").

B. LESSOR now wishes to amend the Lease to add update certain language within Section 9.2, as per request of the United States, Department of the Interior, Bureau of Land Management.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LESSOR and LESSEE hereby amend the Lease as follows:

1. **Federal Agency Name Change.** The reference within Section 9.2 of the Lease, titled Regulation Upon Reversion, which refers to "the Minerals Management Service" is hereby changed to "the Office of Natural Resource Revenue."

2. **Miscellaneous.** Except as expressly modified by the provisions of this Amendment, the Lease shall continue in full force and effect. All initial capitalized terms in this Amendment shall have the same meaning given such terms in the Lease, unless otherwise defined in this Amendment. In the event any inconsistencies exist between the terms of this Amendment and the Lease, this Amendment shall control. The individuals who execute this Amendment represent and warrant that they are duly authorized to execute this Amendment on behalf of the LESSOR and LESSEE, as the case may be, and no other signature, act or authorization is necessary to bind such entities to the provisions of this Amendment.

INCORPORATED

MAY 10 2021

Div. of Oil, Gas & Mining
IN WITNESS WHEREOF, the parties have entered into this Amendment on the date first set forth above.

LESSOR: STATE OF UTAH
School and Institutional Trust Lands Administration

By: 
ASSISTANT DIRECTOR, MINERALS
THOMAS B. FADDIES

LESSEE: FOSSIL ROCK RESOURCES LLC

By: 

APPROVED AS TO FORM:
SEAN D. REYES
UTAH ATTORNEY GENERAL

By: 
Special Assistant Attorney General

INCORPORATED
MAY 10 2021
Div. of Oil, Gas & Mining
The foregoing instrument was acknowledged before me this 16th day of April 2018, by Thomas B. Faddies, in his capacity as Assistant Director of Minerals of the School and Institutional Trust Lands Administration.

Notary Public

The foregoing instrument was acknowledged before me this 4th day of April 2018, by Gene DiClaudio, in his/her capacity as of the LESSEE.

Notary Public

The foregoing instrument was acknowledged before me this day of 20__, by LESSEE.

Notary Public

INCORPORATED

MAY 10, 2021

Div. of Oil, Gas & Mining
CRANT:

UTAH STATE LEASE FOR COAL
ML 51192-OBA

COTTONWOOD COMPETITIVE LEASING UNIT
PARCEL #2 (NON-REVERSIONARY TRACT)

THIS COAL MINING LEASE AND AGREEMENT (the "Lease") is entered into and executed in duplicate as of January 18, 2008 (the "Effective Date") by and between the STATE OF UTAH, acting by and through the SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION, 675 East 500 South, Suite 500, Salt Lake City, Utah 84102 ("Lessor"), and

Ark Land Company
One CityPlace Drive - Suite 300
St. Louis, MO 63141

having a business address as shown above ("Lessee").

WITNESSETH:

That the State of Utah, as Lessor, in consideration of the rentals, royalties, and other financial consideration paid or required to be paid by Lessee, and the covenants of Lessee set forth below, does hereby GRANT AND LEASE to Lessee the exclusive right and privilege to explore for, drill for, mine, remove, transport, convey, cross-haul, commingle, and sell the coal located within the boundaries of the following-described tract of land (the "Leased Premises") located in Emery County, State of Utah:

Township 17 South, Range 6 East, SLB&M
Section 16: E2, SW4, S2NW4, NW4NW4

Containing 600.00 acres, more or less.

Together with the right and privilege to make use of the surface (but only to the extent owned by Lessor) and subsurface of the Leased Premises for uses incident to the mining of coal by Lessee on the Leased Premises or on other lands under the control of Lessee or mined in connection with operations on the Leased Premises, including, but not limited to, conveying, storing, loading, hauling, commingling, cross-hauling, and otherwise transporting coal; excavating; removing, stockpiling, depositing and redepositing of surface materials; and the subsidence, mitigation, restoration and reclamation of the surface.

This Coal Mining Lease and Agreement is subject to, and Lessee hereby agrees to and accepts, the following covenants, terms, and conditions:

1. LEASED MINERALS.

1.1 Coal. This mineral lease covers coal, which shall mean and include black or brownish-black solid fossil fuels that have been subjected to the natural processes of coalification, and which fall within the classification of coal by rank as anthracitic, bituminous, sub-bituminous, or lignitic,
together with closely associated substances which include, but are not limited to other hydrocarbon substances physically contained within the same geologic strata as the coal. In the event that minerals other than coal are discovered during lease operations, Lessee shall promptly notify the Lessor.

1.2 Coalbed Methane. To the extent that Lessor owns gas, coalbed methane or coal seam gas (collectively "coalbed methane") within the Leased Premises, Lessee may remove, vent, flare or capture such coalbed methane from the coal strata being mined and any overlying formations if such removal is necessary for safety reasons in the reasonable discretion of Lessee. If Lessee captures or uses such coalbed methane, it shall pay Lessor royalties on the value of such coalbed methane at the prevailing state royalty rate for natural gas, unless such royalties are expressly waived by Lessor. In the event that Lessor does not own coalbed methane within the Leased Premises, Lessee must obtain the consent of the owner of such coalbed methane prior to removal or capture of such gas. Except as expressly granted herein, the right to extract gas, coalbed methane and coal seam gas is not granted by this Lease.

1.3 No Warranty of Title. Lessor claims title to the mineral estate covered by this Lease. Lessor does not warrant title nor represent that no one will dispute the title asserted by Lessor. It is expressly agreed that Lessor shall not be liable to Lessee for any alleged deficiency in title to the mineral estate, nor shall Lessee become entitled to any refund for any rentals, bonuses, or royalties paid under this Lease in the event of title failure.

2. RESERVATIONS TO LESSOR. Subject to the exclusive rights and privileges granted to Lessee under this Lease, and further provided that Lessor shall refrain from taking actions with respect to the Leased Premises that may unreasonably interfere with Lessee's operations, Lessor hereby excepts and reserves from the operation of this Lease the following rights and privileges (to the extent that Lessor has the right to grant such rights and privileges):

2.1 Rights-of-Way and Easements. Lessor reserves the right, following consultation with the Lessee, to establish rights-of-way and easements upon, through or over the Leased Premises, under terms and conditions that will not unreasonably interfere with operations under this Lease, for roads, pipelines, electric transmission lines, transportation and utility corridors, mineral access, and any other purpose deemed reasonably necessary by Lessor.

2.2 Other Mineral Leases. Lessor reserves the right to enter into mineral leases and agreements with third parties covering minerals other than coal, under terms and conditions that will not unreasonably interfere with operations under this Lease in accordance with Lessor's regulations, if any, governing multiple mineral development.

2.3 Use and Disposal of Surface. To the extent that Lessor owns the surface estate of the Leased Premises and subject to the rights granted to the Lessee pursuant to this Lease, Lessor reserves the
right to use, lease, sell, or otherwise dispose of the surface estate or any part thereof. Lessor shall notify Lessee of any such sale, lease, or other disposition of the surface estate.

2.4 Previously Authorized Improvements. If authorized improvements have been placed upon the Leased Premises by a third party prior to the commencement of this Lease, Lessee shall allow the owner of such improvements to remove them within ninety (90) days after the Lease term commences. Nothing in this paragraph shall authorize Lessee to remove surface improvements where Lessor does not own the surface estate.

2.5 Rights Not Expressly Granted. Lessor further reserves all rights and privileges of every kind and nature, except as specifically granted in this Lease.

3. TERM OF LEASE; READJUSTMENT.

3.1 Primary Term. This Lease is granted for a "primary term" of ten (10) years commencing on the Effective Date and for a "secondary term" of an additional ten (10) years, subject to Lessee’s compliance with the requirements of paragraph 3.3, Diligent Operations; Minimum Royalty.

3.2 Extension Beyond Secondary Term. Subject to Lessee’s compliance with the other provisions of this Lease, this Lease shall remain in effect beyond the secondary term and for as long thereafter as coal is produced in commercial quantities from the Leased Premises, or from lands constituting either (i) a logical mining unit approved by the Bureau of Land Management containing the Leased Premises, or (ii) a mining unit, in which the recoverable coal reserves can be developed in an efficient, economical and orderly manner as a unit with due regard to the conservation of recoverable coal reserves. The second type of mining unit requires a determination by the Lessor that the criteria set forth in item (ii) have been satisfied. The satisfaction of either (i) or (ii) above shall mean that the Lease is contained within an "approved mining unit". For the purposes of this Lease, production of coal in commercial quantities shall mean production during each lease year of at least one per cent (1%) of the recoverable coal reserves within the Leased Premises or within lands constituting an approved mining unit which includes the Leased Premises, as such recoverable coal reserves are determined by Lessor after consultation with Lessee, subject to adjustment from time to time based upon reasonable justification from the Lessee.

3.3 Diligent Operations; Minimum Royalty. In the absence of actual production in commercial quantities as set forth in paragraph 3.2, Extension Beyond Secondary Term, this Lease shall remain in effect beyond the primary term only if the Lessee is engaged in diligent operations, exploration, research, or development activity (which development activity shall include, but not be limited to, pursuit of required permits and approvals) which in Lessor’s reasonable discretion is calculated to advance development or production of coal from the Leased Premises or lands constituting an approved mining unit which includes the Leased Premises, and Lessee pays an annual minimum royalty in advance on or before the anniversary date of the Effective Date. The
minimum royalty shall be calculated by determining the production royalty that would be payable upon production of one per cent (1%) of the recoverable coal reserves within the Leased Premises, as such recoverable coal reserves are determined by Lessor after consultation with Lessee, subject to adjustment from time to time based upon reasonable justification from the Lessee. The unit value of the recoverable coal reserves for purposes of determining the minimum royalty shall be determined by Lessor using the methodology set forth in 43 C.F.R. 3483.4(c)(1)-(3) (1998). Minimum royalties paid by Lessee pursuant to this paragraph may be credited against production royalties accruing during the term of this Lease.

3.4 Expiration: Cessation of Production. This Lease may not be extended pursuant to paragraph 3.3, Diligent Operations; Minimum Royalty, beyond the end of the twentieth year after the Effective Date except by the actual production of coal in commercial quantities from the Leased Premises or from lands constituting an approved mining unit which includes the Leased Premises. After expiration of the secondary term, this Lease will expire of its own terms, without the necessity of any notice or action by Lessor, if Lessee ceases production of coal in commercial quantities for an entire lease year, unless the Lease is suspended pursuant to paragraph 16.3, Suspension.

3.5 Readjustment. At the end of the primary term and at the end of each period of ten (10) years thereafter, Lessor may readjust the terms and conditions of this Lease (including without limitation rental rates, minimum royalties, royalty rates and valuation methods, and provisions concerning reclamation). If within thirty (30) days after submission of the readjusted lease terms to the Lessee, the Lessee determines that any or all of the proposed readjusted terms and conditions are unacceptable, then Lessee shall so notify Lessor in writing and the parties shall attempt to resolve the objectionable term or condition. If the parties are unable to resolve the matter and agree upon the readjusted terms and conditions submitted by Lessor at the end of such ten (10) year period, Lessee shall forfeit any right to the continued extension of this lease, and the lease shall automatically terminate, provided that nothing herein shall be deemed to preclude Lessee from appealing any readjustment by Lessor pursuant to applicable law.

3.6 Relinquishment. Lessee may relinquish all or portions of this Lease at any time by filing a written notice of relinquishment with Lessor. Lessor may disapprove any relinquishment if Lessee has failed to pay all rentals, royalties, and other amounts due and owing to the Lessor, if the lease is otherwise not in good standing, or if relinquishment would in Lessor’s reasonable determination cause waste of economically recoverable coal. Lessee may not relinquish parcels smaller than a quarter-quarter section or surveyed lot. Upon approval, relinquishment shall relieve the Lessee of all future rental obligations as to the relinquished lands effective as of the date of filing of the relinquishment, but shall not relieve Lessee from other obligations to the extent provided in paragraph 15.2, Effect of Termination.

4. BONUS BID. Lessee agrees to pay Lessor, an initial bonus bid in the sum of $3,545,714.00 as partial consideration for Lessor’s issuance of this Lease, payable in five equal annual installments of $709,142.80. The first annual installment shall be due with Lessee’s application to lease and the unpaid
balance of the bonus bid shall be paid in equal installments on or before the next four successive anniversaries of the Effective Date of the lease. The bonus bid shall not bear interest; provided, however, that if this Lease is relinquished or otherwise terminated prior to the payment in full of the bonus bid, or if Lessee fails to make any bonus bid payment when due, the entire unpaid balance of the bonus bid shall immediately become due without regard to such relinquishment or termination, and such balance shall thereafter bear interest as provided in paragraph 16.2. Interest. Lessor may require Lessee to submit a bond or other sufficient surety to secure Lessee’s obligation to pay the unpaid balance of the bonus bid. The initial bonus bid may not be credited against any other bonus payments, annual rentals or royalties accruing under the lease.

5. RENTALS. Lessee agrees to pay Lessor an annual rental of three dollars ($3.00) for each acre and fractional part thereof within the Leased Premises. Lessee shall promptly pay annual rentals each year in advance on or before the anniversary date of the Effective Date. Lessee may not credit rentals against production royalties or against minimum royalties payable pursuant to paragraph 3.3, Diligent Operations; Minimum Royalty.

6. ROYALTIES.

6.1 Production Royalties. Lessee shall pay Lessor a production royalty of eight per cent (8%) of the value of all coal severed and removed from the Leased Premises. For all coal sold pursuant to an arm’s-length contract, value shall be determined on the basis of the gross proceeds received by Lessee from the sale or disposition of such coal. Gross proceeds shall include all bonuses, allowances or other consideration of any nature received by Lessee for coal actually produced. For any coal that is sold or disposed of other than by an arm’s-length contract, or for coal that is used within the mine permit area containing the Leased Premises for generation of electricity or for gasification, liquefaction, in situ processing, or other method of extracting energy from such coal, the value of such coal shall be determined by Lessor with reference to (in order of priority): (i) comparable arms-length contracts or other dispositions of like-quality coal produced in the same coal field; (ii) prices reported for that coal to a public utility commission; (iii) prices reported to other governmental agencies; or (iv) other relevant information.

6.2 Allowable Deductions. It is expressly understood and agreed that none of Lessee’s mining or production costs, including but not limited to costs for materials, labor, overhead, distribution, transportation within the mine permit area prior to the point of sale, loading, crushing, sizing, screening, or general and administrative activities, may be deducted in computing Lessor’s royalty. All such costs shall be entirely borne by Lessee and are anticipated by the rate of royalty set forth in this Lease. In the event that the point of sale for coal produced from this Lease is located outside the mine permit area boundary, Lessee may deduct the reasonable, actual costs of transportation of such coal from the mine permit area boundary to the point of sale from gross proceeds in computing Lessor’s royalty; provided, however, that transportation deductions for coal transported by Lessee, Lessee’s affiliates, or by non-arm’s-length contract are subject to
review and modification by Lessor. Lessee shall be allowed to deduct its actual, reasonable washing and treatment costs from gross proceeds in computing Lessor’ s royalty; provided, however, that, upon Lessor’ s request Lessee shall provide to Lessor appropriate justification to demonstrate that Lessee’ s costs are reasonable.

6.3 **Reference to Federal Regulations.** It is the intent of Lessor and Lessee that the calculation of the value of coal for royalty purposes be consistent with federal coal regulations governing the valuation of coal, except where this Lease expressly provides otherwise. In no event shall the value of coal used for calculation of royalties under this Lease be less than the value which would be obtained were federal royalty valuation regulations applied.

6.4 **Royalty Payment.** For all coal severed and removed from the Leased Premises that is used, sold, transported or otherwise disposed of during a particular month, Lessee shall pay royalties to Lessor on or before the end of the next succeeding month. Royalty payments shall be accompanied by a verified statement, in a form approved by Lessor, stating the amount of coal sold or otherwise disposed of, the gross proceeds accruing to Lessee, the calculation of allowable deductions, and any other information reasonably required by Lessor to verify production and disposition of the coal or coal products. In the event that Lessee uses or disposes of coal pursuant to a non-arm’ s-length contract, or uses coal for generation of electricity or for gasification, liquefaction, in situ processing, or other method of extracting energy from such coal, Lessee shall notify Lessor of such use or disposal on or before the end of the next succeeding month following such use or disposal, and shall pay royalties upon Lessee’ s good faith estimate of the value of such coal, subject to Lessor’ s right to determine the value of such coal pursuant to paragraph 6.1, Production Royalties.

6.6 **Suspension, Waiver or Reduction of Rents or Royalties.** Lessor, to the extent not prohibited by applicable law, is authorized to waive, suspend, or reduce the rental or minimum royalty, or reduce the royalty applicable with respect to the entire Lease, whenever in Lessor’ s judgment it is necessary to do so in order to promote development, or whenever in the Lessor’ s judgment the Lease cannot be successfully operated under the terms provided herein.

7. **RECORDKEEPING; INSPECTION; AUDITS.**

7.1 **Registered Agent; Records.** Lessee shall maintain a registered agent within the State of Utah to whom any and all notices may be sent by Lessor and upon whom process may be served. Lessee shall also maintain an office within the State of Utah containing originals or copies of all maps, engineering data, permitting materials, books, records or contracts (whether such documents are in paper or electronic form) generated by Lessee that pertain in any way to coal production, output and valuation; mine operations; coal sales and dispositions; transportation costs; and calculation of royalties from the Leased Premises. Lessee shall maintain such documents for at least seven years after the date of the coal production to which the documents pertain.
7.2 **Inspection.** Lessor’s employees and authorized agents at Lessor’s sole risk and expense shall have the right to enter the Leased Premises to check scales as to their accuracy, and to go on any part of the Leased Premises to examine, inspect, survey and take measurements for the purposes of verifying production amounts and proper lease operations. Upon reasonable notice to Lessee, Lessor’s employees and authorized agents shall further have the right to audit, examine and copy (at Lessor’s expense) all documents described in paragraph 7.1, Registered Agent; Records, whether such documents are located at the mine site or elsewhere. Lessee shall furnish all conveniences necessary for said inspection, survey, or examination; provided, however, that such inspections shall be conducted in a manner that is in conformance with all applicable mine safety regulations and does not unreasonably interfere with Lessor’s operations.

7.3 **Geologic Information.** In the event Lessee conducts core-drilling operations or other geologic evaluation of the Leased Premises, Lessor may inspect core samples, evaluations thereof, and proprietary geologic information concerning the Leased Premises.

7.4 **Confidentiality.** Any and all documents and geologic data obtained by Lessor through the exercise of its rights as set forth in paragraphs 7.2, Inspection., and 7.4, Geologic Information., may be declared confidential information by Lessee, in which event Lessor and its authorized agents shall maintain such documents and geologic data as protected records under the Utah Governmental Records Access Management Act or other applicable privacy statute and shall not disclose the same to any third party without the written consent of Lessee, the order of a court of competent jurisdiction requiring such disclosure, or upon termination of this Lease.

8. **USE OF SURFACE ESTATE.**

8.1 **Lessor-Owned Surface.** If Lessor owns the surface estate of all or some portion of the Leased Premises, by issuance of this Lease the Lessee has been granted the right to make use of such lands to the extent reasonably necessary and expedient for the economic operation of the leasehold. Lessee’s right to surface use of Lessor-owned surface estate shall include the right to subside the surface. Such surface uses shall be exercised subject to the rights reserved to Lessor as provided in paragraph 2, RESERVATIONS TO LESSOR, and without unreasonable interference with the rights of any prior or subsequent lessee of Lessor.

8.2 **Split-Estate Lands.** If Lessor does not own the surface estate of any portion of the Leased Premises, Lessee’s access to and use of the surface of such lands shall be determined by applicable law governing mineral development on split-estate lands, including without limitation applicable statutes governing access by mineral owners to split estate lands, and reclamation and bonding requirements. Lessee shall indemnify, defend and hold Lessor harmless for all claims, causes of action, damages, costs and expenses (including attorney’s fees and costs) arising out of
9. **APPLICABLE LAWS AND REGULATIONS: HAZARDOUS SUBSTANCES**

9.1 **Trust Lands Statute and Regulations.** This Lease is issued pursuant to the provisions of Title 53C, Utah Code Annotated, 1953, as amended, and Lessee is subject to and shall comply with all current and future rules and regulations adopted by the School and Institutional Trust Lands Administration and its successor agencies.

9.2 **Other Applicable Laws and Regulations.** Lessee shall comply with all applicable federal, state and local statutes, regulations, and ordinances, including without limitation the Utah Coal Mining and Reclamation Act, applicable statutes and regulations relating to mine safety and health, and applicable statutes, regulations and ordinances relating to public health, pollution control, management of hazardous substances and environmental protection.

9.3 **Hazardous Substances.** Lessee (or other occupant pursuant to any agreement authorizing mining) shall not keep on or about the premises any hazardous substances, as defined under 42 U.S.C. 9601(14) or any other Federal environmental law, any regulated substance contained in or released from any underground storage tank, as defined by the Resource Conservation and Recovery Act, 42 U.S.C. 6991, et seq, or any substances defined and regulated as "hazardous" by applicable State law, (hereinafter, for the purposes of this Lease, collectively referred to as "Hazardous Substances") unless such substances are reasonably necessary in Lessee’s mining operations, and the use of such substances or tanks is noted and approved in the Lessee’s mining plan, and unless Lessee fully complies with all Federal, State and local laws, regulations, statutes, and ordinances, now in existence or as subsequently enacted or amended, governing Hazardous Substances. Lessee shall immediately notify Lessor and any other Federal, State and local agency with jurisdiction over the Leased Premises, or contamination thereon, of (i) all reportable spills or releases of any Hazardous Substance affecting the Leased Premises, (ii) all failures to comply with any applicable Federal, state or local law, regulation or ordinance governing Hazardous Substances, as now enacted or as subsequently enacted or amended, (iii) all inspections of the Leased Premises by, or any correspondence, order, citations, or notifications from any regulatory entity concerning Hazardous Substances affecting the Leased Premises, (iv) all regulatory orders or fines or all response or interim cleanup actions taken by or proposed to be taken by any government entity or private Party concerning the Leased Premises.

9.4 **Hazardous Substances Indemnity.** Lessee (or other occupant pursuant to any agreement authorizing mining) shall indemnify, defend, and hold harmless Lessor its agencies, employees, officers, and agents with respect to any and all damages, costs, liabilities, fees (including attorneys’ fees and costs), penalties (civil and criminal), and cleanup costs arising out of or in any way related to Lessee’s use, disposal, transportation, generation, sale or location upon or
affecting the Leased Premises of Hazardous Substances, as defined in paragraph 9.4 of this Lease. This indemnity shall extend to the actions of Lessee’s employees, agents assigns, sublessees, contractors, subcontractors, licensees and invitees. This indemnity is in addition to, and in no way limits, the general indemnity contained in paragraph 16.1 of this Lease.

9.5 Waste Certification. The Lessee shall provide upon abandonment, transfer of operation, assignment of rights, sealing-off of a mined area, and prior to lease relinquishment, certification to the Lessor, based upon a complete search of all the operator’s records for the Lease, and upon its knowledge of past operations, there have been no reportable quantities of hazardous substances as defined in 40 C.F.R. 302.4, or used oil as defined in Utah Administrative Code R315-15, discharged (as defined at 33 U.S.C. 1321(a)(2)), deposited or released within the Leased Premises, 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 such substances. Lessee shall additionally provide to Lessor a complete list of all hazardous substances, hazardous materials, and their respective Chemical Abstracts Service Registry Numbers, and oil and petroleum products used or stored on, or delivered to, the Leased Premises. Such disclosure will be in addition to any other disclosure required by law or agreement.

10. BONDING.

10.1 Lease Bond Required. At the request of Lessor, at or at the time or anytime after this lease is executed, Lessee shall execute and file with the Lessor a good and sufficient bond or other financial guarantee acceptable to Lessor in order to: (a) guarantee Lessee’s performance of all covenants and obligations under this Lease, including Lessee’s obligation to pay royalties; and (b) ensure compensation for damage, if any, to the surface estate and any surface improvements.

10.2 Reclamation Bonding. The bond filed with the Utah Division of Oil, Gas and Mining ("UDOGM") in connection with the issuance of a mine permit which includes the Leased Premises shall be deemed to satisfy Lessor’s bonding requirements with respect to Lessee’s reclamation obligations under this Lease; provided, however, upon notice to Lessee and a public hearing with respect to the basis for its decision, the Lessor may, in its reasonable discretion, determine that the bond filed with UDOGM is insufficient to protect Lessor’s interests. In such an event the Lessor shall enter written findings as to the basis for its calculation of the perceived insufficiency and enter an order establishing the amount of additional bonding required. Lessee shall file any required additional bond with Lessor within thirty (30) days after demand by Lessor. Lessor may increase or decrease the amount of any additional bond from time to time in accordance with the same procedure. Lessee may combine any additional bond required under this paragraph with the original lease bond filed under Paragraph 10.1, Lease Bond Required.
10.3 Release of Additional Bond. Any additional bond required by Lessor pursuant to 10.2, Reclamation Bonding, may be released by Lessor at any time and shall be released no later than the time of final bond release by UDOGM with respect to the Leased Premises.

11. WATER RIGHTS.

11.1 Water Rights in Name of Lessor. If Lessee files to appropriate water for coal mining operations on the Leased Premises, the filing for such water right shall be made by Lessee in the name of Lessor at no cost to Lessor, and such water right shall become an appurtenance to the Leased Premises, subject to Lessee’s right to use such water right at no cost during the term of this Lease.

11.2 Option to Purchase. If Lessee purchases or acquires an existing water right for coal mining operations on the Leased Premises, Lessor shall have the option to acquire that portion of such water right as was used on the Leased Premises upon expiration or termination of this Lease. The option price for such water right shall be the fair market value of the water right as of the date of expiration or termination of this Lease. Upon expiration or termination of this Lease, Lessee shall notify Lessor in writing of all water rights purchased or acquired by Lessee for coal mining operations on the Leased Premises and its estimate of the fair market value of such water right. Lessor shall then have forty-five (45) days to exercise its option to acquire the water by payment to Lessee of the estimated fair market value. If Lessor disagrees with Lessee’s estimate of fair market value, Lessor shall notify Lessee of its disagreement within the 45 day option exercise period. The fair market value of the water right shall then be appraised by a single appraiser mutually acceptable to both parties, which appraisal shall be final and not subject to review or appeal. If the parties cannot agree upon the choice of an appraiser, the fair market value of the water right shall be determined by a court of competent jurisdiction. Conveyance of any water right pursuant to this paragraph shall be by quit claim deed.

12. ASSIGNMENT OR SUBLEASE; OVERRIDING ROYALTIES.

12.1 Consent Required. Lessee shall not assign or sublease this Lease in whole or in part, or otherwise assign or convey any rights or privileges granted by this Lease, including, without limitation, creation of overriding royalties or production payments, without the prior written consent of Lessor. Any assignment, sublease or other conveyance made without prior written consent of Lessor shall have no legal effect unless and until approved in writing by Lessor. Exercise of any right with respect to the Leased Premises in violation of this provision shall constitute a default under this Lease.

12.2 Binding Effect. All of the terms and provisions of this Lease shall be binding upon and shall inure to the benefit of their respective successors, assigns, and sublessees.
12.3 **Limitation on Overriding Royalties.** Lessor reserves the right to disapprove the creation of an overriding royalty or production payment that would, in Lessor's reasonable discretion, constitute an unreasonable economic burden upon operation of the Lease. In exercising its discretion to disapprove the creation of an overriding royalty, Lessor shall consult with Lessee and any third parties involved and shall prepare findings to evidence the basis of its decision. Cumulative overriding royalties of 2% or less shall be deemed presumptively reasonable unless special circumstances are shown by Lessor to exist.

13. **OPERATIONS.**

13.1 **Permitting.** Before Lessee commences exploration, drilling, or mining operations on the Leased Premises, it shall have obtained such permits and posted such bonds as may be required under applicable provisions of the Utah Coal Mining and Reclamation Act, the Surface Mining Control and Reclamation Act, and associated regulations, together with applicable regulations of the surface management agency. Lessee shall maintain any required permits in place for the duration of mining operations and reclamation. Upon request, Lessee shall provide Lessor with a copy of all regulatory filings relating to permitting matters.

13.2 **Plan of Operations.** Prior to the commencement of any underground mining operations on the Leased Premises, Lessee shall obtain Lessor's approval of a plan of operations for the Leased Premises. The plan of operations shall contain all information required to be contained in a federal Resource Recovery and Protection Plan, as described in 43 C.F.R. 3482.1(b) and (c) (1998). Lessor may modify the proposed plan of operations as is needed to insure that there is no waste of economically recoverable coal reserves contained on the Leased Premises. In this context "waste" shall mean the inefficient utilization of, or the excessive or improper loss of an otherwise economically recoverable coal resource. Lessee shall notify Lessee in writing of its approval or modifications of the plan of operations. The plan of operations submitted by Lessee shall be deemed approved by Lessor if Lessor has not otherwise notified Lessee within sixty (60) days of filing.

13.3 **Plan of Operations - Modification.** In the event that material changes are required to the plan of operations during the course of mining, Lessee shall submit a modification of the plan of operations to the Lessor. Routine adjustments to the plan of operations based upon geologic circumstances encountered during day-to-day mining operations do not require the submission of a modification. If the proposed changes require emergency action by Lessor, then the Lessee shall so notify the Lessor at the time of submission of the modification and the parties shall use their best efforts to meet the Lessee's time schedule regarding implementation of the changes. Non-emergency modifications will be reviewed promptly by Lessor to insure that there is no waste of economically recoverable coal reserves pursuant to the plan of operations, as modified, and Lessor shall notify Lessee in writing of its approval or modification of the proposed modification.
13.4 **Mine Maps.** Lessee shall maintain at the mine office clear, accurate, and detailed maps of all actual and planned operations prepared and maintained in the manner prescribed by 43 C.F.R. 3482.3 (1998). Lessee shall provide copies of such maps to Lessor upon request.

13.5 **Good Mining Practices.** Lessee shall conduct exploration and mining operations on the Leased Premises in accordance with standard industry operating practices, and shall avoid waste of economically recoverable coal. Lessee shall comply with all regulations and directives of the Mine Safety and Health Administration or successor agencies for the health and safety of employees and workers. Lessee shall further comply with the performance standards for underground resource recovery set forth at 43 C.F.R. 3484.1(c) (1998); provided, however, that Lessor may waive such standards from time to time in its reasonable discretion, upon request by Lessee. Coal shall be mined from this Lease by underground methods only.

13.6 **Mining Units.** Lessor may approve the inclusion of the Leased Premises in a mining unit with federal, private or other non-state lands upon terms and conditions that it deems necessary to protect the interests of the Lessor, including without limitation segregation of production, accounting for commingled coal production, and minimum production requirements or minimum royalties for the Leased Premises.

14. **EQUIPMENT: RESTORATION.**

14.1 **Equipment.** Upon termination of this Lease, Lessee shall remove, and shall have the right to remove, all improvements, equipment, stockpiles, and dumps from the Leased Premises within six (6) months; provided, however, that Lessor may, at Lessor’s sole risk and expense, and subject to Lessee’s compliance with requirements imposed by UDOGM and MSHA, require Lessee to retain in place underground timbering supports, shaft linings, rails, and other installations reasonably necessary for future mining of the Leased Premises. All improvements and equipment remaining on the Leased Premises after six (6) months may be deemed forfeited to Lessor upon written notice of such forfeiture to Lessee. Lessee may abandon underground improvements, equipment of any type, stockpiles and dumps in place if such abandonment is in compliance with applicable law, and further provided that Lessee provides Lessor with financial or other assurances sufficient in Lessor’s reasonable discretion to protect Lessor from future environmental liability with respect to such abandonment or any associated hazardous waste spills or releases. Lessee shall identify and locate on the mine map the location of all equipment abandoned on the Lease Premises.

14.2 **Restoration and Reclamation.** Upon termination of this Lease, Lessee shall reclaim the Leased Premises in accordance with the requirements of applicable law, including mine permits and reclamation plans on file with UDOGM. Lessee shall further abate any hazardous condition on or associated with the Leased Premises. Lessee and representatives of all governmental agencies
having jurisdiction shall have the right to re-enter the Leased Premises for reclamation purposes for a reasonable period after termination of the Lease.

15. **DEFAULT**

15.1 **Notice of Default: Termination.** Upon Lessee’s violation of or failure to comply with any of the terms, conditions or covenants set forth in this Lease, Lessor shall notify Lessee of such default by registered or certified mail, return receipt requested, at the last address for Lessee set forth in Lessor’s files. Lessee shall then have thirty (30) days, or such longer period as may be granted in writing by Lessor, to either cure the default or request a hearing pursuant to the Lessor’s administrative adjudication rules. In the event Lessee fails to cure the default or request a hearing within the specified time period, Lessor may cancel this Lease without further notice to or appeal by Lessee.

15.2 **Effect of Termination.** The termination of this Lease for any reason, whether through expiration, cancellation or relinquishment, shall not limit the rights of the Lessor to recover any royalties and/or damages for which Lessee may be liable, to recover on any bond on file, or to seek injunctive relief to enjoin continuing violations of the Lease terms. No remedy or election under this Lease shall be deemed exclusive, but shall, wherever possible, be cumulative with all other remedies available under this Lease, at law, or in equity. Lessee shall surrender the Leased Premises upon termination; however, the obligations of Lessee with respect to reclamation, indemnification and other continuing covenants imposed by this Lease shall survive the termination.

16. **MISCELLANEOUS PROVISIONS.**

16.1 **Indemnity.** Except as limited by paragraph 7.2, Inspection, Lessee shall indemnify and hold Lessor harmless for, from and against each and every claim, demand, liability, loss, cost, damage and expense, including, without limitation, attorneys’ fees and court costs, arising in any way out of Lessee’s occupation and use of the Leased Premises, including without limitation claims for death, personal injury, property damage, and unpaid wages and benefits. Lessee further agrees to indemnify and hold Lessor harmless for, from and against all claims, demands, liabilities, damages and penalties arising out of any failure of Lessee to comply with any of Lessee’s obligations under this Lease, including without limitation attorneys’ fees and court costs.

16.2 **Interest.** Except as set forth in paragraph 4, BONUS BID, interest shall accrue and be payable on all obligations arising under this Lease at such rate as may be set from time to time by rule enacted by Lessor. Interest shall accrue and be payable, without necessity of demand, from the date each such obligation shall arise.
16.3 Suspension. In the event that Lessor in its reasonable discretion determines that suspension is necessary in the interests of conservation of the coal resource, or if Lessee has been prevented from performing any of its obligations or responsibilities under this Lease or from conducting mining operations by labor strikes, fires, floods, explosions, riots, any unusual mining casualties or conditions, Acts of God, government restrictions or orders, severe weather conditions, or other extraordinary events beyond its control, then the time for performance of this Lease by Lessee shall be suspended during the continuance of such acts which prevent performance, excepting any payments due and owing to Lessor.

16.4 Consent to Suit; Jurisdiction. (i) this Lease shall be governed by the laws of the State of Utah; (ii) Lessor and Lessee agree that all disputes arising out of this Lease shall be litigated only in the Third Judicial District Court for Salt Lake County, Utah; (iii) Lessee consents to the jurisdiction of such court; and (iv) Lessee shall not bring any action against Lessor without exhaustion of available administrative remedies and compliance with applicable requirements of the Utah Governmental Immunity Act.

16.5 No Waiver. No waiver of the breach of any provision of this Lease shall be construed as a waiver of any preceding or succeeding breach of the same or any other provision of this Lease, nor shall the acceptance of rentals or royalties by Lessor during any period of time in which Lessee is in default be deemed to be a waiver of such default.

16.6 Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

16.7 Entire Lease. This Lease, together with any attached stipulations, sets forth the entire agreement between Lessor and Lessee with respect to the subject matter of this Lease. No subsequent alteration or amendment to this Lease shall be binding upon Lessor and Lessee unless in writing and signed by each of them.
IN WITNESS WHEREOF, the parties have executed this Lease as of the date hereinabove first written.

APPROVED AS TO FORM:
MARK L. SHURTLEFF
ATTORNEY GENERAL

By: ______________________
Date: 11/18/02

THE STATE OF UTAH, acting by and through the SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION ("LESSOR")

THOMAS B. FADDIES
DIRECTOR/MINERALS

School & Institutional Trust Lands Administration - LESSOR

ARK LAND COMPANY ("LESSEE")

By: ______________________
Its: ______________________

INCORPORATED
MAY 10 2021
Div. of Oil, Gas & Mining

-15-
COUNTY OF SALT LAKE  

On the 18th day of January, 2008, personally appeared before me Thomas P. Passy, who being by me duly sworn did say that he is Director of the School and Institutional Trust Lands Administration of the State of Utah and the signer of the above instrument, who duly acknowledged that he executed the same.

Given under my hand and seal this 18th day of January, 2008.

Alice K. Kearney
Notary Public
Residing at:

My commission expires: 5/25/2010

STATE OF UTAH  
COUNTY OF SALT LAKE

On the 21st day of January, 2008, personally appeared before me Steven E. McCord, who being duly sworn did say that he is an officer of the said corporation and that said instrument was signed in behalf of said corporation by resolution of its Board of Directors, and said that he acknowledged to me that said corporation executed the same.

Given under my hand and seal this 21st day of January, 2008.

Carla A. Veizer
Notary Public
Residing at:

My commission expires: 10/20/2012
Errata Sheet Pertaining to Proposed Transfer of Permit From PacifiCorp to Fossil Rock Resources, LLC

This sheet is to be placed at the beginning of Chapters 1 thru 12 of the Trail Mountain Permit C/015/0009, the associated binders containing appendices, tables, figures, drawings, maps and to remain until such time that the permit is transferred and amended to reflect the information for the new permittee, Fossil Rock Resources, LLC (Fossil Rock Mine). This sheet is to be placed in the Waste Rock Site binder at the beginning of sections containing text, appendices and maps.

The facilities have changed hands multiple times, which means there are various references in the text, reports, studies, right-of-ways, leases and laboratory analyses which refer to the company owning or operating the mine facilities during a specific period of time. To provide clarification the following table lists the various names used through the life of the permit (to the best of our knowledge) and what entity under the new ownership those references will refer to.

<table>
<thead>
<tr>
<th>Names Existing</th>
<th>Following Permit Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>PacifiCorp</td>
<td>Fossil Rock Resources, LLC</td>
</tr>
<tr>
<td>Beaver Creek Coal Company</td>
<td></td>
</tr>
<tr>
<td>Interwest Mining</td>
<td></td>
</tr>
<tr>
<td>Energy West Mining Company</td>
<td></td>
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<tr>
<td>Arco Mining</td>
<td></td>
</tr>
<tr>
<td>Arch Minerals</td>
<td></td>
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<tr>
<td>Ark Land</td>
<td></td>
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<tr>
<td>Trail Mountain Coal Company</td>
<td></td>
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<tr>
<td>Utah Power &amp; Light Company</td>
<td></td>
</tr>
<tr>
<td>Utah Power &amp; Light Mining Division</td>
<td></td>
</tr>
<tr>
<td>Trail Mountain Mine</td>
<td>Fossil Rock Mine</td>
</tr>
<tr>
<td>Trail Mountain Mine No. 9</td>
<td></td>
</tr>
<tr>
<td>Cottonwood/Wilberg Waste Rock</td>
<td></td>
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<tr>
<td>Natomas Mine</td>
<td></td>
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<tr>
<td>Utah Power &amp; Light Mining Division</td>
<td></td>
</tr>
<tr>
<td>Cottonwood Mine</td>
<td></td>
</tr>
<tr>
<td>Grimes Wash Facility</td>
<td></td>
</tr>
</tbody>
</table>

When use of the above referenced names appear in the permit documents to describe events which would be considered historic they will remain the same. When the names are used to imply a commitment or ownership the names will be changed or amended where possible as designated in this table.

INcorporated

May 10 2021

Div. of Oil, Gas & Mining
December 11, 1986

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

RE: Trail Mountain Coal Company ACT/015/009 Second Application for Permit Amendment (Incidental Boundary Change)

Dear Lowell;

On October 16, 1986 Trail Mountain Coal Company submitted to the Division a permit amendment for an IBC to increase the ACT/015/009 permit area by six acres. That request was approved by the Division on November 19, 1986.

At this time Trail Mountain Coal Company would formally submit to you and the Division a second request for an Incidental Boundary Change (IBC).

Under the IBC criteria, Trail Mountain Coal Company requests an additional increase to the ACT/015/009 permit area of four acres.

This is Trail Mountain Coal Company's second request for an IBC and is a cumulative total of ten acres (which is the maximum acreage allowable under the IBC criteria of UMC 700.5).

This second amendment request is prompted by a series of unplanned events at the Trail Mountain Mine.

1. The Trail Mountain Mine operation consists of two continuous mining machines mining two mining sections (1st South and 6th West) one shift per day.

2. The 6th West continuous miner was taken out of service for a complete rebuild (estimate of 12 weeks).

3. The 2nd South panel was set to mine on November 17, 1986. This section was mined for one week and conditions encountered were such that the section had to be abandoned (low coal, burn, unacceptable quality).
With the loss of the 2nd South area the only place set up to mine is the 6th West panel.

The 6th west panel is now active and is mined two shifts per day (to make up production due to the loss of a continuous mining machine).

By mining the 6th West section two shifts per day, coal production in this section is now double and the section is advancing at twice the planned rate.

The projected mine plan for the ACT/015/009 permit area was designed to be able to mine the Tract 1 area until the end of 1987 and allow ample time for the Tract 2 area to be permitted. However, the above mentioned series of unplanned events have voided those earlier mine projections.

With production and quality quotas to meet and maintain, Trail Mountain Coal Company has been forced to make radical changes in our mine plan and at this time we are searching for any and all avenues available to maintain our present level of production and coal quality.

Had these conditions been identified prior to October 16, 1986 (the date of Trail Mountain Coal Company's first IBC submittal), a ten acre IBC would have been asked for at that time.

Enclosed is Trail Mountain Coal Company's submittal for a second IBC. Once again your review and consideration is greatly appreciated. If you have any questions or need further information, please feel free to contact me at (801) 748-2140.

Sincerely;

TRAIL MOUNTAIN COAL COMPANY

Allen P. Childs
Mine Engineer

Enclosures

APC/gg
TRAIL MOUNTAIN COAL COMPANY
INCIDENTAL BOUNDARY CHANGE
SUBMITTAL

Prepared For:
Trail Mountain Coal Company
Orangeville, Utah

Prepared By:
Engineering Department
INTRODUCTION

Trail Mountain Coal Company formally submits to the Division of Oil, Gas and Mining an application for a permit change using the Incidental Boundary Change criteria as adopted by the Board October 2, 1985 and as approved by O.S.M. January 16, 1986.

SMC/UMC 700.5 Definition - "Incidental Boundary Change" - Additions of deletions which result in a net increase to the originally approved permit area which are less than one (1) percent, or 10 acres, whichever is smaller.

Under permit number ACT/015/009 Trail Mountain Coal Company is the lessee of federal coal lease U-082996 containing 80 acres, the lessee of state coal lease ML-22603 containing 640 acres and the owner of certain fee-owned parcel containing 53.5 acres for a total lease holdings under permit ACT/015/009 of 773.5 acres.

Trail Mountain Coal Company is also the lessee of Federal Coal Lease U-09332 containing 641.47 acres and has filed with the Utah Division of Oil, Gas and Mining a permit application package with a tentative approval date of February 1, 1987. With this additional acreage, the total lease holdings of Trail Mountain Coal Company would total 1,414.97 acres.

On October 16, 1986, Trail Mountain Coal Company submitted to the Utah Division of Oil, Gas and Mining a permit amendment for an incidental boundary change to increase the ACT/015/009 permit area by six acres. On November 19, 1986, Trail
Mountain Coal Company received approval from the Utah Division of Oil, Gas and Mining for the six acre boundary change.

Under the incidental boundary change criteria, Trail Mountain Coal Company would request a second increase to our original approved permit of an additional four acres. (See Figure 3-6D).

This is Trail Mountain Coal Company's second request for an incidental boundary change (IBC) and is a cumulative total of ten acres which is the maximum acre criteria of UMC 700.5.

The requested four (4) acres would access a Federal Lease assigned to Trail Mountain Coal Company.

There is no surface disturbance associated with the requested four acres. There are no seeps, springs or ponds that would be affected by possible subsidence within or adjacent to the requested four acres.

The requested four acres are part of the corridor system to access Trail Mountain Coal Company's Tract 2 permit area (MRP on file).
The surface owner has been notified of Trail Mountain Coal Company's intention of accessing Tract 2 within the next six months. (see UMC 782.13 (E)).

UMC 782.13 - Identification of Interests

(A)(1) Permit Application

Trail Mountain Coal Company
P. O. Box 550
Orangeville, Utah 84537
(801) 748-2140

(A)(2) Owner of Records of Surface Areas and of Coal Rights

Owner of record of the areas affected by surface operations:

Trail Mountain Coal Company
P. O. Box 550
Orangeville, Utah 84537
Incidental boundary change will involve no additional surface operations or disturbance.

Owners of record of the coal to be mined:

Trail Mountain Coal Company
P. O. Box 550
Orangeville, Utah 84537

UMC 782 13 3 - Holders of Lease Hold Interests in Surface Area and of Coal Rights

Surface Ownership

1. The United State of America
   Surface Management Agent
   U.S. Forest Service
   Manti LaSal National Forest
   599 West River Drive
   Price, Utah, 84501.

Mineral Ownership

1. The United States of America
   Surface Management Agent
   The Department of the Interior
   Bureau of Land Management, Moab District
   P. O. Box AB
   Price, Utah, 84501.

UMC 782.13 A.4 - Purchase of Record Under a Real Estate Contract for Surface Area or Coal

None.

UMC 782.13 A.5 - Operator

The operator is the same as the applicant

Trail Mountain Coal Company
P. O. Box 550
Orangeville, Utah, 84537.

UMC 782.13 A.6 - Resident Agent

The resident agent who will accept services of process is:

CT Corporation System
170 South Main Street
Salt Lake City, Utah 84101

Telephone - (801) 364-1228

UMC 782.13 B - Business Designation

The applicant is a corporation.

UMC 782.13 B.1 - Officers and Directors of the Applicant

See Trail Mountain Coal Mine Tract 2 Permit Application package, Volume 1.

Chapter 2, Page 5.
UMC 782.13 B.2 - Principle Shareholder of the Applicant

Natomas Coal Company is the principle and only shareholder of the applicant.

Address:

Natomas Coal Company
1200 First Security Plaza
Lexington, Kentucky, 40507.

UMC 782.13 B.3 - Names Under Which Applicant and Principle Shareholder Operated U.S. Coal Mines

Mines operated within the previous five years are:

Trail Mountain Coal Company*
P. O. Box 550
Orangeville, Utah, 84537.

Federal I.D.

42-01211

State I.D.

ACT-015-009

Reclamation Permit No.

ACT-015-009
UMC 782.13 C - Principles, Officers and Resident Agents

See Trail Mountain Coal Mine Tract 2 Mining and Reclamation Plan, Volume 1, Chapter 2, Page 7.

UMC 782.13 D - Current Pending or Previous Coal Mining Permits

See UMC 782.13 B.3.

UMC 782.13 E - Owner of Record of Surface and Subsurface Areas Contiguous to Proposed Permit Area

Surface

The United States of America
Surface Management Agent
The U.S. Forest Service
Manti LaSal National Forest
599 West River Drive
Price, Utah, 84501.

The United States of America
Surface Management Agent
The Department of the Interior
Bureau of Land Management, Moab District
P. O. Box AB
Price, Utah, 84501

Subsurface

The United States of America
Surface Management Agent
The Bureau of Land Management, Moab District
P. O. Box AB
Price, Utah 84501

INTEGRATED
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Div. of Oil, Gas & Mining
UMC 782.13.F - Mine Name and MSHA Identification

Mine Name

Trail Mountain Mine

MSHA Identification Number

42-01211

UMC 782.13.G - Applicant's Interest in Areas Contiguous to Proposed Incidental Boundary Change Area

The applicant has assigned to them Federal Lease U-49332. This is a federal coal lease containing 641.47 acres that is contiguous to the proposed incidental boundary change area.

UMC 782.14 - Compliance Information

UMC 782.14.1 - Status of Mining Permits or Bonds

No federal or state mining permits have been suspended or revoked during the history of the mine. No bonds of security have been forfeited during the history of the mine.
UMC 782.14 C - Mine Activity Violations

See Trail Mountain Coal Company, Trail Mountain Mine Tract 2 Mine and Reclamation Plan, Volume 1, Chapter 2, Pages 11 through 13.

UMC 782.15 - Right of Entry and Operation Information

Trail Mountain Coal Company bases its legal right to enter and begin underground coal activities on the incidental boundary change criteria. Also Trail Mountain Coal Company will be entering into Federal Lease No. U-49332, which is a federal coal lease already assigned to Trail Mountain Coal Company. See Trail Mountain Coal Company Tract 2 Mine and Reclamation Plan.

UMC 782.16 - Relationship to Areas Designated Unsuitable for Mining

The proposed four acres of the incidental boundary change is not within an area designated unsuitable for the surface effects of underground coal mine activities under UMC 764. Neither is the proposed four acres under study for designated for an administrative proceeding initiated under those parts. Mining would not affect renewable resource lands and would not result in substantial loss of food, fiber or water supply. The four acres contains no prime farm land or merchantable timber. Mining would not affect natural hazard lands and thereby endanger life and property. The proposed four acres includes no cemeteries, no natural trails, no wild and scenic rivers, no wilderness or wilderness study areas. There are no seeps or springs found within the proposed area.

INCORPORATED
MAY 10, 2021
Div. of Oil, Gas & Mining
UMC 783 - Requirements for Information on Environmental Resources

See ACT/015/009 MRP Chapters 3-12
Tract 2 MRP Chapters 3-12

UMC 784 - Requirements for Reclamation and Operation Plan

See ACT/015/009 MRP and Tract 2 MRP Chapter 3 for operation plan to be used in
the requested four acres.

There will be no reclamation associated with the requested four acres.

UMC 785 - Special Categories of Mining

UMC 785 does not apply to the requested four acres.
RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

Stoel Rives, LLP
Attn: Richard R. Hall
201 S. Main St., Suite 1100
Salt Lake City, Utah 84111

(Space Above For Recorder's Use)

SPECIAL WARRANTY DEED

Tax Parcel No. L3-11-1
Trail Mountain Mine Parcel

PACIFICORP, an Oregon corporation, having a mailing address of 1407 West North Temple, Suite 310, Salt Lake City, Utah 84116, as “Grantor”, hereby conveys and warrants, against all those claiming by, through or under Grantor, but not otherwise, to FOSSIL ROCK RESOURCES, LLC, a Delaware limited liability company, having a mailing address of 6100 Dutchmans Lane, 9th Floor, Louisville, Kentucky 40205, as “Grantee,” for the sum of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable consideration, that certain parcel of real property located in Emery County, State of Utah, together with any and all interests, rights and appurtenances thereto, as well as any and all improvements thereon (if any), as more particularly described in Exhibit A attached hereto (described hereinafter as the “Real Property”).

Subject to: (i) any state of facts that an accurate and complete ALTA/ACSM Land Title Survey might disclose, (ii) all zoning regulations, restrictions, rules and ordinances, land use regulations, building restrictions, and other laws and regulations now in effect or hereafter adopted by any governmental authority having jurisdiction, and (iii) reservations, easements, rights-of-way, declarations, covenants, conditions, restrictions, encroachments, liens, and encumbrances and all other matters of record or enforceable at law or in equity.

IN WITNESS WHEREOF, the said Grantor has executed this Special Warranty Deed as of this 5th day of June, 2015.

PACIFICORP,
an Oregon corporation

[Signature]
Cindy A. Crape
President/CEO, PacifiCorp dba Rocky Mountain Power

INCORPORATED
MAY 10 2021
Div. of Oil, Gas & Mining
STATE OF UTAH 

COUNTY OF SALT LAKE 

The foregoing instrument was acknowledged before me this 5th day of June, 2015, by Cindy A. Crane, the President/CEO of the PacifiCorp dba Rocky Mountain Power, an Oregon corporation.

Witness my hand and official seal.

CANDACE A. TIPPETTS
Notary Public

My Commission expires: 6/19/2017
Residing at: [illegible]

INCORPORATED
MAY 10 2021
Div. of Oil, Gas & Mining
Exhibit A

Trail Mountain Parcel Legal Description

That certain parcel of land located in Emery County, State of Utah, as more particularly described as follows:

Beginning at the Southwest corner of the Northwest quarter of the Southeast quarter of Section 25, Township 17 South, Range 6 East, SLB&M; thence North, 160 rods; thence East 44 rods, more or less, to the center line of Cottonwood Creek; thence in a Southerly direction along the centerline of said Cottonwood Creek to a point 76 rods, more or less East of beginning; thence West, 76 rods, more or less to the point of beginning.

Containing 53.50 acres, more or less.
Van Cott  
Attn: Jason D. Steiert  
36 S. State Street, Suite 1900  
Salt Lake City, Utah 84111-1478  

Re: Assignment of ROW Grant UTU-65027

DECISION

Right-of-Way Grant UTU-65027 Assigned

Enclosed is a copy of a right-of-way grant (serial number UTU-65027) which has been approved by the Bureau of Land Management and issued under authority of Title V of the Federal Land Policy and Management Act of October 21, 1976, as amended through September 1999, (90 Stat. 2776; 43 U.S.C. 1761). The assignment of this right-of-way grant constitutes a final decision by the Bureau of Land Management in this matter.

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) or 43 CFR 2801.10 for a stay 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 Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with 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.

Please note that under the regulations in 43 CFR Group 2800, this decision is effective even if an appeal is filed. If you have any questions, please contact Connie Leschin, Realty Specialist, at the above address, by e-mail cleschin@blm.gov, or by phone (435) 636-3610.

Sincerely,

[Signature]

Ahmed Mohsen
Field Manager

Enclosure

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

      Fossil Rock Resources, LLC
      6100 Dutchman’s Lane, 9th Floor
      Louisville, KY 40205

   receives a right to operate, maintain, and terminate the Cottonwood / Wilberg waste rock storage facility on public lands described as follows:

      T-17 S., R. 7 E., Salt Lake Meridian, Emery County, Utah
      Section 34: SE1/4, NE1/4, SW1/4, SE1/4.

   b. The right-of-way or permit area granted contains 25.87 acres, more or less.

   c. This instrument shall expire on June 7, 2025, unless, prior thereto, it is relinquished, abandoned, terminated, or modified pursuant to the terms and conditions of this instrument or of any applicable Federal law or regulation.

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

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

3. Rental:

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

INCORPORATED

MAY 10 2021

Div. of Oil, Gas & Mining
Terms and Conditions:

4. Standard
   a. This grant or permit is issued subject to the holder's compliance with all applicable regulations contained in Title 43 Code of Federal Regulations part 2800.
   b. Each grant issued for a term of 10 years or more shall, at a minimum, be reviewed by the authorized officer at the end of the 10th year and at regular intervals thereafter not to exceed 10 years. Provided, however, that a right-of-way or permit granted herein may be reviewed at any time deemed necessary by the authorized officer.
   c. The stipulations, plans, maps, or designs set forth in Exhibits A (Maps) and B (Professional Engineer Drawing), attached hereto, are incorporated into and made a part of this grant instrument as fully and effectively as if they were set forth herein in their entirety.
   d. BLM may suspend or terminate your grant if you do not comply with applicable laws and regulations or any terms, conditions, or stipulations of the grant (such as rent payments), or if you abandon the right-of-way. Your failure to use your right-of-way for its authorized purpose for any continuous 5-year period creates a presumption of abandonment.
   e. In the event that the public land underlying the right-of-way (ROW) encompassed in this grant, or a portion thereof, is conveyed out of Federal ownership and administration of the ROW or the land underlying the ROW is not being reserved to the United States in the patent/deed and/or the ROW is not within a ROW corridor being reserved to the United States in the patent/deed, the United States waives any right it has to administer the right-of-way, or portion thereof, within the conveyed land under Federal laws, statutes, and regulations, including the regulations at 43 CFR Part 2800/2880, including any rights to have the holder apply to BLM for amendments, modifications, or assignments and for BLM to approve or recognize such amendments, modifications, or assignments. At the time of conveyance, the patentee/grantee, and their successors and assigns, shall succeed to the interests of the United States in all matters relating to the right-of-way, or portion thereof, within the conveyed land and shall be subject to applicable State and local government laws, statutes, and ordinances. After conveyance, any disputes concerning compliance with the use and the terms and conditions of the ROW shall be considered a civil matter between the patentee/grantee and the ROW Holder.

5. Applicable Laws
   a. The holder shall comply with all Federal, State, and local regulations whether or not specifically mentioned within this grant.
   b. Use of pesticides shall comply with the applicable Federal and state laws. Pesticides shall be used only in accordance with their registered uses and within limitations imposed by the Secretary of the Interior. Prior to the use of pesticides, the holder shall obtain from the Field Manager or other authorized officer written approval of a plan showing the type and quantity of material to be used, pest(s) to be controlled, method of application, location of storage and disposal of containers, and any other information deemed necessary by the authorized officer. Emergency use of pesticides shall be approved in writing by the authorized officer prior to such use.
   c. The holder of this right-of-way grant or the holder's successor in interest shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and the regulations of the Secretary of the Interior issued pursuant thereto.
   d. The holder shall meet Federal, State, and local emission standards for air quality.
   e. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder(s) shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, et seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 720-789 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.198.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, Section 102(b). A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State.
government.
f. The holder shall comply with the construction practices and mitigating measures established by 33 CFR 323.4, which sets forth the parameters of the "nationwide permit" required by Section 404 of the Clean Water Act. If the proposed action exceeds the parameters of the nationwide permit, the holder shall obtain an individual permit from the appropriate office of the Army Corps of Engineers and provide the authorized officer with a copy of same. Failure to comply with this requirement shall be cause for suspension or termination of this right-of-way grant.
g. The holder of Right-of-Way No. UTU-65027 agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seg. or the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901 et seg.) on the right-of-way (unless the release or threatened release is wholly unrelated to the right-of-way holder's activity on the right-of-way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
h. The holder is prohibited from discharging oil or other pollutants into or upon the navigable waters of the United States, adjoining shorelines, or the waters of the contiguous zone in violation of Section 311 of the Clean Water Act as amended, 33 U.S.C. 1321, and the regulations issued there under, or applicable laws of the State and regulations issued there under. Holder shall give immediate notice of any such discharge to the authorized officer and such other Federal and State officials as are required by law to be given such notice.

6. Miscellaneous

a. The holder shall perform all operations in a good and workmanlike manner so as to ensure protection of the environment and the health and safety of the public. All design, material, and construction, operation, maintenance, and termination practices shall be in accordance with safe and proven engineering practices.
b. The holder shall designate a representative who shall have the authority to act upon and to implement instructions from the authorized officer. The holder's representative shall be available for communication with the authorized officer within a reasonable time when construction or other surface disturbing activities are underway.
c. The holder shall permit free and unrestricted public access to and upon the right-of-way for all lawful purposes except for those specific areas designated as restricted by the Field Manager or other authorized officer to protect the public, wildlife, livestock or facilities constructed within the right-of-way.
d. The holder shall inform the Field Manager at (435) 636-3600 within 48 hours of any accidents on federal lands.
e. All surface disturbing activities will have a cultural survey completed (if one has not been previously completed) and submitted to the BLM before activities begin and may be monitored by a BLM permitted archaeologist if determined necessary by the BLM. If any cultural materials are discovered during construction, work in the area will halt immediately and the authorized official notified.
f. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.
g. The holder shall protect all survey monuments found within the right-of-way. Survey monuments include, but are not limited to, General Land Office and Bureau of Land Management Cadastral Survey Corners, reference corners, witness points, U.S. Coastal and Geodetic benchmarks and triangulation stations, military control monuments, and recognizable civil (both public and private) survey monuments. In the event of obliteration or disturbance of any of the above, the holder shall immediately report the incident, in writing, to the authorized officer and the respective installing authority if known. Where General Land Office or Bureau of Land Management right-of-way monuments or references are obliterated during operations, the holder shall secure the services of a registered land surveyor or a Bureau cadastral surveyor to restore the disturbed monuments and references using surveying procedures found in the Manual of Surveying.
7. Construction / Maintenance

a. The holder shall conduct all activities associated with the construction, operation, and termination of the right-of-way within the authorized limits of the right-of-way.

b. The holder shall construct, operate, and maintain the facilities, improvements, and structures within this right-of-way in strict conformity with the plan of development which was approved and made part of this grant. Any relocation, additional construction, or use that is not in accord with the approved plan of development, shall not be initiated without the prior written approval of the authorized officer. A copy of the complete right-of-way grant, including all stipulations and approved plan of development, shall be made available on the right-of-way area during construction, operation, and termination to the authorized officer. Noncompliance with the above will be grounds for an immediate temporary suspension of activities if it constitutes a threat to public health and safety or the environment.

c. The holder shall provide for the safety of the public entering the right-of-way. This includes, but is not limited to barricades for open trenches, flagmen/women with communication systems for single-lane roads without intervisible turnouts, and attended gates for blasting operations.

d. If any clearing is needed, the right-of-way will be brush-hogged to prevent unnecessary disturbance. Only those areas where safety, absolute need for construction or other regulations may warrant the use of topsoil removal by blading or scalping. This right-of-way clearing shall be limited to the limits of the right-of-way. Suitable topsoil material removed in conjunction with clearing and stripping shall be conserved in stockpiles within the right-of-way.

e. All roads and parking areas shall be constructed to provide drainage and minimize erosion. Culverts shall be installed if necessary to maintain drainage. All areas to be used for roads and parking shall be surfaced with gravel (before the drilling rig or other drilling equipment moves onto the pad).

f. The site shall be maintained in a sanitary condition at all times; all discarded matter including, but not limited to, human waste, trash, garbage, refuse, oil drums, petroleum products, ashes, and equipment shall be disposed of promptly at an appropriate waste disposal site.

g. If during any phase of the construction, operation, or termination any oil or other pollutant should be discharged from containers or vehicles and impact Federal lands, the control and total removal, disposal, and cleanup of such oil or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of holder to control, cleanup, or dispose of such discharge on or affecting Federal lands, or to repair all damages to Federal lands resulting therefrom, the authorized officer may take such measures as he deems necessary to control and cleanup the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the authorized officer shall not relieve the holder of any liability or responsibility.

h. Fences, gates, brace panels and any other impacted range improvements shall be reconstructed to appropriate Bureau standards and/or specifications as determined by the authorized officer.

i. When construction activity in connection with the right-of-way breaks or destroys a natural barrier used for livestock control, the gap, thus opened, shall be fenced to prevent the drift of livestock. The subject natural barrier shall be identified by the authorized officer and fenced by the holder as per instruction of the authorized officer.

j. Construction-related traffic shall be restricted to routes approved by the authorized officer. New access roads or cross-country vehicle travel will not be permitted unless prior written approval is given by the authorized officer. Authorized roads used by the holder shall be rehabilitated or maintained when construction activities are complete as approved by the authorized officer.

k. No construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support construction equipment. If such equipment creates ruts in excess of four inches deep, the soil shall be deemed too wet to adequately support construction equipment.
l. The holder shall be responsible for weed control on disturbed areas within the limits of the right-of-way. The holder is responsible for consultation with the authorized officer and/or local authorities for acceptable weed control methods (within limits imposed in the grant stipulations).

m. Holder shall maintain the right-of-way in a safe, usable condition, as directed by the authorized officer.

8. Reclamation / Rehabilitation / Termination
   a. Ninety (90) days prior to termination of the right-of-way, the holder shall contact the authorized officer to arrange a pre-termination conference. This conference will be held to review the termination provisions of the grant.
   b. Upon grant termination by the Field Manager or other authorized officer, all improvements shall be removed from the public lands within 90 days or as directed by the authorized officer.
   c. The holder shall restore drainages, to the greatest extent possible, to the original bank configuration, stream bottom width, and channel gradient. Loose soil, fill, and culverts shall be removed from drainage channels as directed by the authorized officer.
   d. The holder shall re-contour the disturbed area and obliterate all earthwork by removing embankments, backfilling excavations, and grading to re-establish the approximate original contours of the land in the right-of-way.
   e. The holder shall prepare a seedbed by scarifying the disturbed area, distributing topsoil uniformly, or diskimg the topsoil.
   f. The holder shall seed all disturbed areas that have been or are being reclaimed with a seed mixture(s) submitted to and approved by the authorized officer.

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

(Signature of Holder)  
Senior VP's General Counsel  
8/14/15

(Signature of BLM Authorized Officer)  
Field Manager, Price Field Office  
8/17/2015

(Date)  
(Effective Date of Grant)
APPENDIX 1-2

NEWSPAPER ADVERTISEMENTS
APPENDIX 1-2

Newspaper Advertisements

INCORPORATED

MAY 18 2021

Div. of Oil, Gas, Mining
PROOF OF PUBLICATION AFFIDAVIT

I, Scottie Draper, being first duly sworn, state that I am the Publisher 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:

December 25, 2019
January 1, 2020
January 8, 2020
January 15, 2020

Scottie Draper, Editor

Subscribed to and sworn before me this 15th day of January, 2020

Notary Public

TANYA SHORT
NOTARY PUBLIC-STATE OF UTAH
COMMISSION# 696531
COMM. EXP. 08-17-2021

INCORPORATED
MAY 10, 2021
Div. of Oil, Gas & Mining
LEGAL NOTICE

Fossil Rock Resources, LLC, 9815 South Monroe Street, Suite 203, Sandy, Utah 84070 has filed an application for a coal mining permit renewal under the laws of the State of Utah and the U.S. Office of Surface Mining.

Approval of this application will allow coal mining operations at the Fossil Rock Mine to continue within the leasehold interest and fee lands owned by Fossil Rock Resources, LLC. The lands on which mining is to continue are located in Emery County and are part of the Manti-LaSal National Forest. The mine portals are located 10 miles northwest of Orangeville, Utah, and are located within Section 25, E1/2, Township 17 South, Range 6 East. The approximate leasehold is contained in the following coal leases and fee land which have been assigned or deeded to Fossil Rock Resources, LLC.

FEDERAL COAL LEASES:

UTU-64375, UU-49332, UU-64375
Township 17 South, Range 6 East
Section 25: SW1/4, SE1/2 NW1/4, Portions of the SW1/4 NE1/4, W1/2 SE1/4.
Section 26: S1/2 SW1/4, S1/2 SE1/4, NE1/4 SE1/4, E1/2 NW1/4 SE1/4, SE1/4 NE1/4, E1/2 SW1/4 NE1/4.
Section 27: S1/2 SW1/4, SE1/2 SE1/4.

FEE LANDS:

Township 17 South, Range 6 East, SLM
Section 25: Portions of the W1/2 E1/2 SW1/4 NW1/4, E1/2 W1/2 SW1/4 NE1/4, W1/2 E1/2 NW1/4 SE1/4, E1/2 SE1/4 NW1/4 SE1/4

PERMIT AREA:

Mine Site (Approximately 17.97 acres)
Township 17 South, Range 6 East, SLM
Section 25: Portions of the W1/2 E1/2 SW1/4 NW1/4, E1/2 W1/2 SW1/4 NE1/4, W1/2 E1/2 NW1/4 SE1/4, E1/2 SE1/4 NW1/4 SE1/4

Waste Rock Site (Approximately 25.85 acres)
Township 17 South, Range 7 East, SLM
Section 34: Portions of the SW1/4 SE1/4 NE1/4, W1/2 NE1/4 SE1/4, W1/2 SW1/4 SE1/4, N1/2 SW1/4 SE1/4

After filing, copies of the permit application will be available for inspection at the: Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah and Emery County Offices, 75 E Main St, Castle Dale, Utah 84513.

Written comments or requests for an informal conference regarding this application may be addressed within 30 days of the last publication date of this notice, to the Utah Division of Oil, Gas and Mining, Box 145801, Salt Lake City, Utah 84114-5801.

Published in the ETV Newspaper December 25, January 1, January 8 and January 15, 2019.

MAY 10 2021
Div. of Oil, Gas & Mining
AFFIDAVIT OF PUBLICATION

STATE OF UTAH
County of Carbon,

I, Jenni Fasselin, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State of Utah a true copy of which is hereto attached, was published in the full issue of such newspaper for 1 (One) consecutive issues, and on the Utah legals.com website, the first publication was on the 8th day of September, 2015, and that the last publication of such notice was in the issue of such newspaper dated the 8th day of September 2015.

Jenni Fasselin – Publisher

Subscribed and sworn to before me this 8th day of September, 2015.

Linda Mayn

Notary Public My commission expires January 10, 2019 Residing at Price, Utah

PUBLIC NOTICE CHANGE OF OWNERSHIP AND CONTROL

Canyon Fuel Company, LLC, has applied to the Division of Oil, Gas and Mining for the transfer of ownership and control of Trail Mountain Mine and Waste Rock Storage Facility from PacifiCorp, 1407 West No. Temple, Suite 810, Salt Lake City, Utah 84110 to Fess Rock Resources, LLC, 225 North 5th Street, 3rd Floor, Grand Junction, CO 81501

PacifiCorp owned and operated the following properties:

Trail Mountain Mine - C/015/0000, facilities located in Township 17 South, Range 6 East, Portion of the W/2E1/2SW1/4NE1/4, E1/2W1/2SW1/4NE1/4, W1/2E1/2SW1/4, Section 84, Emery County, UT

Trail Mountain Waste Rock Storage Facility - C/015/0009, facility located in Township 17 South, Range 7 East, 5E1/4 of Section 84, Emery County, UT

Written comments should be directed to the Utah Division of Oil, Gas and Mining, PO Box 143801, Salt Lake City, UT 84114-8001. Copies of the current mining and reclamation plans are available for public inspection at the office of the Utah Division of Oil, Gas and Mining, 1584 West North Temple, Suite 1210, Salt Lake City, Utah.

Published in The Sun Advocate September 8, 2015.

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