

M. Ann P/M



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

RECEIVED

DEC 10 1999

DIVISION OF OIL, GAS & MINING

In Reply Refer To:

- 3453
- U-017354
- U-044076
- U-067498
- U-073120
- U-47974
- U-47975
- UTU-70018

DEC 8 1999

CERTIFIED MAIL—Return Receipt Requested

DECISION

Lodestar Energy, Inc.
c/o Parsons Behle & Latimer
Attn: Patricia J. Winmill
P.O. Box 45898
Salt Lake City, Utah 84145-0898

:
:
:
:
:
:

Coal Leases
U-017354, U-044076,
U-067498, U-73120,
U-47974, U-47975,
UTU-70018

*Incoming
ACT/COO/COO*

Bonds Accepted

Lease and Sublease Assignments Approved

On August 31, 1999, record title assignments for Federal coal leases U-017354, U-067498, U-073120, U-47974, and U-47975, entered into on July 14, 1999, between Lodestar Energy, Inc., as assignee, and White Oak Mining & Construction Co., Inc., as assignor, were filed in this office. On the same date, sublease transfers for Federal coal leases U-044076 and UTU-70018, entered into on July 14, 1999, between Lodestar Energy, Inc., as transferee, and White Oak Mining & Construction Co., Inc., as transferor, were filed in this office.

Satisfactory evidence of the qualifications and holdings of Lodestar Energy, Inc. has been filed. The Minerals Management Service has submitted a statement to this office that the leases are in good standing. The following bonds with Lodestar Energy, Inc., as principal, and Frontier Insurance Company, as surety, were filed in this office on November 12, 1999.

<u>Lease No.</u>	<u>Surety Bond No.</u>	<u>Bond Amount</u>
U-017354	149093	\$193,000
U-067498	149094	\$5,000
U-47974	149095	\$10,000
U-47975	149096	\$15,000
UTU-70018	149097	\$5,000

The bonds have been examined, found to be acceptable, and are hereby accepted as of the date of filing.

Leases U-044076 and U-073120 are covered by surety bonds in which Canyon Fuel Company, LLC is the principal.

Therefore, the assignments appear to meet the requirements of the regulations and are approved effective December 1, 1999. Approval of the assignments does not constitute approval of any of the terms therein which may be in violation of the lease terms.

As previously stated in our decision of October 12, 1999, which reviewed the status of the leases, leases U-017354, U-067498, U-47974, U-47975 and UTU-70018 comprised the Federal coal leases in the rejected White Oak Logical Mining Unit. The rejection of the LMU was subsequently appealed to the Interior Board of Land Appeals (IBLA). If the rejection of the LMU is affirmed by IBLA, the following leases are terminated for failure to meet diligent development requirements: U-067498, U-47974 and U-47975. U-067498 terminated effective January 1, 1994. U-47974 and U-47975 terminated effective December 1, 1991. U-017354 and UTU-70018 have met their diligent development requirements.

/s/ Linda S. Colville

FDR Sally Wisely
State Director

Enclosure
Assignments

cc: Lodestar Energy, Inc., Attn: Eberley Davis, 333 West Vine Street, #1700, Lexington, KY 40507 (w/encl)
Lodestar Energy, Inc., Attn: David B. Miller, HC 35 Box 370, Helper, UT 84526 (w/encl)
White Oak Mining & Construction Co., Inc., c/o Denise A. Dragoo, Snell & Wilmer, 111 E. Broadway, #900, Salt Lake City, UT 84111 (w/encl)
Manti-LaSal National Forest (w/encl)
U.S. Forest Service, Ogden, UT (w/encl)
MMS, Solids (w/encl)
Mr. Lowell Braxton, Director, UDOGM, P.O. Box 145801, Salt Lake City, UT 84114 (w/encl)
Resource Development Coordinating Committee, Attn: Mineral Leasing Task Force, 116 State Capitol Building, Salt Lake City, UT 84114 (w/encl)
Price Coal Office (Attn: Steve Falk) (w/encl)

ASSIGNMENT OF FEDERAL COAL LEASE

WHITE OAK MINING & CONSTRUCTION CO., INC., a Nevada corporation, having an address of HC35, Box 370, Helper, Utah 84526 ("Assignor"), for \$10.00 and other good and valuable consideration, receipt of which is hereby acknowledged, hereby assigns to LODESTAR ENERGY, INC., a Delaware corporation, having an address of 333 West Vine St., Suite 1700, Lexington, Kentucky 40507 ("Assignee"), all of Assignor's right, title and interest in, to and under the Federal Coal Lease described on Exhibit A attached hereto and incorporated herein.

Assignee hereby accepts the assignment of the Federal Coal Lease and agrees hereafter to keep and perform all of the Assignor's covenants and obligations pursuant thereto.

The representations and warranties contained in the Asset Purchase Agreement dated July 14, 1999, between Assignor and Assignee relating to the Federal Coal Lease are incorporated herein by reference.

This Assignment does not supersede or waive any contractual remedy between Assignor and Assignee. Such remedies are in addition to and are not merged into this instrument. This Assignment shall bind the legal representatives, successors and permitted assigns of the Assignor.

This Assignment is subject to and contingent upon the approval of the United States Bureau of Land Management.

IN WITNESS WHEREOF, Assignor has executed this Assignment effective as of July 14, 1999.

ASSIGNOR:

WHITE OAK MINING & CONSTRUCTION CO., INC.

BY _____

ITS _____

ASSIGNEE:

LODESTAR ENERGY, INC.

BY _____

ITS _____

EXHIBIT A
to
Assignment

Federal Coal Lease Serial No. U-017354, (sometimes referred to as U-017354-067374) dated September 1, 1956, as subsequently modified effective December 11, 1997, covering the following described land in Carbon and Emery Counties, Utah:

Tract 1: Township 13 South, Range 6 East, SLB&M, Utah
Section 36: All.

Township 13 South, Range 7 East, SLB&M, Utah
Section 31: Lot 3, NE $\frac{1}{4}$ SW $\frac{1}{4}$.

Tract 2: Township 14 South, Range 6 East, SLB&M, Utah
Section 1: Lots 2, 3, 4, N $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$.

Township 14 South, Range 6 East, SLB&M, Utah
Section 1: Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$.

Township 14 South, Range 7 East, SLB&M, Utah
Section 6: Lots 3, 4, 5, SE $\frac{1}{4}$ NW $\frac{1}{4}$.

Containing approximately 1,188.08 acres, more or less.

ASSIGNMENT OF FEDERAL COAL LEASE

WHITE OAK MINING & CONSTRUCTION CO., INC., a Nevada corporation, having an address of HC35, Box 370, Helper, Utah 84526 ("Assignor"), for \$10.00 and other good and valuable consideration, receipt of which is hereby acknowledged, hereby assigns to LODESTAR ENERGY, INC., a Delaware corporation, having an address of 333 West Vine St., Suite 1700, Lexington, Kentucky 40507 ("Assignee"), all of Assignor's right, title and interest in, to and under the Federal Coal Lease described on Exhibit A attached hereto and incorporated herein.

Assignee hereby accepts the assignment of the Federal Coal Lease and agrees hereafter to keep and perform all of the Assignor's covenants and obligations pursuant thereto.

The representations and warranties contained in the Asset Purchase Agreement dated July 14, 1999, between Assignor and Assignee relating to the Federal Coal Lease are incorporated herein by reference.

This Assignment does not supersede or waive any contractual remedy between Assignor and Assignee. Such remedies are in addition to and are not merged into this instrument. This Assignment shall bind the legal representatives, successors and permitted assigns of the Assignor.

This Assignment is subject to and contingent upon the approval of the United States Bureau of Land Management.

IN WITNESS WHEREOF, Assignor has executed this Assignment effective as of July 14, 1999.

ASSIGNOR:

WHITE OAK MINING & CONSTRUCTION CO., INC.

BY _____

ITS _____

ASSIGNEE:

LODESTAR ENERGY, INC.

BY _____

ITS _____

EXHIBIT A
to
Assignment

The sublessee's interest in Federal Coal Lease Serial No. U-044076 dated effective September 1, 1965, created by Sublease dated Sept. 15, 1975, between Routt County Development, Ltd., sublessor, and Energy Fuels Corp., sublessee, affecting the following lands in Carbon and Emery Counties, Utah:

Township 13 South, Range 6 East, SLB&M, Utah

Section 35: Lots 6 and 7; N $\frac{1}{2}$ SE $\frac{1}{4}$; NE $\frac{1}{4}$ (E $\frac{1}{2}$).

ASSIGNMENT OF FEDERAL COAL LEASE

WHITE OAK MINING & CONSTRUCTION CO., INC., a Nevada corporation, having an address of HC35, Box 370, Helper, Utah 84526 ("Assignor"), for \$10.00 and other good and valuable consideration, receipt of which is hereby acknowledged, hereby assigns to LODESTAR ENERGY, INC., a Delaware corporation, having an address of 333 West Vine St., Suite 1700, Lexington, Kentucky 40507 ("Assignee"), all of Assignor's right, title and interest in, to and under the Federal Coal Lease described on Exhibit A attached hereto and incorporated herein.

Assignee hereby accepts the assignment of the Federal Coal Lease and agrees hereafter to keep and perform all of the Assignor's covenants and obligations pursuant thereto.

The representations and warranties contained in the Asset Purchase Agreement dated July 14, 1999, between Assignor and Assignee relating to the Federal Coal Lease are incorporated herein by reference.

This Assignment does not supersede or waive any contractual remedy between Assignor and Assignee. Such remedies are in addition to and are not merged into this instrument. This Assignment shall bind the legal representatives, successors and permitted assigns of the Assignor.

This Assignment is subject to and contingent upon the approval of the United States Bureau of Land Management.

IN WITNESS WHEREOF, Assignor has executed this Assignment effective as of July 14, 1999.

ASSIGNOR:

WHITE OAK MINING & CONSTRUCTION CO., INC.

BY _____

ITS _____

ASSIGNEE:

LODESTAR ENERGY, INC.

BY: _____

ITS: _____

EXHIBIT A
to
Assignment

The sublessor's interest in Federal Coal Lease Serial No. U-073120 dated February 1, 1964, created by Sublease dated September 15, 1975 between Kanawha and Hocking Coal and Coke Company, sublessor, and Valley Camp of Utah, sublessee, covering the following described lands in Carbon and Emery Counties, Utah:

Township 13 South, Range 6 East, SLB&M, Utah

Section 13: Lots 1, 2, 3, 4, 5, 6, 8

Section 14: NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$

Section 24: NE $\frac{1}{4}$ NW $\frac{1}{4}$

Containing approximately 557.22 acres more or less

ASSIGNMENT OF FEDERAL COAL LEASE

WHITE OAK MINING & CONSTRUCTION CO., INC., a Nevada corporation, having an address of HC35, Box 370, Helper, Utah 84526 ("Assignor"), for \$10.00 and other good and valuable consideration, receipt of which is hereby acknowledged, hereby assigns to LODESTAR ENERGY, INC., a Delaware corporation, having an address of 333 West Vine St., Suite 1700, Lexington, Kentucky 40507 ("Assignee"), all of Assignor's right, title and interest in, to and under the Federal Coal Lease described on Exhibit A attached hereto and incorporated herein.

Assignee hereby accepts the assignment of the Federal Coal Lease and agrees hereafter to keep and perform all of the Assignor's covenants and obligations pursuant thereto.

The representations and warranties contained in the Asset Purchase Agreement dated July 14, 1999, between Assignor and Assignee relating to the Federal Coal Lease are incorporated herein by reference.

This Assignment does not supersede or waive any contractual remedy between Assignor and Assignee. Such remedies are in addition to and are not merged into this instrument. This Assignment shall bind the legal representatives, successors and permitted assigns of the Assignor.

This Assignment is subject to and contingent upon the approval of the United States Bureau of Land Management.

IN WITNESS WHEREOF, Assignor has executed this Assignment effective as of July 14, 1999.

ASSIGNOR:

WHITE OAK MINING & CONSTRUCTION CO., INC.

BY _____

ITS _____

ASSIGNEE:

LODESTAR ENERGY INC.

BY: _____

ITS: _____

EXHIBIT A
to
Assignment

Federal Coal Lease Serial No. U-47974 dated effective December 1, 1981, covering the following described lands in Carbon and Emery Counties, Utah:

Township 13 South, Range 7 East, SLB&M, Utah

Section 3: Lots 9, 10, N $\frac{1}{2}$ SW $\frac{1}{4}$;

Section 9: NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$;

Section 10: All;

Section 15: All;

Section 16: E $\frac{1}{2}$ E $\frac{1}{2}$.

Containing approximately 1,999.06 acres more or less

ASSIGNMENT OF FEDERAL COAL LEASE

WHITE OAK MINING & CONSTRUCTION CO., INC., a Nevada corporation, having an address of HC35, Box 370, Helper, Utah 84526 ("Assignor"), for \$10.00 and other good and valuable consideration, receipt of which is hereby acknowledged, hereby assigns to LODESTAR ENERGY, INC., a Delaware corporation, having an address of 333 West Vine St., Suite 1700, Lexington, Kentucky 40507 ("Assignee"), all of Assignor's right, title and interest in, to and under the Federal Coal Lease described on Exhibit A attached hereto and incorporated herein.

Assignee hereby accepts the assignment of the Federal Coal Lease and agrees hereafter to keep and perform all of the Assignor's covenants and obligations pursuant thereto.

The representations and warranties contained in the Asset Purchase Agreement dated July 14, 1999, between Assignor and Assignee relating to the Federal Coal Lease are incorporated herein by reference.

This Assignment does not supersede or waive any contractual remedy between Assignor and Assignee. Such remedies are in addition to and are not merged into this instrument. This Assignment shall bind the legal representatives, successors and permitted assigns of the Assignor.

This Assignment is subject to and contingent upon the approval of the United States Bureau of Land Management.

IN WITNESS WHEREOF, Assignor has executed this Assignment effective as of July 14, 1999.

ASSIGNOR:

WHITE OAK MINING & CONSTRUCTION CO., INC.

BY _____

ITS _____

ASSIGNEE:

LODESTAR ENERGY, INC.

BY _____

ITS _____

EXHIBIT A
to
Assignment

Federal Coal Lease Serial No. U-47975 dated effective December 1, 1981, covering the following described lands in Carbon and Emery Counties, Utah:

Township 13 South, Range 7 East, SLB&M, Utah

Section 1: SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Section 2: All;
Section 3: Lots 1, 2, 5-8, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$;
Section 11: All;
Section 12: W $\frac{1}{2}$ W $\frac{1}{2}$;
Section 13: W $\frac{1}{2}$ SW $\frac{1}{4}$; W $\frac{1}{2}$ NW $\frac{1}{4}$;
Section 14: All;
Section 23: All;
Section 24: W $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$.
Containing approximately 3,627.84 acres more or less.

ASSIGNMENT OF FEDERAL COAL LEASE

WHITE OAK MINING & CONSTRUCTION CO., INC., a Nevada corporation, having an address of HC35, Box 370, Helper, Utah 84526 ("Assignor"), for \$10.00 and other good and valuable consideration, receipt of which is hereby acknowledged, hereby assigns to LODESTAR ENERGY, INC., a Delaware corporation, having an address of 333 West Vine St., Suite 1700, Lexington, Kentucky 40507 ("Assignee"), all of Assignor's right, title and interest in, to and under the Federal Coal Lease described on Exhibit A attached hereto and incorporated herein.

Assignee hereby accepts the assignment of the Federal Coal Lease and agrees hereafter to keep and perform all of the Assignor's covenants and obligations pursuant thereto.

The representations and warranties contained in the Asset Purchase Agreement dated July 14, 1999, between Assignor and Assignee relating to the Federal Coal Lease are incorporated herein by reference.

This Assignment does not supersede or waive any contractual remedy between Assignor and Assignee. Such remedies are in addition to and are not merged into this instrument. This Assignment shall bind the legal representatives, successors and permitted assigns of the Assignor.

This Assignment is subject to and contingent upon the approval of the United States Bureau of Land Management.

IN WITNESS WHEREOF, Assignor has executed this Assignment effective as of July 14, 1999.

ASSIGNOR:

WHITE OAK MINING & CONSTRUCTION CO., INC.

BY _____

ITS _____

ASSIGNEE:

LODESTAR ENERGY, INC

BY: _____

ITS: _____

EXHIBIT A
to
Assignment

The sublessee's interest in Federal Coal Lease Serial No. UTU-70018 dated March 1, 1962 (segregated from federal coal lease no. 020305), created by Sublease dated Sept. 15, 1975, between Routt County Development, Ltd., sublessor, and Energy Fuels Corp., sublessee, covering the following described lands in Carbon and Emery, Counties, Utah:

Township 13 South, Range 6 East, SLB&M, Utah

Section 24: SE $\frac{1}{4}$

Section 25 Beginning at the SW sec cor; thence N 28°03'28" E 85 chains, more or less, to the N1/4 cor; thence E 40.1 chains to the NE cor; thence S 0°03' W 75.1 chains to the SE cor; thence W 80.07 chains to the point of beginning.

Containing approximately 610 acres, more or less.

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Utah State Office

REQUEST FOR APPROVAL OF
ASSIGNMENT OF FEDERAL COAL LEASES

White Oak Mine

<u>SERIAL NO.</u>	<u>DATE OF LEASE</u>
UTU-70018 (sublease interest)	March 1, 1962
U-044076 (sublease interest)	September 1, 1965
U-073120	February 1, 1964
U-017354	September 1, 1956
U-067498	January 1, 1962
UT-47974	December 1, 1981
UT-47975	December 1, 1981

Enclosed are executed Assignments of the United States Coal Leases listed above (the "Leases") dated effective July 14, 1999, from White Oak Mining & Construction Company, Inc., a Nevada corporation, HC35, Box 370, Helper, Utah 84525 ("Assignor"), to Lodestar Energy, Inc. a Delaware corporation, 333 West Vine St., Suite 1700, Lexington, KY 40507 ("Assignee"). Pursuant to regulation, separate instruments of transfer for each lease are submitted in triplicate with this Request for Approval.

A. Assignee certifies that:

1. It is a Delaware corporation qualified to do business in the State of Utah. Assignee's statement of qualifications to hold federal coal leases is submitted concurrently herewith.
2. Assignee is the sole party in interest in the assignments of the Leases. No alien holds any interest, direct or indirect, in the Leases assigned to Assignee.
3. The assignments will not create an overriding royalty or production payment in excess of that allowed by 43 C.F.R. § 3473.3-2. The assignments are subject to a production royalty in favor of the Assignor and a copy of the Payment Agreement, marked "CONFIDENTIAL", setting forth the terms and calculation of such payment was submitted with Lodestar's separate request for approval of the transfer of federal coal lease no. UTU-74804. The payment shall not exceed 25¢ per ton of coal mined from the Leases, and other federal coal leases transferred to Assignee, and is expressly limited so as not to exceed 50% of the federal royalty when added to any other royalties or production payments affecting the Leases.

4. Assignee's interests, direct and indirect, including the area covered by the Leases, in federal coal permits, leases or lease applications do not exceed in the aggregate the acreage limitation in 43 C.F.R. § 3472.1-3. Specifically, Assignee, its affiliates, subsidiaries and persons controlled by or under common control with Assignee, do not, and with the area covered by the Leases, will not hold, own or control federal coal leases, or lease modification applications, or lease bids on more than 46,080 acres in any one state or 100,000 acres in the United States.

5. Assignee submits concurrently herewith the information required by 43 C.F.R. §§ 3422.3-4 and 3453.2-2. Pursuant to 43 C.F.R. §§ 3422.3-4(g) and 3453.2-2(g), this information has been labeled as proprietary data and Assignee requests that the information be treated as proprietary and confidential.

6. Assignee does not operate a common carrier railroad.

7. Assignee does not hold any lease that it has held for ten years and from which coal is not being produced.

8. The nonrefundable filing fee of \$50.00 per lease, for a total of \$350.00, required pursuant to 43 C.F.R. § 3473.2(a)(3), is submitted herewith.

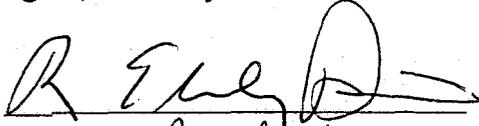
B. Assignee agrees to be bound by the terms and provisions of the Leases, provided the assignments are approved by the authorized officer of the Bureau of Land Management.

C. It is hereby certified that the statements herein made by the undersigned are true, complete and correct to the best of his knowledge and belief and are made in good faith.

Assignee hereby requests approval of the assignments of the Leases. In accordance with 43 C.F.R. § 3453.3-3, Assignee respectfully requests that the assignments be deemed effective as of the first day of the month of the approval.

DATED this 14th day of August, 1999.

LODESTAR ENERGY, INC.
333 West Vine Street, Suite 1700
Lexington, Kentucky 40507

By: 

Its: Vice President