

Snell & Wilmer
L.L.P.
LAW OFFICES

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Gateway Tower West
Salt Lake City, Utah 84101
(801) 257-1900
Fax: (801) 257-1800
www.swlaw.com

Denise A. Dragoo (801) 257-1998
ddragoo@swlaw.com

March 19, 2003
HAND DELIVERED

SALT LAKE CITY, UTAH
PHOENIX, ARIZONA
TUCSON, ARIZONA
IRVINE, CALIFORNIA
DENVER, COLORADO
LAS VEGAS, NEVADA

Pamela Grubaugh-Littig, Permit Supervisor
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

RE: Whiskey Creek Mine, Permit No. C/007/001

Dear Ms. Littig:

Enclosed on behalf of Blue Ridge Services, LLC ("Blue Ridge") are:

1. The originally signed page 4 of the Application for Permit required to abate the Cessation Orders issued by the Division of Oil, Gas & Mining at the Whiskey Creek Mine, Utah;
2. The fully executed Stipulation to Terminate the Cessation Orders which was been filed today with the Bankruptcy Court in Kentucky; and
3. The Application for Authority to Transact Business in the State of Utah for Blue Ridge date-stamped March 18, 2003 by the State of Utah, and the certificate of good standing for Blue Ridge from the State of Virginia dated March 14, 2003. We will forward the certificate of good standing and authority to do business for KTK Mining of Virginia upon our receipt of the same.

Thank you for your forwarding the termination notices for the two cessation orders. I would also appreciate a copy of the inspection report and any proposed penalty assessment regarding this matter.

Thanks again for your assistance.

Very truly yours,



Denise A. Dragoo

*Incoming
C/007/001
Copy Transmitted
Daron, Pam
PFO*

RECEIVED

MAR 19 2003

DIV OF OIL GAS & MINING

DAD:jmc:245647

Enclosures

cc: Mary Ann Wright (via e-mail, without enclosures)
Daron Haddock (via e-mail, without enclosures)
Scott Kiscaden (via e-mail, without enclosures)
John Madison (via e-mail, without enclosures)
Mark Wayment (via e-mail, without enclosures)
L. Edwin Paulson, Esq. (via e-mail, without enclosures)
David E. Leta, Esq. (via e-mail, without enclosures)
Steven Alder, Esq. (via e-mail, without enclosures)

R645-301-114. RIGHT OF ENTRY INFORMATION

February 13, 2003 Stipulation with the Trustee, attached as Exhibit A.

R645-301-115. STATUS OF UNSUITABILITY CLAIMS

Unsuitability status will not change as a result of the designation of a new operator.

R645-301-116. PERMIT TERM

The permit term will not change as a result of the designation of a new operator.

R645-301-117.100 CERTIFICATE OF INSURANCE

A revised certificate of liability insurance consistent with R645-301-800 is attached as Exhibit B.

R645-301-117.200. ADVERTISEMENT

N/A

R645-301-117.300. SHARED FACILITIES

N/A

R645-301-118. FILING FEE

N/A

R645-301-120. PERMIT APPLICATION FORMAT AND CONTENTS

N/A

Respectfully submitted this 13th day of March, 2003.

LODESTAR ENERGY, INC.

BY: 
Mark Wayment
Its Resident Agent

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF KENTUCKY
(LEXINGTON DIVISION)

In re: : Chapter 11 Proceeding
:
LODESTAR ENERGY INC., : Case No. 01-50969
LODESTAR HOLDINGS, INC., : Case No. 01-50972
INDUSTRIAL FUELS MINERALS, CO. : Case No. 03-70015

Debtors. : (Jointly Administered)

**STIPULATION TO TERMINATE CESSATION ORDER ISSUED BY THE STATE OF
UTAH AGAINST BLUE RIDGE SERVICES, LLC**

AND

**STIPULATION TO PARTIALLY TERMINATE CESSATION ORDER ISSUED BY THE
STATE OF UTAH AGAINST THE DEBTOR/LODESTAR ENERGY, INC.**

EASTERN DISTRICT OF KENTUCKY

FILED

AT _____ O'CLOCK & _____ MIN _____ M

MAR 19 2003

AT LEXINGTON

U.S. BANKRUPTCY COURT

By agreement of the parties hereto, the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining (“**Division**”), Blue Ridge Services, LLC (“**Blue Ridge**”) and Frontier Insurance Company in Rehabilitation (“**Frontier**”) as set forth below, by and through their respective Counsel, hereby stipulate and agree to the following so that certain cessation orders issued by the Division may be terminated and/or partially terminated, *i.e.*, modified or altered, so that Blue Ridge may act as a contractor for the Debtor at Whiskey Creek Mine in Carbon County, Utah, under the Debtor’s Permit No. C/007/001, for the limited purpose of removing, hauling and transporting coal from the stockpile and pit area therein onto trains and/or trucks, as the case may be, and for Blue Ridge to establish a reclamation fund (defined below) therefore (this entire document being described as the “**Division Stipulation**”), as follows:

BACKGROUND

1. On February 13, 2003, the Court-Appointed Trustee, being Bill Bishop, and Blue Ridge entered into a STIPULATION AND AGREEMENT FOR SALE OF CERTAIN OF DEBTORS’ UTAH PROPERTY FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES TO BLUE RIDGE SERVICES, LLC (the “**Trustee Stipulation**”).

2. On February 24, 2003, Blue Ridge filed a MOTION PURSUANT TO §§ 105A, 363, 365, 503 AND 507 OF THE BANKRUPTCY CODE FOR ORDER APPROVING STIPULATION AND AUTHORIZING SALE TO BLUE RIDGE SERVICES, LLC, OF CERTAIN OF DEBTORS’ UTAH PROPERTIES FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES WITH ALL VALID LIENS, CLAIMS AND ENCUMBRANCES TO ATTACH TO THE PROCEEDS OF THE SALE. A hearing before the Court on this Motion has been set for 9:00 a.m. on Thursday, March 13, 2003. The Division Stipulation shall be specifically contingent upon the

entry of an order approving the Trustee Stipulation; however, the Division Stipulation shall be effective upon March 18, 2003.

3. Pursuant to the terms of the Trustee Stipulation, the Trustee granted Blue Ridge the authority to perform several functions, including, but not limited to: access to Debtor's Whiskey Creek Mine; the right to operate and use certain equipment; and the authority to load, haul, remove and receive all of the sale proceeds from stockpiled and pit coal as necessary to fulfill Debtor's obligations under a Purchase Order with Mt. Poso Cogeneration Co. dated September 20, 2002 ("Purchase Order"). Blue Ridge agreed to operate as a contractor under Debtor's coal mine permit for the Whiskey Creek Mine, Permit No. C/007/001, in the Trustee Stipulation's paragraphs 8 and 12.

4. On March 11, 2003, the Division issued Cessation Order No. C-03-39-1-1 ("Blue Ridge CO") to Blue Ridge for conducting surface coal mining and reclamation operations without a permit from the Division at the Whiskey Creek Mine. To abate the Blue Ridge CO, Blue Ridge is required to cease extracting coal from the earth (pit) and transporting it from the pit area and to obtain a permit or to obtain a designation as an operator under Debtor's existing permit. A copy of the Blue Ridge CO attached hereto as Exhibit 1.

5. On March 12, 2003, the Division issued Cessation Order No. C-03-51-1-1 to Debtor ("Debtor CO"), regarding underground operations at the White Oak Mine and surface operations at the Whiskey Creek Mine, both of which operations are governed by Permit No. C/007/001. To abate the Debtor CO, the Debtor is required to cease coal extraction and transporting coal within or from

the White Oak/Whiskey Creek mine site and immediately post an adequate bond or to complete reclamation in accordance with the approved mining and reclamation plan. A copy of the Debtor CO is attached hereto as Exhibit 2.

AGREED TERMS OF THE DIVISION STIPULATION

6. At the request of Blue Ridge to load, haul and transport the above-described coal, the Division has agreed to terminate the Blue Ridge CO and to partially terminate, *i.e.*, modify or alter, the Debtor CO, in exchange for Blue Ridge establishing a Fund, as follows:

(a) The Division Stipulation shall be specifically contingent upon the entry of an order approving the Trustee Stipulation; however, the Division Stipulation shall be effective upon March 18, 2003. Blue Ridge's authority to operate as the Debtor's contractor under Permit No. C/007/001 shall terminate on June 1, 2003. After June 1, 2003, Blue Ridge shall not have authorization under Permit No. C/007/001 to load, haul or transport any coal as described above, except as expressly authorized in writing by the Division, which authorization may be withheld at its sole discretion.

(b) Blue Ridge shall establish an interest-bearing escrow account ("Account") at Zions Bank (the "Bank") within the State of Utah and shall immediately provide the Division with the Account number, which the Division hereby is granted irrevocable access only to monitor all deposits to the Account and may use this document as Blue Ridge's authorization to gain such access to the Account. Blue Ridge shall deposit funds to the Account at the rate of \$3.00 per ton for all coal removed from the pit by Blue Ridge at the Whiskey Creek Mine or removed from the inventory stockpile at the ValCam Loadout facility (aka Loadstar loadout facility) by Blue Ridge from February 13, 2003, through June 1, 2003. Blue Ridge shall, in lieu of the \$3.00 per ton as mentioned above, deposit funds to the Account at the rate of \$1.00 per ton of coal relating only to the

approximately 13,500 tons of coal that have been represented by Blue Ridge as having been "moved aside" from the load out facility due to inadequate BTU quality, including other similar poor quality coal demonstrated by Blue Ridge to the Division to be of similar poor quality. (All funds with any accrued interest that have been deposited into the Account shall be referred to as the "Reclamation Fund"). Blue Ridge shall not be authorized to withdraw any funds from said Account without the express written consent of the Division, and a written restriction of same shall be delivered to the Bank. Blue Ridge shall deposit all such funds as described in this paragraph into said Account within five (5) business days after any such coal is loaded onto the above-described trains or trucks. All deposits as described herein shall not be deemed to be any cash payments to the Division until such funds are actually delivered to the Division in accordance with paragraph no. 6(f) below.

(c) During the term of this Division Stipulation, Blue Ridge agrees to follow the terms and conditions of the mining and reclamation permit for the Whiskey Creek Mine, Permit No. C/007/001, with respect to Blue Ridge's operations. Blue Ridge shall specifically satisfy all regulations governing blasting, drainage control, dust control, cleaning and re-grading of the pit area in accordance with the terms of Permit No. C/007/001. Blue Ridge's obligations herein shall not include backfilling or elimination of existing high walls. Blue Ridge shall not disturb any other undisturbed areas not specifically described in this Division Stipulation.

(d) Blue Ridge agrees to survey the pit coal and provide the Division with a certified map of Blue Ridge's activity as of March 18, 2003 and upon completion of activities, which shall be no later than June 1, 2003.

(e) Said Reclamation Fund with accrued interest shall then and only then be payable to Blue Ridge upon the satisfaction of the following: (i) a written agreement between Frontier or any other party who agrees to complete reclamation and who is qualified to perform such reclamation under all administrative provisions, statutes and regulations of the State of Utah and the Division, regarding the Whiskey Creek Mine; or (ii) replacement of the reclamation bond for Permit No. C/007/001 by a successor operator, which is acceptable to the Division, under all administrative provisions, statutes and regulations of the State of Utah and the Division.

(f) The Reclamation Fund with accrued interest shall be payable to the Division if either of the events set forth at paragraph 6(e) above do not occur within two (2) years from the date of this Agreement. Upon the expiration of the two (2) year period and thirty (30) days prior notice thereafter to Blue Ridge, the Division shall be authorized to deliver a copy of this Division Stipulation to the Bank, together with an affidavit of a Division representative substantiating the fact that neither of the events described in paragraph no. 6(e) above have occurred, and, upon receipt of the same, the Bank shall be authorized to deliver the Reclamation Fund, with all accrued interest thereon, to the Division without any liability to any party hereto, unless, prior to the expiration of the thirty (30) day period, a Court of competent jurisdiction has entered an order preventing such delivery.

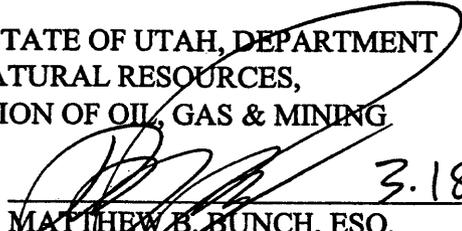
(g) The Division shall immediately terminate the Blue Ridge CO upon the date signed below and shall modify the Debtor CO to remove and exclude Blue Ridge's surface activities at the Whiskey Creek Mine so as to permit Blue Ridge to perform under the Trustee Stipulation and this Division Stipulation. The Debtor CO shall remain in full force and effect except as specifically set forth herein.

(h) Frontier agrees that the terms and conditions of this Division Stipulation shall not affect, change or be deemed to be in violation of any term or condition set forth in Frontier's reclamation bonds regarding the Debtor's mining operations in the State of Utah. Blue Ridge agrees to indemnify and hold Frontier harmless from any loss it may suffer as a result of the activities by Blue Ridge.

SO STIPULATED AND AGREED TO on this 18th day of March, 2003.

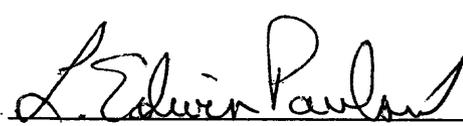
THE STATE OF UTAH, DEPARTMENT
OF NATURAL RESOURCES,
DIVISION OF OIL, GAS & MINING

BY:

 3.18.03
MATTHEW B. BUNCH, ESQ.
Bunch & Brock, Attorneys
271 West Short Street
805 Security Trust Building
P. O. Box 2086
Lexington, KY 40588-2086
Telephone: (859) 254-5522
Email: Matt@BunchLaw.com

BLUE RIDGE SERVICES, LLC

BY:


DENISE A. DRAGOO, ESQ.
DAVID E. LETA, ESQ.
Snell & Wilmer, LLP, Attorneys
Salt Lake City, Utah and
L. EDWIN PAULSON, ESQ., Atty.
209 East High Street
Lexington, Kentucky 40507
(859) 253-3333
Email: paulsonjrlaw@aol.com

AUTHORIZED AGENT FOR DIVISION

FRONTIER INSURANCE COMPANY
IN REHABILITATION

BY:


BENNETT BAYER, ESQ.
ATTORNEY FOR FRONTIER
Landrum & Shouse
106 West Vine Street
Suite 800
Lexington, Kentucky 40507
(859) 255-2424
Email: bbayer@landrumshouse.com

AUTHORIZED AGENT FOR
BLUE RIDGE SERVICES

FRONTIER INSURANCE COMPANY
IN REHABILITATION

BY:

ITS: _____

AUTHORIZED AGENT FOR FRONTIER
INSURANCE COMPANY IN
REHABILITATION

Email: Matt@BunchLaw.com

(859) 253-3333

Email: paulsonirlaw@aol.com

AUTHORIZED AGENT FOR DIVISION

AUTHORIZED AGENT FOR
BLUE RIDGE SERVICES

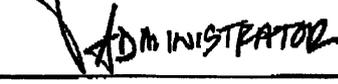
FRONTIER INSURANCE COMPANY
IN REHABILITATION

FRONTIER INSURANCE COMPANY
IN REHABILITATION

BY: _____

BY: 

BENNETT BAYER, ESQ.
ATTORNEY FOR FRONTIER
Landrum & Shouse
106 West Vine Street
Suite 800
Lexington, Kentucky 40507
(859) 255-2424
Email: bbayer@landrumshouse.com

ITS: 

AUTHORIZED AGENT FOR FRONTIER
INSURANCE COMPANY IN
REHABILITATION

EXHIBIT 1

MAR-11-2003 TUE 04:43 PM OIL, GAS & MINING

FAX NO. 801 358 3940

P. 02/03



3 Triad Center - Suite 350 - Salt Lake City, UT 84180-1203 - 801-638-5340

Page 1 of 2

NO. C 03-39-1-1

cessation order

To the following Permittee or Operator:

Name Blue Ridge Services, LLC, Scott Kiscaden, Donald Kiscaden ^{Todd Kiscaden}

Mine Whiskey Creek Mine Surface Underground Other

County Carbon State Utah Telephone _____

Mailing Address P.O. Box 1916 Mechanicsville, Va. 23116

State Permit No. C/007/001 (Lodestar Energy Inc. Permit)

Ownership Category State Federal Fee Mixed

Date of inspection March 10, 2003 19

Time of inspection 10:30 a.m. p.m. to 1:30 a.m. p.m.

Operator Name (other than Permittee) _____

Mailing Address _____

Under authority of the Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., Utah Code Annotated, 1953, the undersigned authorized representative of the Division of Oil, Gas & Mining has conducted an inspection of above mine on above date and has found that a Cessation Order must be issued with respect to each of the conditions, practices or violations listed in the attachment(s). This order constitutes a separate Cessation Order for each condition, practice or violation listed.

In accordance with Section 40-10-22, Utah Code Annotated, you are ordered to cease immediately the operations described in the attachment(s) and to perform the affirmative obligations described in the attachment(s) within the designated time for abatement. Reclamation operations not directly the subject of this order shall continue while this order is in effect. You are responsible for doing all work in a safe and workmanlike manner.

The undersigned representative finds that this order does does not require cessation of mining expressly or in practical effect. For this purpose, "mining" means extracting coal from the earth or a waste pile, and transporting it within or from the mine site.

This order shall remain in effect until it expires as provided on reverse side of this form, or is modified, terminated or vacated by written notice of an authorized representative of the Division of Oil, Gas & Mining.

Date of service/ mailing March 11, 2003

Time of service/ mailing 1:22 PM a.m. p.m.

Donald Kiscaden
Permittee/Operator representative

OWNER
Title

Todd Kiscaden
Signature

Stephen J Demczak
Division of Oil, Gas & Mining representative

Reclamation Specialist
Title

Stephen J Demczak
Signature

39
Identification Number

SEE REVERSE SIDE

WHITE-DOG M YELLOW-OSM PINK-PERMITTEE/OPERATOR GOLDENROD-NOV FILE

MAR-11-2003 TUE 04:43 PM OIL, GAS & MINING

FAX NO. 801 359 3940

P. 03/03



Page 2 of 2

CESSATION ORDER NO. C 03-39-1-1

Violation No. 1 of 1

Nature of condition, practice or violation

Conducting coal mining and reclamation operations without a permit from the Division.

Provisions of act, regulations or permit violated

UCA 40-10-9

R645-300-112, 400

R645-301-100

Check appropriate box

- Condition, practice or violation is creating an imminent danger to health or safety of the public.
- Permittee/Operator is/has been conducting mining activities without a permit.
- Condition, practice or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air or water resources.
- Permittee or Operator has failed to abate Violation(s) No. _____ included in Notice of Violation No. N. _____ within time for abatement originally fixed or subsequently extended.

Operation(s) to be ceased immediately

Extracting coal from the earth (pit) and transporting it from the pit area.

Affirmative obligation(s) and abatement time (if applicable)

Obtain a permit to conduct coal mining and reclamation operations, or obtain navigation as an operator under existing permit.

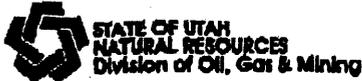
WHITE-DOGSM YELLOW-QSM PINK-PERMITTEE/OPERATOR GOLDENROD-NOV FILE

EXHIBIT 2

MAR-12-2003 WED 02:00 PM OIL, GAS & MINING

FAX NO. 801 358 3940

P. 02



3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

Page 1 of 2

NO. CD3-51-1-1

cessation order

To the following Permittee or Operator:

Name Lodestar Energy, Inc.
 Mine White Oak / Whiskey Creek Surface Underground Other
 County Carbon State Utah Telephone (435) 448-9420
 Mailing Address HC 35 Box 370, Helper, Utah 84526
 State Permit No. C/007/001
 Ownership Category State Federal Fee Mixed
 Date of inspection _____, 19____
 Time of inspection _____ a.m. p.m. to _____ a.m. p.m.
 Operator Name (other than Permittee) _____
 Mailing Address _____

Under authority of the Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., Utah Code Annotated, 1953. The undersigned authorized representative of the Division of Oil, Gas & Mining has conducted an inspection of above mine on above date and has found that a Cessation Order must be issued with respect to each of the conditions, practices or violations listed in the attachment(s). This order constitutes a separate Cessation Order for each condition, practice or violation listed.

In accordance with Section 40-10-22, Utah Code Annotated, you are ordered to cease immediately the operations described in the attachment(s) and to perform the affirmative obligations described in the attachment(s) within the designated time for abatement. Reclamation operations not directly the subject of this order shall continue while this order is in effect. You are responsible for doing all work in a safe and workmanlike manner.

The undersigned representative finds that this order does does not require cessation of mining expressly or in practical effect. For this purpose, "mining" means extracting coal from the earth or a waste pile, and transporting it within or from the mine site.

This order shall remain in effect until it expires as provided on reverse side of this form, or is modified, terminated or vacated by written notice of an authorized representative of the Division of Oil, Gas & Mining.

Date of service/mailling March 12, 2003 Time of service/mailling _____ a.m. p.m.

Mark Weyment
Permittee/Operator representative

Title

Mailed
Signature

Mary Ann Wright
Division of Oil, Gas & Mining representative

Associate Director of Mining
Title

[Signature]
Signature

#51
Identification Number

SEE REVERSE SIDE

WHITE-DOGMI YELLOW-OPERATOR PINK-OSM GOLDENROD-NOV FILE

CC: Bill Bishop, Lodestar Trustee
DOGWCO-1

an equal opportunity employer

Rev. 5/92



CESSATION ORDER NO. C03-51-1-1

Violation No. 1 of 1

Nature of condition, practice or violation

Conducting coal mining and reclamation operations without an adequate bond.

Provisions of act, regulations or permit violated

UCA 40-10-15
R645 - 301 - 840.520

Check appropriate box

- Condition, practice or violation is creating an imminent danger to health or safety of the public.
- Permittee/Operator is/has been conducting mining activities without a permit.
- Condition, practice or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air or water resources.
- Permittee or Operator has failed to abate Violation(s) No. _____ Included in Notice of Violation No. N. _____ within time for abatement originally fixed or subsequently extended.

Operation(s) to be ceased immediately

Cease coal extraction and transporting coal within or from the White Oak/Whisky Creek mine site

Affirmative obligation(s) and abatement time (if applicable)

Immediately post adequate bond
or
complete reclamation according to the approved mining and reclamation plan

WHITE-DOG M YELLOW-OSM PINK-PERMITTEE/OPERATOR GOLDENROD-NOV FILE

MAR-12-2003 WED 02:00 PM OIL, GAS & MINING

FAX NO. 801 359 3940

P. 03

IMPORTANT — READ CAREFULLY**1. PENALTIES.**

a. **Proposed assessment.** The Board of Oil, Gas & Mining assesses fines based upon a proposed assessment recommended by an assessment officer. You may submit written information pertaining to violation(s) covered by this order within 15 days of the date this notice or order is served on you or your agent. Information will be used by the assessment officer in determining facts surrounding the violation(s) and amount of penalty. A representative of the Division of Oil, Gas & Mining will serve the proposed assessment on you or your agent within 30 days of issuance of notice or order.

b. **Assessment.** The penalty will be finalized unless you or your agent file a written request within 15 days of receipt of proposed assessment for an informal hearing before the assessment officer.

For each violation included in this notice, a penalty of up to \$5,000 may be assessed for each separate day the violation continues.

If you fail to abate any violations within the time set for abatement or for meeting any interim step, you will be assessed a minimum penalty of \$750 for each day of continuing violation beyond the time set for abatement. You will be issued a Cessation Order requiring you to cease surface coal mining operations or the portion of the operations relevant to the violation.

2. INFORMAL PUBLIC HEARING.

An informal public hearing may be held at or near the mine site if this notice requires cessation of mining, expressly or in practical effect. On the reverse of this page, the authorized representative has made a finding as to whether or not this notice

requires cessation of mining. Please review this finding and inform the authorized representative if you disagree with it. (See Utah Admin. R. 645-400-350 et seq.)

If this notice requires cessation of mining, it will expire within 30 days from date you are notified unless an informal public hearing is held or waived, or the condition, practice or violation is abated within the 30-day period. You will be notified of date, time and location of hearing.

3. FORMAL REVIEW AND TEMPORARY RELIEF.

You may apply for review of this notice or assessment before the Board of Oil, Gas & Mining by submitting an application for hearing within 30 days of receipt of notice or assessment by you or your agent. Apply to:

Secretary
Board of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

If applying for a formal board hearing, you may submit with your petition for review a request for temporary relief from this notice. Procedures for obtaining a formal board hearing are contained in the board's Rules of Practice and Procedure and in Utah Admin. R. 645-401-800 et seq.

4. EFFECT ON PERMIT.

The permit may be suspended or revoked if it is determined that a pattern of violations of the act, regulations or permit conditions exists, and that the violations were caused by an unwarranted or willful failure to comply.

For further information, consult *Utah Code Annotated* Section 40-10-20, 21, 22 and 23, Utah Admin. R. 645-400-300 et seq. and R. 645-401 et seq. or contact the Division of Oil, Gas & Mining at (801) 538-5340.



State of Utah
DEPARTMENT OF COMMERCE
Division of Corporations & Commercial Code

This form must be type written or computer generated. For your convenience, this form has been designed to be filled out and printed online.

File Number _____
 Non-Refundable Processing Fee:
 Registration \$50.00

EXPEDITE

Application for Authority to Transact Business

RECEIVED
MAR 18 2003

Blue Ridge Services, LLC
 Exact Name of Foreign Limited Liability Company

- This limited liability company of the state or country of Virginia, hereby applies for authority to transact business in the state of Utah.
- Date of formation or organization 4/2/97 and duration period of perpetual.
- The street address of the registered office in the State of Utah, and the name of the registered agent for service of process at the registered office, (the agent shall be a person residing or authorized to do business in the State of Utah). ***The signature of the authorized signer represents the irrevocable written consent of the foreign limited liability company that actions may be commenced against it in the proper court of any county where there is proper venue by the service of process on its registered agent, and if the agent has resigned, the agents authority has been revoked or the agent cannot be found, then on the director of the division, and stipulating and agreeing that this service shall be taken and held, in all courts, to be as valid and binding as if service had been made upon the members of the foreign limited liability company.
 Corporation Service Company, 10 E. South Temple, Suite 900, Salt Lake City 84133 UTAH
 Registered Agent Name _____ Street Address _____ City _____ State _____ Zip _____
 Signature of Registered Agent (Required) Pam Trujillo, Assoc. Secretary
- Principal place of business:
 Post Office Box 1916, Mechanicsville, VA 23116
 Street Address _____ City _____ State _____ Zip _____
- The nature of the business or purpose(s) to be conducted or promoted in Utah Asset Management

6. Clear indication of who is managing the company is required.
 Is this foreign limited liability company manager-managed? Yes, No.
 If YES, you must list the name and business or residence street address of each manager.

Name	Address	City/State	Zip
MANAGER: Scott Kiscaden,	Post Office Box 1916, Mechanicsville, VA	23116	
MANAGER: John Madison,	Post Office Box 1916, Mechanicsville, VA	23116	

Please list additional managers (if any) on an attachment
 Is this foreign limited liability company member-managed? Yes, No.
 If YES, you must list the name and business or residence street address of each member.

Name	Address	City/State	Zip
MEMBER: _____	_____	_____	_____
MEMBER: _____	_____	_____	_____

Please list additional members (if any) on an attachment
 If a foreign entity is a member or manager, you must list the home state where the entity is registered: _____

- The date the limited liability company intends to first transact business in Utah: Upon approval of this Application
- A Certificate of Good Standing/Existence from the state of organization dated no earlier than ninety (90) days prior to filing with the Division is attached hereto.
- The limited liability company shall use as its name in Utah: Blue Ridge Services, LLC
 (The limited liability company shall use its name as set forth at the top of this form unless the name is not available for use in Utah.)

Under penalties of perjury, I declare as a manager or member with management authority of this limited liability company having authority to sign hereto, that this application for authority to transact business has been examined by me and is, to the best of my knowledge and belief, true, correct and complete.

By: [Signature]
 Limited Liability Company Authorized Signer Signature

John Madison, Manager
 Typed Name & Title

Mail In: PO Box 146705
 Salt Lake City, UT 84114-6705
 Walk In: 160 East 300 South, Main Floor
 Information Center: (801) 530-4849
 Toll Free: (877) 526-3994 (within Utah)
 Fax: (801) 530-6438
 Web Site: <http://www.commerce.utah.gov>
 Date: 03/18/2003
 Receipt Number: 813217
 Amount Paid: \$125.00

Under GRAMA {63-2-201}, all registration information maintained by the Division is classified as public record. For confidentiality purposes, the business entity physical address may be provided rather than the residential or private address of any individual affiliated with the entity.

Commonwealth of Virginia



State Corporation Commission

I Certify the Following from the Records of the Commission:

A certificate of organization was issued by the Commission to BLUE RIDGE SERVICE LLC, a limited liability company formed under the laws of VIRGINIA, effective as of April 02, 1997.

This certificate is in effect as of this date.

All fees are current.

Nothing more is hereby certified.

*Signed and Sealed at Richmond on this Date:
March 14, 2003*



Joel H. Peck

Joel H. Peck, Clerk of the Commission