

CASTLE GATE COAL COMPANY  
P.O. Box 449  
Helper, Utah 84526  
801-472-5523

January 31, 1986

RECEIVED  
FEB 06 1986

DIVISION OF  
OIL, GAS & MINING

Dr. Dianne R. Nielson, Director  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 89180-1203

Re: Transfer Permit No. ACT-007-004

Dear Dr. Nielson:

Castle Gate Coal Company ("Castle Gate") hereby requests that the Division transfer Permit No. ACT-007-004 from Price River Coal Company ("Price River") to Castle Gate pursuant to the provisions of UMC 788.18.

The attached map depicts the underground permit boundary and surface disturbance boundary for the permit which Castle Gate is assuming. Castle Gate is requesting transfer of the permit with respect to all of the previously permitted underground area and certain portions of the surface areas as shown on the Castle Gate Permit Map No. CG-8601-12-1/1.

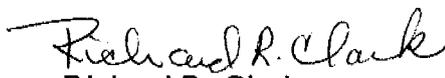
Price River will remain responsible for the reclamation of areas of surface disturbance marked on Attachment No. 2. The attached letter (Attachment No. 1) from Price River sets forth their commitment to maintain sufficient bond on these areas as required by the Division until reclamation is complete.

The accompanying \$2,683,603 performance bond is based on a calculation by your Division on the whole area of disturbance presently bonded by Price River. Since this amount includes bonding for the areas not being assumed by Castle Gate, at some time in the future Castle Gate will request a reduction in its bond equivalent to what the State will require Price River to maintain on the areas for which Price River remains responsible.

I would like to thank you and your staff for your help in this transfer process. Your continued help and prompt attention would be appreciated so that Castle Gate can begin the process of putting the mine back into production as soon as possible.

If you require any further information, please do not hesitate to call Mr. Richard Allison at (317) 266-2616.

Sincerely,

  
Richard R. Clark  
Vice President

RRC/RLT/mg  
Attachments

CASTLE GATE COAL COMPANY  
P. O. Box 449  
Helper, Utah 84526  
(801) 472-5523

February 3, 1986

Mr. Allen Klein, Administrator  
Office of Surface Mining  
1020 15th Street  
Denver, Colorado 80202

Re: Transfer OSM Permit No. 0007

Dear Mr. Klein:

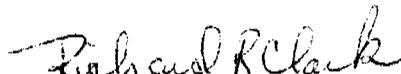
Castle Gate Coal Company ("Castle Gate") requests that the Office of Surface Mining transfer Permit No. 0007 from Price River Coal Company ("Price River") to Castle Gate. The information in this submittal is pursuant to Utah Mining Code 788.18.

The same information is required under C.F.R. Title 30 774.17, Transfer, Assignment, or Sale of Permit Rights for O.S.M. Permits. Therefore, I am enclosing eight copies of the Transfer Request which is being given to the Utah Division of Oil, Gas and Mining.

Castle Gate requests that the Office of Surface Mining expedite this transfer process in order that the process of putting the Mine back into production can begin.

If you have any further questions, please do not hesitate to call Richard Allison at 317-266-2616.

Sincerely,

  
Richard R. Clark  
Vice President

CC: R. H. Allison

**Castle Gate Coal Company**

**PERMIT NO. ACT/007/004**

**UMC 788.18 APPLICATION FOR APPROVAL,  
TRANSFER, ASSIGNMENT OR SALE OF PERMIT RIGHT**

BEFORE YOU RETURN MR-5 TO THE DIVISION,  
PLEASE DON'T FORGET TO:

- ✓ 1. Attach Exhibit "A" - a legal description of the disturbed area which the bond represents.
- ✓ 2. Attach completed "Affidavit of Qualification" (completed by surety).

Thank you.

(Revised August 1985)  
(Federal)Bond Number 929 80 55  
Permit Number ACT/007/004  
Mine Name Castle Gate Coal CompanySTATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340**RECEIVED**  
FEB 05 1986

THE MINED LANDS RECLAMATION ACT

DIVISION OF  
OIL, GAS & MINING

BOND

\*\*\*\*\*

The undersigned Castle Gate Coal Company  
as principal, and National Fire Insurance Company of Hartford as  
surety, hereby jointly and severally bind ourselves, our heirs, administrators,  
executors, successors and assigns unto the State of Utah, Division of Oil, Gas  
and Mining, and the U. S. Department of the Interior, Office of Surface Mining  
in the penal sum of Two million six hundred eighty three thousand six hundred and three  
dollars (\$2,683,603.00). Such sum shall be payable to  
one, but not both, of the above-named agencies.

The principal estimated in the Mining and Reclamation Plan filed with the  
Division of Oil, Gas and Mining on the 24th day of December  
19 84, that 134.5 acres of land will be disturbed  
by this mining operation in the State of Utah. A description of the disturbed  
land is attached hereto as Exhibit "A."

When the Division has determined that the principal has satisfactorily  
reclaimed the above-mentioned lands affected by mining in accordance with the  
approved Mining and Reclamation Plan and has faithfully performed all  
requirements of the Mined Land Reclamation Act, and complied with the Rules  
and Regulations adopted in accordance therewith, then this obligation shall be  
void; otherwise it shall remain in full force and effect until the reclamation  
is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a  
piecemeal or cyclic basis, and the land is reclaimed in accordance with such  
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area  
of the land affected or increased reclamation work, then this bond may  
accordingly be increased with the written approval of the surety company.

The Division shall only accept the bond of a surety company if the bond is  
noncancellable by the surety at any time ~~for any reason including, but not~~  
limited to nonpayment of premium or bankruptcy of the permittee during the  
period of liability.

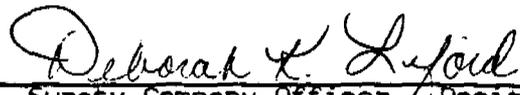
NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officer.

CASTLE GATE COAL COMPANY  
Principal (Company)

By   
Company Officer - Position  
William R. Wahl - President

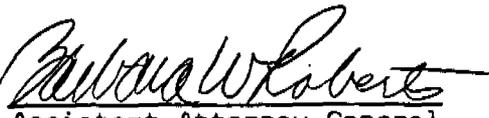
Date: 1/31/86

National Fire Insurance Company of Hartford  
Surety (Company)

By   
Surety Company Officer / Position  
Deborah K. Liford Attorney in Fact

DATE: 1/31/86

APPROVED AS TO FORM:

By   
Assistant Attorney General

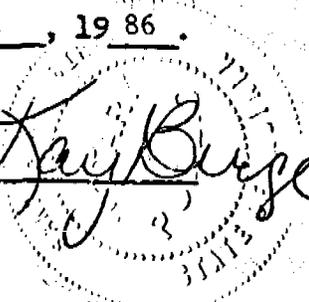
AFFIDAVIT OF QUALIFICATION

Deborah K. Liford, being first duly sworn, on oath deposes and  
Attorney in Fact of  
says that he/she is the (officer or agent) National Fire Insurance Company of  
Hartford  
of said Surety Company, and that he/she is duly authorized to execute and  
deliver the foregoing obligations; that said Surety Company is authorized to  
execute the same and has complied in all respects with the laws of Utah in  
reference to becoming sole surety upon bonds, undertakings and obligations.

(Signed) Deborah K. Liford  
Surety Company Officer - Position  
Deborah K. Liford Attorney in Fact

Subscribed and sworn to before me this 31st day of January, 19 86.

Sandra Kay Buse  
Notary Public



My Commission Expires:

2-17, 19 89

**National Fire Insurance Company  
of Hartford**



Office/Chicago, Illinois

**POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT**

Know All Men by these Presents, That the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, a corporation duly organized and existing under the laws of the State of Connecticut, and having its general administrative office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Deborah K. Liford, Individually

of Indianapolis, Indiana  
its true and lawful Attorney-in-Fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature  
- In Unlimited Amounts -

and to bind the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of NATIONAL FIRE INSURANCE COMPANY OF HARTFORD and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following Resolution duly adopted on February 21, 1955 by the Board of Directors of the Company.

**RESOLVED:** That the President, an Executive Vice President or any Vice President of the Corporation may, from time to time, appoint, by written certificates, Attorneys-in-Fact to act in behalf of the Corporation in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such Attorneys-in-Fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Corporation by their signature and execution of any such instrument and to attach the seal of the Corporation thereto. The President, an Executive Vice President, any Vice President or the Board of Directors may at any time revoke all power and authority previously given to any Attorney-in-Fact.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 14th day of May, 1964.

**RESOLVED:** That the signature of the President, an Executive Vice President or a Vice President and the seal of the Corporation may be affixed by facsimile on any power of attorney granted pursuant to the Resolution adopted by this Board of Directors on February 21, 1955 and the signature of a Secretary or an Assistant Secretary and the seal of the Corporation may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signatures and seal shall be valid and binding on the Corporation. Any such power so executed and sealed and certified by certificate so executed and sealed, shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Corporation.

In Witness Whereof, the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed this 13th day of May, 1985.



NATIONAL FIRE INSURANCE COMPANY OF HARTFORD

*J. E. Purtell*

J. E. Purtell

Vice President.

State of Illinois, County of Cook, ss:

On this 13th day of May, 1985, before me personally came

J. E. Purtell, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Glenview,

State of Illinois; that he is a Vice-President of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



*Leslie A. Smith*

Leslie A. Smith

Notary Public.

My Commission Expires November 12, 1986

**CERTIFICATE**

I, M. C. Vonnahme, Assistant Secretary of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the Resolutions of the Board of Directors, set forth in said Power of Attorney are still in force. In testimony whereof I have hereunto subscribed by name and affixed the seal of the said Company this 31st day of January, 1986.



*M. C. Vonnahme*

M. C. Vonnahme

Assistant Secretary.

Exhibit "A"

A legal description of the disturbed area which this bond represents:

Township 12 South, Range 9 East, SLBM  
Section 22, portion; Section 27, portion; Section 28, portion;  
Section 29, portion; Section 35, portion; Section 36, portion.

Township 13 South, Range 9 East, SLBM  
Section 1, portion; Section 3, portion; Section 4, portion; Section  
9, portion; Section 10, portion

The bond also temporarily covers the following areas for which  
Price River Coal Company will remain responsible:

Township 12 South, Range 9 East, SLBM  
Section 36, portion

Township 12 South, Range 10 East, SLBM  
Section 31, portion

Township 13 South, Range 9 East, SLBM  
Section 1, portion.

Township 13 South, Range 10 East, SLBM  
Section 6, portion; Section 16, portion; Section 10, portion

These areas shown on Castle Gate Coal Company's Permit Map  
No. CG-8601-12-1/1

The area for which Price River Coal Company will remain responsible  
is shown on "Revised Permit Area Attachment No. 2".

REVISED 2/28/86

UMC 788.18 APPLICATION FOR APPROVAL,  
TRANSFER, ASSIGNMENT OR SALE OF PERMIT RIGHT

This is an application for transfer of certain permit rights under the Utah Coal Program from Price River Coal Company, the existing permittee, to Castle Gate Coal Company, a Delaware corporation.

788.18(a)(2)(i):

Existing Permittee

Price River Coal Company  
P. O. Box 629  
Helper, Utah 84526

788.18(a)(2)(ii)

Applicant

Castle Gate Coal Company  
  
Corporate Office:  
P. O. Box 967  
105 South Meridian Street  
Indianapolis, IN 46206

Castle Gate Coal Company  
  
Field Office:  
P. O. Box 449  
Helper, Utah 84526

Resident Agent for Service

C. T. Corp. System  
170 S. Main Street  
Salt Lake City, Utah 84101  
(801) 364-1228

782.13(a) Identification of Interests

Names and Addresses

(1) Permit Applicant

Castle Gate Coal Company  
  
Corporate Office:  
P. O. Box 967  
South Meridian Street  
Indianapolis, Indiana 46206

Castle Gate Coal Company  
  
Field Office:  
P. O. Box 449  
Helper, Utah 84526  
Telephone: (801) 472-5523

REVISED 2/28/86

(2) Legal or Equitable Owners of Record

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

The surface to be affected is owned by:

Blackhawk Coal Company

Principal (Legal) Office:

Suite 400, Deseret Building  
Salt Lake City, Utah 84111

Accounting Office:

One Summit Square, P. O. Box 60  
Fort Wayne, Indiana 46801

Coal to be mined is owned by:

Blackhawk Coal Company  
State of Utah  
United States of America

(3) The holders of record of any leasehold interest in areas to be affected by surface operations or facilities or coal to be mined:

Blackhawk Coal Company  
Suite 400, Deseret Building  
Salt Lake City, Utah 84111

Meadowlark Utah, Inc.  
P. O. Box 967  
105 South Meridian Street  
Indianapolis, Indiana 46206

(4) There are no purchasers of record under a real estate contract of the areas affected by surface operations and facilities or coal to be mined.

(5) The Operator is:

Castle Gate Coal Company

Castle Gate Coal Company

Corporate Office:

P. O. Box 967  
105 South Meridian Street  
Indianapolis, Indiana 46206

Field Office:

P. O. Box 449  
Helper, Utah 84526  
Telephone: (801) 472-5523

(6) The resident agent of the Applicant who will accept service of process:

C. T. Corporation  
170 South Main Street  
Salt Lake City, Utah 84101

782.13(b)

Applicant is a Utah corporation.

782.13(b)(1)

Names and addresses of officers and directors of the applicant:

Officers:

William R. Wahl	President
Richard R. Clark	Vice President
William D. Sprague	Vice President and Assistant Secretary
Wayne E. Gresham	Vice President
Dennis Arrouet	Treasurer
Lee A. Nickerson	Assistant Treasurer
Donald E. Coovert	Assistant Secretary

Directors:

David George Ball	Sole Director
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The address for Messrs. Wahl, Clark, Sprague, Gresham, Nickerson and Coovert is:

P. O. Box 967  
105 South Meridian Street  
Indianapolis, Indiana 46206

The address for Messrs. Arrouet and Ball is:

AMAX Center  
P. O. Box 1700  
Greenwich, CT 06836

782.13(b)(2)

Names and addresses of principal shareholders of applicant:

All stock of Castle Gate Coal Company is owned by:

AMAX Inc.  
P. O. Box 1700  
Greenwich, CT 06836  
Telephone: (203) 629-6000

782.13(b)(3)

Names under which the applicant and principal shareholders have previously operated mining activities:

AMAX Inc. has operated underground and/or surface coal mining activities under the name of AMAX Coal Company, a division of AMAX Inc.

Heavener Coal Company, a wholly owned subsidiary of AMAX Coal Sales Company, which is in turn a wholly owned subsidiary of AMAX Inc., has been the co-applicant for certain permits but has not operated any underground and surface coal mining operations.

AMAX Inc. is also the owner of Roaring Creek Coal Company. Roaring Creek Coal Company is in turn a part owner of Kentucky Prince Mining Company. The Kentucky Prince Mining Company is permittee for certain coal mining operations.

782.13(c) The names and addresses of principals, officers and resident agents of corporate entities listed in response to Section 782.13(a) are as follows:

1. Blackhawk Coal Company

Directors

William A. Black  
John E. Katlic  
Richard E. Disbrow  
John E. Dolan  
G. P. Maloney  
W. S. White  
Peter J. DeMaria

Officers

W. S. White, Jr.	President
John E. Katlic	Executive Vice President
William A. Black	Vice President
Richard E. Disbrow	Vice President
John E. Dolan	Vice President
G. P. Maloney	Vice President
Peter J. DeMaria	Treasurer
John R. Burton	Secretary
Elio Bafile	Assistant Secretary and Assistant Treasurer
John F. DiLorenzo, Jr.	Assistant Secretary
A. Joseph Dowd	Assistant Secretary
William E. Olson	Assistant Secretary
Leonard V. Assante	Assistant Treasurer
Gerald R. Knorr	Assistant Treasurer
James D. Huebner	Assistant Treasurer

Address of Directors and Officers:

Address of Directors and Officers:

c/o Blackhawk Coal Company  
Suite 400, Deseret Building  
Salt Lake City, Utah 84111

Address of Resident Agent:

William A. Marshall  
Suite 400, Deseret Building  
Salt Lake City, Utah 84111

2. Meadowlark Utah, Inc.

Director

David George Ball                      Sole Director

Officers

William R. Wahl	President
Richard R. Clark	Vice President
Wayne E. Gresham	Vice President
William D. Sprague	Vice President and Assistant Secretary
George W. Womack	Vice President
Dennis Arrouet	Treasurer
Lee A. Nickerson	Assistant Treasurer
Donald E. Coovert	Assistant Secretary

The address for Messrs. Wahl, Clark, Sprague, Gresham, Womack, Nickerson and Coovert is:

P. O. Box 967  
105 South Meridian Street  
Indianapolis, Indiana 46206

The address for Messrs. Ball and Arrouet is:

AMAX Center  
P. O. Box 1700  
Greenwich, CT 06836

The address of the resident agent is:

C. T. Corporation System  
170 South Main Street  
Salt Lake City, Utah 84101

782.13(d)

Current or previous coal mining permits or pending permit applications:

1. See Attachment #3

782.13(e) Owners of record of surface and subsurface areas contiguous to the permit area:

	<u>Surface</u>	<u>Sub-surface</u>
Blackhawk Coal Company, Suite 400, Deseret Building Salt Lake City, Utah 84111	x	x
Bill N. Diamanti, Chris N. Diamanti, Lee N. Diamanti, Nick G. Diamanti c/o Lee Diamanti 505 South Carbon Avenue, Price, UT 84501	x	
Duvels, Inc. 90 West First North, Price, UT 84501	X	X
Energy Fuels, Ltd.	x	
Larson Investment Co. 67 North Main, Bountiful, UT 84010	x	
Gene Pappas 104 East Fourth North, Price, UT 84501	x	
Gene, John and Nick Pappas Box 445, Price, UT 84501	x	
City of Price Municipal Building Price, UT 84501	x	
Price River Water Improvement District Price, UT 84501	x	
State of Utah	x	x
United States of America	x	x
U P & L Highway 10, Price, UT 84501	x	x

REVISED 2/28/86

782.13(f) The name of the Mine is Castle Gate Mine. MSHA I.D. Numbers for this mine are:

Roof Control	Castle Gate Portal #3	42-00165
	Castle Gate Portal #5	42-01202
Ventilation	Castle Gate Portal #3	42-00165
	Castle Gate Portal #5	42-01202
Coal Plant		42-01517
Refuse Pile Pond		1211-UT-9-0028
Castle Gate Refuse Disposal Site		1211-UT-9-0027
Barn Canyon Refuse Site		1211-UT-9-0029

782.13(g) There are no outstanding interests in lands, options or pending bids on interests held or made by the Applicant for lands which are contiguous to the area to be covered by the permit.

Upon consummation of all transactions contemplated by the Lease Transaction Agreement executed by and between Applicant, Meadowkark Utah, Inc., Blackhawk Coal Company and Price River Coal Company on January 31, 1986, (hereinafter called the "Lease Transaction Agreement"), Applicant or Meadowark Utah, Inc., will acquire certain rights of first refusal with respect to the acquisition of interests in certain adjoining property.

782.14 COMPLIANCE INFORMATION

(a) Statement of Compliance

Neither the Applicant, nor any of its subsidiaries, affiliates or persons controlled by or under common control with the Applicant has had a federal or state mining permit suspended or revoked in the last five years; nor forfeited a mining bond or similar security deposited in lieu of bond.

(b) This section does not apply.

(c) Violation Notices received by the Applicant in connection with any underground or surface coal mining activities within the last three years: NONE

UMC 782.15 Right of Entry and Operations Information

(a) Applicant Castle Gate Coal Company will obtain the legal right to enter and begin activities on the Closing Date specified in the Lease Transaction Agreement by virtue of the various leases and subleases to be executed pursuant to the Lease Transaction Agreement or a Letter of Agreement between Blackhawk Coal Company and Castle Gate Coal Company.

The right of entry to commence underground mining operations will apply to the following property:

REVISED 2/28/86

Township 12 South, Range 8 East, Salt Lake Base and Meridian (SLBM)  
Section 35 - All  
Section 36 - All

Township 13 South, Range 8 East, SLBM  
Section 2 - Part of the West 1/2

Township 12 South, Range 9 East, SLBM  
Section 22 - SE-1/4 SW-1/4, SW-1/4 SE-1/4, that part of SE-1/4 SE-1/4 West of the Price River  
Section 25 - SW-1/4  
Section 26 - All  
Section 27 - All  
Section 28 - All  
Section 29 - S-3/4, NE-1/4 NE-1/4  
Section 30 - S-3/4  
Section 31 - All  
Section 32 - All  
Section 33 - All  
Section 34 - All  
Section 35 - S-3/4 that part of N-1/2 N-1/2 west of Price River  
Section 36 - SE-1/4 NW-1/4, SW-1/4 NE-1/4, NW-1/4 SE-1/4, SW-1/4

Township 13 South, Range 9 East, SLBM  
Section 1 - That part of the W-1/2 west of the Price River, and that part of N-1/2 NW-1/4 east of the Price River  
Section 2 - All  
Section 3 - All  
Section 4 - All  
Section 5 - All  
Section 6 - All  
Section 8 - All except SW-1/4 SW-1/4 and a portion of SE-1/4 SW-1/4  
Section 9 - All  
Section 10 - N-1/2, part of NE-1/4 SW-1/4  
Section 11 - N-1/2 NW-1/4, part of S-1/2 NW-1/4  
Section 12 - That part of NW-1/4 west of the Price River

Section 16 - All except NE-1/4 NE-1/4 and E-3/4 N-1/2 SE-1/4

Section 17 - NE-1/4, NE-1/4 SE-1/4

(b) This section does not apply.

UMC 782.16(c) Relationship to Areas Designated Unsuitable for Mining

(c) No surface operations are not located within three hundred feet of an occupied dwelling.

UMC 782.18 Personal Injury and Property Damage Insurance Information

See Attachments #4 and 5 - Certificates of Insurance

UMC 782.19 Identification of Other Licences and Permits

See Attachment #6 - Other Licenses and Permits

UMC 788.18(b)(1) Newspaper Advertisement and Proof of Publication

Notice of this proposed transfer will be submitted to the Newspaper, Sun Advocate in Price, Utah in substantially the following form on the Closing Date. Proof of publication will be submitted to the Division upon publication.

Notice is hereby given that Castle Gate Coal Company, P. O. Box 449, Helper, Utah 84526, has submitted an application to the State of Utah, Department of Natural Resources, Division of Oil, Gas & Mining for transfer of a permit to operate under the provisions of the Utah Coal Mining and Reclamation Act ( Utah Code Ann. 40-10-1 et seq. ) and the Utah Coal Program Regulation UMC 788.18. The previous permittee was the Price River Coal Company, Permit No. ACT/007/004. The permit area is located in Carbon County, Utah as follows:

Township 12 South, Range 9 East, SLBM  
SW-1/4 Section 25; Section 26; Section 27; Section 28; Section 29 all except N-1/2 NW-1/4 and NW-1/4 NE-1/4; Section 30 all except N-1/2 N-1/2; Section 31; Section 32, Section 33; Section 34; Section 35, portion; Section 36, portion.

Township 13 South, Range 9 East, SLBM  
Section 1, portion; Section 2, portion; Section 3, portion ;  
Section 4, portion; Section 5, portion; Section 6, portion; Section 8, portion; Section 9, portion; Section 10, portion

This permit area for which responsibility is being transferred is shown on Castle Gate Coal Company's Permit Map No. CG-8601-12-1/1

The permit also includes property including the following areas for which responsibility is not being transferred:

Township 12 South, Range 9 East, SLBM  
Section 36, portion

Township 12 South, Range 10 East, SLBM  
Section 31, portion

Township 13 South, Range 9 East, SLBM  
Section 1, portion

Township 13 South, Range 10 East, SLBM  
Section 6, portion; Section 10, portion; Section 16, portion.  
The project area is shown on the following U.S. Geological Survey 7.5-minute maps:

Standardville, Kyune, Matt's Summit, Helper and Deadman Canyon.

Pertinent comments are solicited from anyone affected by this proposal. Such comments should be filed within the next thirty (30) days with:

State of Utah  
Department of Natural Resources  
Division of Oil, Gas & Mining  
355 West North Temple  
III Triad, Suite 350  
Salt Lake City, Utah 84108

UMC 771.25:

A filing fee of \$5.00 is submitted with this application.

UMC 771.27 Verification of Application

This application is submitted on behalf of Castle Gate Coal Company as of this 4<sup>th</sup> day of February, 1986 by Richard Clark, the Vice President of Castle Gate Coal Company.

Richard R. Clark

STATE OF INDIANA     )  
                                  : SS  
COUNTY OF MARION    )

Richard R. Clark, having been first duly sworn, appeared before me and stated as follows:

1. That he was the person who executed the foregoing application as Vice President of Castle Gate Coal Company;
2. That he had read the same and knew the contents thereof; and
3. That the matters stated therein were true to the best of his knowledge.

SUBSCRIBED AND SWORN to before me this 4<sup>th</sup> day of February, 1986.

Karen D. Hahn  
Notary Public  
Marion County, Indiana  
County of Residence

My Commission Expires:

August 16, 1988

8K 816 (REDFORM)

**RECEIPT** Date 2-5 1986 No 4024  
 Received From Castle Gate Coal Company  
 Address \_\_\_\_\_  
 For \$5.<sup>00</sup> Filing Fee - MRP Dollars \$ 5.<sup>00</sup>

ACCOUNT			HOW PAID		
AMT. OF ACCOUNT			CASH	<input checked="" type="checkbox"/>	
AMT. PAID			CHECK		
BALANCE DUE			MONEY ORDER		

By Betty J. Barcla

**RECEIVED**  
 FEB 05 1986  
 DIVISION OF  
 OIL, GAS & MINING



**CASTLE**

**GATE**

**COAL COMPANY**

**RECEIVED**  
FEB 10 1986

DIVISION OF  
OIL, GAS & MINING

P.O. Box 449  
Helper, Utah 84526  
801-472-5523

*Orig Minefile  
cc DEN  
R. May  
L. Broughton  
Sue Linner*

February 6, 1986

Dr. Dianne R. Nielson  
Director Division of Oil,  
Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 89180-1203

Re: Transfer Permit No. ACT-007-004

Dear Dr. Nielson:

This letter is being forwarded to you in order to fulfill a Division of Oil, Gas and Mining policy directive which was brought to our attention recently by Sue Linner.

Pursuant to U.M.C. 788.18(C) (3) Castle Gate Coal Company will conduct operations involved with this mine in full compliance with the terms and conditions of the original permit including all subsequent modification and addendum to same.

I can assure you that it is the policy of Castle Gate Coal Company to produce coal not only at a profit but also safely and according to the environmental laws of this state.

Sincerely,

*Richard R. Clark*  
Richard R. Clark  
Vice President

RRC/bd

**PRICE RIVER COAL COMPANY**

P.O. BOX 629 HELPER, UTAH 84526 (801) 472-3411

January 31, 1986.

Dr. Dianne R. Nielson, Director  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 89180-1203

Re: Price River Coal Company Permit  
#ACT-007-004 Transfer

Dear Dr. Nielson:

The purpose of this letter is to assure the State of Utah, Division of Oil, Gas and Mining ("DOGM") that Price River Coal Company ("Price River") will maintain sufficient bond as required by DOGM to secure the performance of Price River's obligations under Permit No. ACT-007-004 (the "Permit") covering the area shown outlined on the map attached hereto marked Exhibit 1 entitled "Revised Permit Area (Attachment #2)" and hereby made a part hereof, said outlined area being generally referred to as the Eastern Reserve Area, subject to, and following, the transfer to and assumption by Castle Gate Coal Company ("Castle Gate") of all obligations under the Permit with respect to the areas West of the Price River and those areas lying East of the Price River dedicated to the Castle Gate Preparation Plant or overlying Federal Coal Leases No. SL071737 dated September 1, 1950 and No. SL029093-046653 dated June 17, 1921, respectively.

Very truly yours,



J. E. Katlic  
Executive Vice President and  
Chief Operating Officer

jf

ATTACHMENT 3

AMAX Inc.

PERMITS AND PENDING APPLICATIONS  
FOR THE PERIOD 5/31/72 - 1/31/86

ILLINOIS

Issuing authority is the Illinois Department of Mines and Minerals.

For the period from 1971 through 1972, one permit covered all mining by AMAX Coal Company in the State of Illinois under the following numbers:

NON ACTIVE:

006-71          001-72          012-73

AYRCAT MINE (AMAX Coal Company)

NON ACTIVE:

651-80          190-76          479-76

DELTA MINE (AMAX Coal Company)

NON ACTIVE:

012-73          141-74          311-75          416-76          425-76          205-77          562-79  
566-79          642-80          650-80          652-80          841-82          907-83          925-83  
965-84          987-84          566-79          001-72          006-71          964-84

Amendment 1 to 562-79          Amendment 1 to 642-80          Amendment 1 to 925-83  
Amendment 2 to 562-79          Amendment 1 to 650-80          Amendment 4 to 562-79  
Amendment 3 to 562-79          Amendment 1 to 652-80  
Amendment 1 to 907-83          Amendment 1 to 841-82  
Amendment 2 to 907-83          Amendment 2 to 841-82

ACTIVE:

80                  81                  82                  83

LEAHY MINE (AMAX Coal Company)

NON ACTIVE:

065-73          179-74          292-75          433-76          511-79          571-79          838-82  
909-82          001-72          006-71

Amendment 1 to 571-79          Amendment 1 to 838-82  
Amendment 2 to 571-79          Amendment 2 to 838-82  
Amendment 3 to 571-79

Amendment 4 to 571-79

ACTIVE:

78                    79                    142

SUN SPOT MINE (AMAX Coal Company)

NON ACTIVE:

66-73	169-74	308-75	438-76	523-78	550-79	611-79
612-79	618-79	837-82	854-82	904-83	963-84	001-72
006-71	984-84	618-78				

Amendment 1 to 550-79	Amendment 1 to 611-79
Amendment 2 to 550-79	Amendment 1 to 618-79
Amendment 3 to 550-79	Amendment 1 to 837-82
Amendment 4 to 550-79	Amendment 2 to 837-82
Amendment 1 to 854-82	Amendment 1 to 904-83
Amendment 2 to 854-82	Amendment 2 to 904-83

ACTIVE:

23                    24                    25                    26

WABASH MINE (AMAX Coal Company)

NON ACTIVE:

870-83

Amendment 1 to 870-83

ACTIVE:

39                    158

INDIANA

Issuing authority is Indiana Department of Natural Resources.

AYRCOE MINE (AMAX Coal Company)

NON ACTIVE:

71-18	72-21	73-38	74-31	75-52	76-38	76-37
77-81	73-23					

AYRSHIRE MINE (AMAX Coal Company)

NON ACTIVE

73-9	73-24	74-32	75-53	76-39	77-82	77-82A
78-109	78-109A	78-110	78-110A	78-110AA	78-111	79-92
80-51	80-51A	81-95	79-92A			

ACTIVE:

S00004      S00004-1      S00004-2      S00004-3

CHINOOK MINE (AMAX Coal Company)

NON ACTIVE:

71-20	72-22	73-25	74-33	75-54	76-40	76-41
76-42	77-85	77-83	77-84	78-98	78-98A	78-99
78-99A	78-100	78-100A	78-101	79-93	79-93A	79-94
79-94A	80-49	80-50	81-66	81-67		

ACTIVE:

P00004      S00039      S00039-1      S00063

MINNEHAHA MINE (AMAX Coal Company)

NON ACTIVE:

71-21	72-24	73-26	74-34	75-55	76-43	76-44	82-26
76-45	76-46	76-47	77-86	77-87	77-88	77-89	82-38
77-90	78-102	78-103	78-103A	78-104	78-104A	78-104AA	
78-105	78-26	79-29	79-95	79-96	80-12	80-30	
80-31	80-34	81-22	81-23	81-85	81-86	S00042	

ACTIVE:

S00040      S00040-1      S00041

WABASH MINE (AMAX Coal Company)

ACTIVE:

U00001      U00001-1

WRIGHT MINE (AMAX Coal Company)

NON ACTIVE:

71-19	72-23	73-27	74-35	75-56	76-48	76-49
76-50	77-91	77-92	77-107	78-107	78-108	78-108A
79-97	79-98	79-98A	79-98AA	80-29	80-35	80-35A
80-39	81-59	81-59A	81-112	S00038	S00142	

KENTUCKY

Issuing authority is the Kentucky Department of Natural Resources and Environmental Protection.

KENTUCKY PRINCE MINE (Kentucky Prince Mining Company)

ACTIVE:

8665038

AYRGEM MINE (AMAX Coal Company)

NON ACTIVE:

289-0338	5494-76	2034-74	2687-73D-Sup.#3
289-0318	2034-75-D	2034-73	2687-73D-Sup.#2
289-0317	2034-75-Sup.#2	2034-73D-Sup.#5	2687-73D-Sup.#1
289-0181	2687-75-D	2034-73-Sup.#4	2687-73D
289-7002	2034-75-Sup.#1	2034-73-Sup.#3	2034-72
289-7000	2034-75	2034-73-Sup.#2	2034-71-Sup.#1
6425-77	2034-74-Sup.#2	2034-73-Sup.#1	2034-71
6377-77	2034-74-Sup.#1	2687-73D-Sup.#5	
5309-76	2034-R	2687-73-Sup.#4	

WYOMING

Issuing authority is the Wyoming Department of Environmental Quality.

BELLE AYR MINE (AMAX Coal Company)

NON ACTIVE:

214-C            126  
214-C-A1        214-T1            214-T1-R1

ACTIVE:

214-T2

EAGLE BUTTE MINE (AMAX Coal Company)

NON ACTIVE:

428              428-A1            428-A2            428-R1

OKLAHOMA

Issuing authority is the Oklahoma Department of Mines.

PINE MOUNTAIN MINE (Heavener Coal Company)

ACTIVE:

3077            3101            4035 (Pending)



# CERTIFICATE OF INSURANCE

Attachment #4

SET TAB STOPS AT ARROWS  
ISSUE DATE (MM/DD/YY)

01/21/86

PRODUCER

Frenkel & Co., Inc.  
123 William Street  
New York, New York 10038

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

## COMPANIES AFFORDING COVERAGE

- COMPANY LETTER **A** Continental Insurance Co.
- COMPANY LETTER **B**
- COMPANY LETTER **C**
- COMPANY LETTER **D**
- COMPANY LETTER **E**

INSURED

AMAX Inc.  
AMAX Center  
Greenwich, CT 06830  
Meadowlark Utah, Inc., a wholly-owned subsidiary of AMAX Inc.

## COVERAGES

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIABILITY LIMITS IN THOUSANDS		
						EACH OCCURRENCE	AGGREGATE
A	<b>GENERAL LIABILITY</b>	SRL3347418	1-1-86	1-1-87	BODILY INJURY	\$	\$
	<input checked="" type="checkbox"/> COMPREHENSIVE FORM				PROPERTY DAMAGE	\$	\$
	<input checked="" type="checkbox"/> PREMISES/OPERATIONS UNDERGROUND EXPLOSION & COLLAPSE HAZARD PRODUCTS/COMPLETED OPERATIONS				BI & PD COMBINED	\$ 1,000	\$ 1,000
	<input checked="" type="checkbox"/> CONTRACTUAL				PERSONAL INJURY		\$ 1,000
	<input checked="" type="checkbox"/> INDEPENDENT CONTRACTORS						
	<input checked="" type="checkbox"/> BROAD FORM PROPERTY DAMAGE						
	<input checked="" type="checkbox"/> PERSONAL INJURY						
A	<b>AUTOMOBILE LIABILITY</b>	SRB3351838	1-1-86	1-1-87	BODILY INJURY (PER PERSON)	\$ 1,000	
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (PER ACCIDENT)	\$ 1,000	
	<input checked="" type="checkbox"/> ALL OWNED AUTOS (PRIV. PASS.)				PROPERTY DAMAGE	\$ 1,000	
	<input checked="" type="checkbox"/> ALL OWNED AUTOS (OTHER THAN PRIV. PASS.)				BI & PD COMBINED	\$	
	<input checked="" type="checkbox"/> HIRED AUTOS						
<input checked="" type="checkbox"/> NON-OWNED AUTOS							
<input checked="" type="checkbox"/> GARAGE LIABILITY							
	<b>EXCESS LIABILITY</b>				BI & PD COMBINED	\$	\$
	<input type="checkbox"/> UMBRELLA FORM						
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM						
	<b>WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY</b>				STATUTORY		
					\$	(EACH ACCIDENT)	
					\$	(DISEASE-POLICY LIMIT)	
					\$	(DISEASE-EACH EMPLOYEE)	
	<b>OTHER</b>						

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Certificate is issued as respects operations in the state of Utah.

## CERTIFICATE HOLDER

State of Utah  
Dept. of Natural Resources  
Division of Oil, Gas, & Mining

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL \_\_\_\_\_ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



# CERTIFICATE OF INSURANCE

01/21/86

**PRODUCER**  
  
Frenkel & Co., Inc.  
123 William Street  
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## COMPANIES AFFORDING COVERAGE

**INSURED**  
  
AMAX Inc.  
AMAX Center  
Greenwich, CT 06830  
  
Castle Gate Coal Company, a wholly-owned subsidiary of AMAX Inc.

COMPANY LETTER	<b>A</b> Continental Insurance Co.
COMPANY LETTER	<b>B</b>
COMPANY LETTER	<b>C</b>
COMPANY LETTER	<b>D</b>
COMPANY LETTER	<b>E</b>

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	<input checked="" type="checkbox"/> PREMISES/OPERATIONS UNDERGROUND EXPLOSION & COLLAPSE HAZARD				BI & PD COMBINED	\$ 1,000	\$ 1,000
	<input checked="" type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS				PERSONAL INJURY	\$ 1,000	\$ 1,000
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<input checked="" type="checkbox"/> GARAGE LIABILITY							
	<b>EXCESS LIABILITY</b>				BI & PD COMBINED	\$	\$
	<input type="checkbox"/> UMBRELLA FORM						
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM						
	<b>WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY</b>				STATUTORY		
					\$	(EACH ACCIDENT)	
					\$	(DISEASE-POLICY LIMIT)	
					\$	(DISEASE-EACH EMPLOYEE)	
	<b>OTHER</b>						

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS**

Certificate is issued as respects operations in the state of Utah.

**CERTIFICATE HOLDER**

State of Utah  
Dept. of Natural Resources  
Division of Oil, Gas, & Mining

**CANCELLATION**

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AUTHORIZED REPRESENTATIVE

*Joseph V. Mas*

UMC 782.19 OTHER LICENSES AND PERMITS

CASTLE GATE COAL COMPANY  
ACTIVE AND PENDING LICENSES AND PERMITS

Crandall Canyon Sediment Pond and Oil Separator - Construction	UDH	--	1-25-82	None
Wastewater Disposal System for Crandall Canyon - Construction	UDH	--	10-29-81	None
Pond 013 - Construction	UDH	--	3-16-81	None
Crandall Sediment Pond Construction	UDH	--	2-25-81	None
Air quality approval for installation of petro chemical storage tanks and emergency generator	UDH	--	4-22-81	None
Crandall Canyon Road Construction	DOGM	--	11-12-81	None
Commence Crandall Construction Activities	DOGM	--	11-13-80	None
Ephemeral Stream crossing in Crandall Canyon	DOGM	--	4-17-81	None

TYPE OF PERMIT	ISSUING AUTHORITY	ID #	APPROVAL DATE(s)	RE-APPLICATION OR EXPIRATION DATE(s)
Power Line Construction to Crandall Canyon facilities	DOGM	—	4-30-81	None
Use of lower yarding area, Crandall Canyon	DOGM	—	9-2-81	None
Helipad and storage use of Willow Creek area	DOGM	—	7-23-81	None
Mining and Reclamation Plan to Braztah - Later to PRCC	DOGM	ACT/007/004	4-27-77	3-21-81 (Re-ap)
Discharge of untreated groundwater from shafts in Crandall Canyon	DOGM	—	2-3-82	—
NPDES	EPA	UT-0023141	10-5-77	6-30-82 (Ex) 1-21-82 Re-ap)
NPDES	EPA	UT-0023272	5-30-79	6-30-82 (Ex) 1-21-81 Re-ap)
NPDES	EPA	UT-0023086		6-30-80 (Ex) 1-21-82 (Re-ap)
RCRA	EPA	UTD-0007-10459	11-5-80	Deleted 4-2-82
Approval of complete Crandall Canyon modification	DOGM	—	4-23-82	None

TYPE OF PERMIT	ISSUING AUTHORITY	ID #	APPROVAL DATE(s)	RE-APPLICATION OR EXPIRATION DATE(s)
Approval of complete Crandall Canyon modification	OSM	--	4-23-82	None
Clearance of cultural resources - Crandall Canyon	OSM	--	3-23-81	None
Start Crandall construction activities	OSM	--	12-23-80	None
Building Permit	Carbon County	1989	9-8-81	None
Roof Control	MSHA	42-00165 42-01202	Portal #3 Portal #5	Reviewed every six months
Ventilation	MSHA	42-00165 42-01202	Portal #3 Portal #5	Reviewed every six months
Coal Plant	MSHA	42-01517	1-1-79	None
Refuse pile pond	MSHA	1211-UT-9- 0028	6-23-78	None 6
Castle Gate Refuse Disposal Site	MSHA	1211-UT-9- 0027	11-17-77	None
211 Mine Plan	USGS	--	4-27-77	
#3 Refuse Pole	MSHA			
Barn Canyon Refuse	MSHA	1211-UT-9- 0029		

ISSUING AUTHORITY KEY

<u>Acronym</u>	<u>Full Name</u>
UDH	Utah Department of Health
DOGM	Division of Oil, Gas, and Mining
EPA	Environmental Protection Agency
OSM	Office of Surface Mining
USGS	United States Geological Survey, Minerals Management Services
MSHA	Mine Safety and Health Administration

NOTE: Other minor approvals, agreements and permits are included in the  
Correspondence Addendum.

# AFFIDAVIT OF PUBLICATION

STATE OF UTAH }  
County of Carbon, } ss.

I, Dan Stockburger, on oath, say that I am  
the General Manager of The Sun-Advocate,  
a weekly newspaper of general circulation, published at Price,  
State and County aforesaid, and that a certain notice, a true copy  
of which is hereto attached, was published in the full issue of  
such newspaper for One (1)  
consecutive issues, and that the first publication was on the  
14th day of February, 19 86 and that the  
last publication of such notice was in the issue of such newspaper  
dated the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_

*[Signature]*

Subscribed and sworn to before me this  
14th day of February, 19 86

*[Signature]*  
Notary Public.

My Commission expires My Commission Expires October 22, 1986, 19 \_\_\_\_\_

Publication fee, \$ 34.80

## AMENDED NOTICE OF APPLICATION FOR TRANSFER OF A PERMIT Castle Gate Coal Company

Notice is hereby given that Castle Gate Coal Company, P.O. Box 449, Helper, Utah 84526, has submitted an application to the State of Utah, Department of Natural Resources, Division of Oil, Gas & Mining for transfer of a permit to operate under the provisions of the Utah Coal Mining and Reclamation Act (Utah Code Ann. 40-10-1 et seq.) and the Utah Coal Program Regulation UMC 788.18. The previous permittee was the Price River Coal Company, Permit No. ACT/007/004. The permit area is located in Carbon County, Utah as follows:

Township 12 South, Range 9 East, SLBM  
Sec. 22, portion; SW¼ Section 25; Section 26;  
Section 27; Section 28; Section 29 all except  
N½NW¼ and NW¼NE¼; Section 30 all except  
N½N½; Section 31; Section 32; Section 33;  
Section 34; Section 35, portion; Section 36,  
portion.

Township 13 South, Range 9 East, SLBM  
Section 1, portion; Section 2, portion; Section 3,  
portion; Section 4, portion; Section 5, portion;  
Section 6, portion; Section 8, portion; Section 9,  
portion; Section 10, portion.

This permit area for which responsibility is being transferred is shown on Castle Gate Coal Company's Permit Map No. CG-8601-12-1/1.

The permit also includes property including the following areas for which responsibility is not being transferred:

Township 12 South, Range 9 East, SLBM  
Section 36, portion.

Township 12 South, Range 10 East, SLBM  
Section 31, portion.

Township 13 South, Range 9 East, SLBM  
Section 1, portion.

Township 13 South, Range 10 East, SLBM  
Section 6, portion; Section 10, portion; Section 16, portion. The project area is shown on the following U.S. Geological Survey 7.5-minute maps:

Standardville, Kyune, Matt's Summit, Helper and Deadman Canyon.

Pertinent comments are solicited from anyone affected by this proposal. Such comments should be filed within the next thirty (30) days with:

State of Utah  
Department of Natural Resources  
Division of Oil, Gas & Mining  
355 West North Temple  
III Triad, Suite 350  
Salt Lake City, Utah 84108.

Published in the Sun Advocate February 14, 1986.

File ACT/007/004 Folder #2

RECEIVED  
MAY 15 1986

DIVISION OF  
OIL, GAS & MINING



**CASTLE  
GATE**  
COAL COMPANY

May 13, 1986

Susan C. Linner  
Permit Supervisor  
355 West, North Temple  
3 Triad Center  
Suite 350  
Salt Lake City, Utah 89180-1203

RE: Application for permit transfer ACT-007-004

Dear Susan:

Attached to this letter are copies of the approvals for the State and Federal Sub leases from Blackhawk Coal Company and Meadowlark Utah, Inc. As you know these are the land holding companies for Price River Coal Company and Castle Gate Coal. The lease transfers were the last major hurdles for closing the business arrangement between Castle Gate and Price River Coal Companies.

Therefore, I am requesting that you make the effective date of transfer to Castle Gate Coal Company of the Mining Permit No ACT 007-004 on the 30th of May 1986.

In order to complete the business transaction, I will need a letter from the Division that approval will be given for the transfer of the Permit on the 30th.

Thank you for all your help in expediting this permit transfer process.

Sincerely,

Richard H. Allison, Jr., P.E.

RHA-bd

cc: Dave Ham  
Dennis Bryant



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
UTAH STATE OFFICE  
324 SOUTH STATE, SUITE 301  
SALT LAKE CITY, UTAH 84111-2303

IN REPLY REFER TO

3453  
SL-029093-  
046653 et al.  
(U-942)

MAY 12 1986

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

## DECISION

Meadowlark Utah, Inc. : Coal Leases  
P.O. Box 967 : SL-029093-046653, SL-071737,  
Indianapolis, Indiana 46206 : U-019524, U-058184, U-25484  
: and U-25485

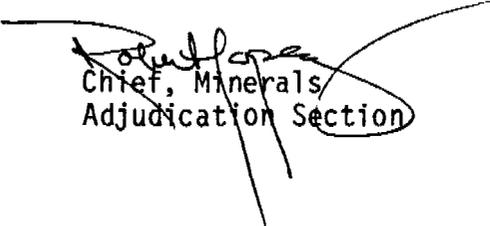
### Subleases Approved Bonds Accepted

On March 13, 1986, subleases of coal lease SL-029093-046653, SL-071737, U-019524, U-058184, U-25484 and U-25485, dated February 18, 1986, between Meadowlark Utah, Inc., as sublessee and Blackhawk Coal Company, as sublessor, were filed in this office.

Satisfactory evidence of the qualifications and holdings of Meadowlark Utah, Inc. has been filed. The lease accounts are in good standing. The subleases appear to meet the requirements of the regulations and are hereby approved effective June 1, 1986. Approval of these subleases does not constitute approval of any of the terms therein which may be in violation of the lease terms.

As required by the regulations in 43 CFR 3474.2(a), bonds in the amounts listed below with Meadowlark Utah, Inc., as principal, and National Fire Insurance of Hartford, as surety, were filed in this office on March 20, 1986. The bonds have been examined, found to be satisfactory and are accepted effective March 20, 1986, the date of filing.

<u>Lease No.</u>	<u>Bond No.</u>	<u>Bond Amount</u>
SL-029093-046653	9309163	\$296,000
SL-071737	9309165	\$ 5,000
U-019524	9309167	\$ 5,000
U-058184	9309164	\$295,000
U-25484	9309168	\$ 5,000
U-25485	9309166	\$ 5,000

  
Chief, Minerals  
Adjudication Section



STATE OF UTAH  
NATURAL RESOURCES  
State Lands & Forestry

Norman H. Bangerter, Governor  
Dee C. Hansen, Executive Director  
Ralph A. Miles, Division Director

355 W. North Temple • 3 Triad Center • Suite 400 • Salt Lake City, UT 84180-1204 • 801-538-5508

April 21, 1986

Meadowlark Utah, Inc  
P.O. Box 967  
Indianapolis, IN 46204

Gentlemen:

RE: ML 11940, ML 13681, and ML 18148 Coal

The Director, on April 7, 1986, approved the sublease of the above-numbered leases to you by Blackhawk Coal Company, Lessee. These subleases affect neither an enlargement, diminution, or waiver of the posture of the Lessee and Lessor under the pending State Production Audit Report regarding ML 18148.

Our records have been noted.

Yours very truly,

A handwritten signature in cursive script that reads "John T. Blake".

JOHN T. BLAKE  
MINERAL RESOURCES SPECIALIST

JTB/eb