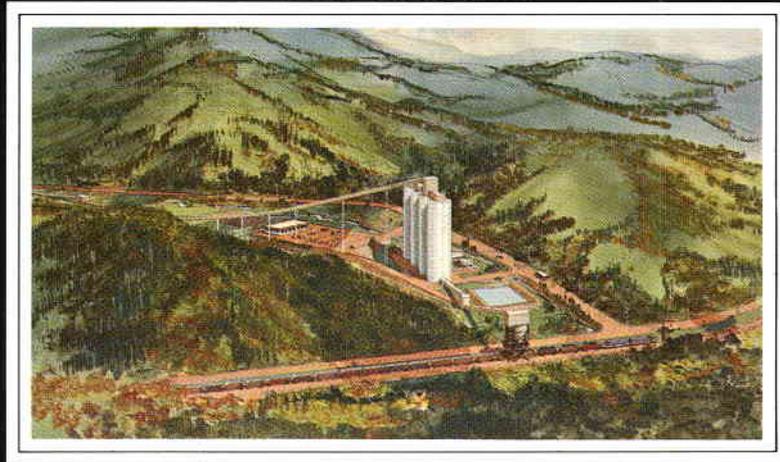




Skyline

COAL PROJECT



Introduction to the Skyline Project

The Skyline Project is a coal mining operation under development on 6,400 acres of federal and county leases which encompass 270 million tons of total reserves in three major seams. This project is located in the Manti-La Sal National Forest on the Wasatch Plateau of central Utah, near the town of Scofield.

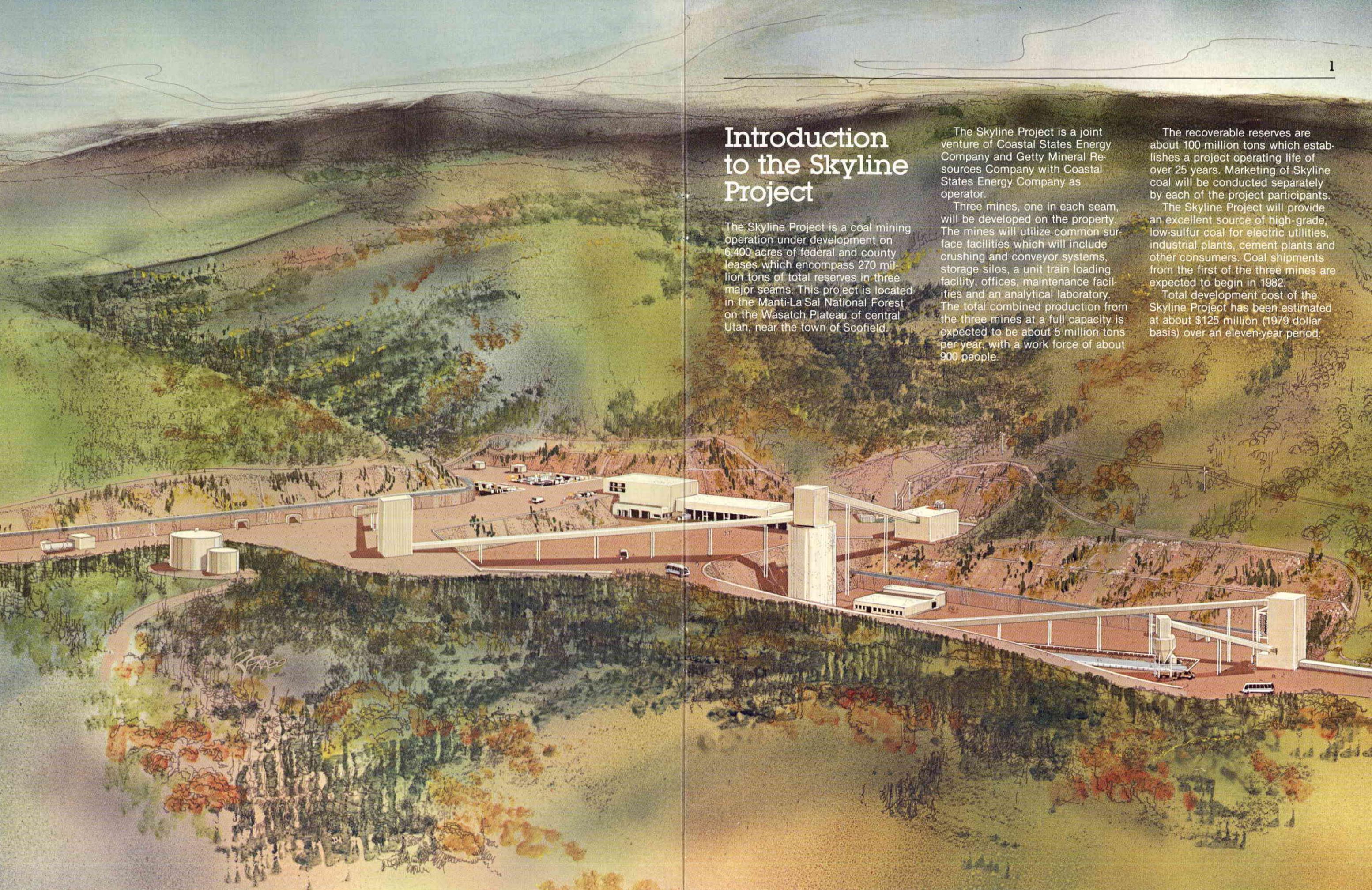
The Skyline Project is a joint venture of Coastal States Energy Company and Getty Mineral Resources Company with Coastal States Energy Company as operator.

Three mines, one in each seam, will be developed on the property. The mines will utilize common surface facilities which will include crushing and conveyor systems, storage silos, a unit train loading facility, offices, maintenance facilities and an analytical laboratory. The total combined production from the three mines at a full capacity is expected to be about 5 million tons per year, with a work force of about 900 people.

The recoverable reserves are about 100 million tons which establishes a project operating life of over 25 years. Marketing of Skyline coal will be conducted separately by each of the project participants.

The Skyline Project will provide an excellent source of high-grade, low-sulfur coal for electric utilities, industrial plants, cement plants and other consumers. Coal shipments from the first of the three mines are expected to begin in 1982.

Total development cost of the Skyline Project has been estimated at about \$125 million (1979 dollar basis) over an eleven-year period.

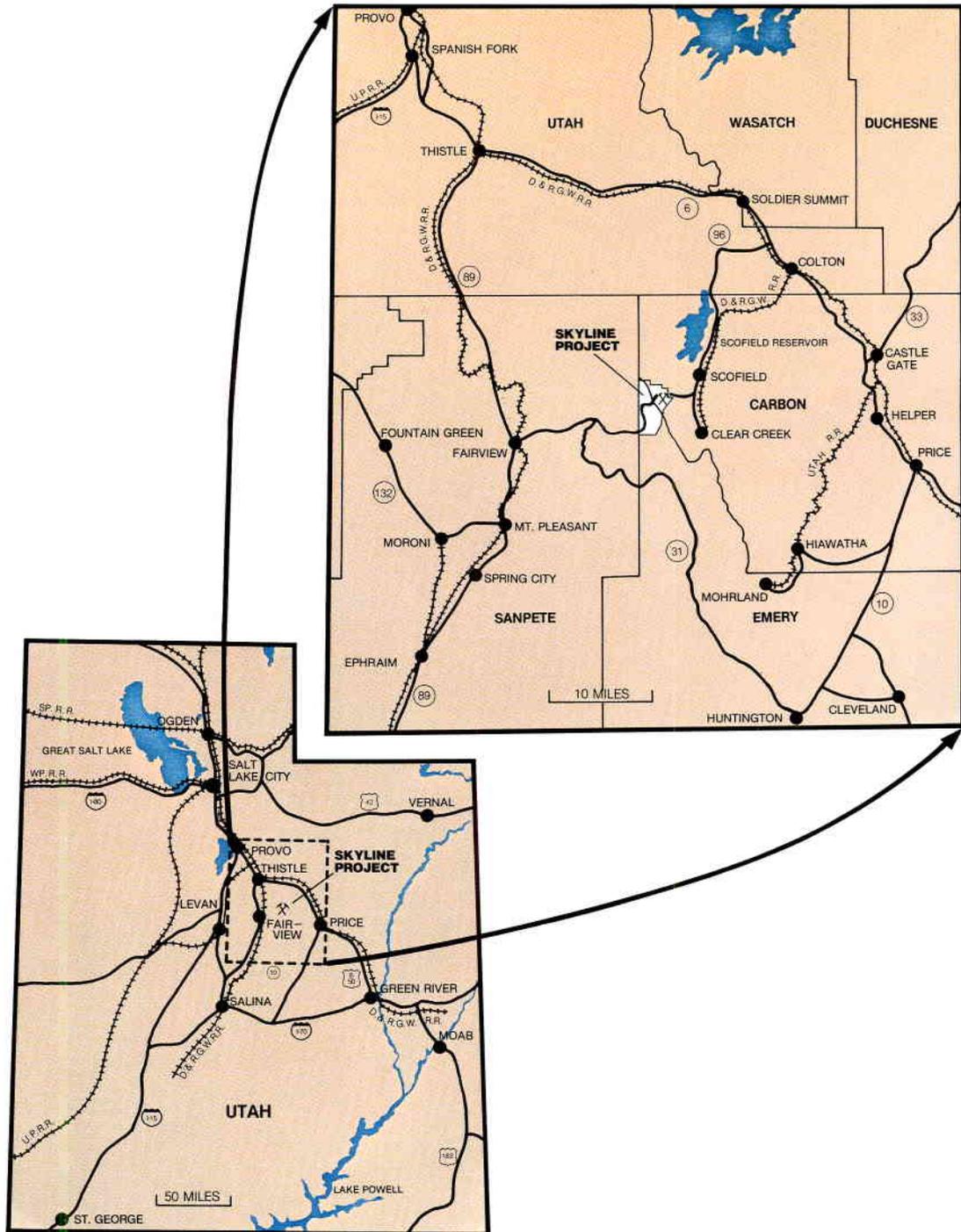


Project Location

The Skyline Project is located near Scofield, Utah between the towns of Fairview and Price in central Utah. It is in the Manti-La Sal National Forest

on the Wasatch Plateau. The portals will be located in Carbon County where the coal outcrops in Eccles Canyon. Scofield and Clear Creek are mining communities with a long history of coal mining dating back to the turn of the century. The Scofield area is accessible from population centers in Carbon County, Emery County, Sanpete County and Utah

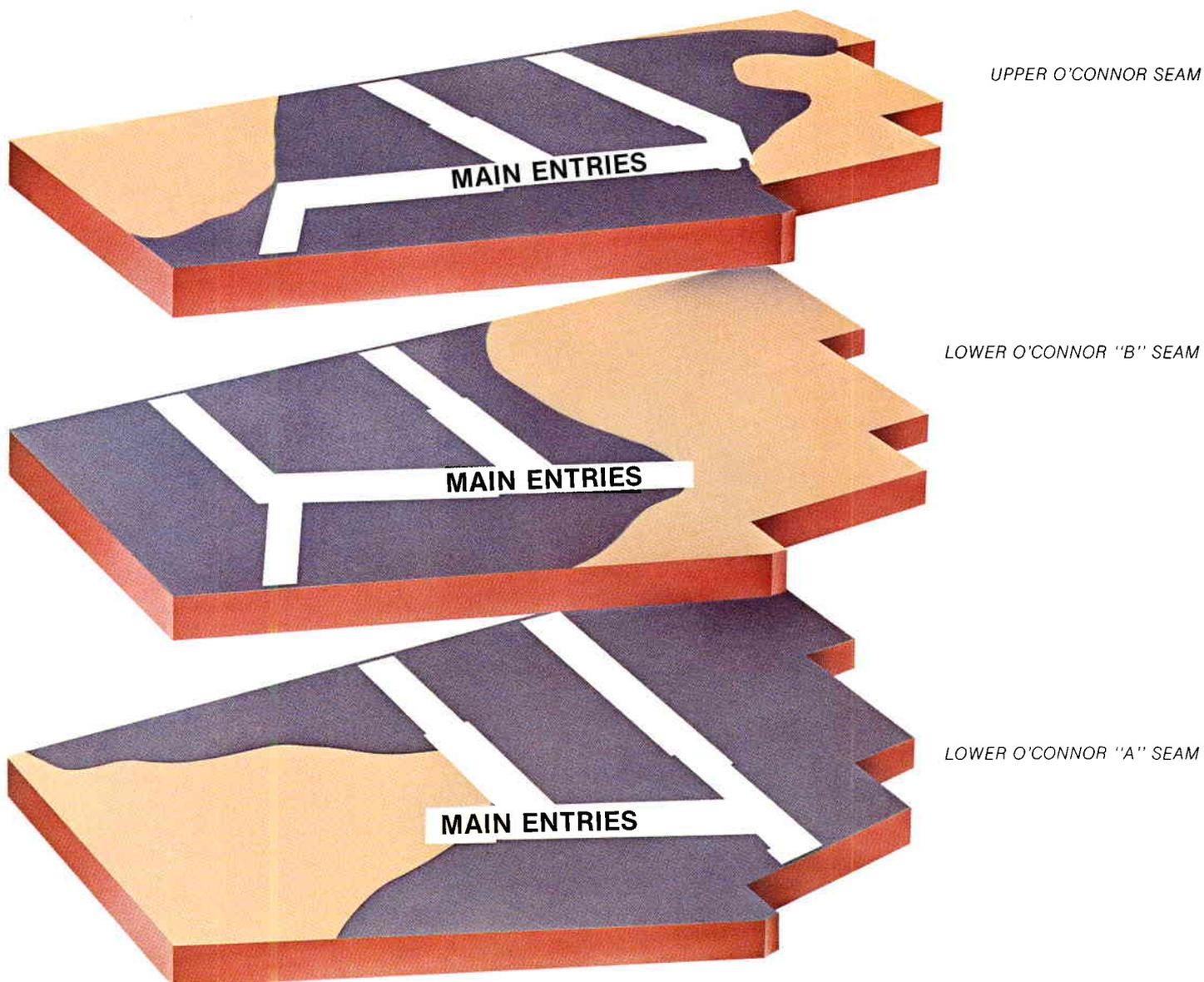
County. The Utah Legislature has approved a project to construct a new access road connecting the Skyline property with an existing highway to Sanpete County, which will be a source of labor.



Coal Reserves

The coal reserves under this 6,400-acre property occur in seam thicknesses up to 25 feet. Estimates by independent geological and engineering firms and by Coastal

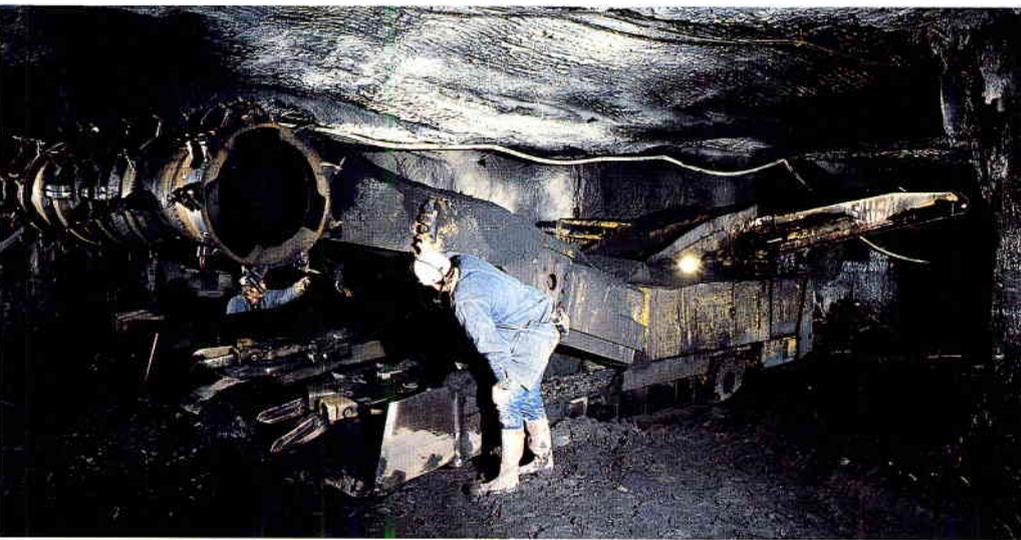
States Energy Company personnel place the total reserves of coal in the three major seams at approximately 270 million tons. The extent of the mineable coal in each of these coal seams is depicted by the shaded areas on the maps below.



Mining Methods



The use of diesel underground equipment at the Skyline Mines is expected to provide a significant operating advantage. Moreover, the safety hazards of electrical shocks and fires are greatly reduced with diesel haulage because electrical trailing cables are eliminated. The versatility of diesel equipment will allow workers and materials to be taken directly from the portal to the work area without having to be transferred. Also, the use of diesel equipment will allow several vehicles to operate in a circular haulage pattern without one unit interfering with another. The loading and hauling cycle can also be shifted quickly from one work area to another, providing for a more simplified mining sequence.



Continuous mining machines will be used at the Skyline Mines to do the development work for the longwall mining units. In continuous mining, coal is mined without blasting. The continuous mining machine moves forward carving a tunnel as it goes. A revolving drum, studded with cutting teeth, tears into the coal seam. Coal chunks fall onto a gathering head which pushes the coal onto a rearward-moving conveyor. The coal is deposited in waiting shuttle cars which carry it to an underground location where the coal is crushed before being moved to the surface by a series of conveyor belts.



Longwall mining will enable the highest possible recovery of coal reserves and will also result in higher productivity and greater safety for the workers. In longwall mining, development entries (tunnels) are first prepared using continuous mining machines. Roof support shields are then set up along with the conveying system and coal cutting shear. As the rotating shear cuts the coal, a conveyor system removes the fallen coal while the roof support shields are advanced, providing continuous protection for the workers. The roof is then allowed to cave in behind the advancing roof shields after the coal seam is removed.

People

A well motivated, highly productive labor force is a basic requirement for success in any venture and is particularly important to the Skyline Project. In recognition of this, careful consideration is being given to the development of the work force. Employee training programs, compensation plans and benefits programs, successful at Coastal's other locations, will be utilized at this new mining operation. The project managers have worked closely with local communities and regional agencies to develop an operation which is compatible with the environment and beneficial to the communities involved. The Skyline management team is experienced in orderly and sustained growth of mining activities in Utah. This experience is a valuable asset in the development and operation of the project.

Utah is noted for its highly productive and reliable work force.



The thick, flat lying coal seams are ideal for high capacity productive mining.



Coal Handling Storage and Loadout System



The Skyline storage and loadout system is designed to incorporate the latest technology in coal handling.

Both rail cars and trucks will be loaded for delivery to consumers.

Rail service for unit trains of up to 100 cars, or for smaller requirements, will be provided by the Denver & Rio Grande Western Railroad (D&RGW), originating over

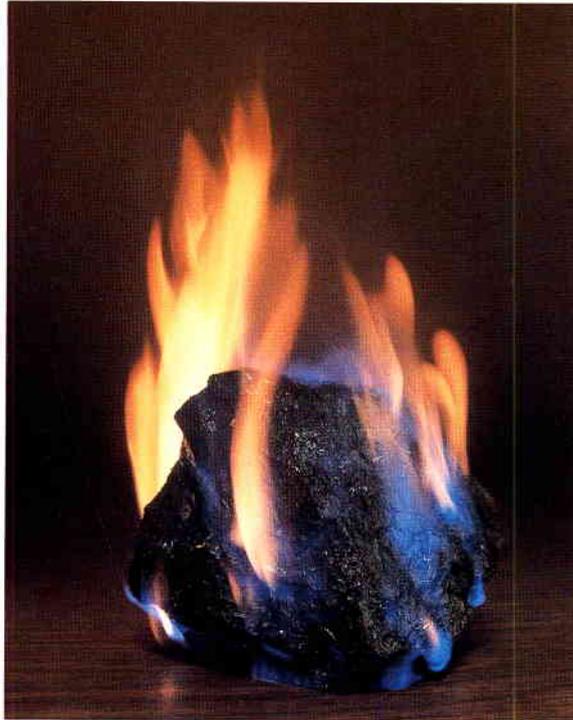
a recently upgraded rail spur into the Scofield area. A conveyor belt system will be installed to transport the coal from the mine portal area to the loadout site.



Coal Quality

Skyline coal is a low-sulfur, high-grade, bituminous coal. Based on extensive core samples of the three mineable seams, the average as-received analysis of the mined coal is expected to be approximately as follows:

Heating Value	11,300 Btu/lb.
Sulfur	0.5%
Moisture	8.0%
Ash	11.5%
Volatile Matter	38.5%
Fixed Carbon	42.0%



Production Schedule

Production is expected to reach five million tons annually when mines are at full production.

Year	Annual Coal Production Plan in Tons
1982	400,000
1983	1,400,000
1984	1,800,000
1985	2,300,000
1986	3,600,000
1987	4,400,000
1988	4,200,000
1989	4,300,000
1990	4,600,000
1991 (full production)	5,100,000

For more information contact:

Coastal States Energy Company
Nine Greenway Plaza
Houston, Texas 77046
(713) 877-6444

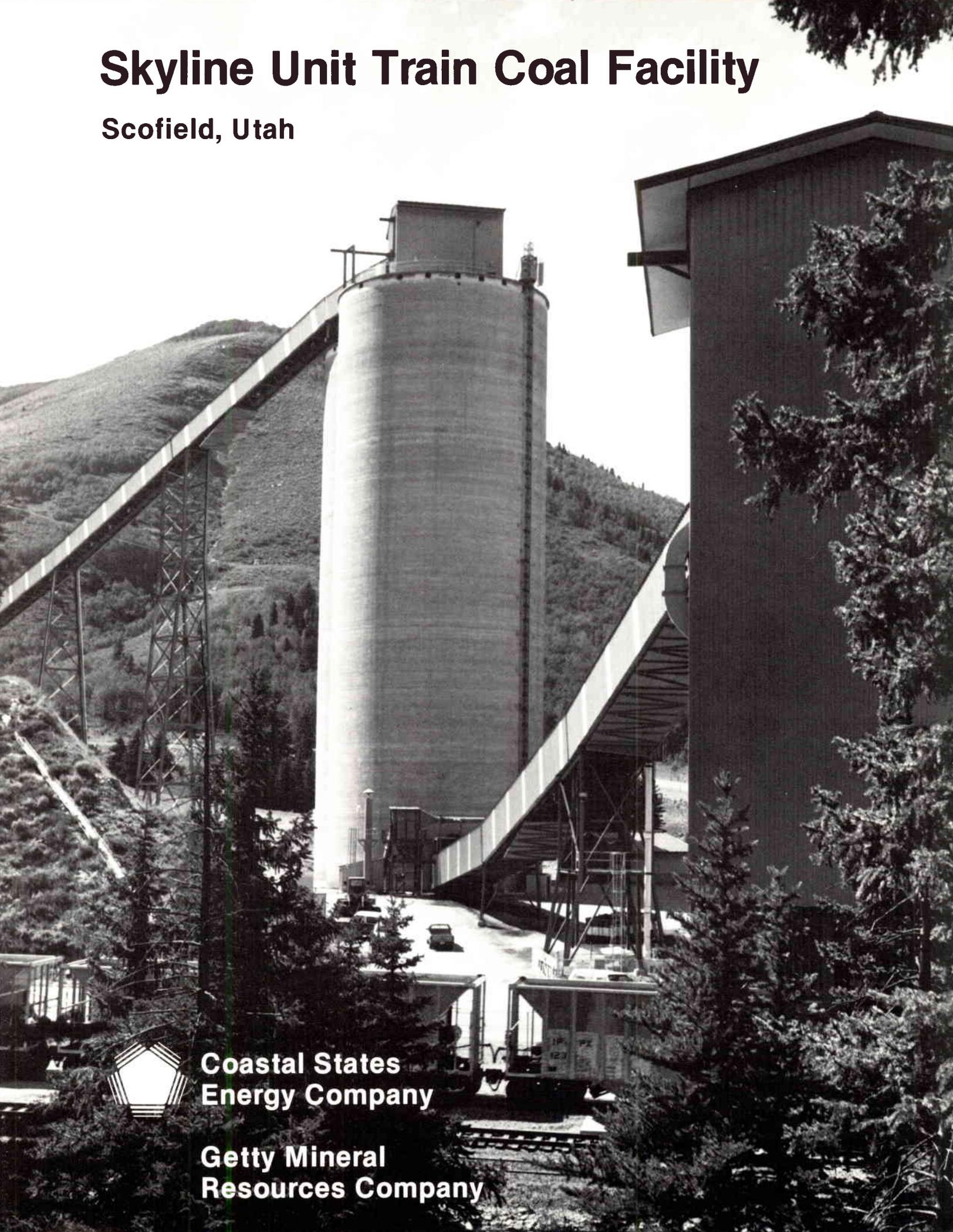
Coastal States Energy Company
411 West 7200 South
Midvale, Utah 84047
(801) 566-7111

Getty Mineral Resources Company
3810 Wilshire Boulevard
Los Angeles, California 90010
(213) 739-2100

Project Operator:
Utah Fuel Company
Skyline Mines
Star Route
Scofield, Utah 84538
(801) 448-9489
Glen A. Zumwalt
General Manager

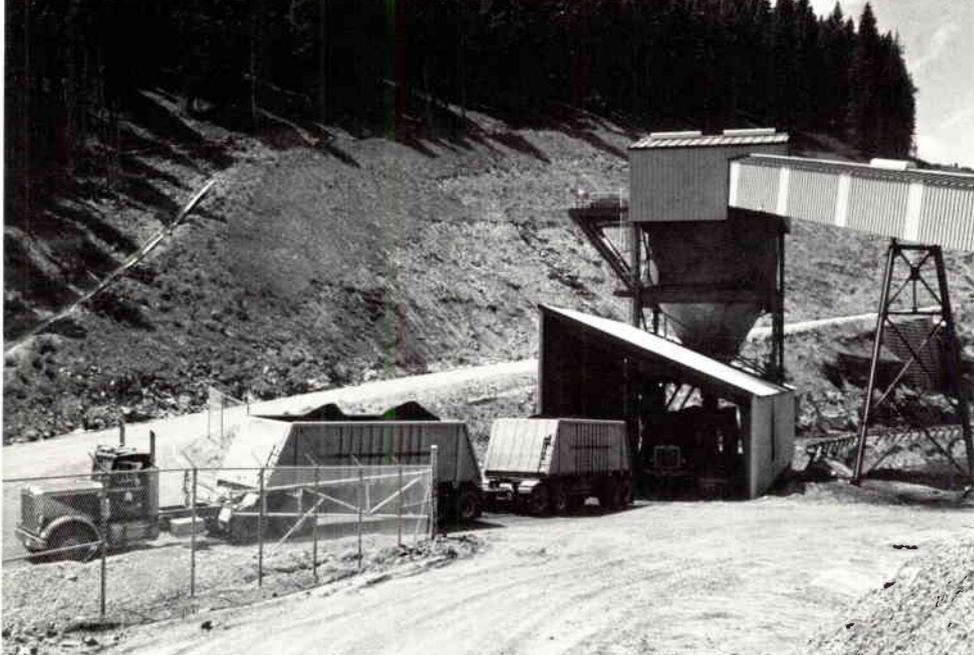
Skyline Unit Train Coal Facility

Scofield, Utah

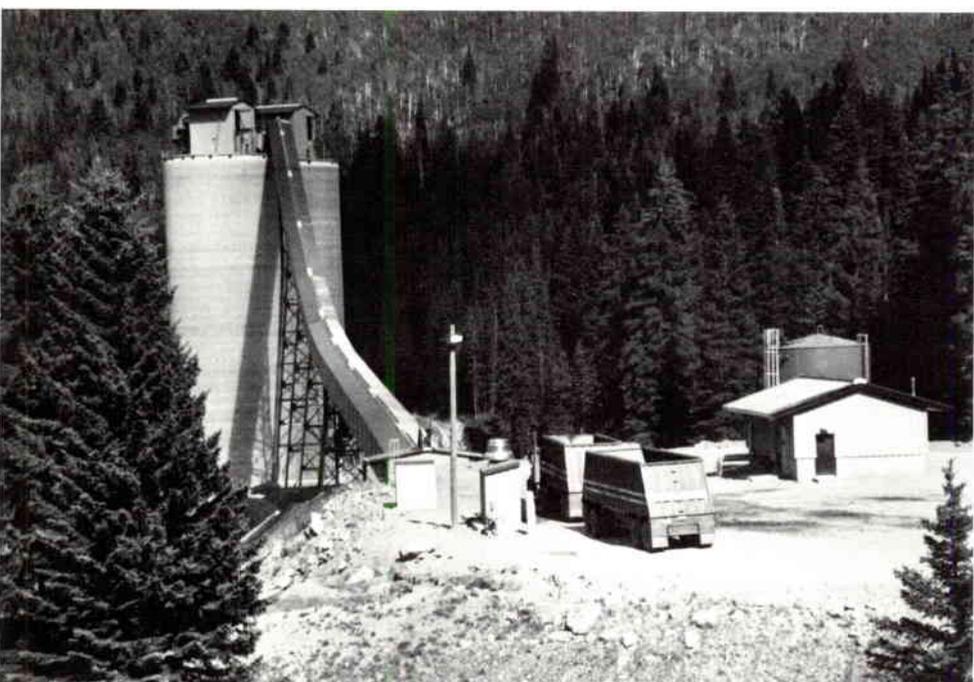


**Coastal States
Energy Company**

**Getty Mineral
Resources Company**



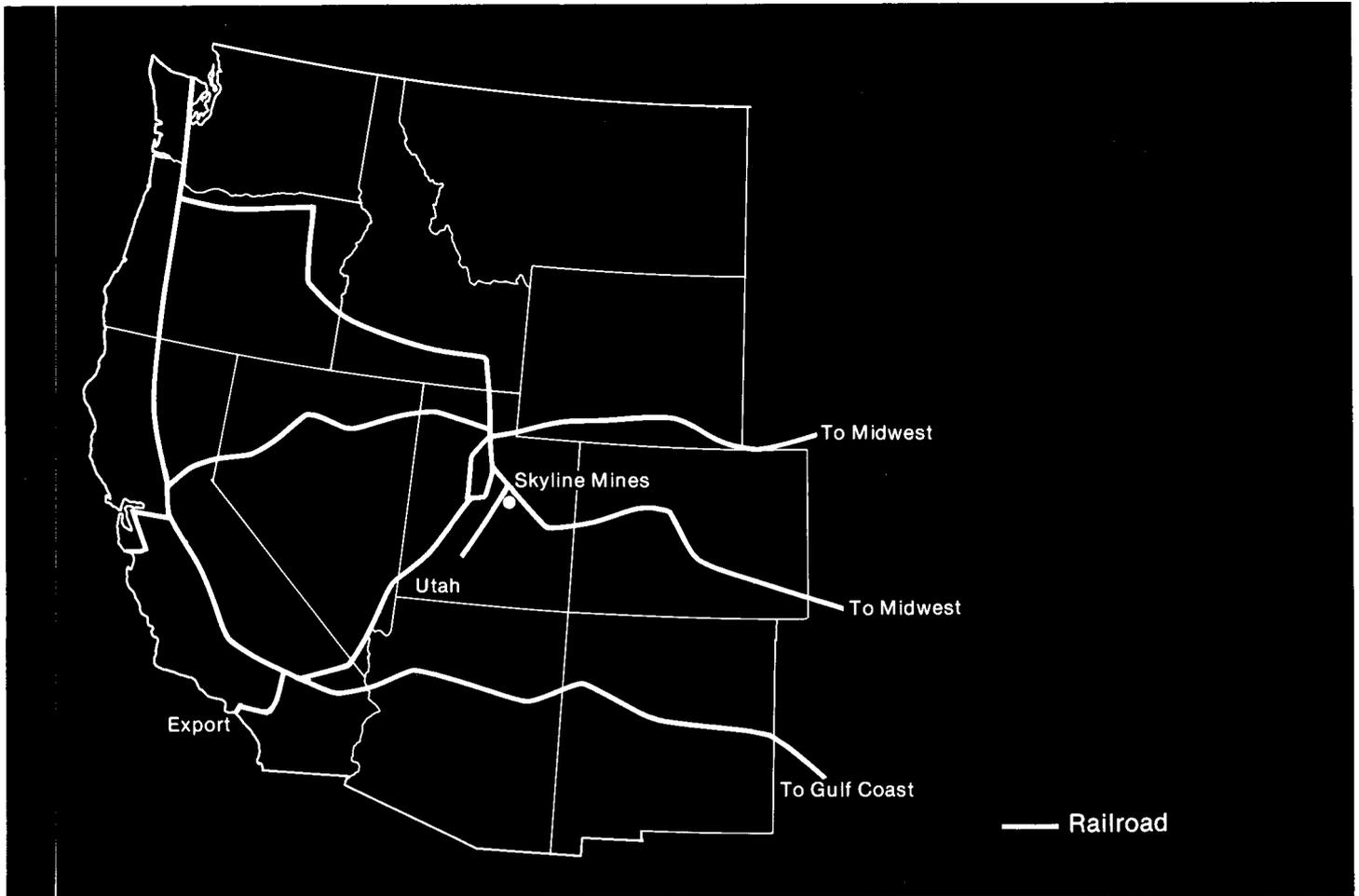
Trucks travel two miles down Eccles Canyon from the Skyline Mine to the loadout site. The Skyline Mine has available storage capacity of 120,000 tons.



Trucks dump into a coal hopper and a conveyor carries the coal automatically into the 30,000-ton capacity storage silos. A planned conveyor link between the mine and loadout will allow the facility to reach its designed feed rate of 1,500 tons per hour. This conveyor will discharge into the existing system shown here.



Skyline coal is reclaimed from storage silos at a rate up to 6,000 tons per hour and passes through a sampling, batching and weighing system in the loading building above the tracks. Both trucks and trains can be loaded here by a single operator. A unit train of up to 100 cars can be loaded in less than two hours by this facility.



Skyline's rail loading facility is serviced by the Denver & Rio Grande Western Railroad (D&RGW) and is located on the D&RGW's Pleasant Valley Branch line. With Skyline's strategic location, competitive rail rates are available for shipments to customers throughout the West. Export through Southern California and Northern California ports can be achieved by connections with the Union Pacific Railroad or the Southern Pacific Railroad. Skyline's loadout system also can accommodate trucks for shipments to nearby customers or those without access to the railroad.

Skyline Data

Location of Facility:

Near Scofield, Utah — 80 Miles Southeast of Salt Lake City

Mine:

Capacity 5 Million Tons per Year
 Recoverable Reserves 92 Million Tons
 Typical Coal Quality Heating Value — 11,300 to 11,700 Btu
 Sulfur — 0.5 to 0.65%
 Moisture — 8.0 to 12.0%
 Ash — 7.5 to 11.5%
 Size — 2 Inch × 0

Coal Delivery Rate 1,500 Tons per Hour (Crusher Throughput Capacity)
 Storage 120,000 Tons

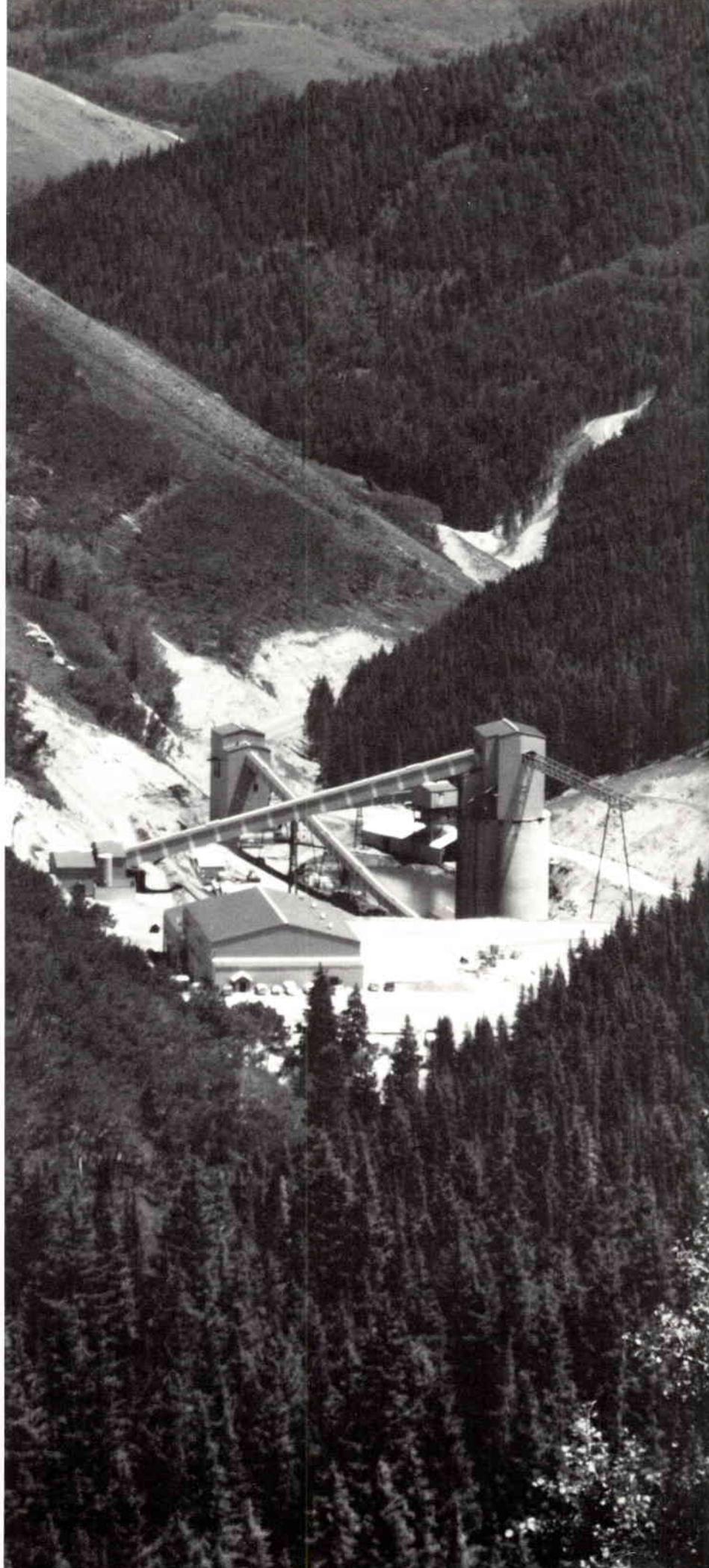
Rail Loadout:

Coal Receiving Rate Truck Dump — 750 Tons per Hour
 Conveyor — 1,500 Tons per Hour
 Storage 30,000 Tons
 Reclaiming/Loading Rate 6,000 Tons per Hour
 Sampling System 3-Stage; Meets ASTM D-2234 Specifications
 Weighing System Batch Weight — 20 to 110 Tons (Certified Scales)
 Loading Trucks and Railcars in Motion; Capacity is 100-Car Unit Train

Skyline Coal Project

The Skyline Project is a joint venture of Coastal States Energy Company and Getty Mineral Resources Company. Coastal States Energy Company is the mine operator. Located near Scofield, Utah, the Skyline Mines are in the Manti-La Sal National Forest. The mine portals and surface structures are located in Carbon County, with coal reserves located in both Carbon and Emery Counties. The recoverable coal reserves under this 6,400-acre property are estimated at 92 million tons and are found in three major seams. The mineable portions of the seams range in thickness from five feet to over 25 feet with an average of ten feet.

All necessary mining permits were obtained in time to begin mine construction in June 1980. The portals were developed and developmental mining began in late 1981. The first commercial coal from the project was produced in January 1982 and almost 250,000 tons of coal were produced that first year. By 1987, existing contracts will bring production at Skyline to two million tons per year. As market demand develops, mine production can be increased in increments up to the project's designed capacity of approximately five million tons per year.



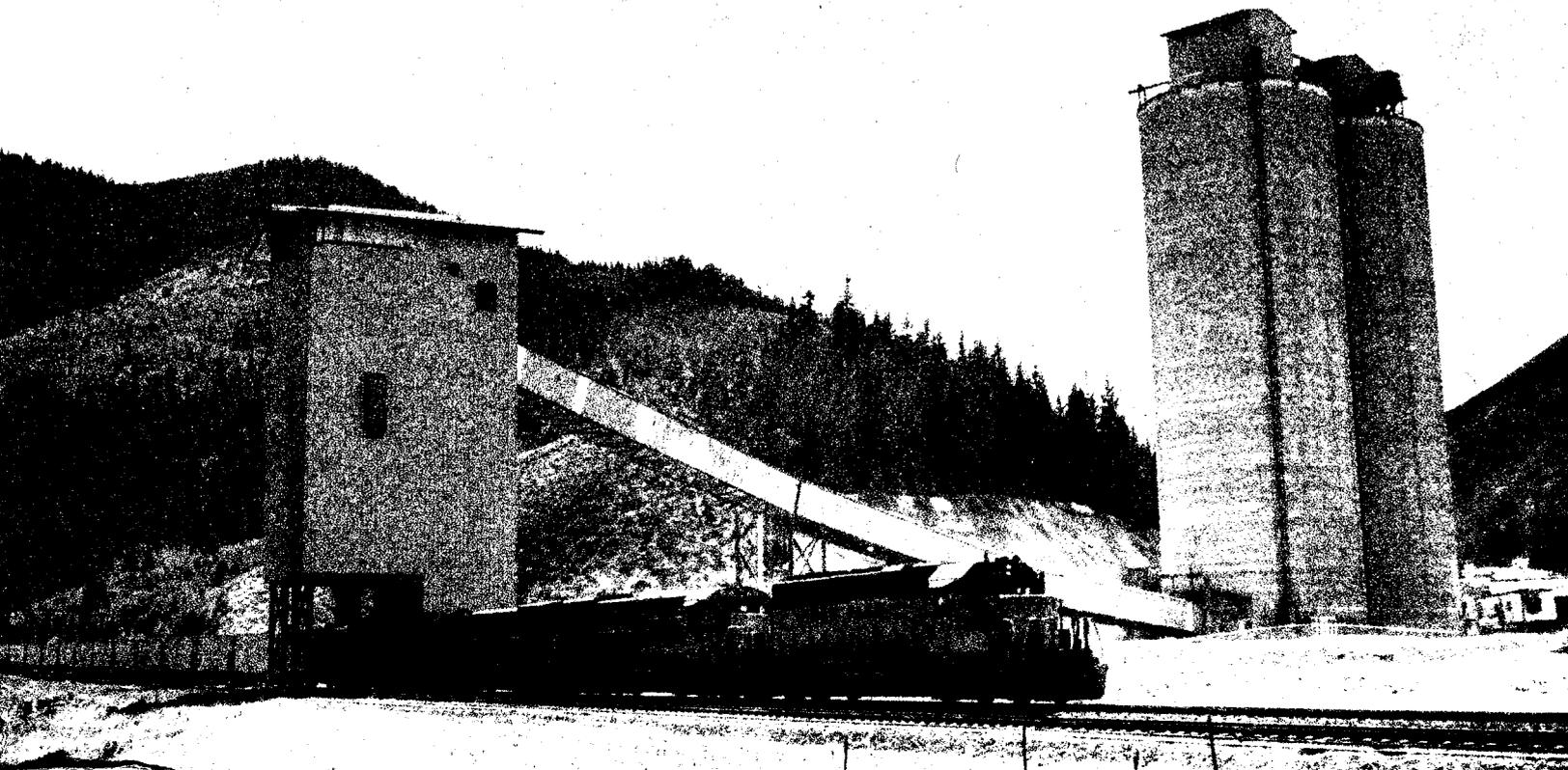
COASTAL - GETTY

SKYLINE UNIT TRAIN LOADOUT DEDICATION

UTAH FUEL COMPANY / ECCLES CANYON / AUGUST 21, 1985

PROGRAM

9:00 a.m. - 10:15 a.m.	REGISTRATION AND SITE TOURS
10:30 a.m.	WELCOME AND INTRODUCTIONS Glen Zumwalt, Vice President & General Manager, Utah Fuel Co. Skyline Mines
10:35 a.m.	INVOCATION Lee Semken, Chairman Carbon County Commission
10:40 a.m.	OPENING REMARKS <i>Chapone, Wyo - Chain Engin. for Knox Nitrate Blasting Powder</i> Leo C. Smith, President Coastal States Energy Company J.D. Spaulding, Vice President Coal Operations, Getty Mining Co.
10:50 a.m.	<i>R. M. Rindler Gen Mgr. IPA</i> Reece D. Nielsen, Chairman of the Board, Intermountain Power Agency
10:55 a.m.	Vernal J. Mortensen, Vice President Coastal States Energy Company Utah Operations
11:00 a.m.	David D. Hansen, Deputy Lt. Governor Representing Governor Bangerter
11:15 a.m.	LOADOUT FACILITY DEDICATION Ribbon Cutting
11:30 a.m.	STARTING OF UNIT TRAIN Deputy Lt. Governor Hansen
11:50 a.m.	CLOSING REMARKS Glen Zumwalt
12:00 noon	LUNCHEON



INTERMOUNTAIN POWER PROJECT

COAL SUPPLY, TRANSPORTATION, AND HANDLING

COAL REQUIREMENTS 4,400,000 tons annually (80% capacity)
12,000 tons daily

COAL SUPPLIERS Coastal States Energy Company
Skyline Mines Nos. 1 and 2
Coastal States Energy Company
SUFCo Mine No. 1
Getty Minerals Company
Skyline Mines Nos. 1 and 2
Getty Minerals Marketing, Inc.
Star Point Mine Nos. 1 and 2
United States Fuel Company
King Mines
Mohrland Mine
Tower Resources, Inc.
Centennial Project

TRANSPORTATION Railroads
Utah Railway
Denver and Rio Grande Western
Union Pacific

Agreements have been signed to transport approximately 10% of the coal by truck. Average distance from mine to site is 200 miles.

RAILCARS The Ortner Car Company will supply 182 unit-train railcars for transporting coal, with an option for 91 additional cars.

Construction: Aluminum-52,000 lbs., to extend life and increase tonnage capacity. Capacity 103.4 tons: Rapid discharge bottom dump cars will empty in 20 seconds.

SPRINGVILLE RAILCAR SERVICE CENTER

The Center serves as a traffic control center, a point to service the railcars and allow for crew changes.

IPP TRAIN UNLOADING SYSTEM

Cars are weighed in-motion. Each car equipped with a transponder which transmits the car code to the train scale computer for calculation of gross, tare, and net weights. Operator selects the unloading mode:

Mode 1 - 8000 tons/hr., train speed 0.8 mph

Mode 2 - 6000 tons/hr., train speed .06 mph

Mode 3 - 4000 tons/hr., train speed 0.4 mph
(west hopper)

Mode 4 - 4000 tons/hr., train speed 0.4 mph
(east hopper)

**IPP TRAIN UNLOADING
SYSTEM (cont.)**

Cars unload into two hoppers, with the ultimate combined capacity of 2600 tons. Coal is unloaded automatically by the programmable controller.

Cars are unloaded by energizing a "third rail" located adjacent to the track over the unloading hopper. A low-power microwave detector detects the cars as they enter the unloading building.

Coal is reclaimed from the unloading hopper by 4 rotary plow feeders, 2 on each hopper, each rated for 2000 tons/hr. Each hopper is served by a 4000 tons/hr. conveyor (6' wide). Additional conveyors transport coal to the reserve storage pile (1 million tons to the reserve storage pile (1 million tons capacity), or the coal yard stacker for active storage (60,000 tons), or to both.

**IPP COAL FACILITY
CONTRACTORS**

M. A. Mortenson Company
J. L. Manta, Inc.
Morin Corporation
F. E. Moran, Inc.
Fishback & Moore, Inc.
Matthew McCracken & Rutland Corp.
Niederhauser
Otis Elevator Company
Jelco-Division of
Townsend & Bottom, Inc.
Arix Company
Neosho Construction Company
Ames Construction Company
Johnson & March Corporation
General Motor's Electromotive
Division
Jacobsen Construction Company

Capitol Steel Corporation
Buehner Concrete
Cherne Contracting Corporation
Limbach National Construction Co.
Commonwealth Electric Co.
McNally-Pittsburgh, Inc.
Toledo Scale
Dick Corporation
Fairfield Engineering
Ortner Car Company
Champion Inc.
Shurtleff & Andrews
Brown & Lambrecht
Thermon Mfg. Company
Cooper Heat, Inc.
W. W. Clyde, Inc.