



Coastal
The Energy People

0007

007/005 #2

RECEIVED

JAN 29 1992

DIVISION OF
OIL GAS & MINING

January 28, 1992

Daron Haddock
Permit Supervisor
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

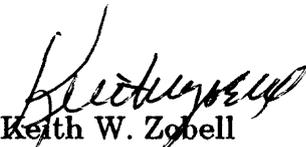
Dear ^{Daron}Mr. Haddock:

Attached is our request for collection of baseline data along the proposed overland conveyor.

We have also enclosed fourteen (14) copies of Map 3.2.1-1 and page 17E/26 of Section 14 of Volume 5 of our permit renewal application. On Map 3.2.1-1, culvert CD-4 had not been shown and CD-1 had not been labeled. Page 17E/26 of Section 14 of Volume 5 had not been certified and this new page has been certified.

If you need any additional information, please contact me at 637-7925.

Sincerely,


Keith W. Zobell
Environmental Engineer
Skyline Mines

KWZ/ak/1863

enclosures

Utah Fuel Company

A SUBSIDIARY OF THE COASTAL CORPORATION
P. O. BOX 719 • HELPER UT 84526 • 801/637-7925 • FAX 801/637-7929
SALT LAKE 801/596-7111

**COLLECTION OF BASELINE DATA
ALONG THE PROPOSED OVERLAND CONVEYOR**

SUMMARY:

Utah Fuel Company will excavate a series of shallow pits along the proposed route of an Overland Conveyor between the Skyline Minesite and its railroad loadout facility. The purpose of these pit excavations is to more thoroughly assess the nature of the soil and rock wherein foundations will be constructed for this conveyor.

There will be approximately 20 pits excavated. Of these, 10 will be on the existing conveyor bench which is already a permitted disturbed area and we are requesting approval from the Division for these pits. The remainder will be excavated in the slope adjacent to Highway 264, but within the boundaries of proposed disturbance delineated in our permit application for the Overland Conveyor (see attached map).

Name, Address and Telephone Number of Applicant:

Utah Fuel Company
P.O. Box 719
Helper, Utah 84526
801/637-7925

Name, Address and Telephone Number of Applicant's On-site Representative:

L. Craig Hilton
Technical Support Manager
Skyline Minesite
Scofield, Utah 84526
801/637-7925

or Site Contact Person

Robert Handford
Sr. Mining Engineer
Skyline Minesite
Scofield, Utah 84526
801/637-7925

Narrative and Maps Describing Location of Data Collection Area:

The area is in a zone approximately 100 feet wide on the north side of Highway 264. The zone extends 2.1 miles east from the Skyline minesite to the Skyline rail loadout facility. Both the minesite, rail loadout facility and the western 1/2 of the zone described above are currently permitted.

The approximate location of the test pits are shown as numbered circles on Map No. 3.2.3-3 herewith attached.

All of these test pits are located on private land. A copy of the lease agreement from the private land owners is attached.

Period of Intended Data Collection:

From Monday, February 2, 1992, to Friday, February 7, 1992.

Description of Method of Data Collection:

The test pits will be dug by a Caterpillar 215 track mounted backhoe which will operate from the north shoulder of Highway 264. It will operate only in areas where the machine can be sited completely off the highway.

The machine will reach up the slope about 25'. Holes will be dug 5' wide on a side and 5' deep or to rock, whichever ever comes first. Topsoil will be scraped off and piled separately. No coal will be removed, as none is expected to be encountered.

After the test holes are dug, the nature of the soil encountered will be assessed. Then the holes will be backfilled with the excavated material, with the topsoil on top.

Straw bales will be staked in place immediately down slope of the excavations. The disturbed areas will be reseeded with the approved south slope vegetation mix in late spring or early summer.

LEASE AGREEMENT

This Lease Agreement ("Agreement") made and entered into this 24th day of April, 1981 by and between HELEN LUMBI, formerly known as Helen Marakis, a woman in her own right, and NICK K. MARAKIS and KOULA MARAKIS, husband and wife, as Trustees for the Nick K. Marakis Family Trust Agreement, all of Price, Utah, ("The Owners"), and COASTAL STATES ENERGY COMPANY, a Texas corporation, and GETTY MINERAL RESOURCES COMPANY, a Delaware corporation, ("Lessee"),

WITNESSETH:

1. The Owners own certain real property ("The Property"), free and clear of all liens, claims and other encumbrances, other than that referred to in paragraph 19 of this Agreement, located in Carbon County, State of Utah, the description of which is set forth on Schedule "A" hereto attached and by this reference made a part hereof.

2. The Owners hereby lease The Property to Lessee, and Lessee hereby leases The Property from The Owners, upon the terms, conditions and covenants hereinafter set forth. The term of this Agreement is for a period of thirty (30) years commencing May 1, 1981 and so long thereafter as Lessee, or its assigns, has need for use of The Property in its operations.

3. Lessee shall pay, and The Owners shall accept, for and as rental on The Property, the sum of Three Thousand Five Hundred Dollars (\$3,500.00) per year payable on or before the 1st day of May each year commencing with the year 1981.

4. All annual rental payments shall be tendered by Lessee to Walker Bank and Trust Company, First Price Office, Price, Utah for the credit of The Owners.

5. Lessee may terminate this Agreement at any time upon the giving of not less than six (6) months prior written notice.

6. During the term of this Agreement, Lessee shall have the right to use, alter and occupy The Property for any and all purposes which Lessee, in its sole opinion, deems convenient in connection with Lessee's operation on properties, now owned or controlled, or hereafter acquired by Lessee.

7. In connection with Lessee's operations, The Owners consent and agree that at Lessee's request, one easement and right of way for electric power, and one easement and right of way for a communications system, including power for the communications system, may be established and maintained as necessary over and upon other lands ("Other Lands") owned by The Owners which adjoin The Property. The Other Lands are more fully described upon Schedule "B" hereunto attached and by this reference made a part hereof. The Owners, from time to time, and upon request of Lessee, consent and agree to grant and deliver an executed perpetual easement and right of way upon the Other Lands to: Utah Power and Light Company for a power transmission line; and Lessee, or its designee, for a communications system, including power thereto. If it becomes necessary, at any time, to realign the location of either easement and right of way herein contemplated, The Owners consent and agree to grant the same upon request of Lessee. In the case of any such realignments, that portion of the existing easement and right of way which will no longer be used for a power transmission line or a communications system, shall be conveyed back to The Owners.

8. The Owners, from time to time, and upon request of Lessee, consent and agree to grant and deliver executed perpetual easements and rights of way over and upon The Property to: Carbon County for public roadways; Denver and Rio Grande Western Railroad Company for not to exceed two (2) railroad spur lines connecting to the Railroad's main line; Utah Power and Light Company for power transmission lines; Mountain Bell for communications systems; and Mountain Fuel Supply Company for a natural gas line.

9. The Owners warrant that they: are the legal owners of The Property; have the right to lease the same; and will defend the leasehold interests of Lessee herein granted against all claims of others whomsoever, except for claims of Kanawha and Hocking Coal and Coke Company hereinafter referred to in paragraph 19 and except for any easements or rights of way of record in the Carbon County Recorder's Office.

10. Lessee shall use its best efforts to comply with all Federal, State, and local statutes, ordinances and regulations applicable to its use of The Property.

11. The Owners shall not encumber The Property with any mortgage, trust deed, or lien without first receiving the express written consent of Lessee to such encumbrance, which consent shall not be unreasonably withheld. Subject to the rights of Lessee under this Agreement, The Owners may use or lease The Property for grazing and/or hunting purposes, but Lessee shall have no liability for injury to or loss of animals or for injury or damage to hunters.

12. Real property taxes upon The Property shall be paid by The Owners. If The Owners do not pay any such taxes when due, Lessee may pay and deduct the amount of such payment from annual rentals due hereunder. Property taxes upon any improvements placed upon The Property shall be paid by Lessee.

13. Lessee shall hold The Owners harmless on account of any and all liability for damages to others arising out of Lessee's use of The Property.

14. This Agreement may be assigned in whole by Lessee without the consent of The Owners. The Owners now consent to an assignment hereof as between co-lessees (co-lessees being defined as any party constituting the Lessee), or to an assignment of a fractional interest herein by any

co-lessee to any third (3rd) party having or acquiring an interest at any time in Lessee's operations. Except for the foregoing rights of assignment, Lessee shall not assign or sublet any partial rights hereunder, or any fractional portion of this Agreement, without first receiving the express written consent of The Owners.

15. If Lessee does not make any annual payment when due, and continuing thereafter for a period of sixty (60) days from date of Lessee's receipt of written notice from The Owners of such non-payment, it shall be optional with The Owners to terminate this Agreement, or to file suit to collect such non-payment. Notwithstanding the foregoing, if Lessee tenders the annual payment due to The Owners prior to Lessee's receipt of The Owners' written election to terminate, then The Owners shall have no right to terminate for that particular instance of non-payment.

16. Upon termination of this Agreement, and for a period of one (1) year thereafter, provided however that all annual rental payments required hereunder have been paid, Lessee shall have the right to remove all improvements which it has placed upon The Property. After the one (1) year period, any improvements remaining upon The Property shall become the sole property of The Owners.

17. Upon termination of this Agreement, Lessee shall use its best efforts to comply with any applicable Federal, State and local reclamation statutes, ordinances and regulations then in effect.

18. Any sum not paid when due shall bear interest at the rate of twelve percent (12%) per annum from due date until paid.

19. This Agreement is subject to existing rights of Kanawha and Hocking Coal and Coke Company ("Kanawha") under that certain Lease and Easement Agreement ("Lease") with The Owners dated August 6, 1976, or such other rights of Kanawha as may be otherwise judicially determined.

20. Notwithstanding any other provisions set forth in this Agreement, and subject to the rights of Kanawha, The Owners acknowledge that Lessee presently owns an interest in the Lease above referred to in paragraph 19. In keeping therewith, and to the extent of Lessee's contractual rights with third (3rd) parties to the same, The Owners agree and consent that Lessee may use and occupy The Property for any and all purposes permitted under The Lease. In addition, The Owners further agree that if Lessee should hereafter, from time to time, request the conveyance of a perpetual easement(s) and/or right(s) of way over or upon The Property pursuant to the terms of the Lease, and if the location of such easement(s) and right(s) of way are acceptable to Kanawha, and/or any successors in interest of Kanawha, The Owners shall convey the requested perpetual easement(s) and/or right(s) of way directly to Lessee.

21. All notices required shall be in writing and shall be mailed postage prepaid, certified mail, and addressed as follows:

A) If to The Owners:

Helen Lumbi
160 East First South
Price, Utah 84501

and a copy to:

Nick and Koula Marakis
150 East First South
Price, Utah 84501

B) If to Lessee:

Coastal States Energy Company
Nine Greenway Plaza
Houston, Texas 77046
Attn: Senior Vice President

C) Personal delivery shall be the equivalent of mailing.

D) All notices required hereunder shall be deemed given when received by the other party.

E) Either party may change the address or representative to which notices shall be given by giving written notice to the other party of such change.

22. This Agreement shall not be modified or amended except by subsequent written instrument signed by each of the parties hereto.

WITNESS the hands of the parties hereto in triplicate as of the date first above set forth.

Helen Lumbi
Helen Lumbi

NICK K MARAKIS
Nick K. Marakis - Trustee

Koula Marakis
Koula Marakis - Trustee

Coastal States Energy Company,
a Texas corporation,

By [Signature]



Getty Mineral Resources Company,
a Delaware corporation,

By [Signature]

STATE OF UTAH)
 : ss.
COUNTY OF CARBON)

Personally appeared before me this 24th day of April, 1981, Nick Marakis and Koula Marakis as Trustees, and Helen Lumbi, three of the signers of the foregoing Agreement who duly acknowledged to me that they executed the same.

My Commission Expires:

4-2-82

[Signature]
Notary Public

Residing at [Signature]

STATE OF Texas)
COUNTY OF Harris) : ss.

Personally appeared before me this 11th day of May, 1981, L.C. Smith who duly acknowledged to me that he is an officer, namely a Dr. Vice President of Coastal States Energy Company, a Texas corporation; that he signed the foregoing Agreement on behalf of the corporation pursuant to a resolution of its board of directors, and he further acknowledged to me that the corporation executed the same.

My Commission Expires:

July 17, 1981

Barbara T. Wickham
Notary Public

Residing at Cypress (Harris County), Texas

BARBARA T. WICKHAM
Notary Public in and for Harris County, Texas

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) : ss.

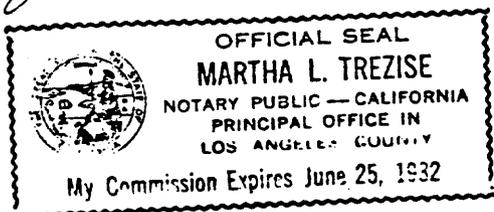
Personally appeared before me this 18th day of June, 1981, H. E. Wendt, who duly acknowledged to me that he is an officer, namely a President of Getty Mineral Resources Company, a Delaware corporation; that he signed the foregoing Agreement on behalf of the corporation pursuant to a resolution of its board of directors, and he further acknowledged to me that the corporation executed the same.

My Commission Expires:

June 25, 1982

Martha L. Trezise
Notary Public

Residing at Los Angeles, Calif.



SCHEDULE "A"

"The Property"

TOWNSHIP 13 SOUTH, RANGE 6 EAST, SALT LAKE BASE AND MERIDIAN:

Section 13: Commencing at the Center of the Section,
Thence South to the center line of Eccles Canyon Creek;
Thence Easterly along the center line of Eccles Canyon Creek
to the East Boundary Line of the Section;
Thence North to the East Quarter Corner of the Section;
Thence West 2640' more or less to the point of beginning.

TOWNSHIP 13 SOUTH, RANGE 7 EAST, SALT LAKE BASE AND MERIDIAN:

Section 8: E $\frac{1}{2}$ SE $\frac{1}{4}$ 80.00

Section 16: W $\frac{1}{2}$ W $\frac{1}{2}$ 20.00

Section 17: Beginning at a point where the center line of Eccles Canyon Creek intersects the East Boundary line of SE $\frac{1}{4}$ SW $\frac{1}{4}$;
Thence North to the Northeast Corner of SE $\frac{1}{4}$ SW $\frac{1}{4}$;
Thence West to the Northwest Corner of SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Thence South to a point where the center line of Eccles Canyon Creek intersects the West Boundary of SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Thence Easterly along the center line of Eccles Canyon Creek to beginning. Also E $\frac{1}{2}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ SE $\frac{1}{4}$.

Less beginning at a point 985 feet West of the Northeast Corner of Section 17,
Thence West 335 feet;
Thence South 1420 feet;
Thence East 750 feet to State Road Right-of-Way;
Thence North 18 degrees 35' West 110 feet;
Thence North 31 degrees 00' West 374 feet;
Thence North 10 degrees 00' West 1020 feet more or less to point of beginning, containing 16.75 acres.

Also, less and excepting a tract of land for highway known as Project No. 0215 situated in the E $\frac{1}{2}$ NE $\frac{1}{4}$ of said Section 17, containing 2.88 acres of land.

Also less and excepting a tract of land for highway known as Project No. 0215 situated in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 17, containing 6.11 acres, more or less.

Subject to an easement over a tract of land containing .76 acres situated in SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 17, for the purpose of constructing and maintaining thereon a channel change for Clear Creek.

Schedule "A" Continued:

Subject also to an easement over a tract of land containing .76 acres situated in NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 17, for the purpose of constructing and maintaining thereon a channel change for Clear Creek.

Section 18: N $\frac{1}{2}$ SW $\frac{1}{4}$;

Also beginning at the Northwest Corner of SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Thence South to the center line of Eccles Canyon Creek;
Thence Easterly along the center line of Eccles Canyon Creek to the East Boundary of the Section;
Thence North to the Northeast Corner of SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Thence West 5280' more or less to the point of beginning.

Sections 20 and 21: Beginning at a point where the center line of Broad Canyon Creek intersects with the North boundary line of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 21,
Thence Westerly along the center line of the Creek to a point where the center line of the Broad Canyon Creek intersects with the North boundary line of NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 20,
Thence East to point of beginning.

SCHEDULE "B"

"Other Property"

TOWNSHIP 13 SOUTH, RANGE 6 EAST, SALT LAKE BASE AND MERIDIAN:

Section 12: A11 646

Section 13: NE $\frac{1}{4}$ 160

TOWNSHIP 13 SOUTH, RANGE 7 EAST, SALT LAKE BASE AND MERIDIAN:

Section 7: W $\frac{1}{2}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$
320 50 40

Section 8: E $\frac{1}{2}$ NE $\frac{1}{4}$, Less and except the following described parcel amounting to 2 acres, more or less. Beginning at a point North 237.36 feet from the Southeast corner of the SW $\frac{1}{4}$ SE $\frac{1}{4}$;
thence North 204.38 feet;
thence South 78 degrees 07' East 370 feet, more or less to the West edge of the present Clear Creek-Scofield Road;
thence South 9 degrees West 200.25 feet along the West edge of road;
thence North 78 degrees 07' West 338 feet, more or less to the point of beginning.

Also, less and except a tract of land for highway known as Project No. 0215 situated in the E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 8 and containing 3.09 acres. Subject to an easement over a tract of land 50 feet wide through the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 8, for the purpose of constructing and maintaining thereon a channel change for Clear Creek.

Section 9: W $\frac{1}{2}$ SW $\frac{1}{4}$, excepting, however, the existing right-of-way of Carbon County Railway Company and the right-of-way of the Utah Power and Light Company.

Section 16: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ E $\frac{1}{2}$; subject to an easement over a tract of land containing .18 acres in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ for the purpose of constructing and maintaining thereon a channel change for Clear Creek.

Section 18: NW $\frac{1}{2}$ 320

Document Information Form

Mine Number: 007/005

File Name: Skyline
Incoming

To: _____

From:

Person _____

Company _____

Date Received: 1/29/1992

Explanation: Map # 3.2.3-3

Miscellaneous permit and disturbed Boundary areas

cc: