

RIGHT OF ENTRY
to
CONSTRUCT and OPERATE WATER PIPELINE

This Right of Entry is made and entered this 22ND day of August 2001 by and between **Canyon Fuel Company, LLC** (Canyon) and **PacifiCorp**.

Canyon and PacifiCorp entered into an Underground Coal Lease dated February 1, 1999 ("Lease"), for the purpose of Canyon's mining coal owned by PacifiCorp. Inclusive in that Lease is the right of Canyon to use surface owned or controlled by PacifiCorp as necessary in conjunction with mining of the coal.

Canyon has encountered large subsurface water inflows into its coal mine and has a need to discharge those waters to surface. Electric Lake is the closest receiving surface water for the discharge. Canyon proposes to drill a well into the mine from lands near the Lease and to route a water pipeline from the well to Electric Lake. The pipeline will cross a portion of the surface owned or controlled by PacifiCorp.

The pipeline will be approximately eighteen (18) inches in diameter. Initially, it will be laid on the surface of the ground but will be buried prior to the coming winter. Routing of the pipeline is shown on the attached MAP 1 (Road and Drill Pad Construction, James Canyon). Canyon's activities here under shall be conducted in accordance with the Lease and all applicable laws and regulations.

In witness hereof, Canyon and PacifiCorp, through their duly authorized representatives, confirm this Right of Entry on the date written above.

Canyon Fuel Company, LLC

By: Interwest Mining Company, Managing Agent
for PacifiCorp

By: [Signature]

By: [Signature]

Title: PRESIDENT

Title: PRESIDENT

