



United States
Department of
Agriculture

Forest
Service

Manti-La Sal
National Forest

Supervisor's Office
599 West Price River Drive
Price, UT 84501
Phone # (435) 637-2817
Fax # (435) 637-4940

File Code: 7730/2820-4

Date: August 12, 2005

Mark Bunnell
Geologist
Canyon Fuel Co., LLC
HC34 Box 380
Helper, UT 84526

Dear Mr. Bunnell:

Termination date for Road Use Permit 0410-03-10 is hereby extended to October 1, 2006. The permit is also modified to extend the length of authorization on the Granger Ridge Road NFSR 50221 from the intersection of State Route 264 northerly than easterly a distance of 7.16 miles.

A bill for collection for surface replacement costs is enclosed. The costs are being assessed based on the following schedule:

50221	\$3,248
53137	\$ 246

Please note that part 6 of the Road Use Permit assigns recurrent maintenance responsibilities to Canyon Fuels commensurate with use and includes dust control measures.

If you have any questions regarding these changes please contact Jeff Alexander at this office.

Sincerely,

Alice B. Carlton

ALICE B. CARLTON
Forest Supervisor

cc: Karl M Boyer, Jeffrey Alexander

File in:

Confidential

Shelf

Expandable

Refer to Record No. 0066

In C1070005

For additional information

Date: 07272006

See Confidential





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ALICE B. CARLTON
Forest Supervisor

cc: Karl M Boyer, Jeffrey Alexander

FILE IN: *Expandable 07272006*
Refer to Record No. *0066*
in *0090005*. *2006 INCOMING*
for additional information



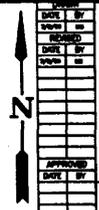
EXPLORATION LICENSE AREA

FEDERAL LEASE UTU-67939
EXPLORATION PLAN AREA

FEDERAL LEASE UTU-67939

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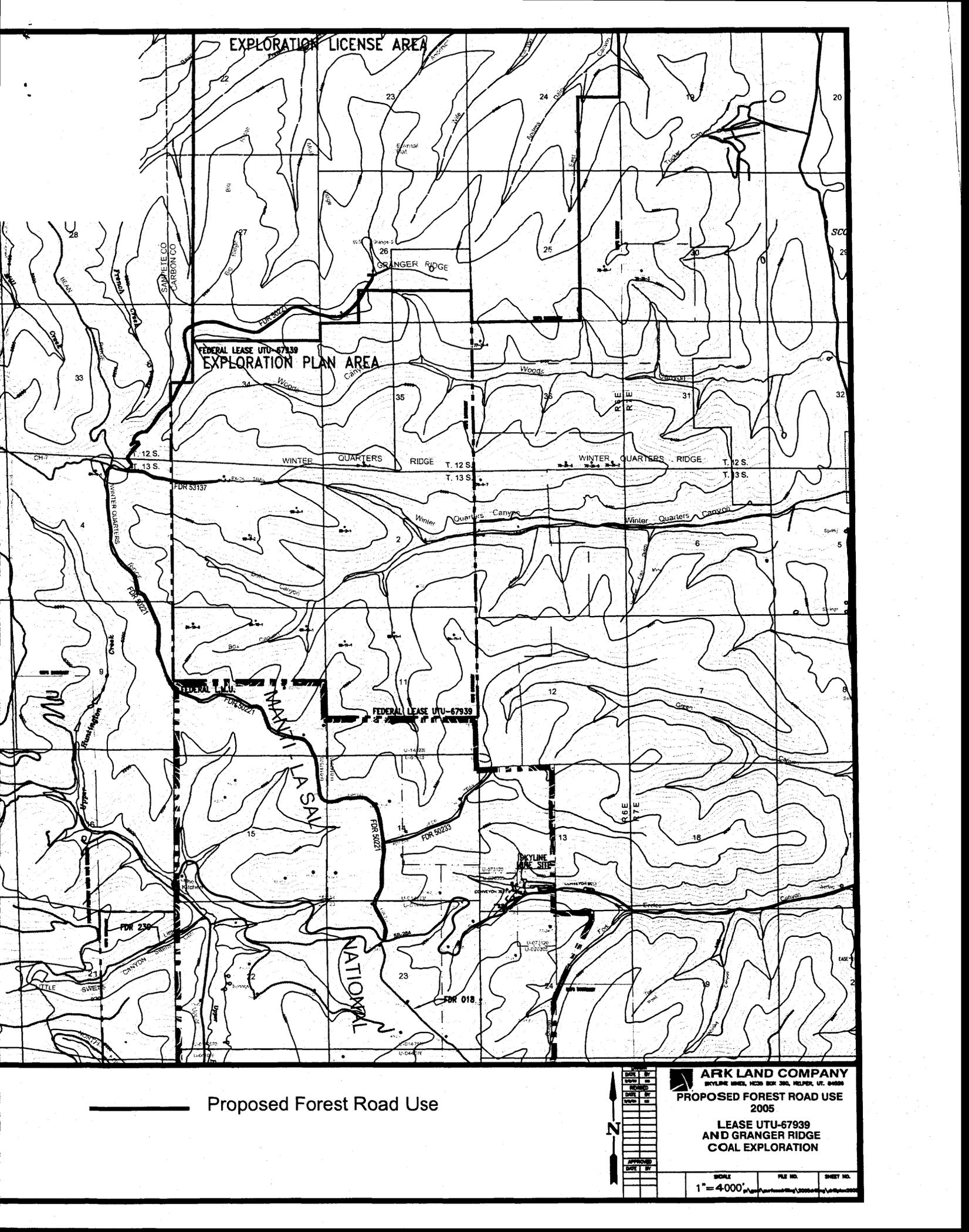
Proposed Forest Road Use



ARK LAND COMPANY
SKYLINE MINES, INC. BOX 300, HELIX, UT. 84609
PROPOSED FOREST ROAD USE
2005

LEASE UTU-67939
AND GRANGER RIDGE
COAL EXPLORATION

SCALE: 1" = 4,000'
FILE NO. SHEET NO.



WINTER QUARTERS AND ROAD USE



United States
Department of
Agriculture

Forest
Service

Manti-La Sal
National Forest

Supervisor's Office
599 West Price River Drive
Price, UT 84501
Phone # (435) 637-2817
Fax # (435) 637-4940

File Code: 7730/2820-4
Date: August 25, 2003

Mark Bunnell
Geologist
Canyon Fuel Co., LLC
HC35 Box 380
Helper, UT 84526

Dear Mark:

Termination date for Road Use Permits 0410-03-10 (Winter Quarters) and 0410-02-8 (Pines/Muddy) are hereby extended to October 1, 2004. RUP 0410-03-10 is also herein modified to authorize the use of National Forest System Road (NFSR) 53137 from the intersection of NFSR 50221 easterly a distance of 0.6 miles and increase the length authorized for NFSR 50221 from 2.3 miles to 4.3 miles from the intersection of State Highway 264 to the intersection of NFSR 53137.

The bond associated with RUP 0410-02-8 was released in January of 2003 per completion of 2002 project operations. Prior to commencing operations under RUP 0410-02-8, the bond for \$27,000 will need to be reissued.

A bill for collection for surface replacement costs is enclosed. The costs are being assessed per the following schedule:

<u>RUP 0410-02-8</u>		<u>RUP 0410-03-10</u>	
50007	\$1384	50221	\$2481
50028	\$591	53137	\$321
50044	\$596		

Please note that part 6 of the Road Use Permits assigns recurrent maintenance responsibilities to Canyon Fuels and includes dust control measures.

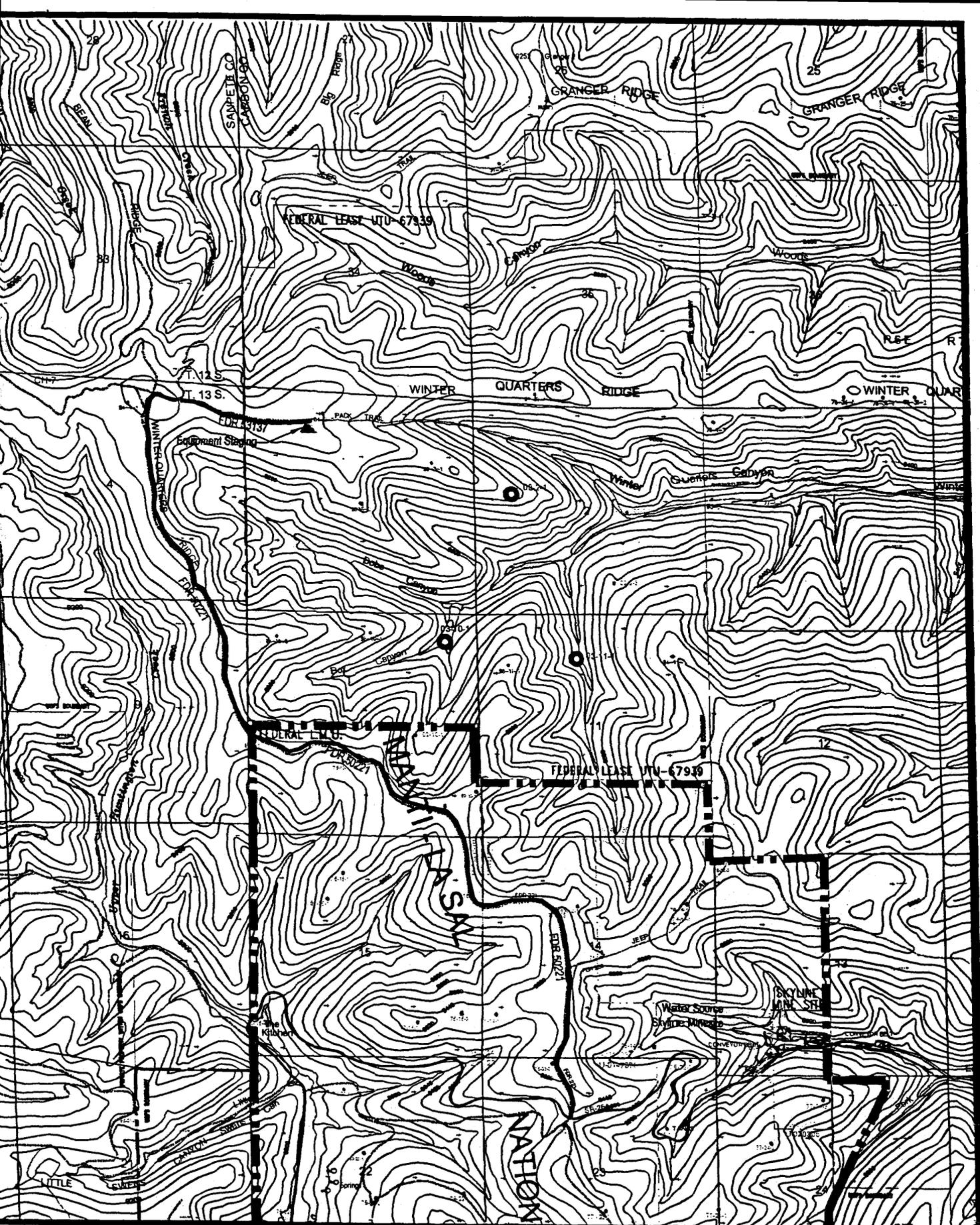
If you have any questions regarding these changes to the Road Use Permits please contact Jeff Alexander at this office. If you have questions regarding the bonding process please call Jaylynn Pell at this office

Sincerely,

ALICE B. CARLTON
Forest Supervisor

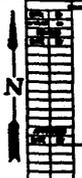
cc: Jeffrey Alexander, Jaylynn Pell





Proposed Forest Road Use

MAP 1



ARK LAND COMPANY
 PROPOSED EXPLORATION PLAN
ROAD USE
 WINTER QUARTERS LEASE
 LEASE UTU-67939
 2003

1"=3000'

U.S.D.A. - FOREST SERVICE

ROAD USE PERMIT #0410-03-10
(Ref: F.S.M. 7731.16)

Authority: Acts of 4/24/50, 10/13/64, and 8/17/77, 9/9/66, 10/22/76, 12/02/80 (16 U.S.C. 504a, 571c, 580c-580l, 581, 581l, and 532-538, and 1608, and 8210) and (P.L. 88-657, P.L. 89-564, P.L. 93-378 and P.L. 94-588, P.L. 96-487); Federal Aid Highway Act of 1968 (P.L. 90-495); Surface Transportation Assistance Act of 1978 and 1982(23 U.S.C. 101a, 201-205) (P.L. 95-599, P.L. 97-424) -
Canyon Fuel Co., LLC
HC 35 Box 380
Helper, Utah 84526

Mark Bunnell
435-448-2633

(Name)

(Address & Zip Code)

(hereafter called the permittee) is hereby granted use of the following road(s) or road segments:

On the Manti-LaSal National Forest:

Road #50221 from the intersection of State Route 264 north-westerly a distance of approximately 2.3 miles.

Road #50233 from the intersection of road 50221 north-easterly a distance of approximately 0.9 miles.

subject to the provisions of this permit, including clauses 1 through 13, on page(s) 1 through 4 for the purpose of providing vehicular ground support to the Winter Quarters Canyon helicopter based coal exploration drilling within the National Forest.

The exercise of any of the privileges granted in this permit constitutes acceptance of all the conditions of the permit.

1. Work Required to Accommodate Permitted Use. In accordance with this use, the permittee shall perform the work described below:

- a. General maintenance on 50233 prior to use.
- b. Perform dust abatement with water or magnesium chloride.

2. Use Plans. The permittee shall notify the Ferron/Price District Ranger, 115 West Canyon Road, P.O. Box 310, Ferron Utah, 84523, telephone no. 435-384-2372, in writing of the names and addresses of permittee's contractors or agents who will use the road on behalf of the permittee, the estimated extent of use, purpose of use, and such other information relative to permittee's anticipated use as the Forest Service may from time to time reasonably request. When there is a significant change in use by the permittee, it is the permittee's responsibility to promptly notify the District Ranger in writing. Plans and changes will be approved by the Forest Supervisor before use may commence.

3. Compliance with Laws, Regulations, and Rules Governing Use. The permittee, in exercising the privileges granted by this permit, shall comply with the regulations of the Department of Agriculture and all Federal, State, County, and Municipal laws, ordinances, or regulations which are applicable to the area or operations covered by this permit. The permittee, its agents, employees, contractors, and guests of the permittee shall comply with the rules and regulations prescribed by the Forest Service for the control and safety in the use of the road and to avoid damage to the road. Such rules and regulations shall include:

- a. Closing the road or restricting the use when required by any government agency which, by law, has jurisdiction to authorize such closing or restrictions.
- b. Upon reasonable notice, closing the road during periods when, in Forest Service judgment, there is extraordinary fire or avalanche danger.
- c. Traffic controls which, in the judgment of the Forest Service, are required for the safe and effective use of the road by authorized users thereof.
- d. The permittee shall not use chemical poison, as defined in section 2 of the Federal Insecticide, Fungicide, and Rodenticide Act of June 25, 1945, as amended (61 Stat. 163; 73 Stat. 286; 75 Stat. 18; 75 Stat. 190), or any chemical or other road surface treatment without the approval of the Forest Supervisor. The application for approval shall be in writing and shall specify the area to be treated, the material used in the treatment, and the time, rate, and method of application.
- e. Prohibition upon the loading of trucks while such trucks are standing on the roadway surface, except to recover lost material.
- f. Prohibition on the operation on this road of any vehicles or equipment having cleats or other tracks which will injure the surface thereof.
- g. Prohibition on the operation of hauling vehicles of a width in excess of state limit or with a gross weight of vehicles and load in excess of state permitted limit.
- h. All vehicles will be operated at safe speeds for the conditions for safety and in a manner such that excessive damage to the road surface does not occur.

(1) Heavy equipment shall not be moved on Forest Development Roads on the following days:

24th of July, Labor Day Weekend, Columbus Day Weekend, opening weekends of general deer and elk hunts; "Weekend" includes Friday. If a water truck is required during these periods, it must be preceded by a pilot vehicle when hauling water for the project.

(2) Earth moving equipment shall be cleaned of dirt and sod that may be transporting weed seed prior to entering National Forest System Lands.

(3) Hauling restricted to normal dry season July 1 to October 1. If hauling is necessary beyond October 1, an 8" aggregate lift (gradation "F") will be applied to the roads being used under this permit.

4. Use Nonexclusive. The privileges granted in this road use permit, including use when the road is closed to public use, is not exclusive. The Forest Service may use the road and authorize others to use the road at any and all times. The permittee shall use the road in such a manner as will not unreasonably or unnecessarily interfere with the use thereof, by other authorized persons including the Forest Service.

5. Insurance. The permittee shall bear the expense to carry public liability damage insurance for the operation of vehicles, in the amount established by applicable State laws, cooperative agreements, or easements issued on the subject road or roads. In any event, the permittee must carry liability insurance and property damage insurance of not less than \$100,000 for injury or death to one person, \$300,000 for injury or death to two or more persons, and \$50,000 for damage to property.

Proof of satisfactory insurance may be required by the Forest Service prior to hauling over this road and will be for the duration of the permit.

6. Maintenance. The permittee shall bear the expense of maintenance proportionate to his use. This expense will be borne by the permittee, its agents, operators, and/or contractors.

Where road maintenance standards required by the permittee are above those required by the Forest Service, the permittee shall bear the total incremental cost of maintaining the road to the higher standard. The Forest Service financial responsibility is limited to a commensurate share of those maintenance activities required to be performed for the maintenance level assigned to the road prior to the commercial use.

Work in lieu of payment shall be performed as outlined in Exhibit 1. The estimated cost of this work is \$675.

Deferred maintenance (surface replacement) deposits are assessed to Canyon Fuels according to the following schedule:

50221	\$885
50195	\$321

Total deferred maintenance deposits are: \$1206.

Maintenance shall be performed in accordance with Forest Service Specifications or requirements for maintenance as hereinafter listed, or as may be mutually agreed upon from time to time and shall consist of (1) current maintenance as necessary to preserve, repair, and protect the roadbed, surface and all structures and appurtenances, and (2) resurfacing equivalent in extent to the wear and loss of surfacing caused by operations authorized in this permit.

7. Performance Bond. In the event the permittee is to perform road maintenance, road resurfacing, or betterment, as determined by the Forest Supervisor, the Forest Service may require as a further guarantee of the faithful performance of such work that the permittee furnish and maintain a surety bond satisfactory to the Forest Service in the sum of thirty-one thousand dollars (\$31,000), or in lieu of a surety bond, deposit into a Federal depository, as directed by the Forest Service, and maintain therein cash in the sum of thirty-one thousand dollars (\$31,000), or negotiable securities of the United States having market value at the time of deposit of not less than thirty-one thousand dollars (\$31,000). As soon as security for the performance of road maintenance or the settlement of claims incident thereto is completed, unencumbered cash guarantees or negotiable securities deposited in lieu of surety bond will be returned to the permittee.

8. Fire Prevention and Suppression. The permittee shall take all reasonable precautions to prevent and suppress forest fires. No material shall be disposed of in open fires during the closed fire season established by law or regulation, without a written permit from the Forest Service.

9. Damages. The permittee shall exercise diligence in protecting from damage the land and property of the United States covered by and used in connection with this permit, and shall promptly repair or upon demand, pay the United States for any damage resulting from negligence, or from violation of the terms of this permit or of any law or regulation applicable to the National Forests, by the permittee, or by his agents, contractors, or employees of the permittee acting within the scope of their agency, contract, or employment.

10. Officials Not to Benefit. No member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this agreement or any benefit that may arise herefrom unless it is made with a corporation for its general benefit.

11. Outstanding Rights. This permit is subject to all outstanding rights.

12. Suspension. Upon the failure of the permittee, its agents, employees or contractors to comply with any of the requirements of this permit, the officer issuing the permit may suspend operations in pursuance of this permit.

13. Termination. This permit shall terminate on October 1, 2003. It may be terminated upon breach of any of the conditions herein. This permit shall be reviewed annually and is subject to revision at such time as conditions of use change.

This permit is accepted subject to all of its terms and conditions.

Mark Bennett
ACCEPTED Permittee (Name and Signature)

8-15-02
Date

Aaron L. Howe
APPROVED Issuing Officer (Name and Signature)

Forest Supervisor Title
8/14/2002 Date

MAINTENANCE REQUIREMENTS

EXHIBIT I

Road Maintenance. Road maintenance is defined as the performance of work on the entire road facility commensurate with permittee's use. This work consists of restoration and preservation of surface, shoulders, roadsides, structures, drainage, sight distance, and such traffic control devices as are necessary for prevention of excessive erosion damage to the facility and adjacent lands.

I. **Description.** Maintenance work to be done currently during the periods of use by the permittee shall include:

- A. Removal of slides and boulders, which obstruct safe sight distance.
- B. Adequate blading and shaping of roadway surfaces, ditches, and grade dips to maintain the original cross-sections.
- C. Removal of earth and debris from ditches and culverts so that the drainage systems will function efficiently at all times.
- D. Prevention of excessive dusting of road surface materials.
- E. Repair of damages to fences, cattleguards, culverts, and other roadway structures including traffic regulatory and directional signs.
- F. Restoration of eroded fills and repair and protection of shoulder berms, berm outlets, stabilized waterways, vegetated slopes, and other erosion control features.
- G. Removal of snow from roadway surface.
- H. Replacement of roadway and/or surfacing material worn out and lost through use of the roadway.

II. **Performance.** All items of maintenance work shall be done currently as necessary to insure safe, efficient transportation and to protect roads, streams, and adjacent lands from excessive damage. Work shall be done in accordance with the following minimum standards of performance.

- A. **Removal of Material.** Earth, rocks, trees, brush, and debris removed from roadways and ditches shall not be deposited in stream channels or upon slope stabilization and erosion control features.
- B. During roadway blading and shaping operations, banks shall not be undercut nor shall gravel or other selected surfacing material be bladed off the roadway surface. The original crown or slope of the road shall be preserved. Mud, debris, and oversize material shall be deposited outside the roadway by hand or by careful blading, and these materials shall not be mixed with the road surfacing material.
- C. Ditches, culverts, drop inlets, trash racks, downspouts, and splatter structures shall be kept clear of earth, slash, and other debris to that drainage systems will function efficiently during, and immediately following, periods of road use by permittees. This includes correcting and eliminating causes of erosion or plugging of the structure, and actual repair of the structure and riprap if damages.
- D. Fugitive dust shall be controlled to prevent hazardous driving conditions or loss of road surface or binder material.

E. Permittee shall promptly repair all damages, caused by the permittee's operations, to the road surface or to any structures in or adjacent to the roadways. To transport any overweight loads (those that exceed HS-20 loading) will require five (5) days notice prior to transporting on Forest Roads. An inspection of drainage and other structures (bridges, etc.) will be made to determine if the structure can safely accommodate the load.

F. Any washing or settling of roadway fills shall be corrected promptly to prevent additional soil erosion or roadway damage. Shoulder berms, berm outlets, and stabilized waterways shall be protected during road maintenance operations and, if damaged, such structures shall be promptly restored to their original condition, including repair and reseeding of vegetation established to control slope erosion. No earth, rocks, or other debris shall be deposited upon any roadside slope stabilization structure or feature.

G. Snow Removal

1. Requirements

a. Sanding of hazardous areas shall be with sand. Coal dust, chemicals, or salt are not to be used.

b. Equipment - The equipment should be in sound operating condition, be equipped with angle blade or adequate grousers or traction tires, and be operated by a fully qualified operator.

c. Removal

Width - Snow will be removed to the full width of the road plus any turnouts and ditch lines. Through-cuts will be allowed only after snow depths exceed the height of the cab or across flat ground. Disposal shall always be to the outside or downhill side of the road.

Outlets - Outlets for surface runoff shall be placed in all snow through-cuts at points where water can flow off the road surface at the following intervals:

8% or less grades - 500 feet center to center minimum.

8% and up grades - 300 feet center to center minimum.

Snow Floor - A four to six-inch snow floor shall be allowed to accumulate on the road bed to prevent removal of road bed surfacing.

Cattleguards - Crawler tractors will not be operated across cattleguards.

Culvert Cleaning - Culvert heads and outlets shall be cleaned of snowpack by hand.

Tree Damage - Snow should not be pushed, blown, or stacked on trees along the roadside. Care will be taken to avoid scarring trees with equipment.

2. Travel

a. The road may be used while a snow floor remains intact or under frozen conditions.

b. All travel must cease when temperatures allow the road to thaw and rutting of the road surface is occurring.

c. This closure will be in effect until the surface dries or refreezes.

3. Inspections

- a. Intermittent inspections may be made during snow removal operations.
- b. Final inspection will be made to check for full compliance and damages.

Winter's Quarter



State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Water Rights

JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

MICHAEL R. STYLER JERRY D. OLDS
Executive Director *State Engineer/Division Director*

March 31, 2006

Canyon Fuel Company
Attn: Property Administration
Cityplace One Suite 300
St. Louis, MO 63141

RE: Temporary Change Application
t31257 (91-5010)

Dear Applicant

The above referenced Temporary Change Application has been **APPROVED**. This application will expire **November 30, 2006**. It is expected that no diversion or use of the water will be done after this date unless another proposal has been made and approved.

Your contact with this office, should you need it, is with the Price Regional Office. The telephone number is (435) 637-1303.

Sincerely,

Marc Stilson, P. E.
Regional Engineer

MS/lr

cc: Price River Water User's Association
Bob Davis, Price River Water Commissioner



Ark Land Company
c/o Canyon Fuel Co., LLC
Skyline Mines
HC35Box 380
Helper, Utah 84526
435-448-2633

Mar 21, 2006

Marc Stilson
Division of Water Rights
P.O. Box 718
Price, Utah 84501-0718

Re: Request for Temporary Change of Water Associated with 2006 Winter Quarters and Granger Ridge Drilling Projects, Skyline Mine and Fish Creek

Dear Marc:

*Eccles & Fish
~~Winter Quarters~~*

Attached is an Application for Temporary Change of Water for ~~Muddy~~ *Eccles & Fish* Creek associated with planned exploration drilling during the summer of 2006. All pertinent information is included on the application form.

Also attached is a check for the \$75.00 application fee.

I appreciate your consideration of this application. Please call me at 435-448-2633 if you have questions or require further information.

Sincerely,

Mark Bunnell
Geologist

Attach.

APPLICATION FOR TEMPORARY CHANGE OF WATER

STATE OF UTAH

Rec. by	_____
Fee Paid \$	_____
Receipt #	_____
Microfilmed	_____

For the purpose of obtaining permission to make a temporary change of water in the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Section 73-3-3 Utah Code Annotated 1953, as amended.

*WATER RIGHT NO. 91 - 5010 *APPLICATION NO. t _____ - _____ - _____

Changes are proposed in (check those applicable)

point of diversion. place of use. _____ nature of use. _____ period of use.

1. OWNER INFORMATION

Name: Price River Water Users Association and Canyon Fuel Co. *Interest: 100 %
Address: c/o Ark Land, One City Place, Suite 300
City: St. Louis State: Missouri Zip Code: 63141

2. *PRIORITY OF CHANGE: _____ *FILING DATE: _____

3. RIGHT EVIDENCED BY: 91-5010; Four (4) shares in Price River Water User's Association

Prior Approved Temporary Change Applications for this right: _____

*****HERETOFORE*****

4. QUANTITY OF WATER: _____ cfs and/or 4.0 ac-ft.

5. SOURCE: Underground

6. COUNTY: Carbon

7. POINT(S) OF DIVERSION: 1) N 615 ft. W 200 ft. from S1/4 Corner, Sec. 13, T13S, R6E, SLB&M;
2) N 300 ft. W 1.02 ft. from SE Corner, Sec. 13, T13S, R6E, SLB&M;
3) S 70 ft. W 320 ft. from NE Corner, Sec. 24, T13S, R6E, SLB&M;
4) N 390 ft. E 1.730 ft. from SW Corner, Sec. 17, T13S, R7E, SLB&M

Description of Diverting Works: Mine tunnel and three (3) wells

8. POINT(S) OF REDIVERSION

The water has been rediverted from _____ at a point: _____

Description of Diverting Works: _____

9. POINT(S) OF RETURN

The amount of water consumed is _____ cfs or _____ ac-ft.

The amount of water returned is _____ cfs or _____ ac-ft.

The water has been returned to the natural stream/source at a point(s): _____

*These items are to be completed by the Division of Water Rights.

10. NATURE AND PERIOD OF USE

Irrigation: From _____ to _____
Stockwatering: From _____ to _____
Domestic: From _____ to _____
Municipal: From _____ to _____
Mining: From Jan. 1 to Dec. 31
Power: From _____ to _____
Other: From _____ to _____

11. PURPOSE AND EXTENT OF USE

Irrigation: _____ acres. Sole supply of _____ acres.
Stockwatering (number and kind): _____
Domestic: _____ Families and/or _____ Persons.
Municipal (name): _____
Mining: Coal Mining District in the _____ Mine.
Ores mined: Coal
Power: Plant name: _____ Type: _____ Capacity: _____
Other (describe): _____

12. PLACE OF USE

Legal description of place of use by 40 acre tract(s): _____

13. STORAGE

Reservoir Name: _____ Storage Period: from _____ to _____
Capacity: _____ ac-ft. Inundated Area: _____ acres.
Height of dam: _____ feet.
Legal description of inundated area by 40 acre tract(s): SW1/4, Sec. 13, T12S, R6E, SLB&M;
S1/2 SW1/4, S1/2 SE1/4, Sec. 17, T13S, R7E, SLB&M

*****THE FOLLOWING CHANGES ARE PROPOSED*****

14. QUANTITY OF WATER:

_____ cfs and/or 4.0 ac-ft.

15. SOURCE: Fish Creek and underground

Balance of the water will be abandoned: _____, or will be used as heretofore: _____

16. COUNTY: Carbon

17. POINT(S) OF DIVERSION: N 330 ft. W 1.02 ft. from SE Corner, Sec. 13, T13S, R6E, SLB&M (well);
N 1.850 ft. E 1.620 ft. from SW Corner, Sec. 13, T12S, R6E, SLB&M (stream)

Description of Diverting Works: Well and pump on stream.

*COMMON DESCRIPTION: _____

18. POINT(S) OF REDIVERSION

The water will be rediverted from _____ at a point: _____

Description of Diverting Works: _____

19. POINT(S) OF RETURN

The amount of water to be consumed is _____ cfs or _____ ac-ft.

The amount of water to be returned is _____ cfs or _____ ac-ft.

The water will be returned to the natural stream/source at a point(s): _____

20. NATURE AND PERIOD OF USE

Irrigation: From ___/___/___ to ___/___/___
Stockwatering: From ___/___/___ to ___/___/___
Domestic: From ___/___/___ to ___/___/___
Municipal: From ___/___/___ to ___/___/___
Mining: From 06 / 01 / 06 to 11 / 30 / 06
Power: From ___/___/___ to ___/___/___
Other: From ___/___/___ to ___/___/___

21. PURPOSE AND EXTENT OF USE

Irrigation: _____ acres. Sole supply of _____ acres.
Stockwatering (number and kind): _____
Domestic: _____ Families and/or _____ Persons.
Municipal (name): _____
Mining: Coal Mining District at the _____ Mine.
Ores mined: Coal
Power: Plant name: _____ Type: _____ Capacity: _____
Other (describe): _____

22. PLACE OF USE

Legal description of place of use by 40 acre tract(s): See attached.

STORAGE

Reservoir Name: _____ Storage Period: from _____ to _____
Capacity: _____ ac-ft. Inundated Area: _____ acres.
Height of dam: _____ feet.
Legal description of inundated area by 40 acre tract(s): _____

24. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. Include any supplemental water rights used for the same purpose. (Use additional pages of same size if necessary): Applicant seeks to use water for an exploratory drilling program incidental to coal mining.

The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).

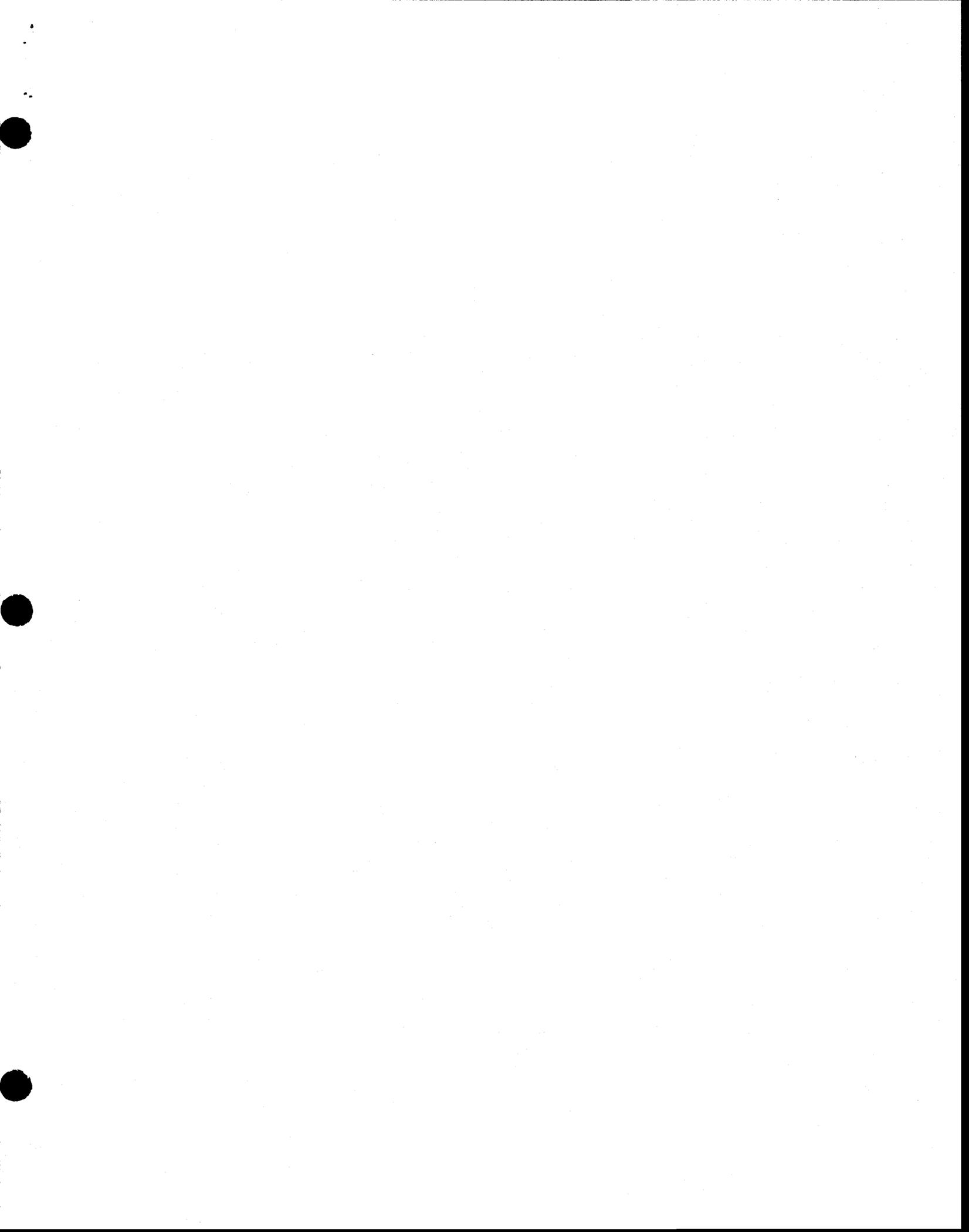
Signature of Applicant(s)
(Price River Water Users Association)

Signature of Applicant(s)
(Canyon Fuel Co.)

**Attachment to Temporary Change Application
WR # 91-5010**

Proposed Place of Use

- 1) SW1/4 SW1/4, Sec. 13, T12S, R6E, SLB&M
- 2) SW1/4 NE1/4, Sec. 23, T12S, R6E, SLB&M
- 3) SW1/4 SW1/4, Sec. 24, T12S, R6E, SLB&M
- 4) SW1/4 NW1/4, Sec. 25, T12S, R6E, SLB&M
- 5) SE1/4 NE1/4; Sec. 34, T12S, R6E, SLB&M
- 6) NE1/4 SW1/4, Sec. 36, T12S, R6E, SLB&M
- 7) NE1/4 SE1/4, Sec. 2, T13S, R6E, SLB&M
- 8) SE1/4 NE1/4, Sec. 2, T13S, R6E, SLB&M



APPLICANT'S CERTIFICATION
Application for Temporary Change of Use
Number t _____

Canyon Fuel Company hereby acknowledges that this map attached to Temporary Change Application Number t _____, consisting of _____ pages number _____ to _____, was prepared in support of Temporary Change Application t _____. It hereby submits this map as a true representation of the facts shown thereon to the best of its knowledge and belief.

Dated this _____ day of _____, 2006.

CANYON FUEL COMPANY

**NOTICE OF INTENT TO CONDUCT
MINOR COAL EXPLORATION**

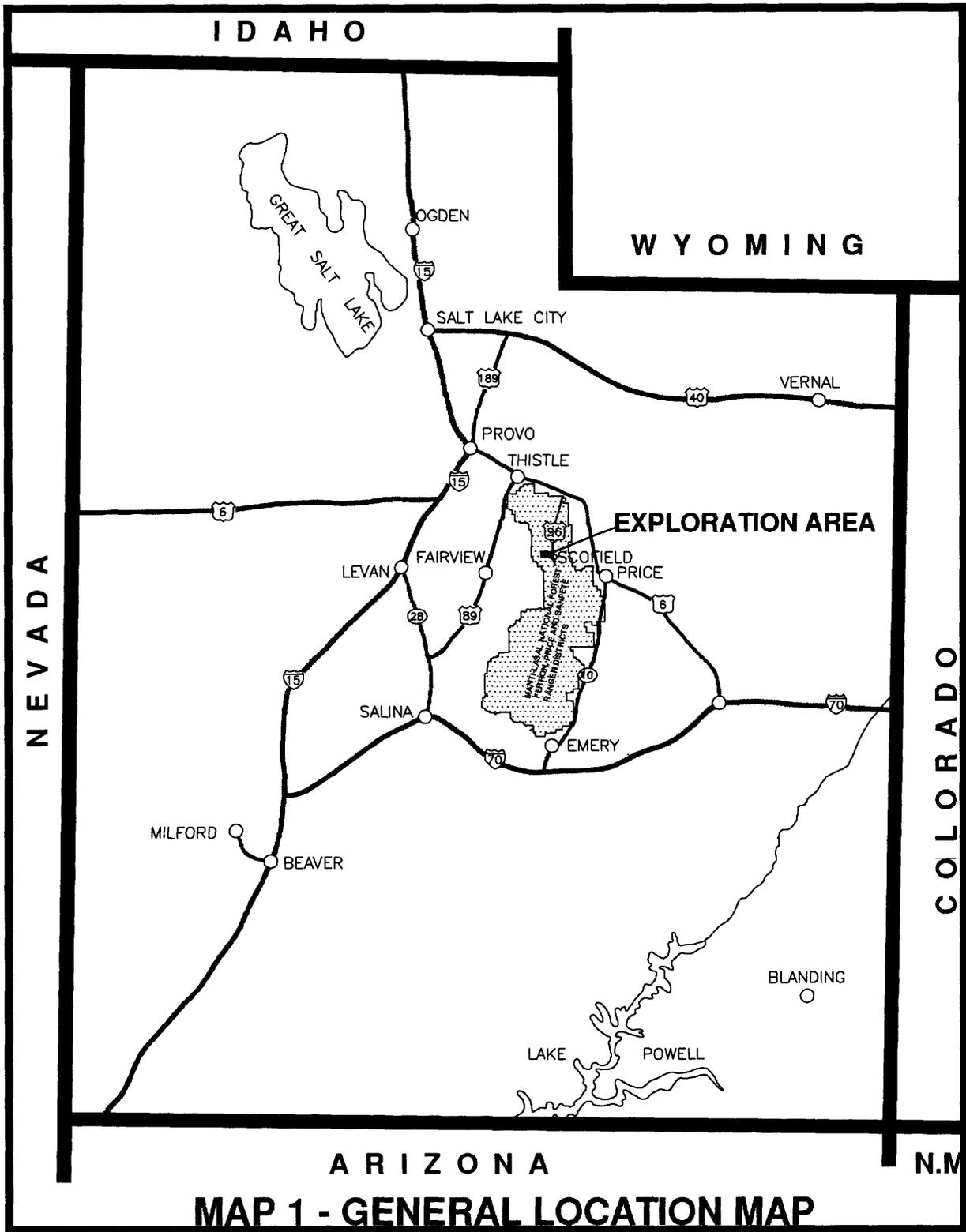
**CANYON FUEL FEE COAL LEASE
WOODS CANYON**

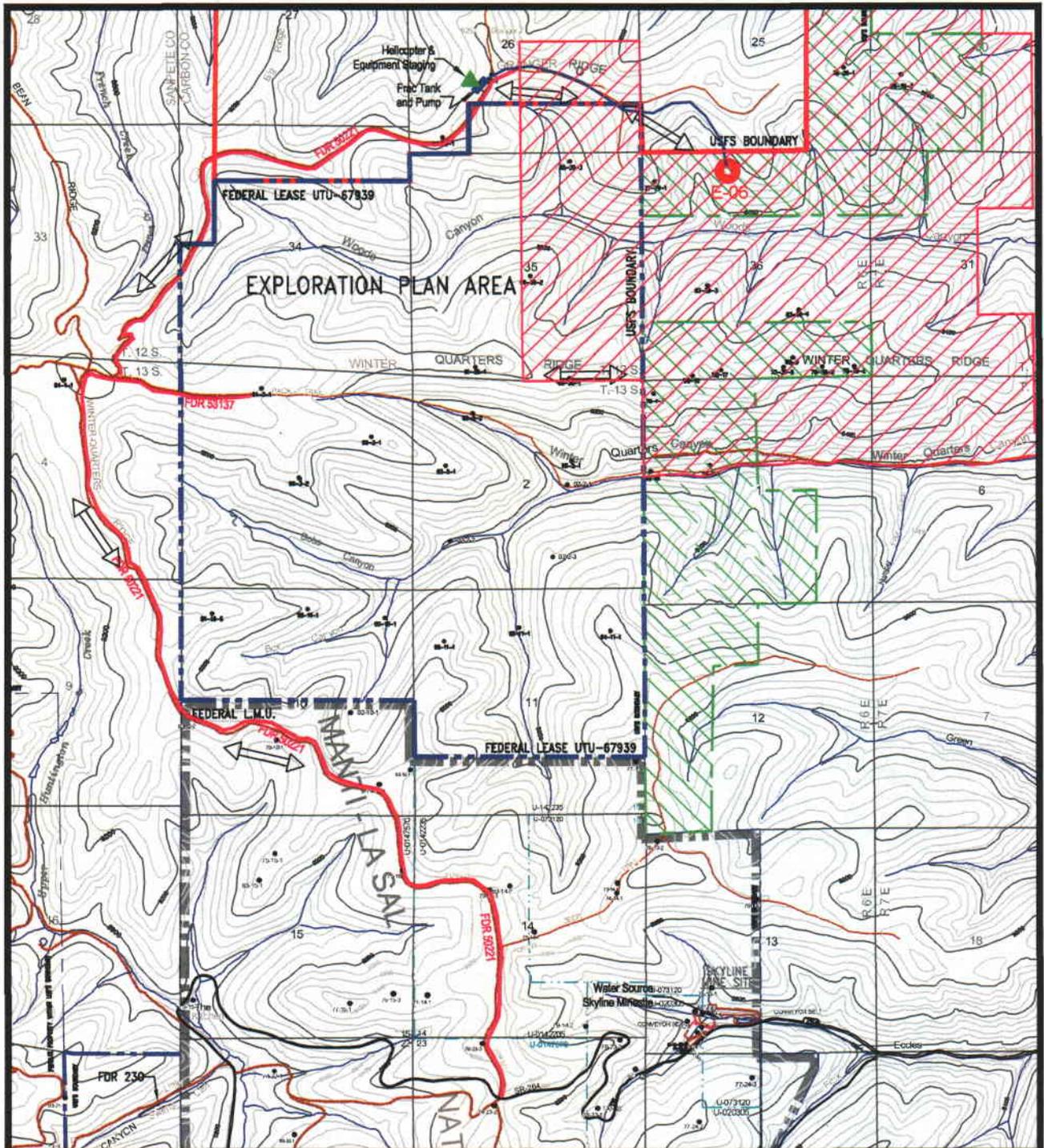


ARK LAND COMPANY
A Subsidiary of Arch Coal Inc.

JULY 2006

RECEIVED
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OGM PRICE FIELD OFFICE





MAP 2

Proposed Helicopter Drill Site E-06	1 to 4 in. Waterline (hdpe)
Helicopter and Equipment Staging Area	Water Pump/Tank Location
Proposed Water Tank Location, 10,000-20,000 gal Frac Tank	Proposed Forest Road Use
Approx. Helicopter Flight Route	Surface Owner Allred
	County Coal Lease Canyon Fuel Co.

ARK LAND COMPANY
 SKYLINE MINES, INC. BOX 360, HELPER, UT. 84003

MINOR COAL EXPLORATION PLAN
 WOODS CANYON 2006
 DRILL HOLE E-06

SCALE: 1" = 3000'

FILE NO. SHEET NO.

INTRODUCTION

Ark Land Company (a subsidiary of Arch Coal Inc.) is submitting this Notice of Intent to Conduct Minor Coal Exploration on behalf of Canyon Fuel Company, LLC – Skyline Mine to the Utah Division of Oil, Gas, and Mining (UDOGM) in order to obtain approval to conduct coal exploration and reclamation activities in the summer of 2006. The type of exploration proposed is wireline core drilling. One hole will be drilled on fee land belonging to the Allred Family Trust. The hole is located within a fee coal lease belonging to Canyon Fuel Company. All exploration activities will occur on private land although access to the land will be via USFS roads. This application is formatted to address the specific requirements of R645-201-200. Other related information is given in Appendix A through D. Five copies of this notice are submitted.

R645-201 Coal Exploration: Requirements for Exploration Approval

The proposed exploration plan qualifies as minor exploration as described in the State of Utah Coal Mining Rules R645 section R645-201-200.

R645-201-221

The name, address and telephone number of the applicant are:

Ark Land Company
C/o Skyline Mine
HC 35 Box 380
Helper, Utah 84526 (work) 435-448-2633

The applicant is the same as the operator of the proposed exploration plan. Correspondence regarding this exploration plan should be addressed to:

Mark Bunnell
Ark Land Company
C/o Skyline Mine
HC 35 Box 380
Helper, Utah 84526 (work) 435-448-2633

R645-201-222

The name, address and telephone number of the representative of the applicant who will be present during and be responsible for conducting the exploration is:

Mark Bunnell
Ark Land Company
C/o Skyline Mine
HC 35 Box 380
Helper, Utah 84526
(work) 435-448-2633 (home) 435-637-6690

At times a consulting geologist may act as representative of the applicant. The UDOGM and USFS will be notified of the consulting geologist's name and address if one is used.

R645-201-223

The exploration area is generally located in central Utah 2 miles west of Scofield (Map 1). The legal description of the Canyon Fuel Company fee coal lease is as follows:

T. 12 S., R 6 E., Salt Lake Base and Meridian
Sec. 24, E1/2, E1/4
Sec. 25, E1/2, E1/2
Sec. 36, N1/2, N1/2; S1/2, S1/2

T.12 S., R. 7 E., Salt Lake Base and Meridian
Sec. 30, SW1/4
Sec. 31, NW1/4, NW1/4; SW1/4,SW1/4

T.13S., R. 6 E., Salt Lake Base and Meridian
Sec. 1, W1/2
Sec. 12, NW1/4, NW1/4; SW1/4, SW1/4

Containing 1,200 acres more or less

The lease is totally located in Carbon County, Utah. The lease document is included in Appendix D. Map 2 shows proposed borehole (E-06) location and Forest Development Road that will be used to access the exploration area. Site E-06 is located on private surface land belonging to the Allred Family Trust. The surface access and use agreement is included in Appendix C.

The proposed exploration area is located in Woods Canyon (Map 2). The area lies within the Wasatch Plateau physiographic province. Woods Canyon drains eastward into Mud Creek just north of the town of Scofield. Topography in the area is mountainous with narrow east-west trending ridges and deep canyons. Elevation ranges from approximately 8000 ft. to 9100 ft.

The exploration area is underlain by sedimentary rocks of late Cretaceous age. Two formations crop out in the area including the coal-bearing Blackhawk Formation and the overlying Price River Formation. At least two potentially mineable coal seams occur in the area including the Lower O'Connor A seam and the Flat Canyon (also called Woods Canyon) seam.

Strata in the area dip uniformly from 2 to 8 degrees west-northwest. Several faults have been identified in the area. A number of igneous dike zones are also projected in the exploration area.

Rock types are predominantly sandstones, siltstones, shale and coal.

Vegetation in the exploration area occurs in the Mountain Brush and White Fir/Spruce plant communities. Woods Creek supports game fish. The exploration area is important habitat for raptors, elk, mule deer, cougar, bobcat, black bear, and small mammals. The area is habitat for a limited number of reptiles and amphibians. Drill hole E-06 is located on a southwest-facing sagebrush slope.

R645-201-225

Threatened, endangered, or special interest species in the exploration area include the goshawk, sage grouse, bald eagle and peregrine falcon. Exploration and reclamation activities will not occur within one half mile of known breeding and nesting areas during breeding or nesting periods. Information concerning threatened and endangered species is included in the Winter Quarters Tract EIS as well as the approved Skyline Mine mining and reclamation plan. In addition, the U.S. Forest Service has completed numerous wildlife and BEBA analyses of the Woods Canyon/Winter Quarters Canyon area for exploration plans over the past 20 years. Appendix A (confidential file) contains the 2005 BEBA and Wildlife Resources reports for the area. Also included in Appendix A is a Northern Goshawk and Elk Survey conducted by Maxim Technologies in the June of this year. Their survey covers the area of the proposed hole location. No Mexican Spotted owls are known to occur in the area.

There are no known districts, sites, buildings, structures, or objects listed on, or eligible for listing on, the National Register of Historic Places in the proposed exploration area. There are no known archeological resources located in the proposed exploration area. Numerous cultural resource evaluations of previous exploratory drilling locations in the Winter Quarters Canyon, Woods Canyon, and Granger Ridge area have been completed in recent years. Appendix B (Confidential File) is a site-specific cultural resource evaluation for location E-06. The report was submitted by the archeologist to SHPO on 7/21/06.

R645-201-224

A timetable for exploration related activities is given below. It is anticipated that exploration activities will start on approx. Aug. 10, 2006. This timetable may vary somewhat depending on factors such as weather.

EVENT	WEEK1	WEEK 2
Set pump, frac tank and run water line to site	██████████	
Move drill equipment to site and drilling	██████████	██████████
Reclaim any disturbance, remove frac tank, water line		██████████

R645-201-225

The general method to be followed during drill hole exploration, reclamation, and abandonment is: 1) fly drilling equipment to drill site, 2) prepare drill site as shown on Fig. 1, 3) set temporary water tanks, pumps, and water lines, 4) drill and log hole, and 5)

reclaim drill site and remove waterline, tank, and pump. No road building will occur and no blasting will be done for road building or repair. A U.S. Forest Service road use permit is in place. Access to drillsites will be accomplished by ATV or track vehicle. A trackhoe may be utilized for trail reclamation once drilling is completed.

Drilling will be accomplished utilizing continuous core drilling techniques. Drilling will involve one heliportable core rig capable of drilling 1800 ft. with necessary support equipment such as rod trays, supply trailers, portable water tanks, fuel tanks, etc. The drilling procedure will be to continuously core to total depth utilizing water, foam, polymer, and/or mud as drilling medium.

To eliminate the need for road and drillpad construction, the planned drilling method is helicopter-supported continuous wireline core drilling. The entire borehole will be core drilled from surface through the lowest coal seam horizon. Exploration equipment for the drilling phase will include 1 heli-portable skid-mounted core drilling rig together with all necessary heli-portable equipment such as drill rod trays, mud tanks, water tanks, water pump, etc.

Core drilling will involve one skid-mounted 1800 ft rated core drill, one or two 1000 gal. poly water tanks at the drill rig, two water trough-type mudtanks, and 4 to 6 drill rod trays. Other support equipment will include 4000 gallon water trucks to supply the 18,000 gal. frac tanks at staging areas, one 1500 gallon water/fire truck, two to four 18,000 gallon frac tanks at staging areas depending on water usage, two to three supply trailers parked at staging areas, up to 8 pick-up trucks, and a geophysical logging truck. The drilling procedure for the exploration holes will be to continuously core to total depth. One hundred to 200 ft. of surface casing will be set in each hole depending on hole conditions. The hole will be completed as a water monitor well due to the relative small size of the track-mounted or heli-portable drilling equipment. Water will be hauled from Skyline Mine to the staging area. Fifth-wheel supply trailers or transport trailers will carry the heli-portable equipment, including drills, drill steels, coring equipment, drilling additives, cutting and welding equipment, and other supplies to the staging area. One pick-up truck will be used for each drill rig by the drillers to carry personnel, fuel, and supplies and two to three pickup trucks will be used by the dirt contractor. The logging contractor will use a single axle 1 ton rated truck. The company representative and geological consultant will also use pick-up trucks for transportation.

Backup and auxiliary equipment to be located at the staging areas will include but not be limited to one or two 18,000 gal. frac (water) tank(s), two to three supply trailers, drilling fluid containers, two 4000 gal. water trucks, a fuel truck or or double lined fuel tank, four to 8 pickup trucks, a covered tool supply trailer, and a geophysical logging truck.

Water for drilling and road watering will be hauled from Skyline Mine (location shown on Map 2) into one or two 18,000 gal. frac tanks. A Triplex pump or equivalent will be located at the tank site for pumping water to the drill site. The pumps will be underlain by pitliner or brattice. Water will be pumped via 1, 2, and 3 inch HDPE waterline. An approved Temporary Water Change from the Division of Water Rights is in place. Copies of approved Temporary Water Changes will be forwarded to the Division prior to

project startup. Where not located adjacent to an existing road, waterline will be placed and removed via horseback, helicopter, or on foot.

The only coal to be removed during exploration activities will be cores. Cores will nominally be 1.4 inches (BQ) in diameter. Given an approximate projected thickness of 9 ft. for the Lower O'Connor A seam and 8 ft. for the Flat Canyon (Woods Canyon) seam, approximately 25 lbs. of coal will be removed.

No temporary road construction is planned for this project

Regulations cited in R645-202-232 relative to roads will be followed as they apply. No road construction is planned. Disturbance to wildlife will be minimized by utilizing the existing trails and eliminating the need to build roads with heavy equipment. No wetlands or riparian are known along the proposed routes. No utility or support facilities are present in the area.

Reclamation will occur as soon as possible upon completion of drilling operations. Reclamation will include filling in any hand excavations and reseeding the disturbed surface with the approved seed mix. No damage to public or private property will occur.

Drill locations will be setup approximately as shown on figure 1. Earth excavation for the drill sites will be minimal using hand tools only. Some minor leveling for placement of wood crib blocking for leveling of drill may be required. Minor amounts of topsoil that may be removed will be stored and replaced upon completion of drilling. No mud pits will be excavated. Portable mudtanks will be utilized. Cuttings will be stored and hauled away to the Skyline Mine waste rock site by helicopter or truck upon completion of drilling.

Reclamation is an integral part of the exploration activities and will progress as contemporaneously as practical with the other exploration activities. Upon completion of the hole, all hand excavations will be filled in to original contour, topsoil replaced, all equipment will be removed, and all trash will be hauled away. An approved seed mix will then be applied to the drill area.

There will be no diversion of overland flows.

It is not anticipated that acid- or toxic- forming materials will be encountered during exploration because none have been encountered previously. Samples of drill core will be analyzed for acid- and toxic-forming materials. These samples will be taken from the 10 ft. interval above and below each seam of minable thickness.

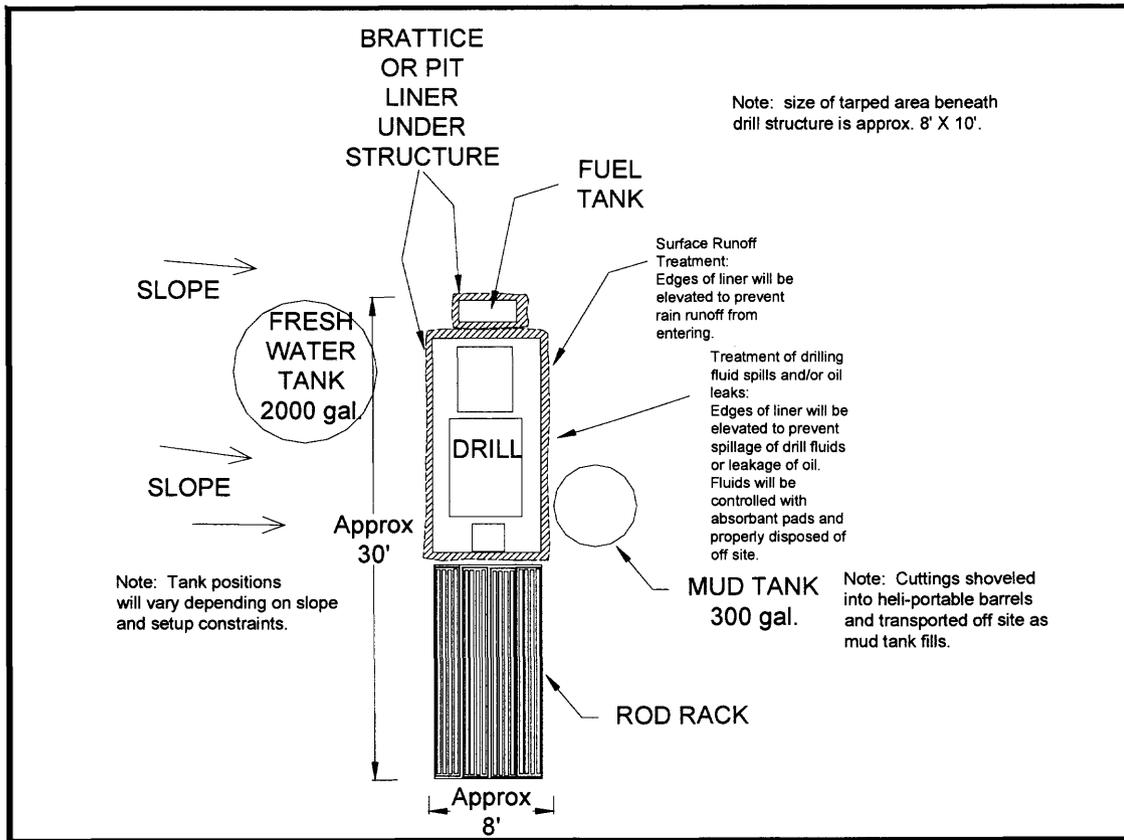


Figure 1. Typical heli-portable drillsite setup.

The method of revegetation is intended to encourage prompt revegetation and recovery of a diverse, effective, and permanent vegetative cover. The following seed mix has been proscribed by the U.S. Forest Service for reclamation of 2006 Granger Ridge and Winter Quarters/Woods Canyon drill holes immediately west of E-06 (the seed mix as approved by UDOGM will be utilized):

Seed Mix

		<u>Pounds PLS/acre</u>
Western Wheatgrass	Elymus smithii	2
Basin Wild Ryegrass	Elymus cinereus	1
Intermediate Wheatgrass	Elymus hispidus	2
Paiute Orchardgrass	Dactylis glomeratus	2
Slender Wheatgrass	Elymus trachycaulum	2
Mountain Brome	Bromus carinatus	2
Perennial Ryegrass	Lolium prene	1
Blue Leaf Aster	Aster glaucodes	1
Lewis Flax	Linum lewisii	0.5
Small Burnet	Sanguisorbia minor	1

TOTAL

14.50

The pure live seed (PLS) rating will be 99% containing a maximum of 1% weeds, none of which are toxic and only seed meeting the State Seed Act will be used. Certification tags will be retained by the permittee. The vegetative cover resulting from this seed mix is considered capable of stabilizing the soil surface from erosion.

Map 2 shows the location of the proposed drill site and the Forest Service road used for access. Equipment access to the exploration area will be via FDR 50221 to the tank/pump location and staging area/landing zone location. The staging area/landing zone location is already permitted for an existing Federal Exploration License which is occurring concurrently with this project.

Upon completion of drilling, the holes will be plugged and abandoned with a cement, bentonite, or cement/bentonite slurry to full depth. A brass tag will be placed at the top of the drill hole stating the operator's name, drill hole number, and legal description. The tag will be placed in cement at ground level.

The main drill hole diameter will be nominally 2.4 inch diameter. Approximately 200 to 300 ft. of surface casing (3 inch) will be set. Estimated depth and other drill hole information is given in the following table. Disturbed area will include minor hand excavation on the drillsite. Total disturbed area acreage is estimated at 0.003 acres (10' X 12', hand excavation only)

Drill Site	Location	Total Depth (ft)	Disturbed Area (acres)
Site E-06	NE, NW, 36, T12S, R6E	1150	0.003
		TOTAL	0.003

There are no occupied dwellings or pipelines located in the exploration area. No trenches will be dug and no structures will be constructed nor debris disposed of in the exploration area. The permittee or his representative will have a copy of this Notice of Intention To Conduct Minor Coal Exploration while in the exploration area available for review by an authorized representative of the Division by request.

R645-203-200

Ark Land Company requests that the Division not make any drilling information available for public inspection relative to coal seam thickness or quality. This information is considered crucial to Ark Land's competitive rights.

R645-202.230

No adverse impacts to stream channels will occur during water pumping or drilling activities. An approved "Temporary Change of Water" is in place with the Division of Water Rights. It is projected that approx. 0.6 acre/ft. of water will be utilized during the project.

R645-202-231

A site specific cultural resource survey has been conducted for site E-06. A copy of the cultural resource survey is included as Appendix B (confidential). Threatened, endangered, and sensitive plant and animal survey information has been developed by the U.S.F.S. and Maxim Technologies during their work relative to Canyon Fuel/Ark Land's 2005 Exploration License and Plan approvals and analysis work for the current year plan approvals (Appendix A, confidential). No nests were observed during those surveys.

TES protection measures include the use of Heli-portable water pumping equipment which will minimize surface disturbance as well as use of drilling equipment that will not require road construction. Pumping of most or all project water through waterlines will minimize water truck traffic on permanent roads.

R645-202-232

No new road construction is planned for this project.

R645-202-235 (R645-301-624.210, R645-301-731.121, R645-301-731.215))

Geologic logs of drilling will be kept. Any appreciable water encountered during drilling will be logged, noting depth, geology, and estimated flow. Any such zones will be evaluated for potential water monitoring.

Figure 1 shows a drawing of the approximate drillsite setup.

If the drill hole begins to make excess water, such water will be pumped from the mudtank to a larger 18,000 gal. frac tank at the staging area. From there it will be hauled to an approved waste water disposal site off Forest lands. At no time will excess drill water generated in the drill hole be allowed to run on topsoil on the surface.

R645-301-525-200

No major utilities pass over, under, or through the exploration area. Use of roads and development of the exploration site will not disrupt or damage any utility service.

R645-301-527.230

U.S. Forest system roads utilized as part of this minor coal exploration plan will be maintained as per U.S.F.S. authorized road use permit, including proper control of fugitive dust to minimize effects to fish, wildlife, and related environmental values. An approved road use permit is in place.

R645-301-731.100

An approved Temporary Changes of Water for water to be used in the drilling process is in place.

R645-301-742.410 thru 742.420

Minimal surface disturbance will be required for the drilling project. Disturbance will be limited to the drillsite. No changes will occur to drainage patterns. As shown on Figure 1, the drill will be setup such the the underlying pit liner or brattice material will not allow water runoff to the surrounding soils. Water that collects in the brattice or pit liner

will be pumped or drained to the mudtank. No perennial or intermittent stream drainages will be crossed. Excess water will be removed and placed in the drill water tank for use in the drilling process or hauled to an approved waste water disposal site. Contributions of suspended solids will not occur.

The potential for water pollution will be minimized by keeping pollutants away from the drill hole and in their containers. Materials used during drilling operations will be selected to be as non-polluting as possible. All spills of polluting materials will be removed from the area and properly disposed of.

2. No mixing of surface and ground waters is possible because all drill sites will be above perennial and ephemeral stream drainages.
3. Drill fluids and/or cuttings will be contained within mudtanks. If necessary, excess fluids will be pumped out and excess drill cuttings and core will be hauled off and disposed of properly.
4. Skyline Mine and Ark Land Company will retain all drill and geophysical logs.

APPENDIX A

(CONFIDENTIAL FILE)

2005 USFS BEBA REPORT

2005 WILDLIFE RESOURCES REPORT

2006 NORTHERN GOSHAWK/ELK SURVEY

**APPENDIX B
(CONFIDENTIAL FILE)**

**SITE SPECIFIC CULTURAL RESOURCE
INVENTORY
EARTHTOUCH RPT. 06-11**

APPENDIX C

**ALLRED FAMILY TRUST
SURFACE ACCESS AND USE AGREEMENT**

SURFACE ACCESS AND USE AGREEMENT

This SURFACE ACCESS AND USE AGREEMENT ("Surface Agreement"), dated effective as of July __, 2005 ("Effective Date"), is by and between **Allred Family Trust**, by its Trustees ("Owner"), C/O Phil Allred, whose address is P.O. Box 96, Fountain Green, Utah 84632, and **Ark Land Company**, a Delaware corporation ("Ark"), whose business address is One Cityplace Drive, Suite 300, St. Louis, Missouri 63141.

WHEREAS, Owner owns all or part of the surface estate in and to the following described lands located in Carbon County, Utah, and depicted on **Exhibit A** hereto ("Lands"):

Township 13 South, Range 6 East, S.L.B. & M.

Section 1: North of Winter Quarters Creek.

Township 13 South, Range 7 East, S.L.B. & M.

Section 6: North of Winter Quarters Creek, excluding NE/4, NE/4.

Township 12, South, Range 6 East, S.L.B. & M.

Section 25: E/2 E/2;
Section 26: SE/4;
Section 35: E/2;
Section 36: All.

Township 12 South, Range 7 East, S.L.B. & M

Section 30: SW/4, W/2NW/4, SE/4NW/4, W/2SE/4;
Section 31: SW/4, NW/4, SW/4SE/4, NW/4NE/4.

WHEREAS, Ark proposes to mine coal by underground mining methods under portions of the Lands and under adjacent lands.

WHEREAS, Ark requires access to and use of the Lands for exploration, monitoring and development activities relating to operation of Ark's Skyline Mine.

WHEREAS, Owner is willing to grant Ark use of and access to the Lands subject to the terms and conditions of this Surface Agreement.

NOW THEREFORE, for and in consideration of the mutual benefits derived by the parties as set forth herein, and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. Grant of Easement and License. Owner hereby grants to Ark, for the benefit of Ark and of Ark's affiliate Canyon Fuel Company, L.L.C., a non-exclusive easement on, over and

across, and a non-exclusive license to occupy, use and impact, the Lands for the following purposes (collectively, "Easement"):

- a. Conduct (i) subsidence and soil and water sampling and raptor, wildlife and other environmental studies, (ii) exploration drilling and analyses of subsurface conditions by all reasonable means; and (iii) land surveying and monitoring of springs and seeps as required by applicable law and applicable permits;
- b. Place or install minor mechanical instruments such as geophones, geo-seismic lines and the like to monitor underground, mine-related activities and results; drill production and exploration holes; place and relocate temporary waterlines; and place surface facilities to develop, vent or remove coal bed methane gas;
- c. Subside the surface of the Lands through permitted coal mining activities; and
- d. Entry and access to and ingress and egress upon, over, and across the Lands using the existing roads for access to and over lands subject to Ark's Winter Quarters Coal Lease to transport men and equipment and to conduct such other activities on the Lands as expressly permitted under this Surface Agreement, together with the right to maintain, improve and upgrade the existing roads as may be reasonable, necessary and consistent with the rights granted under this Surface Agreement.

2. Conditions to Use of the Lands.

- a. Ark shall ensure that its employees, agents, representatives, invitees, licensees, contractors and subcontractors ("Ark Parties") who enter onto the Lands shall comply with Ark's obligations under the terms of this Surface Agreement. Ark shall be liable for any and all breaches of the terms of this Surface Agreement by Ark Parties.
- b. Motor vehicles shall be operated only on existing roads, unless Owner gives prior written consent to use of motor vehicles off the existing roads. If motor vehicles are approved for operation off the existing roads, Ark shall promptly revegetate and reclaim any disturbed areas to Owner's satisfaction. While being utilized by Ark, existing roads shall be maintained and left in good condition. Ark shall not be responsible for road maintenance during periods when it is not actively utilizing roads
- c. Ark shall insure that the speed of all vehicles shall be kept to a reasonable rate and shall insure reasonable precautions to avoid any damage, other than normal wear and tear to gates, bridges, roads, culverts, cattle guards, fences, or other structures. Ark and Ark Parties shall keep gates closed. Ark shall be responsible at its sole cost and expense for immediately repairing or replacing any fence, gate, bridge, road, culvert, cattle guard, fence, or other structure damaged by Ark or Ark's Parties.
- d. Ark shall not improve or upgrade the existing roads without Owner's prior written approval. If Ark proposes to upgrade the existing roads with Owner's written approval, improvements shall be built, at Ark's sole cost, to customary and acceptable standards and in accordance with sound engineering practices for grade and drainage control using culverts and/or

ditches where appropriate or where specifically requested by Owner. All engineering, construction and maintenance costs incurred by Ark in connection with this Surface Agreement shall be the sole responsibility of Ark. Ark shall not permit any liens or encumbrances to attach to or remain upon the Lands as a result of activities by Ark or Ark's Parties.

e. Any surface facility specified in Section 1(b) will be located by agreement of the Owner and Ark.

f. This Surface Agreement does not guarantee surface access to adjacent private lands. Surface agreements with adjacent private landowners do not guarantee access to their lands through Owner's land.

g. Ark shall be solely responsible for posting all necessary bonds and obtaining and maintaining all necessary federal, state, and local filings, permits and other authorizations.

h. No Ark person or Ark Party who is on the Lands shall be permitted to carry firearms, engage in recreational pursuits, including hunting and fishing, or permit dogs or other domestic pets on the Lands.

i. During hunting seasons that pertain to the Lands, Ark personnel and contractors shall use reasonable efforts to coordinate activities with Owner or its designee. A yearly meeting will be held between Ark and Owner or its designee prior to conducting any activities that might interfere with hunting.

j. Ark shall at all times use the Lands in a reasonable and prudent manner so as to prevent damage to the Lands. Ark shall not commit or knowingly allow another to commit any waste or nuisance upon the Lands. Ark shall not destroy, deface or damage any part of the improvements, if any, or knowingly permit any other person to do so.

k. All rights to use the Lands not specifically conferred upon and granted to Ark are retained by Owner.

l. Ark, its employees and all Ark Parties shall conduct all activities and operations under this Surface Agreement on the Lands in compliance with all applicable federal, state and local laws, rules, regulations and ordinances, and all Ark safety and health rules and procedures, including without limitation, where necessary, safety training procedures.

3. Owner Reservation. Owner excepts and reserves unto itself the right to freely use the Lands for all purposes and in a manner that does not unreasonably interfere with the activities of Ark or Ark Parties conducted pursuant to this Surface Agreement.

4. Title. Owner makes no representation or warranty, express or implied, as to title to the Lands. The grant to Ark for access to and use of the Lands is subject to all rights, easements, conveyances, rights of way, deeds, contracts, and agreements heretofore granted or made by Owner or any of its predecessors in title, and any and all possessory rights, exceptions and reservations, which may pertain to or affect the Lands which appear of record or which may be discovered through an inspection of the Lands.

5. Term

a. Subject to the other provisions herein, this Surface Agreement shall remain in effect for a primary term of five (5) years from the Effective Date ("Primary Term"). Ark shall have and is hereby granted the right and option, but not the obligation, to automatically extend the Primary Term of this Surface Agreement, or any portion thereof then in force, for consecutive extended terms of five (5) years (each, an "Extended Term") each upon ninety (90) days prior written notice to Owner of Ark's election to extend the Surface Agreement for an extended 5-year period and timely and proper payment of Rentals as required by Section 6, provided, however, that in no event shall this Surface Agreement remain in effect for more than twenty (20) years from the Effective Date.

b. Notwithstanding the expiration or termination of this Surface Agreement, Ark shall have the right to continue to access the Lands for the purpose of fulfilling Ark's reclamation obligations as to the Lands, or to fulfill any other obligations that have arisen hereunder.

c. Ark shall, within 180 days after the expiration or termination of this Surface Agreement as to all or any part of the Lands, remove or cause to be removed from the Lands (or that part of the Lands subject to termination) all of Ark's mining equipment, personal property, fixtures, facilities or any other improvements located upon the Land. If Ark does not so remove all property, then Owner shall have the right to remove and dispose of such property (without any accountability to Ark for the value thereof). Owner shall be entitled to reimbursement from Ark for all of Ark's costs and expenses in removing and disposing of said property.

6. Consideration

a. Upon execution of this Surface Agreement, Ark shall pay Owner a signing bonus in the amount of \$3,000 ("Bonus").

b. Ark shall pay Owner an annual rental ("Rental") on or before each annual anniversary date during the Primary Term, and for each annual anniversary date during any Extended Term thereafter. The Rental fee for each year during the Primary Term shall be Three Thousand Dollars (\$3,000). Ark shall pay Owner the first year Rental for the Primary Term upon execution of this Surface Agreement (which shall be in addition to the Bonus). The Rental fee shall increase by twenty percent (20%) at the beginning and for the duration of each 5-year Extended Term (e.g. Rental for the first Extended Term shall be \$3600; and Rental for the second Extended Term shall be \$4320).

c. In addition to the Rental, Ark shall pay Owner a fee of \$1,000 for each production or exploration drilling site, and methane pump used on the Lands ("Surface Site") during the term of this Surface Agreement. The Surface Site payment shall represent payment for all production, exploration drilling and use activities conducted in conjunction with a Surface Site and no additional payment shall be required for each Surface Site. The payment for a Surface Site shall be made to Owner within one hundred and twenty (120) days after commencing actual surface disturbance activities on the Lands to construct the Surface Site. A long term installation, such as a vent shaft, will be negotiated under a separate lease agreement.

7. Damage to Property.

a. Ark shall repair or replace any improvements located on the Lands as of the Effective Date damaged or destroyed as a result of Ark's activities on or use of the Lands pursuant to this Surface Agreement and shall restore and reclaim any part of the Lands affected by its activities in full compliance with all federal, state and local laws, rules and regulations, Ark's approved mining permit and Ark's surface use agreements.

b. Ark shall notify Owner prior to undertaking any proposed exploration drilling surface activity on the Lands. Ark shall not conduct road or drill pad construction until proposed locations have been reviewed with Owner. All exploration drilling surface disturbances shall be reclaimed in conformance with approved drilling permit standards.

8. Indemnification. Ark covenants and agrees to indemnify and hold Owner, its members and beneficiaries harmless against all liabilities, demands, liens, claims, and suits of any kind or nature, together with all costs and expenses, including attorney fees, which arise out of (i) Ark's activities conducted on, under or affecting the Lands, or (ii) Ark's breach of a material obligation under this Surface Agreement. The indemnification obligations of Ark set forth in this Section 8 shall survive termination of this Surface Agreement.

9. Insurance.

a. Ark shall provide and maintain in full force and effect during the entire term of this Surface Agreement the following types and amounts of insurance with insurance companies satisfactory to Owner:

(1) Workers' Compensation Insurance, in accordance with the laws of the State of Utah and Employers' Liability Insurance in the limit of not less than \$1,000,000 per person and \$1,000,000 per accident;

(2) Comprehensive General Liability Insurance of not less than \$1,000,000 applicable to bodily injury, sickness or death in any one occurrence; and \$1,000,000 for loss of or damage to property in any one occurrence;

(3) Automobile Liability Insurance covering owned, un-owned and hired vehicles used by Ark with limits of not less than \$1,000,000 for bodily injury and property damage claims; and

(4) Excess or Umbrella Liability, inclusive of above limits, with limits of not less than \$5,000,000 Combined Single Limit.

b. Owner shall be named as additional insured in each of Ark's policies, except Workers' Compensation. At Owner's request, prior to Ark or its contractors entering the Lands, Ark shall furnish certificates of insurance evidencing the insurance required hereunder. Each certificate shall provide that a minimum of thirty (30) days prior written notice shall be given Owner in the event of cancellation or material change in the policies. All policies shall be

endorsed to provide that there will be no recourse against Owner for payment of premium. Upon request, Owner may examine true copies of the policies.

10. Default.

a. If Ark fails to comply with any material provisions of this Surface Agreement relating to the Easement, and if Ark does not initiate and diligently pursue steps to correct the default within thirty (30) days after notice has been given to it by Owner specifying with particularity the nature of the default, then upon the expiration of the thirty (30) day period, Owner shall have the right to declare this Surface Agreement in default, provided, however, that the Easement rights of Ark under this Surface Agreement shall not terminate until such time as the declared default has been submitted to a court of law and a final, non-appealable order has been issued terminating this Surface Agreement based on the alleged default. The service of a default notice shall be a condition precedent to the bringing of any action by Owner on this Surface Agreement for such default, and no such action shall be brought with respect to such default until the lapse of thirty (30) days after service of such notice. The doing of any acts by Ark reasonably sufficient to cure all or any of the alleged breaches or defaults shall not be deemed an admission or presumption that Ark has failed to perform any or all of its obligations hereunder.

b. Any default claims with respect to the payment of money may be cured by the deposit in escrow of the amount in controversy (not including claimed damages) and giving of notice of the deposit to Owner, the amount to remain in escrow until the controversy is resolved by decision of a court or arbitrators or otherwise.

c. Ark may at any time terminate this Surface Agreement (as to all or part of the Lands) by delivering to Owner or by filing for record in the appropriate office (with a copy to Owner) a recordable surrender of this Surface Agreement (or a partial surrender describing that portion of the Lands as to which this Surface Agreement is surrendered). Upon mailing the surrender (or partial surrender) to Owner or to the appropriate office, all rights, liabilities, obligations of Ark under this Surface Agreement (with respect to the portion of the Lands as to which this Surface Agreement is terminated) shall terminate, except that (i) Ark shall have the rights provided herein to remove property and (ii) Ark shall have those liabilities for payment of Rentals, reclamation, and indemnification otherwise existing on the date of termination, and then accrued.

11. Miscellaneous.

a. Assignment. Ark shall not assign this Surface Agreement, or any rights herein without the prior written consent of Owner, provided, however, that Ark may transfer without consent this Surface Agreement and all rights, duties and obligations hereunder to an affiliate or to a business entity in which Ark participates or holds an interest, or upon the sale or transfer of all or substantially all of the assets constituting the Skyline Mine.

b. Notice. All notices provided for herein shall be deemed to have been duly given if and when personally delivered or if and when deposited in the United States mail,

certified, return receipt requested, properly stamped and addressed to the party for whom intended at the following addresses:

If to Owner:
Allred Family Trust
Attention: Phil Allred
P.O. Box 96
Fountain Green, Utah 84632

If to Ark:
Ark Land Company
Attention: President
One CityPlace Drive, Suite 300
St. Louis, Missouri 63141

Notification of any change of address shall be given in a like manner.

- c. Successors and Assigns. This Surface Agreement shall inure to the benefit of and shall be binding upon Owner, Ark, and their respective successors, heirs and assigns.
- d. Amendments. Any amendment or modification of this Surface Agreement shall be valid and binding only if such amendment or modification is in writing and is signed by the parties to this Surface Agreement.
- e. Entire Agreement. This Surface Agreement constitutes the entire agreement of Owner and Ark with respect to the subject matter hereof and supersedes any and all prior or contemporaneous negotiations, agreements, representations and understandings of Owner and Ark. At the request of either Party, the Parties shall take such reasonable actions, and execute and deliver any further instruments, agreements, documents or other papers reasonably requested by either Party to effect the purposes of this Surface Agreement and the transactions contemplated hereby, in addition, without limitation, joinder to this Surface Agreement by other parties with ownership rights to the Lands.
- f. Counterparts. This Surface Agreement may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one original.
- g. Recordation. This parties shall execute and record a memorandum of this Surface Agreement in the public records in Carbon County, Utah.
- h. Governing Law. This Surface Agreement shall be construed in accordance with and governed by the laws of the State of Utah.

IN WITNESS WHEREOF, the parties have caused this Surface Agreement to be signed and executed as of the Effective Date.

Allred Family Trust

By: Phillip E. Allred
Title: Trustee

By: Tracy C. Bennett
Title: Trustee

Ark Land Company

By: Richard Manning
Title: Vice Pres.

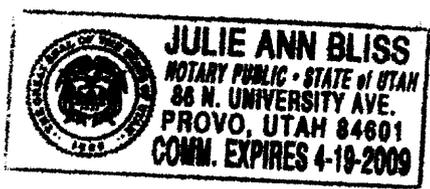
STATE OF UTAH)
) SS
COUNTY OF Was)

The foregoing instrument was acknowledged before me by Phillip E. Reed
as Trustee of **Allred Family Trust**, on this 12 day of September, 2005.

Witness my hand and official seal.

Julie Ann Bliss
Notary Public

My Commission Expires: April 19, 2009



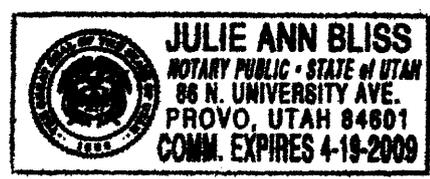
STATE OF UTAH)
) SS
COUNTY OF Was)

The foregoing instrument was acknowledged before me by Thom C. Brunner
as Trustee of **Allred Family Trust**, on this 12 day of September, 2005.

Witness my hand and official seal.

Julie Ann Bliss
Notary Public

My Commission Expires: April 19, 2009



STATE OF MISSOURI)
) SS
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me by Douglas D. Dornberg
as Vice President of **Ark Land Company** on this 20th day of September, 2005.

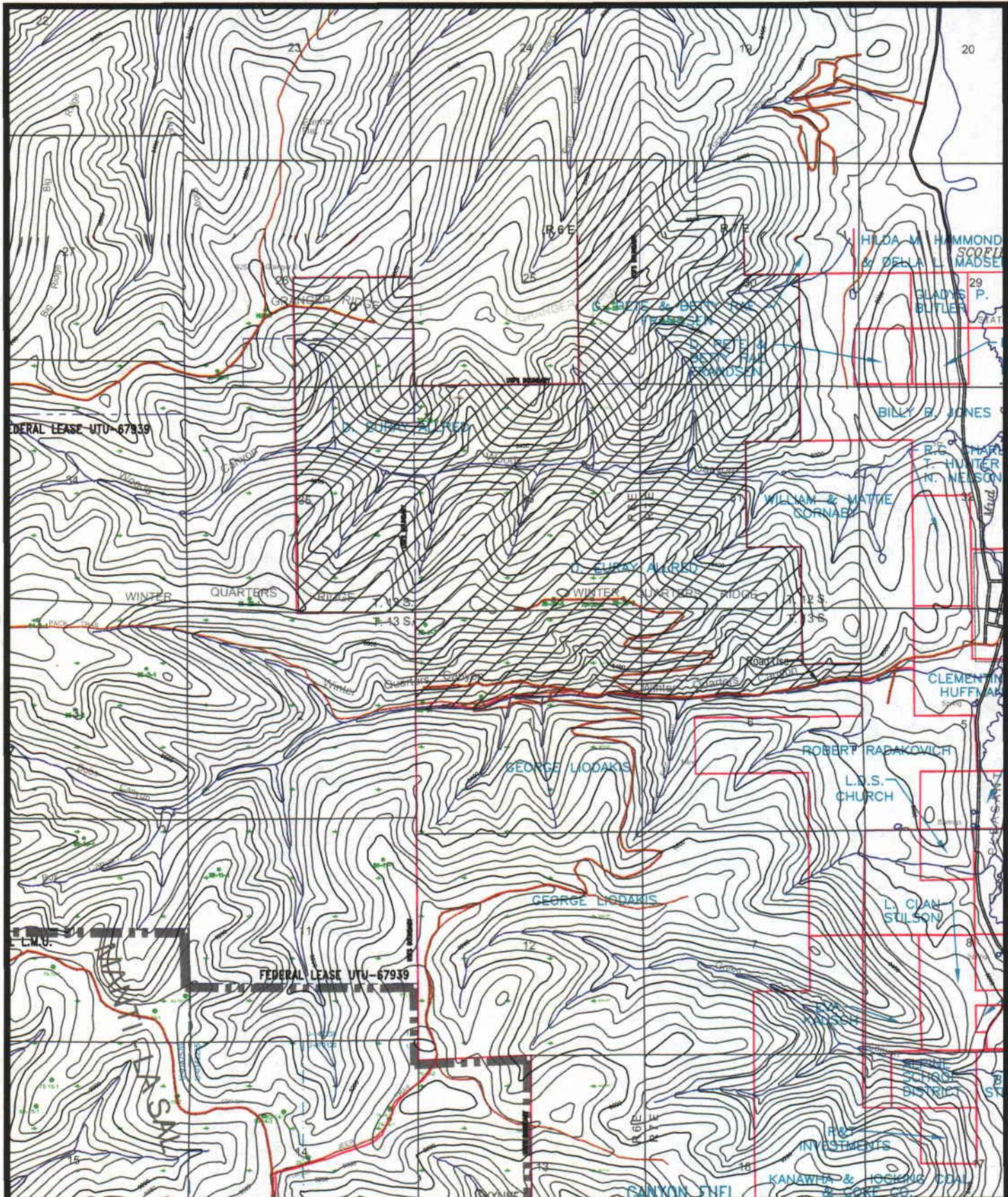
Witness my hand and official seal.



MARY C. HAMILTON
St. Louis City
My Commission Expires
September 14, 2007

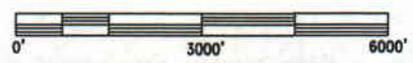
Mary C. Hamilton
Notary Public

My Commission Expires: September 14, 2007



 Area Covered by Surface Access Agreement

EXHIBIT A



ARK LAND COMPANY
DRYDEN, OREGON, HELEN, OREGON, HOPKINS, OREGON

SURFACE ACCESS AND USE AGREEMENT AREA

SCALE	FILE NO.	SHEET NO.
1" = 3000'		

APPENDIX D
CANYON FUEL FEE COAL LEASE

ASSIGNMENT OF COAL LEASE

This ASSIGNMENT OF COAL LEASE ("Assignment"), dated effective as of August ~~15~~¹⁵, 2002 ("Effective Date") is by and between EF Coal Resources Limited Partnership a Colorado limited partnership, with principal offices at 385 Inverness Drive South, Suite 200, Englewood, Colorado 80112 ("Assignor") and Energy Fuels Corporation with principal offices at 385 Inverness Drive South, Suite 200, Englewood, Colorado 80112 ("Energy Fuels"), and Canyon Fuel Company, L.L.C., a Delaware limited liability company, with principal offices at 6955 South Union Park Center, Suite 540, Midvale, Utah 84047 ("Assignee").

WHEREAS, Assignor is the current and sole lessee under and pursuant to that certain Lease and Agreement dated October 5, 1977, by and between Carbon County, a body corporate and politic of the State of Utah ("County"), and Murco Coal Company, filed for recording on November 10, 1977, recorded in Book 173 of Records at page 659 in the Offices of the Carbon County Recorder, Price, Utah, and as amended by the First Amendment dated January 27, 1988 ("Coal Lease"), covering and relating to lands situated in Carbon County, Utah, and more particularly described on Exhibit A hereto ("Lease Lands"), and,

WHEREAS, Assignor desires to assign to Assignee, and Assignee desires to obtain an assignment of, the Coal Lease subject to the terms and conditions of this Assignment;

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Assignor hereby grants, sells, transfers and assigns unto Assignee, as of the Effective Date, all of Assignor's right, title and interest in and to the Coal Lease, together with all rights, privileges and benefits relating thereto, including, without limitation, Assignor's rights to advance rental credits that have accrued to Assignor under the Coal Lease; and

RESERVING unto Assignor an overriding production royalty equal to five percent (5%) of the value of coal produced from the Lease Lands and subject to the terms and conditions of this Assignment ("Overriding Production Royalty"); and further

SUBJECT to the exceptions, reservations, terms and conditions contained herein;

TO HAVE AND TO HOLD the Coal Lease, together with all and singular the rights and appurtenances thereto and anywise belonging unto Assignee, its successors, assigns and legal representatives, forever.

TERMS AND CONDITIONS

1. Advance Payments.

(a) Upon execution of this Assignment, Assignee shall pay to Assignor by wire transfer, certified check or other method acceptable to Assignor the amount of \$500,000 ("Initial Advance Payment"). Fifty percent (50%) of the Initial Advance Payment (\$250,000) shall be a credit against and recoupable by Assignee from all payments due as Overriding Production Royalty hereunder.

(b) On or before the fifth (5th) annual anniversary date (60 months) from the Effective Date of this Assignment, and annually thereafter on or before each anniversary date of this Assignment for so long as Assignee owns a leasehold interest in the Coal Lease sufficient to permit Assignor to mine and produce coal, Assignee shall pay to Assignor the amount of \$200,000 ("Annual Advance Royalty"). One hundred percent (100%) of the Annual Advance Royalty shall be a credit against and recoupable by Assignee from all payments due as Overriding Production Royalty hereunder.

2. Overriding Production Royalty.

(a) The parties adopt by reference the regulations set forth at 30 C.F.R., Part 206, Subpart F ("Federal Royalty Regulations") for purposes of determining the Overriding Production Royalty, including without limitation, determining the "value" of coal produced from the Lease Lands. Except as otherwise expressly provided herein, all calculations of the Overriding Production Royalty shall be made pursuant to the Federal Royalty Regulations and applicable Federal rules and regulations hereafter enacted or adopted.

(b) Overriding Production Royalty shall be due the final day of the month succeeding the calendar month in which coal produced from the Lease Lands is used, sold or otherwise finally disposed of. Assignee shall have a credit against Overriding Production Royalties that accrue under this Assignment and become due and payable to Assignor in the aggregate sum of fifty percent (50%) of the Initial Advance Payment (\$250,000) and one hundred percent (100%) of all Annual Advance Royalty payments made by Assignee hereunder ("Royalty Credit"). The Royalty Credit shall be cumulative and carried over from year to year until fully applied. No Overriding Production Royalty shall be payable except to the extent that Overriding Production Royalty payments which become payable exceed the Royalty Credit.

(c) Assignee shall keep a true and correct record of all coal mined, removed and sold from the Lease Lands. Assignee shall maintain accurate and complete accounting records in support of all Overriding Production Royalty paid with respect to coal production from the Lease Lands in accordance with the standard for Federal royalty as set out in the Federal Royalty Regulations, and generally recognized accounting principles and practices. Assignee shall provide Assignor with a monthly statement reporting the coal produced from the Lease Lands during the preceding month, the amount of the Overriding Production Royalty applicable to the produced coal and calculated pursuant to the Federal Royalty Regulations, and an accounting showing application of the Royalty Credit against accrued Overriding Production Royalties.

(d) Assignor shall have the right after a thirty (30)-day prior written notice to Assignee to examine, audit and reproduce the records, vouchers and their source documents which serve as the basis for Overriding Production Royalty payments. Audit findings may be contested by either party. In the event of a dispute over audit findings by one of the parties, the parties shall jointly appoint an independent accounting firm to conduct a joint audit ("Joint Audit"). The party requesting the audit shall be responsible for all costs and expenses to conduct the audit, provided that the parties shall jointly share the costs and expenses incurred to conduct one Joint Audit annually at the request of either party. The conclusions of the independent accounting firm shall be binding on the parties.

(e) After coal from the Lease Lands has been measured by any manner as will permit the computation of the Overriding Production Royalty, Assignee may commingle the same with coal from lands other than the Lease Lands. Assignee shall have the right at any time to form an operating mining unit of such size and shape as Assignee may elect for the production of coal and to include the Lease Lands in such mining unit when in Assignee's judgment it is desirable to do so.

3. Lesser Interest. If Assignor owns a lesser interest in the Coal Lease than the entire and undivided leasehold estate or if the Coal Lease covers less than the entire coal estate in the Lease Lands, then the Initial Advance Payment and Annual Advance Royalty payments shall be paid to Assignor only in the proportion which its interest bears to the whole and undivided leasehold estate in the Coal Lease or in the proportion which the coal estate covered by the Coal Lease bears to the whole and undivided coal estate in the Lease Lands. If Assignee intends to assert that Assignor owns a lesser interest, Assignee shall provide to Assignor, in writing, an analysis of the basis for Assignee's conclusions at least 30 days prior to Assignee's taking any action with respect to such intention. In the event Assignor's ownership interest is determined to be less than the entire leasehold interest in and to the Coal Lease or the coal estate covered by the Coal Lease is determined to cover less than the entire coal estate in the Lease Lands, then Assignor shall reimburse Assignee for such portion of the Initial Advance Payment and Annual Advance Royalty payments paid in excess of Assignor's actual ownership interest in the Coal Lease or in excess of the actual coal estate covered by the Coal Lease.

4. No Covenant to Develop or Produce. Assignor and Assignee agree that there are no implied covenants or conditions whatsoever in this Assignment relating to the exploration, development, mining or production of the Lease Lands for coal or any other mineral or substance which may be covered hereby, it being expressly agreed that Assignee shall have the sole and exclusive right to determine the amount of mining to be conducted on or in connection with the Lease Lands. Assignee shall have the exclusive right to commence or shut down production without breaching this Assignment so long as any payments due to Assignor hereunder are properly made. Assignor expressly acknowledges and understands that no mining of coal or other minerals may occur from the Lease Lands and without such mining Assignor will not receive payment of Overriding Production Royalties and that the Initial Advance Payment and payments of the Annual Advance Royalty constitute full, reasonable, fair and adequate consideration for the rights granted to Assignee by Assignor.

5. Representations and Warranties. Assignor represents and warrants to Assignee that:

(a) Assignor is the sole owner of the Coal Lease, and has not assigned, transferred, encumbered or pledged any interest in, to or affecting the Coal Lease.

(b) The Coal Lease is in full force and effect and is enforceable in accordance with its terms, and the leasehold or other rights it purports to grant is free and clear of all liens, security interests, restrictions, covenants, claims, charges or other encumbrances by, through and under Assignor or Energy Fuels, or their respective affiliates, partners or subsidiaries.

(c) Assignor is not in default, in any material respect, under the Coal Lease and no event has occurred which, with the lapse of time or the giving of notice, or both, would constitute such a default.

(d) The Coal Lease has been held and operated in compliance with applicable law.

(e) Upon execution of this Assignment, Assignee shall have full title to and all benefits under the Coal Lease.

(f) Notwithstanding the foregoing, Assignor and Assignee acknowledge that the parties have been unable to determine that all annual rental payments due under the Coal Lease have been properly paid. If the County later asserts that such a payment has not been paid, Assignor shall promptly make such payment and upon making such payment shall be deemed not to have breached any representation or warranty under this Assignment. In addition, Assignor's liability for breach of any representation or warranty under this Assignment shall be limited to Assignee's actual damages resulting from such breach, not to exceed the total amount of payments made by Assignee to Assignor hereunder.

6. Assumption and Indemnification.

(a) Assignee hereby assumes, and agrees to pay, perform and discharge, all obligations under the Coal Lease arising from and after the Effective Date and shall indemnify and hold Assignor harmless from and against any and all claims, damages, obligations, penalties, expenses, costs and fees (including reasonable attorneys' fees) arising out of or relating to Assignee's ownership or operation of the Lease Lands after the Effective Date.

(b) Assignor hereby retains all obligations under the Coal Lease incurred prior to the Effective Date and shall indemnify and hold Assignee harmless from and against any and all claims, damages, obligations, penalties, expenses, costs and fees (including reasonable attorneys' fees) arising out of or relating to Assignor's ownership or operation of the Lease Lands prior to the Effective Date.

7. Termination or Assignment. Assignee at its sole discretion and without any obligation or liability to Assignor may at any time terminate the Coal Lease or surrender part of the Lease Lands, provided that Assignee first offers to Assignor for no consideration the right to reassignment of the Coal Lease or part to be surrendered, in which case, Assignor shall have 30 days to accept reassignment. Upon termination of the Coal Lease for any reason or assignment of the Coal Lease, Assignee shall have no further contractual obligation to make Annual Advance Royalty payments or Overriding Production Royalty payments to Assignor after the date of termination or assignment except for payments that are then due and payable as of the time of termination or assignment.

8. Notices. All notices and other required communications ("Notices") to the parties to this Assignment shall be in writing, and shall be addressed respectively as follows:

Assignor: EF Coal Resources Limited Partnership
Attn: Executive Vice President
385 Inverness Drive South, Suite 200
Englewood, CO 80112

With a copy to:

Energy Fuels Corporation
Attention: President
2145 Resort Drive, Suite 208
P.O. Box 773457
Steamboat Springs, CO 80477

Assignee: Canyon Fuel Company
Attn: Richard D. Pick, President
6955 South Union Park Center, Suite 540
Midvale, UT 84047

With a copy to:

Ark Land Company
Attn: Doug Downing
One CityPlace Drive, Suite 300
St. Louis, MO 63141

Notices shall be given (a) by personal delivery to the other party, or (b) by electronic communication, with a confirmation sent by registered or certified mail, return receipt requested, or (c) by registered or certified mail, return receipt requested. All Notices shall be effective and shall be deemed delivered (a) if by personal delivery on the date of delivery if delivered during normal business hours, and, if not delivered during normal business hours, on the next business day following deliver, (b) if by electronic communication on the next business day following receipt of the electronic communication, and (c) if solely by mail three (3) business days after mailing. A party may change its address by Notice to the other party.

9. Miscellaneous Provisions.

(a) Assignor shall provide Assignee with copies of or access to records evidencing Assignor's past payments to Carbon County under the Coal Lease, and shall use its commercially reasonable efforts to assist Assignee in verifying and obtaining the beneficial use of the total value of advance rental credits paid to Carbon County by Assignor, Energy Fuels, or their respective affiliates, partners or subsidiaries.

(b) The parties shall execute and deliver any such instruments, agreements, documents, permits or applications, or other documents reasonably required for the purposes of this Assignment, and shall do such other acts as may be reasonably requested to effect the purposes of this Assignment.

(c) This Assignment shall be governed by and interpreted in accordance with the laws of the State of Utah without regard to the conflict of laws provisions thereof.

(d) This Assignment shall not be recorded in its entirety, but either party may prepare and record a notice of this Assignment in the records of the Carbon County Recorder, which notice shall be sufficient to impart notice to third parties of the key provisions of this Assignment.

(e) This Assignment shall not be effective until the consent of the County shall have been received by Assignor in a form reasonably satisfactory to Assignor.

(f) Assignee shall provide to Assignor photocopies of all production reports and other correspondence given by Assignee to County, including evidence of payment of annual rentals under the Coal Lease and any extensions of the Coal Lease, and of all notices or other material correspondence received by Assignee from County.

(g) Assignor, Energy Fuels and Assignee shall take such actions and execute and deliver any such additional instruments or other documents as may be reasonably necessary or convenient to implement and carry out the intent and purpose of this Assignment, including without limitation, such title curative instruments as may be necessary to clarify or confirm Assignee's record title interest in and to the Coal Lease.

10. Successors and Assigns. The rights and obligations of the parties hereunder may be assigned in whole or in part and the provisions hereof shall inure to the benefit of and be binding upon Assignor and Assignee and their respective successors, legal representatives and assigns. No change or division in the ownership of the Annual Advance Royalty or the Overriding Production Royalty shall operate to enlarge the obligations or diminish the rights of Assignee under this Assignment, and no transfer or assignment by Assignor shall be binding upon Assignee for any purpose until ten (10) days after Assignee has been furnished with an instrument or a certified copy thereof evidencing the transfer or assignment. No assignment by Assignee shall relieve Assignee of the obligation to make Annual Advance Royalty payments or Overriding Production Royalty payments to Assignor that are due and payable as of the time of assignment.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Assignor and Assignee have executed and acknowledged this Assignment as of the Effective Date.

EF Coal Resources Limited Partnership, a Colorado limited partnership

By: EF Coal Company, a Colorado corporation

Its General Partner

By: *Rich A. Munson*
Rich A. Munson
Executive Vice President

Energy Fuels Corporation

By: *Rich A. Munson*
Rich A. Munson
Executive Vice President

Canyon Fuel Company, L.L.C.

By: *[Signature]*
Its: PRESIDENT

State of Utah)
County of Salt Lake) SS

The foregoing instrument was acknowledged before me by Richard D. Pick as President of Canyon Fuel Company, on this 10th day of August, 2002.

Melissa Wood
NOTARY PUBLIC

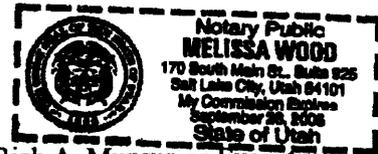
State of Utah)
County of Salt Lake) SS



The foregoing instrument was acknowledged before me by Rich A. Munson as Executive Vice President of EF Coal Company as General Partners of EF Coal Resources Limited Partnership, on this 10th day of August, 2002.

Melissa Wood
NOTARY PUBLIC

State of Utah)
County of Salt Lake) SS



The foregoing instrument was acknowledged before me by Rich A. Munson as Executive Vice President of Energy Fuels Corporation, on this 10th day of August, 2002.

Melissa Wood
NOTARY PUBLIC

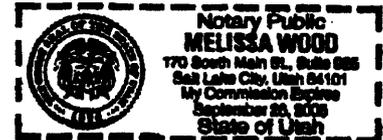


Exhibit "A"
to
Assignment of Coal Lease

LEASE LANDS

Township 12 South, Range 6 East, SLB&M

Section 24: E1/2SE1/4
Section 25: E1/2E1/2
Section 36: N1/2N1/2; S1/2S1/2

Township 12 South, Range 7 East, SLB&M

Section 30: SW1/4
Section 31: NW1/4NW1/4; SE1/4SW1/4

Township 13 South, Range 6 East, SLB&M

Section 1: W1/2
Section 12: NW1/4NW1/4; SW1/4SW1/4

Total Acreage Twelve Hundred (1200) Acres More or Less.

DORSEY & WHITNEY LLP

MINNEAPOLIS
 NEW YORK
 SEATTLE
 DENVER
 WASHINGTON, D.C.
 NORTHEAST VIRGINIA
 DES MOINES
 LONDON
 ANCHORAGE
 SALT LAKE CITY

WELLS FARGO PLAZA
 170 SOUTH MAIN STREET, 9TH FLOOR
 SALT LAKE CITY, UTAH 84101
 TELEPHONE: (801) 933-7360
 FAX: (801) 933-7373
 www.dorseylaw.com

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 TOKYO
 MISSOULA
 VANCOUVER
 SHANGHAI

FAX COVER SHEET

The information contained in this facsimile message, if a client of this firm is a named addressee, or the message is otherwise intended for a client, is presumptively legally privileged and confidential information. If you are not a named addressee, or if there is any reason to believe that you may have received this message in error, (1) do not read the message below; (2) do not distribute or copy this facsimile; and (3) please immediately call us collect at the number of the sender below.

DATE: August 8, 2002 TOTAL # OF PAGES (INCLUDING THIS COVER SHEET): 10

TO: Douglas M. Downing FAX #: (314) 994-2940

FIRM NAME: Arch Coal TELEPHONE #: (314) 994-2954

FROM: William B. Prince FAX #: (801) 933-7373

TELEPHONE #: (801) 933-7370 EMAIL: prince.william@dorseylaw.com

COMMENTS:

Originator's Signature

Original will be sent via: Mail Messenger Air Courier Will not be sent

PLEASE CONTACT MELISSA WOOD AT (801) 933-8913 IF THIS TRANSMISSION IS INCOMPLETE OR CANNOT BE READ.

Reference# 446630-05