

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

**CANYON FUEL FEE COAL LEASE
WINTER QUARTERS CANYON
2008**

**ARK LAND COMPANY
A Subsidiary of Arch Coal Inc.**

JULY 2008

File in:

Confidential

Shelf

Expandable

Refer to Record No. 0061 Date 07/31/2008

In C 0070005 2008. Successing;

For additional information

Confidential

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 Fall of 2008. The type of exploration proposed is wireline core drilling. Two holes will be drilled on fee land belonging to the Allred Family Trust and three holes will be drilled on fee land belonging to the Liodakis family. The holes are located within a fee coal lease belonging to Canyon Fuel Company. This application is formatted to address the specific requirements of R645-201-200. Other related information is given in Appendix A through E. 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 2.5 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 entirely located in Carbon County, Utah. The lease document is included in Appendix D. Map 2 shows the location of the proposed boreholes (A-E08). Drill sites A-08 and B-08 are located on private surface land belonging to the Allred Family Trust while sites C-08 through E-08 are located on private land belonging to the Liodakis family. The surface access and use agreements are included in Appendix C.

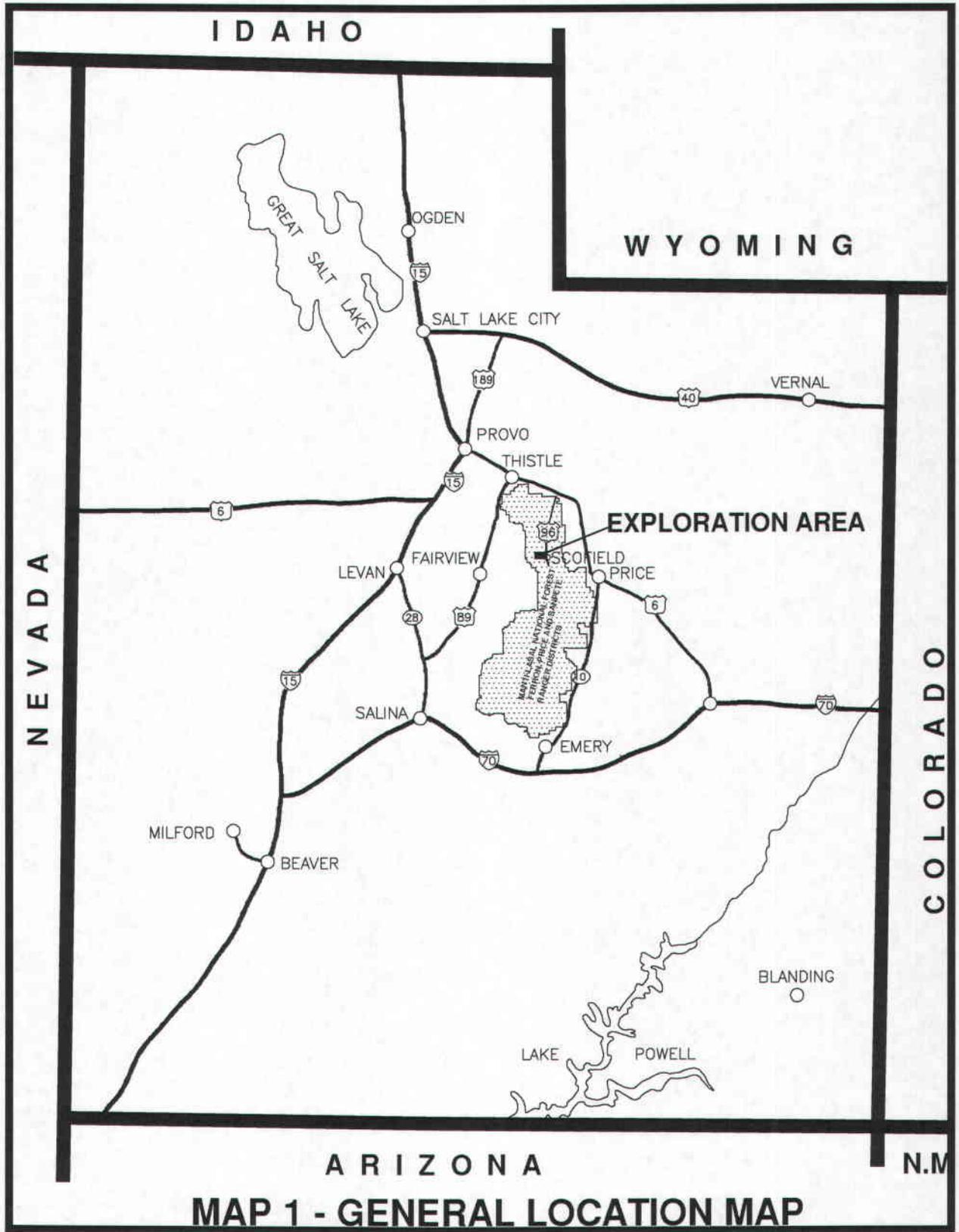
The proposed exploration area is located in Winter Quarters Canyon (Map 2). The area lies within the Wasatch Plateau physiographic province. Winter Quarters Canyon drains eastward into Mud Creek just south of the town of Scofield. Topography in the area is mountainous with narrow east-west trending ridges and deep canyons. Elevation ranges from approximately 8000 ft. to 8800 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.

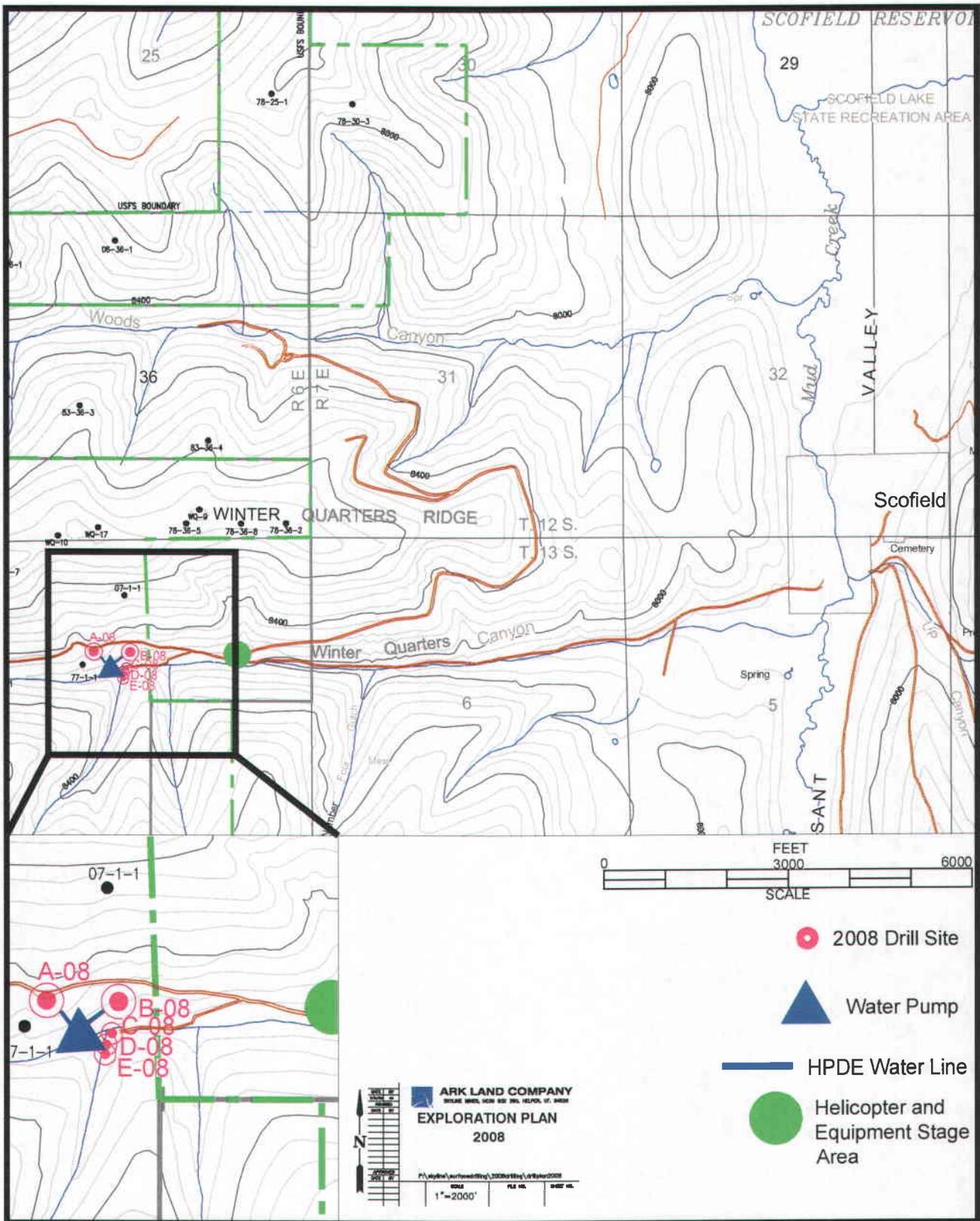
Strata in the area dip uniformly from 2 to 8 degrees west-northwest. Several faults have been identified in the area. A number of igneous dike zones also exist in the exploration area.

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. Winters Canyon Creek supports game fish. The exploration area is important habitat for raptors, elk, mule deer, cougar, bobcat, black bear, and small mammals.



MAP 1 - GENERAL LOCATION MAP



Map 2: Proposed drill location

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. Appendix A (confidential file) contains the 2005 BEBA and Wildlife Resources reports for the area. A recent Northern Goshawk and Elk survey was conducted by Tetra Tech in the area of the proposed drill holes; this is also included in Appendix A. No Mexican Spotted owls are known to occur in the area.

The proposed drill holes will be avoiding the known historic structures located on site 42CB268, which is the Winter Quarters Mine/townsite. Earth Touch, Inc. has completed a cultural resource evaluation on and near the proposed drill sites and is attached in Appendix B (Confidential File).

R645-201-224

A timetable for exploration related activities is given below. It is anticipated that exploration activities will start on approx. Sept. 15, 2008. This timetable may vary somewhat depending on factors such as weather.

EVENT	WEEK 1	WEEK 2	WEEK 3	WEEK 4
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 sites, 2) prepare drill sites as shown on Fig. 1, 3) set temporary water tanks, pumps, and water lines, 4) drill and log holes, and 5) reclaim drill sites and remove waterlines, tanks, and pumps. No road building will occur and no blasting will be done for road building or repair. Access to the drillsite will be accomplished along the existing road in Winter Quarters Canyon and on foot, horseback, or via helicopter.

Drilling will be accomplished utilizing continuous core drilling techniques. Drilling will involve two heliportable core rigs capable of drilling 2000 ft. with necessary support equipment such as rod trays, supply trailers, portable water tanks, fuel tanks, etc. The drilling procedure will be to be to plug drill to core depth or 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. Exploration equipment for the drilling phase will include 2 heli-portable skid-mounted core drilling rigs together with all necessary heli-portable equipment such as drill rod trays, mud tanks, water tanks, water pumps, etc.

Core drilling will involve two skid-mounted 1800 ft rated core drills, one or two 1000 gal. poly water tanks at each drill rig, two water trough-type mudtanks, and 4 to 6 drill rod trays. Other support equipment will include two to three supply trailers parked at the Winter Quarters Canyon staging area, up to 6 pick-up trucks, and a geophysical logging truck. The drilling procedure for the exploration hole will be to plug drill to core depth or continuously core to total depth. One hundred to 200 ft. of surface casing will be set in each hole depending on the hole conditions. Water will be pumped from Winter Quarters Creek to the water tanks at each drill rig. 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.

Water for drilling will be pumped from Winter Quarters Creek into a 1,000 gal. water tank located along the road in Winter Quarters Canyon (Map 2). A Triplex pump or equivalent will be used 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 and included in Appendix E. 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 60 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 roads and 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.

The drill location will be setup approximately as shown on Figure 1. Earth excavation for the drill site 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 mineable thickness.

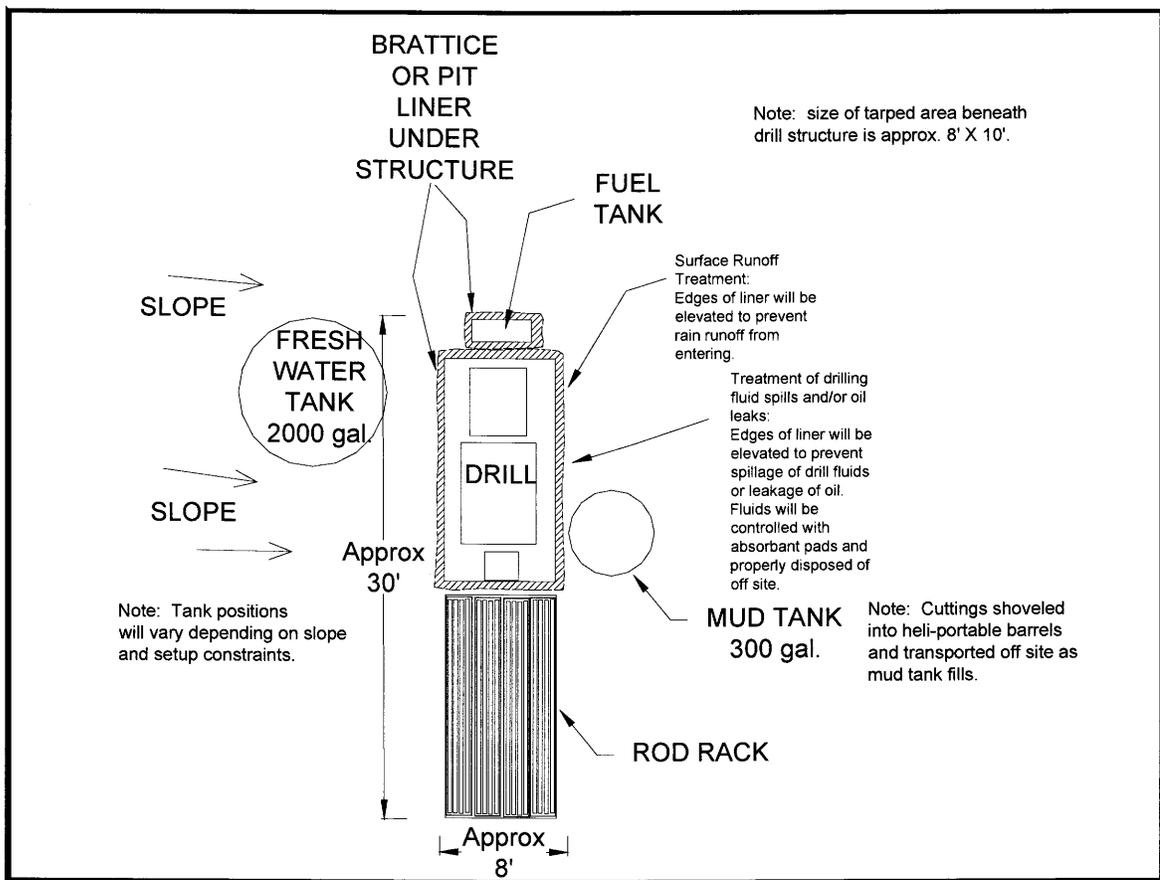


Figure 1. Typical heli-portable drillsite setup.

The method of revegetation is intended to encourage prompt revegetation and recovery of a diverse, effective, and permanent vegetative cover. The following seed mix was prescribed by the U.S. Forest Service for the reclamation of 2007 Winter Quarters/Woods Canyon drill holes and will be also used in 2008 (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 preenne	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, equipment staging area, and water tank/pump location.

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 100 to 200 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 A-08	SE, NW, 1, T13S, R6E	500	0.003
Site B-08	SE, NW, 1, T13S, R6E	450	0.003
Site C-08	SE, NW, 1, T13S, R6E	350	0.003
Site D-08	SE, NW, 1, T13S, R6E	350	0.003
Site E-08	SE, NW, 1, T13S, R6E	450	0.003
TOTAL			0.015 acres

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 (Appendix E). It is projected that approx. 3.9 acre/ft. of water will be utilized during the project.

R645-202-231

A cultural resource survey has been conducted for the area on and near the drill hole sites. A copy of the cultural resource survey is included in 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 to a tank at the staging area. From there it will be hauled to an approved waste water disposal site. 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

Roads utilized as part of this minor coal exploration plan will be maintained in a safe condition, including proper control of fugitive dust to minimize effects to fish, wildlife, and related environmental values.

R645-301-731.100

An approved Temporary Change of Water for water to be used in the drilling process is in place (Appendix E).

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 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.

No mixing of surface and ground waters is possible because all drill sites will be above perennial and ephemeral stream drainages.

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.

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
2008 NORTHERN GOSHAWK/ELK SURVEY

**APPENDIX B
(CONFIDENTIAL FILE)**

**CULTURAL RESOURCE INVENTORY
EARTHTOUCH
(U-08-EP-0642p)**

APPENDIX C

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

**LIODAKIS FAMILY 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: Quinn Downing
Title: Vice Pres.

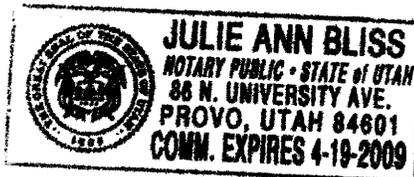
STATE OF UTAH)
COUNTY OF Wasch) SS

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)
COUNTY OF Wasch) SS

The foregoing instrument was acknowledged before me by Thom C. Berman
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)
COUNTY OF ST. LOUIS) SS

The foregoing instrument was acknowledged before me by Douglas D. Dwyer
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

SK-062

AMENDED LEASE AND EASEMENT AGREEMENT

THIS AMENDED LEASE AND EASEMENT AGREEMENT ("Lease") entered into May 1, 2005 ("Effective Date"), by and between LIODAKIS RANCH, LLC, whose address is 2655 Chalet Circle, Cottonwood Heights, Utah 84093 ("Lessor") and ARK LAND COMPANY, a Delaware corporation, whose address is One CityPlace Drive, Suite 300, St. Louis, Missouri 83141 ("Lessee").

Recitals

A. The parties are the successors to the original lessors and lessees under that certain Lease and Easement Agreement dated August 6, 1976, by and between Helen Marakis, Nick Marakis and Koula Marakis, and Kanawha Hocking Coal Company ("Original Lease"), and that certain Lease Agreement dated April 24, 1981, by and between Helen Lumbi, Nick Marakis and Koula Marakis, as trustees for the Nick K Marakis Family Trust Agreement, and Coastal States Energy Company and Getty Mineral Resources Company. ("Top Lease").

B. The parties desire to amend the Top Lease and to replace and substitute the Original Lease and the Top Lease with this Lease.

Agreement

NOW, THEREFORE, for and in consideration of Ten Dollars, the covenants set forth herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Grant.

a. Upon and subject to the terms and conditions hereof, Lessor hereby leases and lets to Lessee for its non-exclusive use and possession (except as otherwise provided in Section 1(b) below) the lands situated in Carbon County, Utah, more fully described on **Exhibit A** attached hereto and by this reference made a part hereof ("Property") reasonably necessary to conduct all exploration, monitoring, sampling, testing, development and coal mining activities, including without limitation, all ancillary activities appurtenant or relating exclusively to the operation of the Skyline Mine, provided, however, that this grant of lease shall not include the right to mine coal deposits leased or owned by Lessor in or under the Property.

b. Notwithstanding Section 1(a), in addition to the general grant of non-exclusive use and possession granted under Section 1(a), upon and subject to the terms and conditions hereof, Lessor hereby leases and lets to Lessee for its exclusive use and possession the following:

(i) those portions of the Property currently used exclusively by the Skyline Mine for existing coal mine operations as of May 1, 2005 on which lands the Skyline Mine maintains operations for the existing coal conveyor belt facilities, coal loadout, rail spurs and other surface mine facilities existing on the Property as of May 1, 2005 (collectively "Existing Uses"), and

(ii) those portions of the Property reasonably necessary for the Skyline Mine's exclusive coal mine operations, and all portions of the Property on which Lessee may expand, as reasonably necessary and reasonably convenient, and up to the minimum amount reasonably necessary for operation of the Skyline Mine, and only the Skyline Mine, including, but not limited to, water tanks, coal test drilling facilities and sites, rail spurs and other operations reasonably necessary for operation of the Skyline Mine, and

(iii) those portions of the Property to accommodate subsidence and undermining so much of the surface and subsurface of the Property as may be necessary, useful, convenient or incidental for conducting Skyline Mine's coal mining activities without being required to leave or provide subjacent or lateral support for the overlying strata or surface and those portions of the Property where the Skyline Mine's operations reasonably require exclusive use for safety or security reasons.

c. Except on the lands described in Sections 1(a) and 1(b) above, Lessor reserves and retains all lands on the Property for Lessor's exclusive use and possession for the development of oil and gas, timber, grazing, hunting and fishing, water, recreation, roads, land, housing and any other use that does not unreasonably interfere with Lessee's operations on the Property.

d. Except for lands described in Sections 1(a) and 1(b) above, the rights granted by Lessor to Lessee are non-exclusive, and Lessor reserves the right to use all access roads and reserves all surface and subsurface uses of the Property and the right to lease, sell or demise the Property, except as limited herein, or grant successive easements on or across the Property on such terms and conditions as Lessor deems necessary or advisable, except that such leases, sales, demises or successive easements shall not unreasonably interfere with or obstruct Lessee's operations or rights of access to the Skyline Mine and its facilities. Lessee agrees to operate on the Property so as not to unreasonably and unnecessarily interfere with the surface estate of the Property retained by Lessor except as reasonably necessary to operate the Skyline Mine.

e. All grants to Lessee hereunder shall be made for the benefit of, and where necessary shall extend to, Canyon Fuel Company, L.L.C., an affiliate of Lessee and the operator of the Skyline Mine.

2. Term. This Lease shall remain in effect for an initial term of five (5) years from the Effective Date ("Initial Term"). Lessee shall have and is hereby granted the right and option, but not the obligation, to automatically extend the Initial Term of this Lease for consecutive extended terms of five (5) years (each, "Extended Term") each upon ninety (90) days written notice to Lessor prior to expiration of the Initial Term or Extended Term, as the case may be, of Lessee's election to extend the Lease for an extended 5-year period and timely and proper payment of Rental as required herein, provided however, that in no event shall this Lease remain in effect for more than thirty (30) years from the Effective Date.

3. Rentals. Lessee agrees to pay and Lessor agrees to accept as an annual rental ("Rental") for the Property during the Initial and Extended Terms of this Lease the following sums:

<u>Years</u>	<u>Annual Rental</u>
Initial Term (years one(1) through five (5))	\$43,500
First Extended Term (years six (6) through ten (10))	\$45,000
Second Extended Term (years eleven (11) through fifteen (15))	\$47,000
Third Extended Term (years sixteen (16) through twenty (20))	\$50,000
Fourth Extended Term (years twenty-one (21) through twenty-five (25))	\$54,000
Fifth Extended Term (years twenty-six (26) through thirty (30))	\$60,000

Payment of Rentals shall be made annually on or before the anniversary date of the Effective Date at the address of Lessor show herein. The first payment for the period of May 1, 2005 to May 1, 2006 shall be made upon execution of this Lease.

4. Taxes and Insurance.

a. Lessee agrees that during the term of this Lease, Lessee shall be responsible to pay all property and ad valorem taxes and special assessments levied against the Property and on any building, facility, structure or appurtenance Lessee may construct on the Property. Lessor shall provide Lessee with a copy of each property tax assessment relating to the Property promptly upon receipt and Lessor shall have thirty (30) days from receipt of the assessment notice to notify Lessor if Lessee elects to challenge the assessment, in which event, Lessee shall assume responsibility for direct payment of the assessed taxes. If Lessee fails to elect to challenge the assessment for any parcel of the Property, then, after termination of the 30-day period, Lessor shall pay each property assessment and shall forward to Lessee evidence of such payment. Lessee shall reimburse Lessor for such payments within fifteen (15) days from receipt of the payment notice.

b. During the term of this Lease, Lessee shall provide, pay for, and maintain in full force and effect the following types and amounts of insurance: (i) Workers' Compensation Insurance, in accordance with the laws of the State of Utah; (ii) Comprehensive General Liability Insurance with limits 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; (iii) Automobile Liability Insurance covered owned, unowned and hired vehicles used by Lessee with limits of not less than \$1,000,000 for bodily injury and property damage claims; and (iv) Excess or Umbrella Liability, inclusive of the identified limits, with limits of not

less than \$5,000,000 Combined Single Limit. Lessor and Lessee waive each of their respective rights of subrogation for any insured losses occurring or arising out of activities on the Property. Lessee shall have Lessor named as an additional insured on any and all liability policies that it has covering operations on the Property and shall provide Lessor with a copy of a certificate of insurance evidencing the required insurance coverage.

5. Access. Lessee is hereby granted the use and occupancy of the Property for access to and ingress and egress for all purposes related to the operation of the Skyline Mine to and from all properties in the general vicinity of the Property in which Lessee holds an interest. Lessee is also granted the use and occupancy of the Property for all purposes related to the establishment of the Easements across the property as more fully described in Section 10. Lessee agrees to allow Lessor reasonable access to any portion of the Property for any reasonable and necessary purpose including, but not limited to, reasonable and convenient access over land that is under Lessee's exclusive control provided such access does not interfere with the Skyline Mine's operations on the Property.

6. Lessee's Covenants. Lessee shall:

a. Pay rent at the times and place and in the manner aforesaid, and if Lessee shall fail to pay rent within five (5) days of when it is due, Lessee shall pay Lessor a penalty of ten percent (10%) of the rent due and interest of eighteen percent (18%) per annum on all outstanding amounts due under the lease commencing on the date such amounts are due until paid.

b. Not use or occupy the Property for any unlawful purposes; and will conform to and obey all present and future laws and ordinances, and all rules, regulations, requirements and orders of all government authorities or agencies, respecting the use and occupation of the Property.

c. Limit and control pollution of air and water consistent with workmanlike mining operations and to conform to and obey all present and future laws and ordinances, and all rules, regulations, requirements and orders of all governmental authorities having jurisdiction over the Property respecting pollution of the air and water.

d. Indemnify, defend and save harmless Lessor from and against any claim, lawsuit, loss, damage and liability occasioned by, growing out of, or arising or resulting from Lessee's use and occupation of the Property, or from any tortious or negligent act on the part of Lessee, its agents or employees.

7. Title and Quiet Enjoyment. Lessor represents and warrants that Lessor has good and marketable title to the Property for which Skyline Mine has been granted exclusive use and has full authority to enter into this Lease. Lessor covenants and warrants that Lessee shall and may peaceably and quietly have, hold, occupy, use and enjoy, and shall have the full, exclusive and unrestricted use and enjoyment of, all of the Property for which Skyline Mine has been granted exclusive use.

8. Further Agreements.

a. Lessee shall not sublease any or all of the Property or interests therein leased hereunder for the purposes of grazing livestock and Lessor hereby reserves the right to use the Property to graze livestock by Lessor at its sole risk. Lessor's use of the Property for grazing purposes shall not interfere with Lessee's use of the Property for the purposes herein described.

b. Any purchaser, assignee, mortgagee, or pledge of the Lessor's interest in the Property or this Lease or the Lessee's interest in this Lease, shall be bound by the terms of this Lease.

c. Any road, structure, building, facility or appurtenance constructed on the Property by Lessee shall be designed in such a manner as to make the most economical use of the land consistent with Lessee's reasonable mining needs and that, without permission from Lessor, no timber will be cut on the Property other than that required in clearing the Property for the uses described herein.

d. Lessee shall construct, operate and maintain its facilities, buildings, structures, and appurtenances on the Property in such manner that normal use thereof minimizes fire hazards and does not cause such erosion of, or depositing of dust upon, the Property as to substantially interfere with the use of the Property for grazing and recreational purposes upon termination of this Lease.

e. Lessor shall deliver possession of said Property to Lessee on or before the Effective Date, free and clear of any use or occupation by Lessor, its successors, heirs or assigns, not permitted hereunder.

f. Upon the failure of either party to comply with its material obligations under this Lease and such failure continues uncured for thirty (30) days after written notice thereof, provided that, except for the failure in the payment of rent and other monies owed by Lessee, if it shall be impracticable or impossible to remedy such failure within such thirty (30) day period, the cure period shall be extended for an additional period reasonably necessary to remedy such failure (provided that such additional period shall not exceed thirty (30) days) subject to the condition that during the additional period, the defaulting party shall be diligently pursuing a remedy for the failure, the non-defaulting party may declare this Lease in default and pursue all available remedies at law or equity, provided, however, that this Lease shall not be terminated for an alleged breach until such breach is determined by a court of competent jurisdiction issuing a final order.

g. At least 30 days prior to the commencement of any expansion of Lessee's operations on the Property Lessee agrees to notify Lessor of such expansion and, upon request of Lessor, to provide all non-confidential information about such expansion. Lessee agrees to consult with Lessor prior to any such expansion and to consider Lessor's concerns and suggestions to limit negative impacts to the Property and its inherent values. Lessee shall obtain Lessor's consent prior to any expansion of the land on which Lessee has exclusive use or prior to any major construction, improvement or relocation of any road, and Lessor shall not unreasonably withhold such consent; however, Lessee need not accommodate Lessor's concerns

or obtain Lessor's consent if Lessee's actions are reasonably necessary for the operations of the Skyline Mine.

9. Multiple Uses. Except for those portions of the Property subject to Lessee's exclusive use, Lessee acknowledges that Lessor may grant to third parties rights to use portions of the Property in a manner that is not inconsistent with the grants made to Lessee under this Lease, including, without limitation, development of oil and gas resources underlying the Property. Lessee shall cooperate with all such uses provided that such uses are consistent with applicable law and conform to Lessee's permits, environmental, health and safety rules and plans and do not unreasonably interfere with rights granted to Lessee under this Lease. Lessor shall only allow and Lessee consents to reasonably necessary oil and gas drilling on the Property pursuant to a valid oil and gas lease from Lessor covering and relating to minerals under the Property if such drilling activity will not unreasonably interfere with operation of, or endanger the health and safety of the employees at, the Skyline Mine.

10. Easements.

a. Upon and subject to the terms and conditions hereof, and without payment of additional consideration, Lessor hereby grants, conveys, transfers and assigns unto Lessee for the consideration herein stated and upon the terms hereinafter set forth, individual easements for construction, location, use, maintenance and operation of the Existing Uses (collectively "Easements"). Lessee shall prepare and provide to Lessor a survey of those portions of the Property specifically identifying the location of the Existing Uses. The parties shall execute a notice of easement for recording in the office of the county recorder substantially in the form of **Exhibit B** attached hereto and evidencing the location and extent of the Easements based on the surveys ("Easement Grants"). This grant of easement shall include the right to construct, relocate, use, maintain and operate any facilities, buildings, structures and appurtenances, including power and communication lines, constituting Existing Uses as may be reasonably necessary and appropriate to conduct mining operations exclusively for the Skyline Mine.

b. The Easements shall survive termination of this Lease so long as the Easements are used in conjunction with operation of the Skyline Mine, not to exceed a period of thirty (30) years from the Effective Date of this Lease, and provided that Lessee remains in compliance with the terms of the Easement Grants and pays annually, on or before May 1 of each year, a fee that shall equal one-half (50%) of the annual Rental amount set forth in Section 3 in effect on the termination date of this Lease ("Easement Fee"). The Easement Fee shall be adjusted annually on May 1 of each year thereafter, to reflect any increase in the Price Index (as defined below). The adjusted Easement Fee shall be determined by multiplying the Easement Fee by a fraction, the numerator of which fraction is the published Price Index immediately preceding May 1 of the then current calendar year, and the denominator of which fraction is the published Price Index on the termination date of this Lease. If the Price Index, as now constituted, compiled and published is revised or ceases to be compiled during the term of the Easements, then the parties shall agree in good faith on some other index serving the same purpose to determine the adjusted Easement Payment. Notwithstanding the foregoing, in no event shall the Easement Payment for any 12-month period beginning May 1 annually during the term of the Easements be less than the Easement Payment effective during the immediately

preceding 12-month period. For purposes of this Section 11(b), "Price Index" shall mean the *Consumer Price Index*.

11. First Right. If at any time during the term of this Lease, Lessor desires to sell all or any portion of the Property to any person or persons other than a member or members of Lessor's immediate family, Lessor shall notify Lessee of the terms then offered and acceptable to Lessor for such sale and Lessee shall have the right for a period of thirty (30) days from receipt of Lessor's notice to purchase the Property on the same terms. If Lessee elects not to purchase the Property subject to the offer, Lessor shall consummate the sale transaction as offered to Lessee. If Lessor fails to sell the Property on the terms offered to Lessee, the right to purchase shall be deemed to be revived as to the Property subject to the offer.

12. Assignment. Lessee shall not assign, transfer, mortgage, pledge, sell or convey this Lease or an Easement to any person without the prior written consent of Lessor, provided, however, that consent shall not be required for an assignment, transfer, mortgage, pledge or sale by Lessee to an affiliate of Lessee, or to a third party who is buying all or substantially all of the assets of Lessee, its affiliate Canyon Fuel Company, LLC, or the Skyline Mine. Lessor may assign, transfer or sell its rights under this Lease or an Easement only in conjunction with the sale of the Property and subject to Lessee's rights hereunder. Changes in the ownership of the Property shall be made by written notice to Lessee with evidence satisfactory to Lessee of such change in ownership.

13. Miscellaneous.

a. In case of default by any party hereto, the necessary costs of enforcement of the terms hereof, including attorneys' fees, shall be assessed against the defaulting party.

b. Nothing herein contained shall be construed to waive, relinquish, or in any manner modify any right or interest of Lessee in the Property existing at the time of execution of this Lease.

c. Lessor shall provide Lessee with such consents, approvals or certificates required by regulatory agencies having jurisdiction over Lessee's mining operations to evidence Lessee's rights under this Lease.

d. All notices provided for herein shall be given to the parties at the following addresses:

Ark Land Company
Attn: President
One CityPlace Drive, Suite 300
St. Louis, MO 63141
Telephone: 800-238-7398
Fax: (314) 994-2940

Liodakis Ranch, LLC
Attn: George Liodakis
2655 Chalet Circle
Cottonwood Heights, Utah 84093
Telephone: (801) 597-6204
Fax: (801) 733-0541

or at such other address or number as shall be designated by either party in a notice to the other party given in accordance with this section. Except as otherwise provided in this Lease, all such communications shall be deemed to have been duly given, (a) in the case of a notice sent by regular mail, on the date actually received by the addressee, (b) in the case of a notice sent by registered or certified mail, on the date receipted for (or refused) on the return receipt, (c) in the case of a notice delivered by hand, when personally delivered, (d) in the case of a notice sent by facsimile or electronic transmission, upon transmission subject to telephone confirmation of receipt, and (e) in the case of a notice sent by overnight mail or overnight courier service, the date delivered at the designated address, in each case given or addressed as aforesaid.

e. This Lease shall inure to the benefit of and be binding upon the heirs, successors, personal representatives and assigns of the parties hereto.

f. This Lease represents the entire agreement between the parties with respect to the Property, supercedes all prior agreements, oral or written, and amends and replaces all provisions of the Top Lease and the Original Lease with the provisions of this Lease. Lessor and Lessee shall have no, and each party expressly releases the other party from any and all, obligations or liabilities arising under or relating to the Original Lease or the Top Lease.

g. This Lease 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.

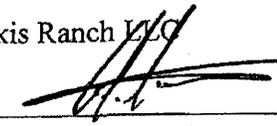
h. This Lease shall be construed in accordance with and governed by the laws of the State of Utah.

i. Lessee may record a memorandum of this Lease in the appropriate county records.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

LESSOR

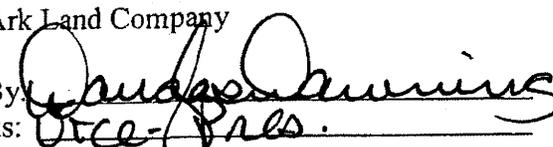
Liதாகის Ranch LLC

By: 

Its: Manager

LESSEE

Ark Land Company

By: 

Its: Vice-Pres.

STATE OF UTAH)
COUNTY OF Salt Lake) : ss.

On the 25 day of October, 2005, personally appeared before me George Liotakis, who being by me duly sworn, did say that he is the Manager of LIODAKIS RANCH LLC, and that the said instrument was signed on behalf of said company and the said Manager duly acknowledged to me that said company executed the same.

Melissa Wood
NOTARY PUBLIC

My Commission Expires:

Residing at:



STATE OF Missouri)
COUNTY OF St. Louis) : ss.

On the 25th day of October, 2005, personally appeared before me Douglas Downing who being by me duly sworn, did say that he is the Vice President ARK LAND COMPANY, and that the said instrument was signed on behalf of said company and the said Vice President duly acknowledged to me that said company executed the same.

Carla A. Veizer
NOTARY PUBLIC
Residing at: St. Louis, Missouri

My Commission Expires:

10/28/2006

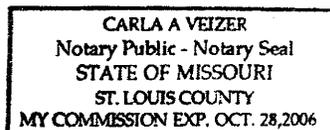


EXHIBIT A
to Amended Lease and Easement Agreement

PROPERTY

All of the Lessor's right, title, interest and estate in and to those certain lands situated in Carbon County, State of Utah, and more particularly described as follows:

Township 13 South, Range 6 East, Salt Lake Base & Meridian

- Section 1: Beginning at the southwest corner of Section 1, thence north to the center line of Winters Quarter Canyon Creek, thence east to the intersection of the center line of Winters Quarter Creek and the east boundary line of Section 1, thence south to the southeast corner of Section 1, thence west to the point of beginning.
- Section 12: All;
- Section 13: NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$;
- Section 24: Beginning at the Northwest corner of SW $\frac{1}{4}$ SE $\frac{1}{2}$ of Section 13, thence East to the Northeast corner of SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 13, thence South to the intersection of Eccles Canyon Creek with the East Township line; thence Westerly along the center lien of Eccles Canyon Creek to the point of beginning.

Township 13 South, Range 7 East, Sale Lake Base & Meridian

- Section 6: SW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, that portion of SW $\frac{1}{4}$ NW $\frac{1}{4}$ south of the centerline of Winter Quarters Creek;
- Section 7: W $\frac{1}{2}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$
- Section 8: E $\frac{1}{2}$ E $\frac{1}{2}$, less and except the following described parcel amount to 2 acres, more or less; Beginning at a point North 237.36 feet from the Southeast corner of the SW $\frac{1}{4}$ SE $\frac{1}{4}$; thence North 204.38 feet; thence South 78°07' East 370 feet, more or less, to the West edge of the present Clear-Creek-Scofield Road; thence South 9° West 200.25 feet along the West edge of road; thence North 78°07' West 338 feet, more or less, to the point of beginning. Also less and except a tract of land for highway known as Project No. 0215, situated in the E $\frac{1}{2}$ SE $\frac{1}{4}$ of said Section 8 and containing 3.09 acres. Subject to an easement over a tract of land 50 feet wide through the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 8, for the purpose of constructing and maintaining thereon a channel change for Clear Creek.
- Section 9: W $\frac{1}{2}$ SW $\frac{1}{4}$, excepting, however, the existing right-of-way of Carbon County Railway Company and the right-of-way of the Utah Power and Light Company, a corporation.

Section 16: $W\frac{1}{2}$, $W\frac{1}{2}E\frac{1}{2}$; subject to an easement over a tract of land containing 0.18 acres in the $NW\frac{1}{4}SW\frac{1}{4}$ for the purpose of constructing and maintaining thereon a channel change for Clear Creek.

Section 17: Beginning at a point where the center line of Eccles Canyon Creek intersects the East boundary line of $SE\frac{1}{4}SW\frac{1}{4}$, thence North to the Northeast corner of $SE\frac{1}{4}SW\frac{1}{4}$, thence West to the Northwest corner of $SW\frac{1}{4}SW\frac{1}{4}$; thence South to a point where the center line of Eccles Canyon Creek intersects the West boundary of $SW\frac{1}{4}SW\frac{1}{4}$; thence Easterly along the center line of Eccles Canyon Creek to beginning. $E\frac{1}{2}NE\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{2}$; Less beginning at a point 985 feet West of the Northeast corner of said Section 17, thence West 335 feet; thence South 1420 feet; thence East 750 to State Road right-of-way; thence North $18^{\circ}35'$ West 110 feet; thence North $31^{\circ}00'$ West 374; thence North $10^{\circ}00'$ West 1020 feet more or less to beginning, containing 16.75 acres. Also, less and excepting a tract of land for highway known as Project No. 0215 situated in the $E\frac{1}{2}NE\frac{1}{4}$ of said Section 17, containing 2.88 acres of land.

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

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

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

Section 18: $NW\frac{1}{4}$, $N\frac{1}{2}SW\frac{1}{4}$; also beginning at the point where the East boundary line of $SE\frac{1}{4}SE\frac{1}{4}$ of Section 18 intersects with the center line of Eccles Canyon Creek and running thence North to the Northeast corner of $SE\frac{1}{4}SE\frac{1}{4}$, thence West to the Northwest corner of the $SW\frac{1}{4}SW\frac{1}{4}$ of said Section 18, thence South to the intersection of the West line of $SW\frac{1}{4}SW\frac{1}{4}$ of Section 18 with the center line of Eccles Canyon Creek; thence Easterly along the center line of Eccles Canyon Creek to the point of beginning.

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

EXHIBIT B
to Amended Lease and Easement Agreement

NOTICE OF EASEMENT

THIS NOTICE OF EASEMENT, dated effective as of May 1, 2005 ("Effective Date"), is by and between LIODAKIS RANCH, LLC , whose address is 2655 Chalet Circle, Cottonwood Heights, Utah 84093 ("Grantor"), and ARK LAND COMPANY, whose address is One CityPlace Drive, Suite 300, St. Louis, MO 63141 ("Grantee").

WHEREAS, the parties hereto have executed an Amended Lease and Easement Agreement ("Lease") providing for the creation of exclusive easements over and across certain of the lands owned by Grantor and covered by the Lease; and

WHEREAS, Grantee has provided Grantor with a description of the lands to be included in said easements as required by the Lease,

NOW, THEREFORE, in consideration of the sum of TEN DOLLARS (\$10.00) paid to Grantor by Grantee, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Grant. Grantor hereby grants, conveys, transfers and assigns unto Grantee, upon and subject to the terms hereinafter set forth, individual easements for construction, location, use, maintenance and operation of facilities used exclusively for coal mining operations at the Skyline Mine as more specifically described on **Schedule I** hereto ("Easements"), over, in, under, across and along the property situated in Carbon County, State of Utah, and more particularly described on **Schedule I** hereto ("Easement Lands"), including, but not limited to, the right to construct, locate, use, maintain and operate any such other and further facilities, buildings, structures and appurtenances as to Grantee may seem necessary to conduct mining operations exclusively for the Skyline Mine. The Easements shall be for the benefit of and shall extend to Canyon Fuel Company, L.L.C, an affiliate of Grantee and the operator of the Skyline Mine.

2. Use of Easements. In conducting operations upon the Easements, Grantee shall observe all covenants set forth in the Lease, provided, however, that, upon termination of the Lease, Grantee shall only be obligated to pay to Grantor the Easement Fee (as described in the Lease).

3. Terms. The Easements shall each have a term concurrent with the term of the Lease, provided, however, that the Easements shall survive termination of the Lease, each for a period not to exceed thirty (30) years from the Effective Date, so long as the Easements are used in conjunction with operation of the Skyline Mine, and provided that Grantee remains in compliance with the terms set forth in the Lease applicable to the Easements and pays annually, on or before the anniversary of the Effective Date, the Easement Payment (set forth in the Lease). The Easements are severable and termination of one Easement shall not automatically terminate all Easements.

4. Warranty of Title. Grantor represents and warrants that Grantor has good and marketable title to the Easement Lands and Grantor covenants and warrants that Grantor shall and may peaceably and quietly have, hold, occupy, use and enjoy, and shall have the full, exclusive and unrestricted use and enjoyment of, all of the Easement Lands.

5. Assignment. Grantee shall not assign, transfer, mortgage, pledge, sell or convey the Easements to any person without the prior written consent of Grantor, provided, however, that consent shall not be required for an assignment, transfer, mortgage, pledge or sale by Grantee to an affiliate of Grantee, or to a third party who is buying all or substantially all of the assets of Grantee, its affiliate Canyon Fuel Company, LLC, or the Skyline Mine. Grantor may assign, transfer or sell its rights under the Easements in conjunction with the sale of the Easement Lands and subject to Lessee's rights hereunder. Changes of ownership of the Easement Lands shall be made by written notice to Lessee with evidence satisfactory to Lessee of such change in ownership.

6. Successors. The Easements shall inure to the benefit of and be binding upon the heirs, successors, personal representatives and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Notice of Easements as of the Effective Date.

GRANTOR

Liodakis Ranch LLC

By: _____

GRANTEE

Ark Land Company

By: _____

STATE OF UTAH)
 : ss.
COUNTY OF _____)

On the ___ day of _____, 2005, personally appeared before me _____, who being by me duly sworn, did say that he is the _____ LIODAKIS RANCH LLC, and that the said instrument was signed on behalf of said limited liability company and the said _____ duly acknowledged to me that said company executed the same.

NOTARY PUBLIC

Residing at: _____

My Commission Expires:

STATE OF _____)
 : ss.
COUNTY OF _____)

On the ___ day of _____, 2005, personally appeared before me _____, who being by me duly sworn, did say that he is the _____ ARK LAND COMPANY, and that the said instrument was signed on behalf of said company and the said _____ duly acknowledged to me that said company executed the same.

NOTARY PUBLIC

Residing at: _____

My Commission Expires:

SCHEDULE I
to Easement and Right of Way

[surveys and land description]

APPENDIX D
CANYON FUEL FEE COAL LEASE

ASSIGNMENT OF COAL LEASE

This ASSIGNMENT OF COAL LEASE ("Assignment"), dated effective as of August ~~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

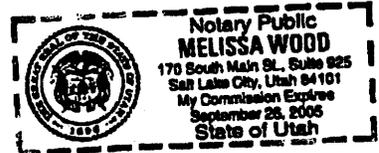
Canyon Fuel Company, L.L.C.

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.

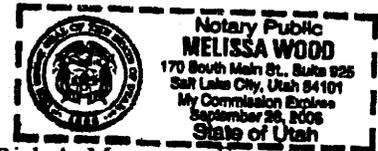
Melissa Wood
NOTARY PUBLIC



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.
 NORTHERN 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
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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

APPENDIX E

TEMPORARY WATER CHANGE
UTAH STATE ENGINEER



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

State of Utah

DEPARTMENT OF NATURAL RESOURCES Division of Water Rights

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

ORDER OF THE STATE ENGINEER **For Temporary Change Application Number 91-483 (t34399)**

Temporary Change Application Number 91-483 (t34399) in the names of Robert Radakovich, and Canyon Fuel Company LLC was filed on May 7, 2008, to change the point of diversion, place of use, and change the nature of use of 3.00 acre-feet (af) of water as evidenced by Water Right Number 91-483. Heretofore, the water has been diverted from a surface source located North 700 feet and West 1400 feet from the E $\frac{1}{4}$ Corner of Section 6, T13S, R7E, SLB&M (Winter Quarters Creek). The water has been used for the irrigation of 26.8 acres from March 1 to November 30, and the stockwatering requirements of 162 head of livestock (in cattle or horses or equivalent species) from May 1 to December 15. The water was used in all or portion(s) of Section 5, T13S, R7E, SLB&M.

Hereafter, it is proposed to divert 3.00 acre-feet of water to points of diversion changed to: (1) Surface - South 2125 feet and East 2132 feet from the NW Corner of Section 1, T13S, R6E, SLB&M (Winter Quarters Creek); (2) Surface - South 2103 feet and West 1288 feet from the NE Corner of Section 1, T13S, R6E, SLB&M (Winter Quarters Creek). The nature of use of the water is being changed to other purposes. The water is to be used for exploratory drilling incidental to coal mining. The place of use of the water is being changed to all or portion(s) of Section 1, T13S, R6E, SLB&M.

Notice of this temporary change application was not published in a newspaper. It is the opinion of the State Engineer that it meets the criteria of Section 73-3-3 of the Utah Code for the approval of temporary change applications.

It is the opinion of the State Engineer that this change application can be approved without adversely affecting existing rights. The applicants are put on notice that diligence must be shown in pursuing the development of this application which can be demonstrated by the completion of the project as proposed in the change application.

It is, therefore, **ORDERED** and Temporary Change Application Number 91-483 (t34399) is hereby **APPROVED** subject to prior rights.

This temporary change application shall expire one year from the date hereof.

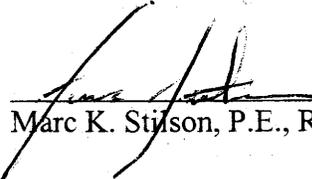
It is the applicants' responsibility to maintain a current address with this office and to update ownership of their water right. Please notify this office immediately of any change of address or for assistance in updating ownership.

The applicants are advised to contact the Stream Alteration Section of the Division of Water Rights to ascertain if a Stream Alteration permit is required for this Temporary Change Application.

Your contact with this office, should you need it, is with the Southeastern Regional Office. The telephone number is 435-613-3750.

This Order is subject to the provisions of Administrative Rule R655-6-17 of the Division of Water Rights and to Sections 63-46b-13 and 73-3-14 of the Utah Code which provide for filing either a Request for Reconsideration with the State Engineer or an appeal with the appropriate District Court. A Request for Reconsideration must be filed with the State Engineer within 20 days of the date of this Order. However, a Request for Reconsideration is not a prerequisite to filing a court appeal. A court appeal must be filed within 30 days after the date of this Order, or if a Request for Reconsideration has been filed, within 30 days after the date the Request for Reconsideration is denied. A Request for Reconsideration is considered denied when no action is taken 20 days after the Request is filed.

Dated this 24 day of May, 2008.



Marc K. Stilson, P.E., Regional Engineer

Mailed a copy of the foregoing Order this 29 day of May, 2008 to:

Robert Radakovich
340 North 600 East
Price, UT 84501

Canyon Fuel Company LLC
c/o Ark Land
One City Place Drive, Suite 300
St. Louis, MO 63141