



C0070005

Incoming

Paul Jensen
Geologist

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#4383

K

July 24, 2013

Daron Haddock
Permit Supervisor
Utah Coal Regulatory Program
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

Re: Intent to Conduct Minor Coal Exploration, Canyon Fuel Fee Coal Lease Woods Canyon, 2013

Dear Daron:

Attached are five copies of an Intent to Conduct Minor Coal Exploration for one exploration borehole (designated F-13) in Woods Canyon just west of the town of Scofield. Also included are the DOGM application forms C-1 and C-2. The type of exploration proposed is heli-portable wireline core drilling which results in very minor surface disturbance with no need for drill site or access road construction.

If possible we would like to initiate drilling as early as August 15, 2013. Sections of the application dealing with wildlife, raptors and cultural history sites are enclosed in separate folders for inclusion in Skyline's confidential files as needed. Also included in the document is the Temporary Water Change approval for use of Skyline Mine water for drilling, the surface landowner agreement, and the fee coal lease documents. I appreciate your consideration of this application.

If you have any questions, please contact me at (435-448-2693).

Sincerely,

Paul Jensen
Geologist
Ark Land Company

Encl.
PHJ:phj

RECEIVED

JUL 25 2013

DIV. OF OIL, GAS & MINING

File in:

- Confidential
- Shelf
- Expandable

See Confidential

Date Folder 07252013 CI C0070015

Incoming.

Ark Land Company
c/o Skyline Mine
HC 35 Box 380
Helper, UT 84526

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: SKYLINE

Permit Number: C/007/005

Title: NOTICE OF INTENT TO CONDUCT MINOR COAL EXPLORATION -- CANYON FUEL FEE COAL LEASE WOODS CANYON, 2013

Description, include reason for application and timing required to implement:

ONE HELICOPTER-SUPPORTED COAL EXPLORATION BOREHOLE TO BE DRILLED LATE SUMMER/FALL, 2013

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ increase decrease.
2. Is the application submitted as a result of a Division Order? DO# _____
3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
4. Does the application include operations in hydrologic basins other than as currently approved?
5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
6. Does the application require or include public notice publication?
7. Does the application require or include ownership, control, right-of-entry, or compliance information?
8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
9. Is the application submitted as a result of a Violation? NOV # _____
10. Is the application submitted as a result of other laws or regulations or policies?
11. Does the application affect the surface landowner or change the post mining land use?
12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
13. Does the application require or include collection and reporting of any baseline information?
14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
15. Does the application require or include soil removal, storage or placement?
16. Does the application require or include vegetation monitoring, removal or revegetation activities?
17. Does the application require or include construction, modification, or removal of surface facilities?
18. Does the application require or include water monitoring, sediment or drainage control measures?
19. Does the application require or include certified designs, maps or calculation?
20. Does the application require or include subsidence control or monitoring?
21. Have reclamation costs for bonding been provided?
22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Wesley K Sorensen
Print Name

Wesley K Sorensen
Sign Name, Position, Date
General Manager 7/18/13

Subscribed and sworn to before me this 18th day of July, 2013

Kathleen Atwood
Notary Public

My commission Expires: 12/02, 2015
Attest: State of Utah } ss:
County of Carbon



RECEIVED

JUL 25 2013

DIV. OF OIL, GAS & MINING

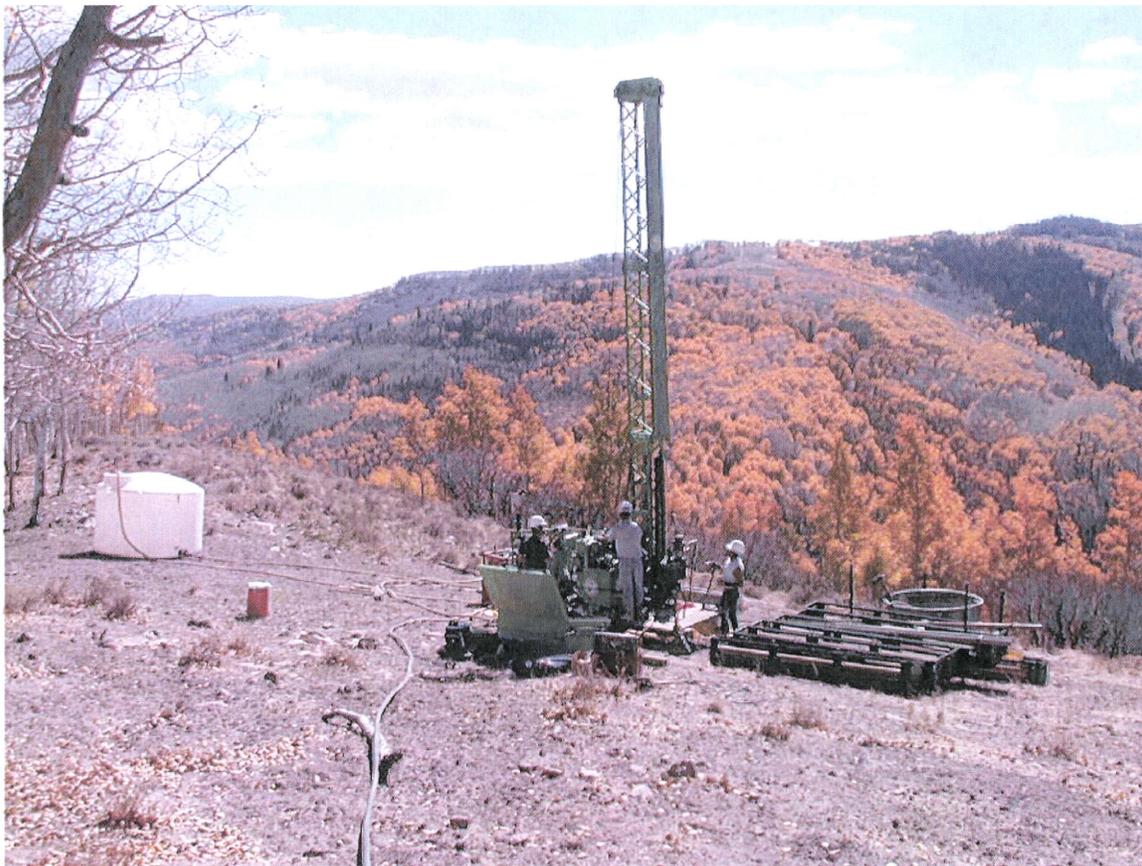
For Office Use Only:

**Assigned Tracking
Number:**

Received by Oil, Gas & Mining

Form DOGM- C1 (Revised March 12, 2002)

NOTICE OF INTENT TO CONDUCT MINOR COAL EXPLORATION



CANYON FUEL FEE COAL LEASE WOODS CANYON 2013

ARK LAND COMPANY
A Subsidiary of Arch Coal Inc.

JULY 2013

INTRODUCTION

Ark Land Company (a subsidiary of Arch Coal Inc.) is submitting this Notice of Intent to Conduct Minor Coal Exploration on behalf of Canyon Fuel Company, LLC – Skyline Mine to the Utah Division of Oil, Gas, and Mining (UDOGM) in order to obtain approval to conduct coal exploration and reclamation activities in the Summer/Fall of 2013. The type of exploration proposed is wireline core drilling. One hole will be drilled on fee land belonging to the Allred Family Trust. The hole is located within a county fee coal lease belonging to Carbon County, Utah. This exploration work is being conducted in conjunction with a Federal on-lease exploration plan under review by the Bureau of Land Management. 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 435-448-2693

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

Paul Jensen
Ark Land Company
C/o Skyline Mine
HC 35 Box 380
Helper, Utah 84526 435-448-2693

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:

Paul Jensen
Ark Land Company
C/o Skyline Mine
HC 35 Box 380
Helper, Utah 84526 435-448-2693

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 descriptions of the Canyon Fuel Company fee coal lease and coal ownership are as follows:

Carbon County Fee

T. 12 S., R 6 E., Salt Lake Base and Meridian
Sec. 24, E1/2, SE1/4
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; SE1/4,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

And

Ark Land/Arch Coal ownership

T. 12 S., R 6 E., Salt Lake Base and Meridian
Sec 36, S/2, N/2; N/2, S/2

The county lease and Ark Land ownership are entirely located in Carbon County, Utah. The lease documents are included in Appendix D. Map 2 shows the location of the proposed borehole. The proposed drill site is located on private surface land belonging to the Allred Family Trust. The surface access and use agreement is included in Appendix C.

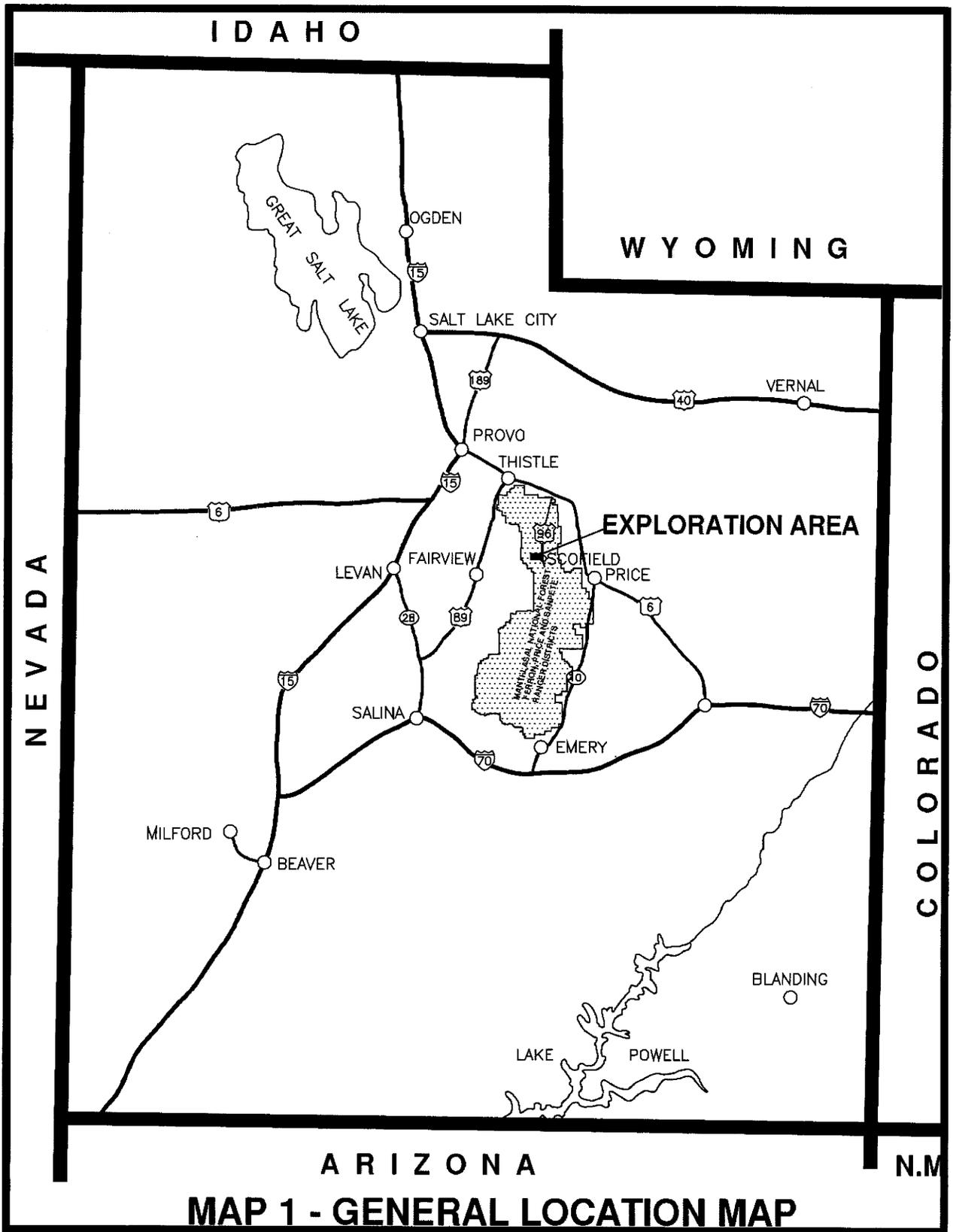
The proposed exploration area is located in Woods Canyon (Map 2). The area lies within the Wasatch Plateau physiographic province. Woods Canyon drains eastward into Mud Creek just north of the town of Scofield. Topography in the area is mountainous with narrow east-west trending ridges and deep canyons. Elevation ranges from approximately 8000 ft. to 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 Fur/Spruce plant communities. Woods Canyon Creek supports game fish. The exploration area is important habitat for raptors, elk, mule deer, cougar, bobcat, black bear, and small mammals.



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. Additional biological surveys were completed in the area in 2006 and 2008, and copies are included in Appendix A. A recent site specific biological 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.

Tetra Tech has completed a cultural resource evaluation on and near the proposed drill site which is attached in Appendix B (Confidential File). Tetra Tech has completed site specific biological surveys of the sites (Appendix A Confidential File).

R645-201-224

A timetable for exploration related activities is given below. It is anticipated that exploration activities will start on approx. August 1, 2013. This timetable may vary somewhat depending on factors such as weather.

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

R645-201-225

The general method to be followed during drillhole 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 from Winter Quarters Canyon to Woods Canyon and on foot, horseback, or via helicopter.

Drilling will be accomplished utilizing continuous core drilling techniques. Drilling will involve one heliportable core rig 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 up to three 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 one skid-mounted 1800 ft rated core drill, 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 Granger Ridge 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 the hole, depending on the hole conditions. Water will be pumped from an 18,000 gal. water tank located along the Granger Ridge road, inside USFS boundaries, to the water tanks at the 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 (Map 2). 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 transported from the Skyline Minesite hydrant via 1,500 gal. water trucks and emptied into a 18,000 gal. water tank located inside USFS boundaries, along the Granger Ridge road (Map 2). A Triplex pump or equivalent will be used for pumping water to the drill sites if necessary. The portable pumps will be underlain by pitliner or brattice. Water will be pumped via 1.5 and 2 inch HDPE waterlines. 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.

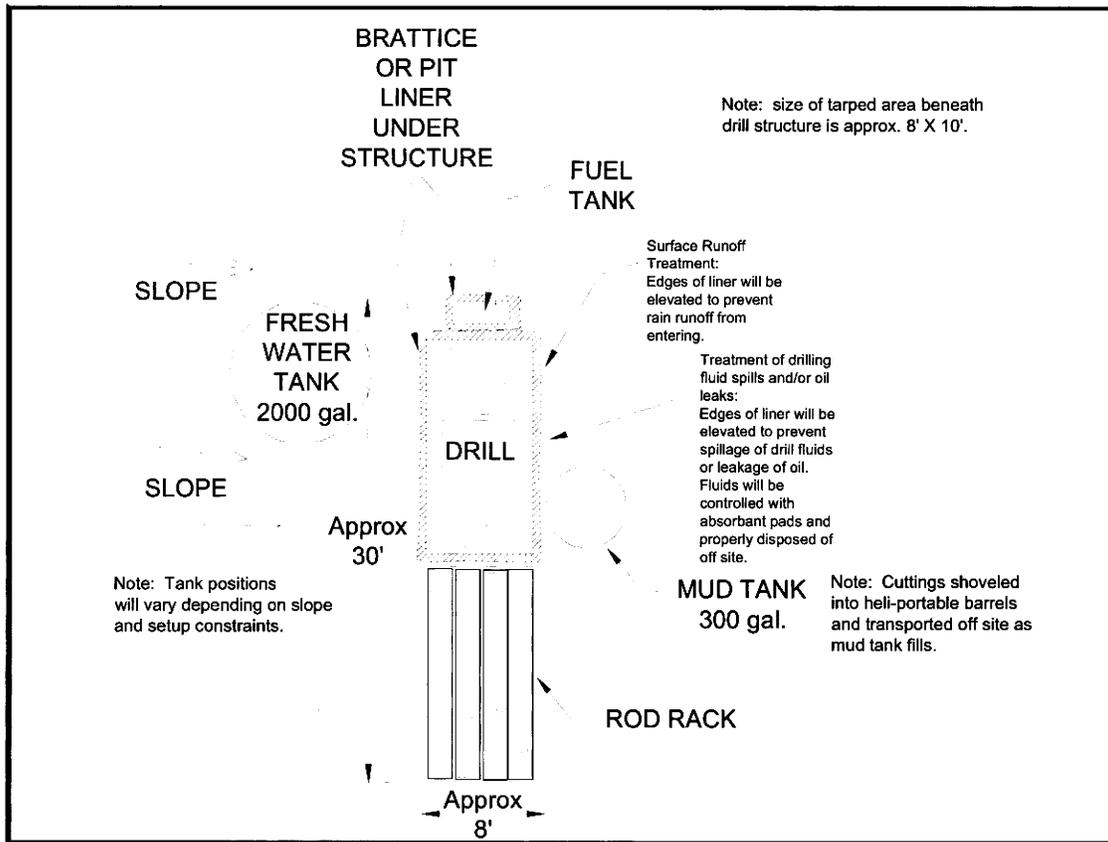


Figure 1. Typical heli-portable drillsite setup.

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 2012 Woods Canyon area drill holes and will be also used in 2013 (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
Yellow Sweet Clover	Melilotus officinalis	1
Blue Leaf Aster	Aster glaucodes	0.25
Silvery Lupine	Lupinus argenteus	1
True Mahogany	Cercocarpus montanus	1
Lewis Flax	Linum lewisii	0.5
Small Burnet	Sanguisorbia minor	1
TOTAL		9.75

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 sites, equipment/helicopter staging area, and water tank/pump. Excluding the drill sites, all other staging areas are located on USFS lands. A BLM Exploration Plan has been approved, allowing for the indicated use of the USFS lands at the proposed locations.

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 F-13	NW, NE, 36, T12S, R6E	700	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. 0.3 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 drillhole site. 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 (Appendix A, confidential). Tetra Tech conducted a site specific biological survey on the proposed drill site (Appendix A). 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.

Fresh water pumped to the drillsite to be utilized for the drilling process will be allowed to run off the site over topsoil as long as it contains no drilling additives. This is necessary to allow cooling of the engine during rod tripping or when water tanks

overflow at the drillsite. Measures will be taken to disperse the water flow over the topsoil such that no erosion occurs.

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

2012 BIOLOGICAL SURVEYS

2013 BIOLOGICAL SURVEYS

**APPENDIX B
(CONFIDENTIAL FILE)**

CULTURAL RESOURCE INVENTORY

EARTHTOUCH

(U-06-EP-1077p)

(U-08-EP-0642p)

(U-11-YN-0596p)

(U-12-EP-0417p)

(U-13-EZ-0009f)

(U-13-CU-0553p)

APPENDIX C

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

SURFACE ACCESS AND USE AGREEMENT

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

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

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

Section 1: North of Winter Quarters Creek.

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

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

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

Section 25: E/2 E/2;

Section 26: SE/4;

Section 35: E/2;

Section 36: All.

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

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

Section 31: SW/4, NW/4, SW/4SE/4, NW/4NE/4.

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

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

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

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

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

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

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

2. Conditions to Use of the Lands.

a. Ark shall ensure that its employees, agents, representatives, invitees, licensees, contractors and subcontractors ("Ark Parties") who enter onto the Lands shall comply with Ark's obligations under the terms of this Surface Agreement. Ark shall be liable for any and all breaches of the terms of this Surface Agreement by Ark Parties.

b. Motor vehicles shall be operated only on existing roads, unless Owner gives prior written consent to use of motor vehicles off the existing roads. If motor vehicles are approved for operation off the existing roads, Ark shall promptly revegetate and reclaim any disturbed areas to Owner's satisfaction. While being utilized by Ark, existing roads shall be maintained and left in good condition. Ark shall not be responsible for road maintenance during periods when it is not actively utilizing roads

c. Ark shall insure that the speed of all vehicles shall be kept to a reasonable rate and shall insure reasonable precautions to avoid any damage, other than normal wear and tear to gates, bridges, roads, culverts, cattle guards, fences, or other structures. Ark and Ark Parties shall keep gates closed. Ark shall be responsible at its sole cost and expense for immediately repairing or replacing any fence, gate, bridge, road, culvert, cattle guard, fence, or other structure damaged by Ark or Ark's Parties.

d. Ark shall not improve or upgrade the existing roads without Owner's prior written approval. If Ark proposes to upgrade the existing roads with Owner's written approval, improvements shall be built, at Ark's sole cost, to customary and acceptable standards and in accordance with sound engineering practices for grade and drainage control using culverts and/or

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

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

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

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

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

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

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

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

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

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

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

5. Term

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

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

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

6. Consideration

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

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

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

7. Damage to Property.

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

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

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

9. Insurance.

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

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

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

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

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

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

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

10. Default.

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

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

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

11. Miscellaneous.

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

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

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

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

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

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

c. Successors and Assigns. This Surface Agreement shall inure to the benefit of and shall be binding upon Owner, Ark, and their respective successors, heirs and assigns.

d. Amendments. Any amendment or modification of this Surface Agreement shall be valid and binding only if such amendment or modification is in writing and is signed by the parties to this Surface Agreement.

e. Entire Agreement. This Surface Agreement constitutes the entire agreement of Owner and Ark with respect to the subject matter hereof and supersedes any and all prior or contemporaneous negotiations, agreements, representations and understandings of Owner and Ark. At the request of either Party, the Parties shall take such reasonable actions, and execute and deliver any further instruments, agreements, documents or other papers reasonably requested by either Party to effect the purposes of this Surface Agreement and the transactions contemplated hereby, in addition, without limitation, joinder to this Surface Agreement by other parties with ownership rights to the Lands.

f. Counterparts. This Surface Agreement may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one original.

g. Recordation. This parties shall execute and record a memorandum of this Surface Agreement in the public records in Carbon County, Utah.

h. Governing Law. This Surface Agreement shall be construed in accordance with and governed by the laws of the State of Utah.

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

Allred Family Trust

By: Phillip B. Allred
Title: Trustee

By: Tracy C. Bennett
Title: Trustee

Ark Land Company

By: Richard Manning
Title: Vice Pres.

STATE OF UTAH)
COUNTY OF Was) SS

The foregoing instrument was acknowledged before me by Philip 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 Was) SS

The foregoing instrument was acknowledged before me by Thomas C. Brunion
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

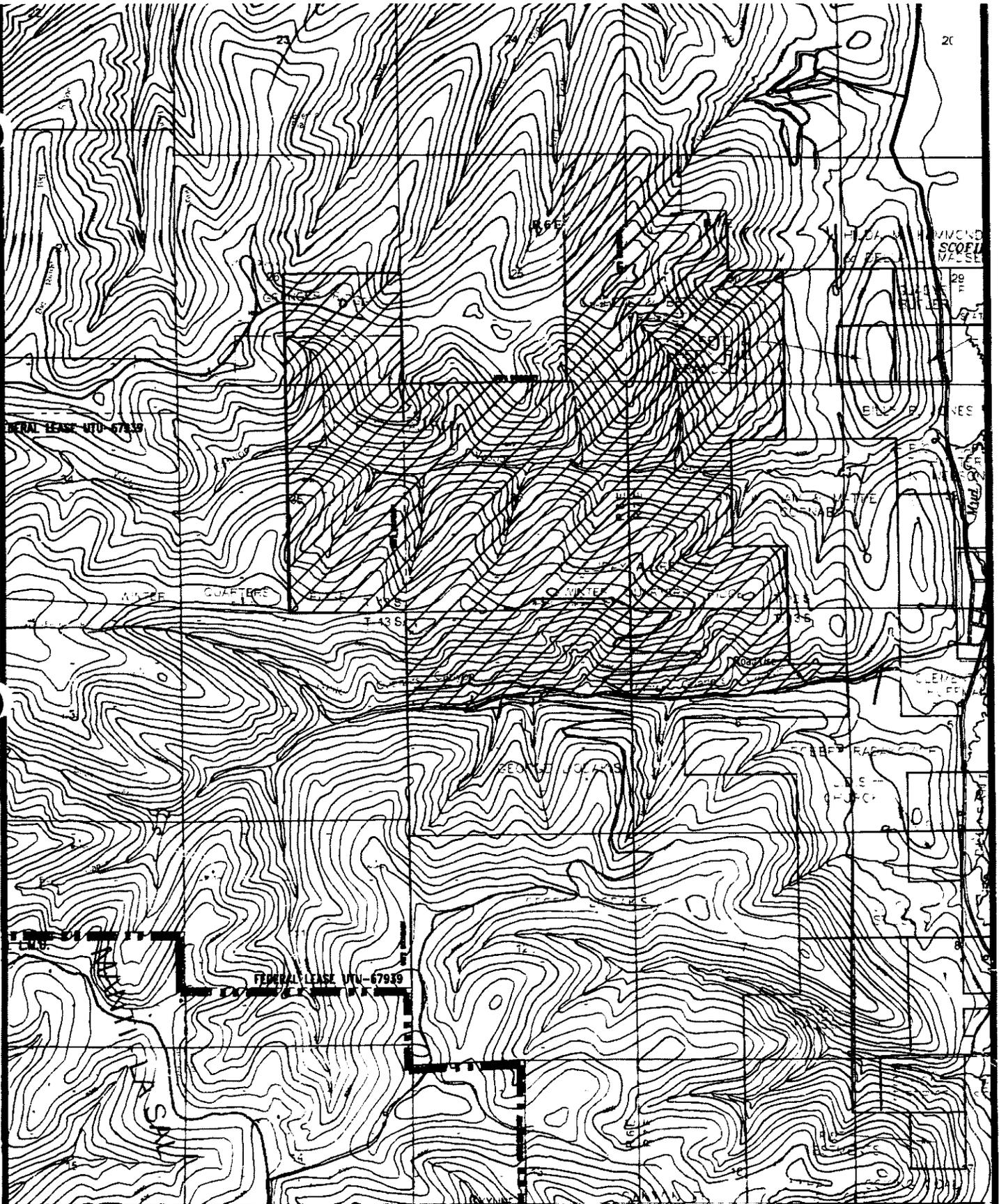
The foregoing instrument was acknowledged before me by Douglas J. Jorgensen
as Vice President of Ark Land Company on this 10th day of September, 2005.

Witness my hand and official seal.
MARY C HAMILTON
St Louis City
My Commission Expires
September 14, 2007



Mary C. Hamilton
Notary Public

My Commission Expires: September 14, 2007



Area Covered by Surface
Access Agreement

EXHIBIT A



ARK LAND COMPANY

1988-1989, 1990-1991, 1992-1993, 1994-1995, 1996-1997, 1998-1999, 2000-2001, 2002-2003, 2004-2005, 2006-2007, 2008-2009, 2010-2011, 2012-2013, 2014-2015, 2016-2017, 2018-2019, 2020-2021, 2022-2023, 2024-2025

**SURFACE ACCESS AND USE
AGREEMENT AREA**

1"=3000'

APPENDIX D

CANYON FUEL FEE COAL LEASE

Ark Land Company

Action by Unanimous Written Consent
Of the Board of Directors

The undersigned, being all the members of the Board of Directors of Ark Land Company, a Delaware corporation (the "Corporation"), hereby consent to the following resolutions as an action of the Board of Directors of the Corporation pursuant to Section 141(f) of the General Corporation Law of the State of Delaware:

WHEREAS, the undersigned deem it advisable and in the best interests of the Corporation and its stockholder to enter into a purchase agreement with Peabody Natural Resources Company ("Peabody") to purchase land that will facilitate the ongoing mining operations of Canyon Fuel Company, LLC's Skyline Mine by adding reserves in the northern portion of the mine, and;

NOW, THEREFORE, BE IT

RESOLVED, that the Corporation be, and it hereby is, authorized to enter into a purchase agreement with Peabody to purchase approximately 800 acres of land, more or less, and as more fully described in Exhibit A attached hereto, in Carbon County, Utah (the "Agreement") for a purchase price not to exceed \$2,100,000;

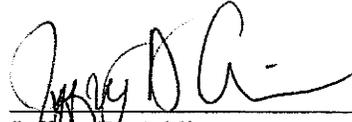
RESOLVED FURTHER, that the President, any Vice President, the Secretary or Assistant Secretary, the Treasurer or Assistant Treasurer or such other officer of the Corporation as the President may designate (collectively, the "Authorized Officers") be, and each of them hereby is, authorized, empowered and directed to take any and all actions necessary or desirable to effectuate the exercise of the Agreement, and to execute, deliver and perform such certificates, instruments, agreements and documents as may be necessary or desirable in connection therewith, the taking by such Authorized Officer of any such action and the execution, certification or delivery by such Authorized Officer of any such certificates, instruments, agreements or documents shall conclusively establish his or her determination of such necessity or desirability and shall conclusively establish his or her authority therefore from the Corporation and the approval and ratification of the undersigned on the terms and conditions of the action so taken or the documents so executed;

RESOLVED FURTHER, that the Authorized Officers be, and each of them hereby is, authorized to execute all such further instruments and documents and to take all such further actions as they may deem necessary or appropriate in order to carry out the intent of the above resolutions and to effect the actions contemplated thereby; and

RESOLVED FURTHER, that all actions taken heretofore by the Authorized Officers, representatives, agents or attorneys of the Corporation, on behalf of the Corporation, in furtherance of the foregoing resolutions be, and they hereby are, approved, ratified, confirmed and adopted in all respects.

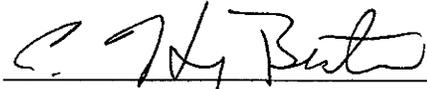
This unanimous written consent may be executed in one or more counterparts, all of which, when taken together, shall constitute one and the same instrument.

The foregoing resolutions are hereby approved as an action taken by the Board of Directors of the Company, without formal meeting effective as of the last date written below.



Jeffrey B. Addison

Date: 11-18-2010



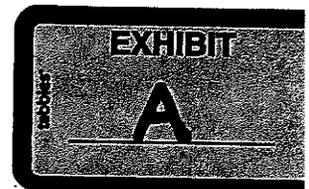
C. Henry Besten, Jr.

Date: 11-18-2010



David B. Peugh

Date: 11-18-2010



1. Any and all right, title and interest, less and except that reserved to Grantor herein, owned, controlled or held by Grantor or any of the Santa Fe Entities in and to the following:

- a) any and all of the coal, including the right to prospect for, mine and remove such coal;
- b) any and all of the right to enter and use the surface for coal mining purposes, including, without limitation, the removal of coal by surface mining methods; and
- c) any and all other rights, privileges, hereditaments and appurtenances incident thereto,

as of September 1, 1992, together with any and all right, title and interest owned, controlled or held by Grantor or any of the Santa Fe Entities as of the Effective Date hereof, in and to the following real property:

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

Description	Section
• Lot 3 (NW/4 SW/4) and • Lot 4 (SW/4 SW/4); SE/4 SW/4	19
• SE/4 NW/4	30
• SW/4 NE/4; W/2 SE/4	30
• SW/4 SE/4; NE/4 NW/4; S/2 NW/4	31
• NW/4 NE/4	31

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

Description	Section
• S/2 N/2; N/2 S/2	36

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

Description	Section
• Lot 2 (NW/4 NE/4)	6

2. An undivided 1/2 interest in any and all right, title and interest owned, controlled or held by Grantor or any of the Santa Fe Entities in and to the mineral estate, including, without limitation, the following:

- a) any and all of the minerals, including, without limitation; gold, coal, silver, precious metals, base metals, oil and gas, and, to the extent considered minerals under applicable law, sand, gravel, stone and geothermal steam, and rights appurtenant thereto;

- b) any and all right, title and interest in and to (and all rights to use) the surface estate;
- c) any and all easements, licenses, privileges, uses and rights of way;
- d) any and all buildings, improvements, structures, fixtures and facilities located in, on or under, affixed to or erected upon any of the Real Property; and
- e) any and all water, water rights, and applications for water rights;

as of September 1, 1992, together with an undivided 1/2 interest in any and all right, title and interest owned, controlled or held by Grantor or any of the Santa Fe Entities as of the Effective Date hereof, in and to the Real Property described below; and

a full interest in any and all right, title and interest owned, controlled or held by Grantor or any of the Santa Fe Entities in and to the surface estate, including, without limitation, the following:

- a) any and all rights to use the surface estate;
- b) any and all easements, licenses, privileges, uses and rights of way;
- c) any and all buildings, improvements, structures, fixtures and facilities located in, on or under, affixed to or erected upon any of the Real Property; and
- d) any and all water, water rights, and applications for water rights,

as of September 1, 1992, together with any and all right, title and interest owned, controlled or held by Grantor or any of the Santa Fe Entities as of the Effective Date hereof, in and to the Real Property described below:

Real Property:

* A parcel of land lying in the East 1/2 of Section 32, Township 12 South, Range 7 East, S.L.B. & M., Carbon County, Utah, more particularly described as follows:

Beginning at a point which lies North, a distance of 1320.00 feet from the S.E. Corner of Sec. 32, T12S, R7E; thence, S89° 59' 00" W, a distance of 920.00 feet, more or less, to the intersection of the East Right-of-Way boundary of the State Road 96; thence, in a Northerly direction along said East highway R.O.W. boundary, a distance 270.00 feet; thence, in a Northeasterly direction along said highway boundary, a distance of 317.10 feet; thence, N 45° 32' 00" E, along said highway boundary, a distance of 465.40 feet; thence, in a Northeasterly direction along said highway boundary a distance of 733.00 feet, more or less, to the intersection of said highway boundary, and the East boundary of said Sec. 32; thence, South, a distance of 1475.00 feet, more or less, to the Point of Beginning. Containing 16.33 acres, more or less;

Excepting a parcel more particularly described as follows:

Commencing at the Southeast quarter of said Northeast quarter of the Southeast quarter of said Section 32, running thence North along the Section line 330 feet, more or less, to a point 50 feet North of the railway track of the Union Pacific Railway running across said land; thence, in a Southwesterly direction parallel with and 50 feet distance from center line of said track, 412.5 feet, more or less,

to the South line of said Northeast quarter of Southeast quarter. Thence, East 132 feet, more or less, to the point of beginning. Containing 1 acre, more or less;

Total net acreage of conveyed parcel is 15.33 acres, more or less.

Exceptions:

Less and except any and all right, title and interest, if any, acquired by The Atchison, Topeka and Santa Fe Railway Company and the Star Lake Railroad Company prior to January 1, 1991, in and to the above described real property; provided, however, that this exception shall not constitute notice to Grantee of any such right, title or interest of The Atchison, Topeka and Santa Fe Railway Company or the Star Lake Railroad Company that is not a matter of public record on the date hereof in the real property records of the county where the above described real property is located.

FIREPROOF
FILE

Ent 808766 Bk 738 Pg 306
Date: 20-DEC-2010 10:31:46AM
Fee: \$34.00 Charge
Filed By: VB
VIKKI BARNETT, Recorder
CARBON COUNTY CORPORATION
For: SOUTH EASTERN UTAH TITLE CO

SPECIAL WARRANTY DEED

SK-071

THIS SPECIAL WARRANTY DEED ("Deed"), dated effective as of the 20th day of December, 2010, is by and between **Peabody Natural Resources Company** (formerly known as Hanson Natural Resources Company), a Delaware general partnership between New Mexico Coal Resources, LLC and Peabody America, Inc., with principal offices at 701 Market Street, Suite 718, St. Louis, Missouri 63101 ("Grantor"), and **Ark Land Company**, a Delaware corporation with an office at 1 CityPlace, Suite 300, St. Louis, MO 63141 ("Grantee").

WITNESSETH, That Grantor, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, by these presents does CONVEY and SPECIALLY WARRANT unto Grantee, its successors and assigns, all of Grantor's right, title and interest in and to the property located in Carbon County, Utah and described on **Schedule I** attached hereto (the "Property");

TOGETHER with all and singular, hereditaments and appurtenances thereto belonging, or in any appertaining, all rights of ingress and egress, all rights by virtue of mineral reservations and mineral severance language, all water rights, rights-of-way and easements appurtenant thereunto, now or hereafter used or enjoyed with said Property, or any part thereof, and all right, title, interest, claim and demand whatsoever of Grantor, either in law or equity, of, in and to the Property;

PROVIDED, Grantor specially warrants and will defend title to the coal located in, on or under the Property against all persons or entities claiming any interest in the same by, through or under Grantor but not otherwise; and

RESERVING unto Grantor a production royalty of five percent (5%) of Gross Proceeds for all coal mined, removed and sold from that portion of the Property defined on **Schedule I** as "Royalty Lands" to be calculated and paid as follows:

"Gross Proceeds" shall have the same meaning as the term gross proceeds is defined in 30 C.F.R., Part 206, Subpart F, with respect to Federal coal leases and the calculation of the value of the royalty shall be determined under the provisions of such subpart applicable to Federal ad valorem coal leases, including amendments thereto and administrative and judicial interpretation thereof which shall include, without limitation, any deductions, adjustment or allowances now existing or hereafter permitted in calculating royalty due under Federal coal leases.

The royalty due and payable for coal mined, removed and sold from the Royalty Lands during any calendar month shall be paid on or before the last day of the next succeeding calendar month. Delinquent payments shall bear interest from their due date at a per annum rate which is one percent (1%) above the prime interest rate as quoted in the Wall Street Journal on the first day of the month in which payment is due.

Grantee shall keep a true and correct records of all coal mined, removed and sold from the Royalty Lands and shall maintain accurate and complete accounting records in support of all royalty payments with respect to coal production from the Royalty Lands in accordance with the standards for calculating Federal royalty as set out in 30 C.F.R., Part 206, Subpart F and generally recognized accounting principles.

On or before the last day of each calendar month following a month during which Grantee produces coal from the Royalty Lands, Grantee shall furnish Grantor a true and

correct statement showing the tons of coal actually mined, removed, and sold during the preceding calendar month from the Royalty Lands.

All royalty payments shall be considered final and in full satisfaction of all obligations of Grantee with respect thereto unless Grantor gives Grantee written notice describing and setting forth a specific objection to the calculation thereof within sixty (60) days after receipt by Grantor of the challenged royalty payment and applicable monthly statement. If Grantor objects to a particular royalty payment and monthly statement as herein provided, Grantor shall, for a period of sixty (60) days after Grantee's receipt of notice of such objection, have the right to have Grantee's accounts and records relating to calculation of the monthly statement and applicable royalty payment in question audited by an independent accounting firm acceptable to Grantee and Grantor. Grantee shall account for any deficits or excess in the payment made to Grantor pursuant to the monthly statement(s) in question which may be confirmed by such an audit by adjusting the next monthly royalty payment following completion of such audit to account for such deficits or excess. If the variation between the amount of a particular royalty payment made to Grantor hereunder as calculated by the audit provided for herein exceeds Five Percent (5%), Grantee shall pay all costs of such audit. If such variation is Five Percent (5%) or less, Grantor shall pay all costs of such audit. The audit rights provided hereunder shall be Grantor's sole and exclusive remedy regarding payment of the royalty and the conclusions of the independent accounting firm shall be binding on the parties.

Nothing herein shall limit, restrict or prohibit free alienation of the Property including the Royalty Lands. The royalty shall not constitute a personal obligation of Grantee but shall burden and run with the Royalty Lands

This Deed may be executed in counterparts. Each executed counterpart shall be deemed to be an original and all such counterparts when read together constitute one and the same instrument.

TO HAVE AND TO HOLD, unto Grantee, its successors and assigns forever.

IN WITNESS WHEREOF, Grantor and Grantee have hereunder executed this Special Warranty Deed effective the day and year first above written.

GRANTOR:

Peabody Natural Resources Company, a Delaware general partnership between New Mexico Coal Resources, LLC and Peabody America, Inc.

New Mexico Coal Resources, LLC

By: _____
Its: _____

Peabody America, Inc.

By: _____
Its: _____

GRANTEE:

Ark Land Company

By: *David J. Finney*
Its: *President*

STATE OF _____)
) SS
COUNTY OF _____)

On this ___ day of December, 2010, personally appeared before me _____, the _____ of New Mexico Coal Resources, LLC, on behalf of Peabody Natural Resources Company, a Delaware general partnership between New Mexico Coal Resources, LLC and Peabody America, Inc., and signer of the above Special Warranty Deed, who duly acknowledged to me that he executed the same on behalf of the company.

WITNESS my hand and official seal.

Notary Public

My commission expires: _____

STATE OF _____)
) SS
COUNTY OF _____)

On this ___ day of December, 2010, personally appeared before me _____, the _____ of Peabody America, Inc., on behalf of Peabody Natural Resources Company, a Delaware general partnership between New Mexico Coal Resources, LLC and Peabody America, Inc., and signer of the above Special Warranty Deed, who duly acknowledged to me that he executed the same on behalf of the company.

WITNESS my hand and official seal.

Notary Public

My commission expires: _____

STATE OF Missouri)
) SS
COUNTY OF St. Louis)

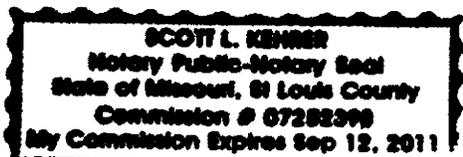
On this 16th day of December, 2010, personally appeared before me David J. Finnerty, the President of Ark Land Company, a Delaware corporation, and signer of the above Special Warranty Deed, who duly acknowledged to me that he executed the same on behalf of the company.

WITNESS my hand and official seal.

Scott L. Kenner

Notary Public

My commission expires: 9-12-2011

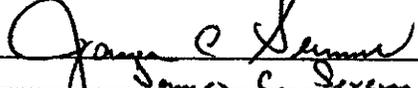


IN WITNESS WHEREOF, Grantor and Grantee have hereunder executed this Special Warranty Deed effective the day and year first above written.

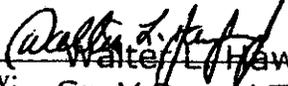
GRANTOR:

Peabody Natural Resources Company, a Delaware general partnership between New Mexico Coal Resources, LLC and Peabody America, Inc.

New Mexico Coal Resources, LLC


By: James C. Severin
Its: Vice President

Peabody America, Inc.


By: Walter L. Hawkins, Jr.
Its: Sr. V.P. and Treasurer

GRANTEE:

Ark Land Company

By: _____
Its: _____

STATE OF Missouri)
CITY) SS
COUNTY OF ST. LOUIS)

On this 16 day of December, 2010, personally appeared before me JAMES C. SEVEN the VICE PRESIDENT of New Mexico Coal Resources, LLC, on behalf of Peabody Natural Resources Company, a Delaware general partnership between New Mexico Coal Resources, LLC and Peabody America, Inc., and signer of the above Special Warranty Deed, who duly acknowledged to me that he executed the same on behalf of the company.

WITNESS my hand and official seal.

Suzanne R. Carich
Notary Public

"NOTARY SEAL"
Suzanne R. Carich, Notary Public
St. Louis City, State of Missouri
My Commission Expires 12/10/2014
Commission Number 10392215

My commission expires: 12/10/2014

STATE OF Missouri)
CITY) SS
COUNTY OF ST. LOUIS)

On this 16 day of December, 2010, personally appeared before me WALTER L. HOWLINS, JR. the SR. VP + TREASURER of Peabody America, Inc., on behalf of Peabody Natural Resources Company, a Delaware general partnership between New Mexico Coal Resources, LLC and Peabody America, Inc., and signer of the above Special Warranty Deed, who duly acknowledged to me that he executed the same on behalf of the company.

WITNESS my hand and official seal.

Suzanne R. Carich
Notary Public

"NOTARY SEAL"
Suzanne R. Carich, Notary Public
St. Louis City, State of Missouri
My Commission Expires 12/10/2014
Commission Number 10392215

My commission expires: 12/10/2014

STATE OF _____)
CITY) SS
COUNTY OF _____)

On this ___ day of December, 2010, personally appeared before me _____, the _____ of Ark Land Company, a Delaware corporation, and signer of the above Special Warranty Deed, who duly acknowledged to me that he executed the same on behalf of the company.

WITNESS my hand and official seal.

Notary Public

My commission expires: _____

SCHEDULE 1
to
Special Warranty Deed

Attached to and made a part of that certain Special Warranty Deed dated the 20th day of December, 2010, from Peabody Natural Resources Company and Ark Land Company.

PROPERTY

Royalty Lands

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

Section 19: Lot 3 (NW/4 SW/4), Lot 4 (SW/4 SW/4), SE/4 SW/4

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

Section 31: SW/4SE/4, NE/4NW/4, S/2NW/4, NW/4NE/4

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

Section 6: Lot 2 (NW/4 NE/4)

Carbon County, Utah

Non-Royalty Lands

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

Section 36: S/2N/2, N/2S/2

Carbon County, Utah

ASSIGNMENT OF COAL LEASE

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

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

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

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

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

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

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

TERMS AND CONDITIONS

1. Advance Payments.

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

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

2. Overriding Production Royalty.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Assumption and Indemnification.

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

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

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

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

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

With a copy to:

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

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

With a copy to:

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

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

9. Miscellaneous Provisions.

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

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

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

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

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

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

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

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

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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

Canyon Fuel Company, L.L.C.

By: EF Coal Company, a Colorado corporation

By: *[Signature]*
Its: PRESIDENT

Its General Partner

By: *[Signature]*
Rich A. Munson
Executive Vice President

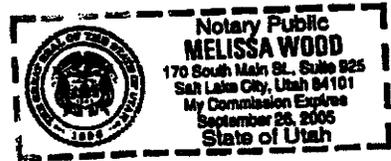
Energy Fuels Corporation

By: *[Signature]*
Rich A. Munson
Executive Vice 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.

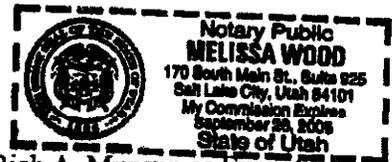
Melissa Wood
NOTARY PUBLIC



State of Utah)
County of Salt Lake) SS

The foregoing instrument was acknowledged before me by Rich A. Munsun 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. Munsun 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
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FAX COVER SHEET

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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

Ark Land Company

**Action by Unanimous Written Consent
Of the Board of Directors**

The undersigned, being all the members of the Board of Directors of Ark Land Company, a Delaware corporation (the "Corporation"), hereby consent to the following resolutions as an action of the Board of Directors of the Corporation pursuant to Section 141(f) of the General Corporation Law of the State of Delaware:

WHEREAS, the undersigned deem it advisable and in the best interests of the Corporation and its stockholder to enter into a purchase agreement with Peabody Natural Resources Company ("Peabody") to purchase land that will facilitate the ongoing mining operations of Canyon Fuel Company, LLC's Skyline Mine by adding reserves in the northern portion of the mine, and;

NOW, THEREFORE, BE IT

RESOLVED, that the Corporation be, and it hereby is, authorized to enter into a purchase agreement with Peabody to purchase approximately 800 acres of land, more or less, and as more fully described in Exhibit A attached hereto, in Carbon County, Utah (the "Agreement") for a purchase price not to exceed \$2,100,000;

RESOLVED FURTHER, that the President, any Vice President, the Secretary or Assistant Secretary, the Treasurer or Assistant Treasurer or such other officer of the Corporation as the President may designate (collectively, the "Authorized Officers") be, and each of them hereby is, authorized, empowered and directed to take any and all actions necessary or desirable to effectuate the exercise of the Agreement, and to execute, deliver and perform such certificates, instruments, agreements and documents as may be necessary or desirable in connection therewith, the taking by such Authorized Officer of any such action and the execution, certification or delivery by such Authorized Officer of any such certificates, instruments, agreements or documents shall conclusively establish his or her determination of such necessity or desirability and shall conclusively establish his or her authority therefore from the Corporation and the approval and ratification of the undersigned on the terms and conditions of the action so taken or the documents so executed;

RESOLVED FURTHER, that the Authorized Officers be, and each of them hereby is, authorized to execute all such further instruments and documents and to take all such further actions as they may deem necessary or appropriate in order to carry out the intent of the above resolutions and to effect the actions contemplated thereby; and

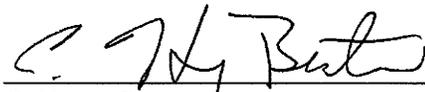
RESOLVED FURTHER, that all actions taken heretofore by the Authorized Officers, representatives, agents or attorneys of the Corporation, on behalf of the Corporation, in furtherance of the foregoing resolutions be, and they hereby are, approved, ratified, confirmed and adopted in all respects.

This unanimous written consent may be executed in one or more counterparts, all of which, when taken together, shall constitute one and the same instrument.

The foregoing resolutions are hereby approved as an action taken by the Board of Directors of the Company, without formal meeting effective as of the last date written below.



Jeffrey B. Addison
Date: 11-18-2010



C. Henry Besten, Jr.
Date: 11-18-2010



David B. Peugh
Date: 11-18-2010



1. Any and all right, title and interest, less and except that reserved to Grantor herein, owned, controlled or held by Grantor or any of the Santa Fe Entities in and to the following:

- a) any and all of the coal, including the right to prospect for, mine and remove such coal;
- b) any and all of the right to enter and use the surface for coal mining purposes, including, without limitation, the removal of coal by surface mining methods; and
- c) any and all other rights, privileges, hereditaments and appurtenances incident thereto,

as of September 1, 1992, together with any and all right, title and interest owned, controlled or held by Grantor or any of the Santa Fe Entities as of the Effective Date hereof, in and to the following real property:

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

Description	Section
• Lot 3 (NW/4 SW/4) and • Lot 4 (SW/4 SW/4); SE/4 SW/4	19
• SE/4 NW/4	30
• SW/4 NE/4; W/2 SE/4	30
• SW/4 SE/4; NE/4 NW/4; S/2 NW/4	31
• NW/4 NE/4	31

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

Description	Section
• S/2 N/2; N/2 S/2	36

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

Description	Section
• Lot 2 (NW/4 NE/4)	6

2. An undivided 1/2 interest in any and all right, title and interest owned, controlled or held by Grantor or any of the Santa Fe Entities in and to the mineral estate, including, without limitation, the following:

- a) any and all of the minerals, including, without limitation, gold, coal, silver, precious metals, base metals, oil and gas, and, to the extent considered minerals under applicable law, sand, gravel, stone and geothermal steam, and rights appurtenant thereto;

- b) any and all right, title and interest in and to (and all rights to use) the surface estate;
- c) any and all easements, licenses, privileges, uses and rights of way;
- d) any and all buildings, improvements, structures, fixtures and facilities located in, on or under, affixed to or erected upon any of the Real Property; and
- e) any and all water, water rights, and applications for water rights;

as of September 1, 1992, together with an undivided 1/2 interest in any and all right, title and interest owned, controlled or held by Grantor or any of the Santa Fe Entities as of the Effective Date hereof, in and to the Real Property described below; and

a full interest in any and all right, title and interest owned, controlled or held by Grantor or any of the Santa Fe Entities in and to the surface estate, including; without limitation, the following:

- a) any and all rights to use the surface estate;
- b) any and all easements, licenses, privileges, uses and rights of way;
- c) any and all buildings, improvements, structures, fixtures and facilities located in, on or under, affixed to or erected upon any of the Real Property; and
- d) any and all water, water rights, and applications for water rights,

as of September 1, 1992, together with any and all right, title and interest owned, controlled or held by Grantor or any of the Santa Fe Entities as of the Effective Date hereof, in and to the Real Property described below:

Real Property:

* A parcel of land lying in the East 1/2 of Section 32, Township 12 South, Range 7 East, S.L.B. & M., Carbon County, Utah, more particularly described as follows:

Beginning at a point which lies North, a distance of 1320.00 feet from the S.E. Corner of Sec. 32, T12S, R7E; thence, S89° 59' 00" W, a distance of 920.00 feet, more or less; to the intersection of the East Right-of-Way boundary of the State Road 96; thence, in a Northerly direction along said East highway R.O.W. boundary, a distance 270.00 feet; thence, in a Northeasterly direction along said highway boundary, a distance of 317.10 feet; thence, N 45° 32' 00" E, along said highway boundary, a distance of 465.40 feet; thence, in a Northeasterly direction along said highway boundary a distance of 733.00 feet, more or less, to the intersection of said highway boundary, and the East boundary of said Sec. 32; thence, South, a distance of 1475.00 feet, more or less, to the Point of Beginning. Containing 16.33 acres, more or less;

Excepting a parcel more particularly described as follows:

Commencing at the Southeast quarter of said Northeast quarter of the Southeast quarter of said Section 32, running thence North along the Section line 330 feet, more or less, to a point 50 feet North of the railway track of the Union Pacific Railway running across said land; thence, in a Southwesterly direction parallel with and 50 feet distance from center line of said track, 412.5 feet, more or less,

to the South line of said Northeast quarter of Southeast quarter. Thence, East 132 feet, more or less, to the point of beginning. Containing 1 acre, more or less;

Total net acreage of conveyed parcel is 15.33 acres, more or less.

Exceptions:

Less and except any and all right, title and interest, if any, acquired by The Atchison, Topeka and Santa Fe Railway Company and the Star Lake Railroad Company prior to January 1, 1991, in and to the above described real property; provided, however, that this exception shall not constitute notice to Grantee of any such right, title or interest of The Atchison, Topeka and Santa Fe Railway Company or the Star Lake Railroad Company that is not a matter of public record on the date hereof in the real property records of the county where the above described real property is located.

APPENDIX E

TEMPORARY WATER CHANGE
UTAH STATE ENGINEER



GARY R. HERBERT
Governor
GREG BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Water Rights

MICHAEL R. STYLER KENT L. JONES
Executive Director *State Engineer/Division Director*

ORDER OF THE STATE ENGINEER
For Application to Appropriate Water Number 94-1901 (A79618)

Application to Appropriate Water Number 94-1901 (A79618) in the name of Canyon Fuel Company, LLC, was filed on February 20, 2013, to appropriate 4.73 acre-feet (af) of water from a well located North 400 feet and West 530 feet from the S¼ Corner of Section 36, T22S, R5E, SLB&M. The water is to be used year-round for construction and mine yard purposes.

Notice of the application was published in the Emery County Progress on March 12 and 19, 2013. No protests were received.

It is the opinion of the State Engineer that this application can be approved without adversely affecting prior rights. The applicant is 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 application.

It is, therefore, **ORDERED** and Application to Appropriate Water Number 94-1901 (A79618) is hereby **APPROVED** subject to prior rights and with the condition that this application must be totally developed and placed to beneficial use on or before the noted proof due date, which is at least five years from the date of approval. Extensions of time will only be considered under unusual circumstances.

If historical resources such as human remains (skeletons), prehistoric arrowheads/spear points, waste flakes from stone tool production, pottery, ancient fire pits, historical building foundations/remains, artifacts (glass, ceramic, metal, etc.) are found during construction, call the Utah Division of State History at 801-533-3555.

This application is also approved according to the conditions of the current appropriation policy guidelines for the Colorado River Drainage, adopted March 7, 1990.

The applicant is strongly cautioned that other permits may be required before any development of this application can begin and it is the responsibility of the applicant to determine the applicability of and acquisition of such permits. Once all other permits have been acquired, this is your authority to develop the water under the above referenced application which under Sections 73-3-10 and 73-3-12, Utah Code Annotated, 1953, as amended, must be diligently prosecuted to completion. The water must be put to beneficial use and proof must be filed on or before **April 30, 2018**, or a request for extension of time must be acceptably filed; otherwise the application will be lapsed. This approval is limited to the rights to divert and beneficially use water and does not grant any rights of access to, or use of land or facilities not owned by the applicant.

RECEIVED

MAY 06 2013

ORDER OF THE STATE ENGINEER
Application to Appropriate Water Number
94-1901 (A79618)
Page 2

As noted, this approval is granted subject to prior rights. The applicant shall be liable to mitigate or provide compensation for any impairment of or interference with prior rights as such may be stipulated among parties or decreed by a court of competent jurisdiction.

Proof of beneficial use is evidence to the State Engineer that the water has been fully placed to its intended beneficial use. By law, it must be prepared by a registered engineer or land surveyor, who will certify to the location, uses and extent of your water right.

Upon the submission of proof as required by Section 73-3-16, Utah Code, for this application, the applicant must identify every source of water used under this application and the amount of water used from that source. The proof must also show the capacity of the sources of supply and demonstrate that each source can provide the water claimed to be diverted under this right as well as all other water rights which may be approved to be diverted from those sources.

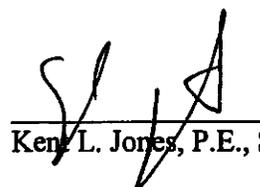
Failure on your part to comply with the requirements of the applicable statutes may result in the lapsing of this Application to Appropriate Water.

It is the applicant's 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.

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 63G-4-302, 63G-4-402, 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 30th day of April, 2013.


Kent L. Jones, P.E., State Engineer
BOB CLANTON FOR

ORDER OF THE STATE ENGINEER
Application to Appropriate Water Number
94-1901 (A79618)
Page 3

Mailed a copy of the foregoing Order this 30th day of April, 2013 to:

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

BY:



Sonia R. Nava, Applications/Records Secretary

APPLICANT CARD for WATER RIGHT: 94-1901

IMPORTANT: THIS CARD MUST BE COMPLETED, SIGNED AND RETURNED BY THE WELL
OWNER/APPLICANT AS SOON AS THE WELL IS DRILLED BY A LICENSED UTAH WATER
WELL DRILLER. PROOF DUE/EXPIRATION DATE: April 30, 2018
OWNER/APPLICANT NAME: Canyon Fuel Company, LLC
MAILING ADDRESS: C/O Ark Land, One City Place Drive, Suite 300, St. Louis, MO 63141
PHONE NUMBER:
WELL LOCATION: N 400' W 530' from S4 Cor. S36, T22S, R5E, SLB&M.
WELL UTM COORDINATES: Northing: 4300242 Easting: 473158
WELL ACTIVITY: NEW (-) REPAIR () REPLACE () ABANDON ()
CLEAN () DEEPEN ()

WELL COMPLETION DATE: _____

NAME OF DRILLING COMPANY/LICENSEE: _____

Owner/Applicant Signature Date

***COMPLETE, SIGN AND RETURN THIS PORTION UPON FINAL WELL COMPLETION -
DO NOT GIVE THIS CARD TO LICENSED WELL DRILLER - YOU MUST RETURN IT.
STATE OF UTAH DIVISION OF WATER RIGHTS Phone No. 801-538-7416
Fax No. 801-538-7467

COMMENTS: _____

START/APPLICANT CARD INSTRUCTIONS: First, for each well, you must give a Driller (Start) Card to the licensed driller with whom you contract to construct the well. Second, it is your responsibility to sign and return this Applicant Card to this office immediately after completion of the well. CAUTION: There may be local health requirements for the actual siting of your well. Please check with the proper local authority before construction begins. See the enclosed sheet addressing construction information.

BUSINESS REPLY MAIL
FIRST-CLASS MAIL PERMIT NO. 880 SALT LAKE CITY, UT

POSTAGE WILL BE PAID BY ADDRESSEE

UTAH DIV OF WATER RIGHTS - 146300
PO BOX 31431
SALT LAKE CITY UT 84131-9988



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



Please fold on top and bottom lines with reply mail address showing, tape, and mail.

DRILLER (START) CARD for WATER RIGHT: 94-1901

IMPORTANT: THIS CARD MUST BE RECEIVED BY THE DIVISION OF WATER RIGHTS PRIOR TO THE BEGINNING OF WELL CONSTRUCTION. PROOF DUE/EXPIRATION DATE: April 30, 2018
OWNER/APPLICANT NAME: Canyon Fuel Company, LLC
MAILING ADDRESS: C/O Ark Land, One City Place Drive, Suite 300, St. Louis, MO 63141
PHONE NUMBER:
WELL LOCATION: N 400' W 530' from S4 Cor. S36. T22S. R5E. SLB&M.
WELL UTM COORDINATES: Northing: 4300242 Easting: 473158
WELL ACTIVITY: NEW () REPAIR () REPLACE () ABANDON ()
CLEAN () DEEPEN ()

For surface seals in unconsolidated formations (clay, silt, sand, and gravel), will you be using a temporary conductor casing or other formation stabilizer (e.g., drilling mud) in the surface seal interval to maintain the required annular space?

YES or NO (Circle one).

Answering 'NO' suggests that you will be placing the surface seal in an open and unstabilized annular space, which may require onsite inspection of seal placement by the State Engineer's Office.

PROPOSED START DATE: _____

PROJECTED COMPLETION DATE: _____

LICENSE #: _____ LICENSEE/COMPANY: _____

Licensee Signature

Date

NOTICE TO APPLICANT: THIS CARD IS TO BE GIVEN TO A UTAH LICENSED WATER WELL DRILLER FOR SUBMITTAL TO THE DIVISION OF WATER RIGHTS PRIOR TO WELL CONSTRUCTION.
STATE OF UTAH DIVISION OF WATER RIGHTS Phone No. 801-538-7416
Fax No. 801-538-7467

COMMENTS: _____

BUSINESS REPLY MAIL
FIRST-CLASS MAIL PERMIT NO. 880 SALT LAKE CITY, UT

POSTAGE WILL BE PAID BY ADDRESSEE

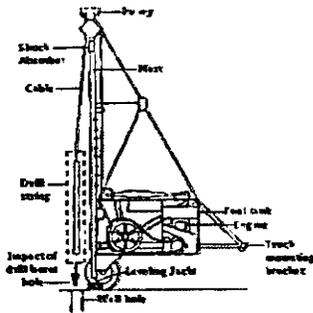
UTAH DIV OF WATER RIGHTS - 146300
PO BOX 31431
SALT LAKE CITY UT 84131-9988



NO POSTAGE
NECESSARY
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IN THE
UNITED STATES



Please fold on top and bottom lines with reply mail address showing, tape, and mail.



UTAH WATER WELL CONSTRUCTION REQUIREMENTS



In order to protect you, the well owner, and the precious groundwater resources in Utah, Well Drillers must construct wells in accordance to minimum construction standards promulgated under the Administrative Rules for Water Well Drillers (R655-4 of the Utah Administrative Code). This flyer is designed to inform you, as a potentially new well owner, of the major minimum construction standards that your well driller must follow. Please also check to see if other Federal, State, and local well drilling requirements apply before drilling. The Well Drilling Rules, list of licensed drillers, and other water well information can be viewed at the Division of Water Rights Internet web site at <http://nrwrt1.nr.state.ut.us/wellinfo>. Well drilling questions can be directed to the Well Drilling Section of the Division of Water Rights at 801-538-7416. An abridged list of the major construction standards are as follows:

- Well Drillers must be licensed through the State Engineer's Office to drill wells in the State of Utah (Check web page or call office for current list)
- The Well Driller must submit the Driller Start Card (provided by the well owner) to the State Engineer's Office before starting to drill
- The driller will check to see if the drill location matches the approved point of diversion on your permit. If the drill location differs from the approved location, the driller will notify you and note the difference on the official driller's report submitted to the State Engineer's Office, and it will be your responsibility and liability to either move the drill location to the approved spot or file a change application to move the approved location to the drill location.
- The Well Driller must submit an Official Well Driller's Report (Well Log) to the State Engineer's Office within 30 days of well completion (when the rig is moved offsite)
- If a well is replaced under an approved replacement permit, the well owner is required by law to have the driller abandon the existing (old) well before leaving the site
- Well casing must extend at least 18-inches above ground when completed
- Steel casing must meet common industry standards, be in new or like new condition, free of pits or breaks, and meet specific wall thickness requirements depending on the depth of the well and diameter of the casing (See Table 1 of the Rules for wall thickness requirements)
- The driller must have the permission of the well owner before installing PVC screen or casing
- PVC casing/screen that has a nominal diameter of 4-inches or less must meet ASTM F480 standards and have a wall thickness that at least equals SDR 21 or Schedule 40
- PVC casing/screen that has a nominal diameter of 5-inches or more must meet ASTM F480 standards and have a wall thickness that at least equals SDR 17 or Schedule 80
- PVC casing exposed at the ground surface must be covered and protected at the wellhead to a depth of at least 2.5 feet with steel casing or an equivalent covering
- Casing joints must be structurally strong and water tight
- Steel casing joints can be screw-coupled or welded. The weld must consist of at least 2 passes and be as thick as the casing itself

- The well casing must be capped at the surface with a sanitary weatherproof seal or a completely welded cap
- To protect your well against surface contamination, the driller must install a continuous 2-inch thick surface seal between the outermost casing and the borehole wall to a depth of at least 30 feet. The well will not be approved if this is not completed properly
- The seal must also extend 5 feet into bedrock or a clay unit overlying the water production zone
- Approved sealing materials include neat cement, sand cement grout, high solids bentonite grout, and unhydrated bentonite. Drilling mud, drill cuttings, and puddling clay cannot be used for the surface seal
- Grouts must be placed from the bottom up when below 30 feet or when placed in water
- The driller is required to seal off all flow around the casing from a flowing artesian well. The driller must also seal off the flow from the casing using an appropriate cap and valve
- If the driller encounters zones of contaminated or poor quality water, the driller must seal it off so it does not degrade the good quality water zones or impact the quality of the well
- If the drilling method requires that the borehole be oversized in order to install well casing, the borehole shall be at least 4-inches in diameter larger than the casing to facilitate gravel pack and seal placement
- If an oversized borehole is drilled in an unconsolidated unconfined aquifer, the surface seal shall be placed from static water level to ground surface
- If gravel pack or filter material is used, it shall be clean, well rounded, chemically inert, and uniform. The driller must disinfect the material prior to placement in the well
- Materials or chemicals used during the drilling process shall be safe and not contaminate, plug, or damage the well or aquifers encountered
- If drilling mud is used, the driller shall construct an adequate containment system so as to prevent surface or subsurface contamination
- The driller's rig, tools, and equipment that penetrates the ground or comes into contact with groundwater shall be clean and free of contaminants prior to beginning construction
- Any water utilized in the drilling process must come from a municipal or potable source or be disinfected onsite by the driller
- Prior to leaving the site at well completion, the driller must disinfect the well to eliminate any residual organic or bacteriological contamination
- Every well must be equipped with an access port for the purpose of water level or pressure head measurement
- During drilling, the driller must not leave the well casing or borehole open and unattended in order to reduce the risk of contamination or injury
- The well driller should develop the well to clean the well water and restore the flow of groundwater to the well back to normal. The driller should also obtain a static water level measurement and determine the usable pumping yield of the well
- For a public supply well, the well owner and driller must also comply with additional rules and requirements promulgated by the Utah Division of Drinking Water (801-536-4200)