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**R645-301-100. GENERAL**

**110. LEGAL, FINANCIAL, COMPLIANCE AND INFORMATION.**

**111. thru 111.300 INTRODUCTION.**

The objective of this permit is to provide the Division with information relevant to the property and mining activities of Plateau Mining Corporation (PMC).

The PMC property is located at Wattis, Utah, as shown on Figure 111a, Location Map. Mining activities are permitted by Permit C/007/006 for the Star Point Mines issued by the Utah Division of Oil, Gas, and Mining on January 27, 1982, renewed on August 7, 1987, January 28, 1992, January 28, 1997, and January 28, 2002. The Surface Ownership Map 112.500a, shows the official Permit Boundary.

On January 31, 2002, Sunnyside Cogeneration Associates (SCA) acquired certain assests, including the fee property, rights-of-way, personal property, and waste coal refuse pile. SCA became the permittee for the area shown on Maps 112.500a and 542.200c on November 14, 2003, pursuant to Utah's R645 Coal Rules. All reference to the refuse pile, topsoil borrow, and subsoil stockpile sites mentioned within the Plan are superseded with the information provided in SCA's Permit C/007/042.

**112. IDENTIFICATION OF INTERESTS.**

**112.100. TYPE OF BUSINESS.**

The applicant mine operator, Plateau Mining Corporation (PMC), is a Delaware corporation duly authorized to do business in the State of Utah. PMC is a wholly-owned subsidiary of RAG American Coal Company.

**112.200. thru 112.230. NAMES, LOCATIONS, RESIDENT AGENT.**

The name, addresses, and telephone numbers of the applicant are:

**General Office**

Plateau Mining Corp.  
RAG American Coal Company  
999 Corporate Blvd.  
Linthicum Heights, MD 21090  
(410) 689-7500

**Local Office**

Plateau Mining Corp.  
847 Northwest Highway 191  
Helper, UT 84526  
(435) 472-0475

The address and phone number of the resident agent of PMC who will accept service of process is:

C. T. Corporation System  
50 West Broadway  
Salt Lake City, UT 84101  
(801) 364-5101

The person who will pay the Abandoned Mine Lands Reclamation Fee is:

Jack D. Bogdin  
847 Northwest Highway 191  
Helper, UT 84526  
(435) 472-0475

SSN 528-88-5877

**112.300. thru 112.330. OTHER THAN SINGLE PROPRIETORSHIPS. OFFICERS AND SHAREHOLDERS.**

The names and addresses of the officers and directors of PMC are presented in Exhibit 112.300a.

The name and address of the principal shareholder of PMC is as follows:

RAG American Coal Company  
999 Corporate Blvd.  
Linthicum Heights, MD 21090

**112.340. thru 112.350. PREVIOUS MINING OPERATIONS.**

**Applicant**

The applicant's predecessor operated the Star Point Mines from its date of incorporation, October 21, 1971, until April 2, 1979, under the name Plateau Mining Company.

From April 2, 1979, until July 23, 1980, the applicant's predecessor operated the Star Point Mines under the name UNC Plateau Mining Company, after which time the name was changed to Plateau Mining Company. On August 26, 1982, a new company bearing the name Plateau Mining Company was formed to operate the subject mine. The company name has since been changed to Cyprus Plateau Mining Company, and most recently to Cyprus Plateau Mining Corporation. The company's predecessor changed its name from Plateau Mining Company to Plateau Company. The current name of the operator is Plateau Mining Corporation.

On June 30, 1999, Cyprus Plateau Mining Corporation was no longer affiliated with Cyprus Amax Mineral Company or Amax Energy Inc. The stock of Cyprus Amax Coal Company was sold to RAG American Coal Company. Subsequently, Cyprus Amax Coal Company was merged into RAG American Coal Company, with RAG American Coal Company being the surviving entity (Exhibit 112.300a).

Due to the fact that the permittee is no longer affiliated with Cyprus Amax Minerals Company or Amax Energy Inc., Cyprus Plateau Mining Corporation changed its name, effective June 30, 1999. The new name of this same corporate entity is Plateau Mining Corporation (Exhibit 112.300a).

An organizational structure identifying the various relationships of different divisions is found in Figure 112a.

**Principal Shareholder**

The principal shareholder of PMC is RAG American Coal Company. RAG American Coal Company operates coal mines at various locations. For more information on the organizational structure, see Figure 112a.

**112.400. OTHER OPERATIONS**

Other operations related by ownership to PMC (including PMC) are as shown in Figure 112a. For further up-to-date information on other organizations, a request may be submitted to PMC directly at the address previously identified.

**112.500. SURFACE AND MINERAL OWNERSHIP.**

Legal or equitable owners of record of areas to be affected by surface operations and facilities are as follows:

**Surface Ownership**

Plateau Mining Corporation  
999 Corporate Blvd.  
Linthicum Heights, MD 21090

United States Government  
Manti-La Sal Forest  
Price, UT 84501

United States Government  
Bureau of Land Management  
Price, UT 84501

State of Utah  
Division of State Lands  
105 State Capitol Building  
Salt Lake City, UT 84114

John J. & LaRue Petitti  
822 W. 1800 S.  
Price, UT 84501

Sunnyside Cogeneration Associates  
One Power Plant Road, P.O. Box 159  
Sunnyside, Utah 84539

The road used to access the mine and many of the surface facilities associated with the mine is County Road No. 290. Carbon County 290 will remain in place after postmining reclamation to provide access to land above the mine area, as required by the postmining land use plan.

On January 31, 2002, Sunnyside Cogeneration Associates (SCA) acquired certain assests, including the fee property, rights-of-way, persoanal property, and waste coal refuse pile (Exhibit 112.500a). Refer to Exhibit 112.500a for surface ownership associated with the soil borrow area.

**Coal Ownership**

Plateau Mining Corporation  
999 Corporate Blvd.  
Linthicum Heights, MD 21090

United States Government  
State of Utah

The major lessee of the surface areas to be affected by surface operations or facilities is Plateau Mining Corporation ("PMC") as shown on Map 112.500a, Surface Ownership. The only holder of any leasehold interest in the coal to be mined is Plateau Mining Corporation. Coal in two parcels within the present permit area is controlled by other owners as shown on Map 112.500b, Coal Ownership and Cultural Resource Survey Areas. No mineable coal exists in either parcel.

**Map 112.500a**  
**Map 112.500b**

There are no known purchasers of record under real estate contracts of surface or coal interests for property to be mined or the surface areas to be affected.

**112.600. ADJACENT SURFACE AND MINERAL OWNERSHIP.**

The owners of record of surface areas contiguous to the proposed permit area are shown on Map 112.500a and are listed below:

State of Utah Division of State Lands 105 State Capital Building Salt Lake City, UT 84114	Merrill and Freda L. Fillmore Cleveland, UT
Plateau Mining Corporation 999 Corporate Blvd. Linthicum Heights, MD 21090	Clifford and Hazel Smith Route #1 Price, UT 84501
United States Government Bureau of Land Management Price, UT 84501	Carbon County Carbon County Courthouse Price, UT 84501
Lanny K. and Kelly P. Burnside 30 West First North Street Huntington, UT 84528	U. S. Fuel Company (Business) 136 East South Temple Salt Lake City, UT 84111
United States Government Manti-La Sal Forest Price, UT 84501	U. S. Fuel Company (Mine) P. O. Box A Hiawatha, UT 84527
Weston L. Hamaker & Scott Stella 490 W. Stake Farm Rd. Price, UT 84501	Sunnyside Cogeneration Associates One Power Plant Road, P.O. Box 159 Sunnyside, Utah 84539

Owners of record of subsurface areas contiguous to the permit area are shown on Map 112.500b and are listed below.

State of Utah Division of State Lands 105 State Capitol Building Salt Lake City, UT 84114	U. S. Fuel Company (Mine) P. O. Box A Hiawatha, UT 84527
Plateau Mining Corporation 999 Corporate Blvd. Linthicum Heights, MD 21090	U. S. Fuel Company (Business) 136 East South Temple Salt Lake City, UT 84111
United States Government Bureau of Land Management Price, UT 84501	

Refer to Exhibit 112.500a for contiguous ownership associated with the soil borrow area.

**112.700. MSHA NUMBERS FOR ALL MINE-ASSOCIATED STRUCTURES.**

The name of the mining operation for which this application is submitted is:

Type of Document	Comments
Description	
Deed	Dated October 21, 1971. Plateau Mining Company fee land located in Carbon County, State of Utah.
	<p>Township 15 South, Range 8 East SLB&amp;M:</p> <p>Section 2: SW1/4 SW1/4, Special Warranty Deed dated January 31, 2002, grants and conveys to Sunnyside Cogeneration Associates subject to reservations contained in the Deed as provided in Exhibit 112.500.</p> <p>Section 5: SW1/4 SW1/4</p> <p>Section 7: S1/2 S1/2 SE1/4</p> <p>Section 8: S1/2 S1/2 SW1/4; E1/2 E1/2 SW1/4; S1/2 SW1/4 SE1/4</p> <p>Section 9: SW1/4 SW1/4; SE1/4 SE1/4</p> <p>Section 10: S1/2 S1/2 except parcel described as: Beginning at a point North 0° 01' West 1125.92 feet from the S1/4 corner, said point being on the North Right-of-Way of the County Road; thence North 0° 01' West 194.08 feet; thence North 89° 51' East 329.36 feet; thence South 0° 01' East 244.53 feet to a point on the North Right-of-Way line of said County Road; thence North westerly 340 feet more or less along said Right-or-Way line to point of beginning. Contains 1.65 acres. and NE1/4 SW1/4, and as described in the Special Warranty Deed date January 31, 2002 to Sunnyside Cogeneration Associates in Exhibit 112.500a a tract or parcel of land lying south of County Road comprising 107.59 acres more or less.</p> <p>Section 17: N1/2 N1/2.</p>
Deed	Dated December 13, 1985 between U. S. Fuel Company, Grantor and Plateau Mining Company Grantee coal ownership.
	<p>Township 15 South, Range 8 East, SLB&amp;M.</p> <p>Section 18: That part lying fifty (50) feet north of U. S. Fuel's 13 East 8 North mining sections in the King IV Mine subsurface workings, at September 15, 1985, more specifically described as follows:</p> <p>Beginning at the northwest corner of Section 18, Township 15 South, Range 8 East, Salt Lake Base and Meridian; thence N87°01'47"E along the section line 2558.26 feet to the North 1/4 corner of said Section 18, thence N87°02'21"E along the section line 2629.85 feet to the northeast corner of said Section 18, thence S0°17'55"E along the section line 2755.81 feet to the East 1/4 corner of said Section 18, thence S0°12'05"E along the section line 1362.19 feet, thence west 3618.00 feet, thence north 268.00 feet, thence west 1641.59 feet to the west boundary of said Section 18, thence N0°10'23"E along the section line 962.79 feet to the West 1/4 corner of said Section 18, thence N1°14'00"E along the section line 2619.37 feet more or less to the point of beginning. Containing 468.07 acres.</p>

Type of Document	Comments
	<b>Description</b>
Quitclaim Deed	Dated August 27, 1986, between Clifford Smith, et ux, Grantors and Plateau Mining Company, Grantee.
	Township 15 South, Range 8 East, SLB&M Section 10: Beginning at a point on the east boundary line of the SW1/4 SW1/4, 602.9 feet north 0 01' west of the southeast corner of the SW1/4 SW1/4, Section 10, running thence north 0 01' west 305.97 feet along said east boundary line; thence 200 feet north 78 39' east; thence 300 feet south 11° 21' east; thence 260.13 feet south 78 39' west to the point of beginning. Containing 1.58 acres, more or less, located in Carbon County, Utah.
Quitclaim Deed	Dated April 13, 1949 between Carbon County, Grantor and Lion Coal Company (predecessor through mergers) to Plateau Company, Grantee.
	Township 15 South, Range 8 East, SLB&M. Section 17: NW1/4 NW1/4.
Agreement	Access Road Usage, With Utah Railway Company issued January 1, 1985.
	Township 15 South, Range 8 East, SLB&M. 20 foot corridor in Sections 11 and 15, T15S, R8E, parallel to the URR spur track serving Plateau Mining Company's loadout silo.
Lease	State of Utah Special Use Lease Agreement No. 288 (SULA No. 963) issued November 1, 1972.
	Township 15 South, Range 8 East, SLB&M. Section 16: all. And as amended by Letter Agreement dated July 22, 2002
Lease	Federal Coal Lease No. U-13097 issued May 1, 1974.
	Township 15 South, Range 7 East, SLB&M. Section 14: S1/2, E1/2 NE1/4, SW1/4 NE1/4; Section 25: W1/2 NW1/4; Section 11: SE1/4 SE1/4; Section 26: N1/2; Section 23: all.

Type of Document	Comments
<b>Description</b>	
Lease	Federal Coal Lease SL 031286 issued September 4, 1982.
	Township 15 South, Range 7 East, SLB&M. Section 1: S1/2; Section 2: SE1/4 SE1/4; Section 11: E1/2 NE1/4, NE1/4 SE1/4; Section 12: all; Section 13: N1/2; Township 15 South, Range 8 East, SLB&M. Section 7: lots 1-4, E1/2, W1/2; Section 8: SW1/4 NW1/4.
Lease	Federal Coal Lease U-7949 issued September 1, 1970.
	Township 15 South, Range 8 E, SLB&M. Section 8: SE1/4 SE1/4; Section 17: S1/2 NE1/4, SE1/4; Section 20: NE1/4; Section 21: E1/2 NW1/4.
Lease	Federal Coal Lease U-37045 issued April 1, 1980
	Township 15 South, Range 8 East, SLB&M. Section 5: Lots 4, 5, 12, NW1/4 SW1/4; Section 6: Lots 2, 3, 6, 7, 9, 10, 11, 14, E1/2 SW1/4, SE1/4; Section 7: NE1/4 NE1/4; Section 8: NW1/4 NW1/4.
Lease	Federal Coal Lease UTU-64263
	Township 14 South, Range 7 East, SLB&M. Section 34: Lots 3, 4 N1/2 SE1/4. Township 15 South, Range 7 East, SLB&M. Section 2: Lots 2 thru 7, 10 thru 12, SW1/4, W1/2, SE1/4; Section 3: Lots 1, 2, 7 thru 10, E1/2 SE1/4, E1/2 W1/2 SE1/4, Section 10: E1/2 E1/2, E1/2 NW1/4 NE1/4; Section 11: W1/2, W1/2 E1/2; Section 14: NW1/4, NW1/4 NE1/4; Section 15: E1/2 E1/2 NE1/4.
Lease Modification	Federal Coal Lease UTU-64263 issued May 10, 1991
	Township 15 South, Range 7 East, SLB&M. Section 15: E1/2 E1/2 SE1/2; Section 22: E1/2 E1/2 NE1/4 NE1/4.
Lease Modification	Federal Coal Lease UTU-64263 issued March 29, 1993
	Section 22: E1/2 E1/2 SE1/4 SE1/4, E1/2 NE1/4 SE1/4, E1/2 SE1/4 NE1/4 Section 27: E1/2 E1/2 NE1/4 NE1/4

Type of Document	Comments
Description	
Right-of-Way	Federal Right-of-Way U-47965 issued October 14, 1981. (Assigned to SCA in January 2002)
	Township 15 South, Range 8 East, SLB&M. Section 15: the N1/2 NW1/4 NW1/4 NE1/4, SW1/4 NW1/4 NW1/4 NE1/4, N1/2 NE1/4 NW1/4, SE1/4 NE1/4 NW1/4 NW1/4, N1/2 N1/2 S1/2 NE1/4 NW1/4, N1/2 NE1/4 NW1/4 NW1/4. Comprising 40 acres, more or less
Right-of-Way	Federal Right-of-Way U-52409 issued November 1, 1984.
	Township 15 South, Range 8 East, SLB&M. Section 15: Beginning at a point 7.75 feet North and 955.88 feet East of the North 1/4 corner of Section 15, Township 15 South, Range 8 East, Salt Lake Base and Meridian; thence N 89°21'07" E 460.00 feet; thence S 28°17;26" E 849.46 feet; thence S 85°45'02" E 205.39 feet; thence East 160.73 feet; thence S 29°05' E 455.15 feet; thence S 76°14'52" W 411.58 feet; thence N 70°00' W 550.00 feet; thence S 56°38'03" W 183.31 feet; thence N 45°00' W 348.20 feet; thence N 70°00' W 140.15 feet; thence North 888.83 feet more or less to the point of beginning containing 23.2 acres, situated in Carbon County, Utah.
Deed	Dated September 2, 1997, Cyprus Plateau Mining Corporation, Grantor, and Carbon County, Grantee, Real Property
	Township 15 South, Range 8 East, SLB&M. Section 7 and 8: Beginning at a point which is located 330 feet north of the southeast corner, thence west 330 feet; thence north 330 feet; thence east 2310 feet; thence north 330 feet; thence south 45 degrees east, 466.69 feet; thence south 330 feet; thence west 2310 feet to the point of beginning, containing 21.25 acres, more or less.
Special Warranty Deed	dated January 31, 2002, Plateau Mining Corporation, Grantor, and Sunnyside Cogeneration Associates, Grantee, Real Property, Exhibit 112.500a
	Township 15 South, Range 8 East, SLB&M. Section 2: SW1/4 SW1/4; Section 10: S1/2 S1/2 a tract or parcel of land lying south of County Road comprising 107.95 acraa more or less
Lease Agreement, dated August 9, 2002, Plateau Mining Corporation, Lessor, and Phillips Petroleum Company, Lessee, Rights to develop oil and gas interests, Exhibit 412.200a, Postmining Land Use Change and Permit Area Reduction.	
	Township 15 South, Range 8 East, SLB&M. Section 10: N1/2SE1/4SE1/4, N1/2SW1/4SE1/4, N1/2SE1/4SW1/4, N1/2SW1/4SW1/4, a tract or parcel of land lying north of County Road 290 comprising 11.77 acres, more or less.
Surface Use Agreement, dated August 9, 2002, Plateau Mining Corporation, grants Phillips Petroleum Company certain rights to use the Property, Exhibit 412.200a, Postmining Land Use Change and Permit Area Reduction.	
	Township 15 South, Range 8 East, SLB&M. Section 10: All those certain lands located in the N1/2SE1/4SE1/4, N1/2SW1/4SE1/4, N1/2SE1/4SW1/4, and the N1/2SW1/4SW1/4, situated north of County Road 290 comprising 11.77 acres, more or less.

Type of Document	Comments
	<b>Description</b>
Right-of-Way	Federal Right-of-Way U-39779 issued April 11, 1979 (Assigned to Carbon County 3/31/97)
	<p>Township 15 South, Range 8 East, SLB&amp;M.</p> <p>Section 9:</p> <p><b>Parcel A</b> - A strip of land, to be used as an access right-of-way, 100 feet wide, lying on each side of the following described line: Beginning at a point which is N 55°11'56" E 1602.57 feet from the southwest corner of Section 9, Township 15 South, Range 8 East, Salt Lake Base and Meridian; thence N 67°47'21" E 1026.86 feet; thence N 76°16'16" E 678.38 feet; thence S 86°10'44" E 540.20 feet; thence N 63°43'55" E 538.09 feet to a point which is N 38°35'33" W 2110.17 feet from the southeast corner of said Section 9. Contains 6.4 acres.</p> <p><b>Parcel B</b> - A strip of land to be used as an access right-of-way, 100 feet wide, lying on each side of the following described line: Beginning at a point which is N 81°37'41" E 1329.89 feet from the southwest corner of Section 9, Township 15 South, Range 8 East, Salt Lake Base and Meridian; thence N 57°47'30" E 1675.75 feet; thence N 77°50'51" E 1106.8 feet; thence N 50°34'44" E 170.8 feet to a point which is N 43°00'14" W 1929.84 feet from the southeast corner of said Section 9. Contains 6.8 acres.</p> <p><b>Parcel 1</b> - A strip of land, to be used as a runoff control structure right-of-way, 5 feet in width, lying 2.5 feet on each side of the following described line: Beginning at a point which is N 77°44'22" E 1731.19 feet from the southwest corner of Section 9, Township 15 South, Range 8 East, Salt Lake Base and Meridian; thence S 30°56'57" E 285.00 feet to a point which is N 81°40'55" W 801.48 feet from the south quarter corner of said Section 9. Contains 0.03 acres more or less.</p> <p><b>Parcel 2</b> - A strip of land, to be used as a runoff control structure right-of-way, 5 feet in width, lying 2.5 feet on each side of the following described line: Beginning at a point which is N 64°28'45" E 3276.67 feet from the southwest corner of Section 9, Township 15 South, Range 8 East, Salt Lake Base and Meridian; thence S 23°02'36" E 175.00 feet to a point which is N 61°07'36" W 2555.63 feet from the southeast corner of said Section 9. Contains 0.02 acres more or less.</p> <p><b>Parcel 3</b> - A parcel of land, to be used as an access and utility right-of-way, beginning at a point which is N 85°39'47" W 1319.82 feet from the southeast corner of Section 9, Township 15 South, Range 8 East, Salt Lake Base and Meridian, and running thence S 0°01'00" E 104.50 feet; thence S 89°47'46" W 648.00 feet; thence N 80°38'27" E 656.73 feet to the point of beginning. Contains 0.78 acres more or less.</p>
	Surface Use Agreement and Bill of Sale, dated August 30, 2002, grants Sunnyside Cogeneration Associates certain rights to use the Property, Exhibit 112.500a, Refuse Pile
	<p>Township 15 South, Range 8 East, SLB&amp;M</p> <p>Section 10: A portion of the E/2NE/4SW/4 and the W/2NW/4SE/4 situated north of County Road 290 comprising of 5.96 acres, more or less.</p> <p>Section 10: A portion of the SW/4SE/4 lying north of County Road 290, and the NW/4SE/4 comprising of 0.31 acres, more or less.</p>

Type of Document	Comments
	<b>Description</b>
Right-of-Way	Federal Right-of-Way U-48025 issued May 25, 1982 (Terminated 03/01/02)
	Township 15 South, Range 8 East, SLB&M. Section 15: A strip of land, to be used as a power transmission line right-of-way, 20 feet in width, lying 10 feet on each side of the following described line: Beginning at a point which is N 89°31'59" E 330.68 feet from the northwest corner of Section 15, Township 15 South, Range 8 East, Salt Lake Base and Meridian; thence S 31°17'36" W 636.31 feet to a point which is S 77°53'09" W 2679.87 feet from the north quarter corner of said Section 15. Contains 0.29 acres more or less.

Prior to initiating additional surface disturbance within the permit area on lands administered by the BLM, which are not in the control of PMC, PMC will obtain the necessary rights-of-way or other rights as required by the BLM.

**114.200. thru 114.230. SEVERED SURFACE AND MINERAL ESTATES.**

The deeds, leases, licenses, and rights-of-way listed in 114.100 give PMC the right and legal authority to extract coal from the subject properties.

**114.300. ADJUDICATION OF PROPERTY RIGHTS DISPUTES.**

It is not construed that the Division has the authority to adjudicate property rights disputes.

**115. STATUS OF UNSUITABILITY CLAIMS.**

**115.100. thru 115.300. IDENTIFICATION OF LANDS UNSUITABLE.**

There are no areas designated as unsuitable for mining within or adjacent to the permit area. This information was obtained by personal communication with Lowell Braxton of the Division, December 17, 1986; Jim Dryden, BLM, December 18, 1986; and Walt Nowak, USFS, December 17, 1986.

**116. PERMIT TERM.**

**116.100. SCHEDULE OF PHASED MINING AND RECLAMATION ACTIVITIES.**

The approximate mining dates are shown on Map 116.100a, Mine Plan - Hiawatha Seam; Map 116.100b, Mine Plan - Third Seam; and Map 116.100c, Mine Plan - Wattis Seam. The horizontal extent of mining is shown on the maps mentioned above, and the vertical extent is shown on Maps 624.110Hi, 624.110 Ti, and 624.110 Wi (Confidential Volume). The approximate dates of reclamation activities are shown in Table 542.100a. Mining dates beyond the current permit term are not shown because these dates are uncertain because of market conditions, coal quality, and unanticipated geologic hazards.

#### **141. MAP FORMATS.**

Maps which cover large areal extent will generally be at a scale of 1:12,000 (1 inch = 1,000 feet) and will include the information generally available on U. S. Geological Survey (USGS) maps. Maps of smaller areas will be at an appropriate scale to provide sufficient detail for review.

#### **142. thru 142.400. PHASES OF OPERATIONS AND MINING ACTIVITY.**

Map 142.100a, Pre-Law Mining Activity - Hiawatha Seam; Map 142.100b, Pre-Law Mining Activity - Third Seam; and Map 142.100c, Pre-Law Mining Activity - Wattis Seam show the areas mined prior to August 3, 1977.

**Map 142.100a**

**Map 142.100b**

**Map 142.100c**

Map 542.200c, Reclamation Topography, shows the refuse pile area as permitted by Sunnyside Cogeneration Associates (SCA). SCA is the operator and permittee, and will use the refuse material as a fuel source for its power generating plant. See SCA's Permit C/007/042 for further information regarding the refuse pile Mining and Reclamation Plan.

#### **150. COMPLETENESS.**

By providing information required under R645-301 PMC herein presents a complete permit application package.

**Exhibit  
112.300a**

January 6, 2004

**RAG AMERICAN COAL HOLDING, INC.**

(Formerly Ruhrkohle-Stinnes Corporation; name change to Ruhr-American Coal Corporation 10/1/75;  
name change to RAG American Coal Corporation 12/22/98; name change to  
RAG American Coal Holding, Inc. 6/18/99)

**Principal Operating Office:** 999 Corporate Blvd.  
Linthicum Heights, MD 21090  
**Telephone:** 410/689-7500  
**Incorporation:**  
**State** Delaware  
The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801  
**Date** October 31, 1974  
**Existence** Perpetual  
**Qualified to Do Business In:** West Virginia, Colorado and Maryland  
**Ownership – Percentage:** RAG Coal International Aktiengesellschaft (5/30/2000) – 100%  
Rellinghauser Strasse 1-11, 45128 Essen, Germany

**IRS Identification Number:** 13-2793319

**Officers:**

<b><u>Title</u></b>	<b><u>Name</u></b>	<b><u>Social Security #</u></b>	<b><u>Date Assumed Office</u></b>
President and Chief Executive Officer	James F. Roberts	187-40-9345	March 1, 1999
Senior Vice President, Planning and Engineering	Klaus-Dieter Beck	German	September 14, 2001
Senior Vice President, Eastern Operations	James J. Bryja	202-46-8954	February 24, 2003
Senior Vice President, Western Operations	Thomas J. Lien	474-46-3032	September 14, 2001
Senior Vice President, Development and Information Technology	James A. Olsen	030-36-0783	September 14, 2001
Senior Vice President, Safety and Human Resources	M. R. Peelish	235-72-2473	September 14, 2001
Senior Vice President, Sales and Marketing	John R. Tellmann	315-54-6211	February 21, 2002
Senior Vice President, General Counsel and Secretary	Greg A. Walker	262-82-8649	August 24, 1999
Senior Vice President, Finance and Controller	Frank J. Wood	230-74-0342	September 14, 2001/March 1, 2000
Treasurer	Gary G. Pearson	512-36-0698	March 27, 2001
<b><u>Directors:</u></b>			
Chairman	Jürgen W. Stadelhofer	German	September 9, 1997
	Christoph Danzer-Vanotti	German	September 18, 2000
	Karl F. Jakob	German	July 1, 1999
	Heribert Protzek	German	September 18, 2000
	James F. Roberts	187-40-9345	March 1, 1999
	Manfred Warda	German	September 18, 2000
	Anthony Williams	Withheld	March 22, 2000
	Fritz Ziegler	German	September 18, 2000

## RAG AMERICAN COAL HOLDING, INC.

Resignations since June 30, 1999:

<u>Title</u>	<u>Name</u>	<u>Social Security No.</u>	<u>Date Resigned</u>
Secretary and Treasurer	Roy West	235-88-5799	August 24, 1999
Vice President, Finance and Treasurer	J. Alan Link	232-92-6300	April 1, 2000
Director	Rainer Benning	German	September 30, 2000
Vice President, Development	James A. Olsen	030-36-0783	March 27, 2001
Vice President, Human Resources	Michael R. Peelish	235-72-2473	March 27, 2001
Treasurer	Frank J. Wood	230-74-0342	March 27, 2001
Assistant Treasurer	Gary G. Pearson	512-36-0698	March 27, 2001
Executive Vice President	John M. DeMichiei	208-40-1828	September 13, 2001
Vice President, West Virginia Operations	Randy Hansford	232-92-7183	September 14, 2001
Vice President, Planning and Engineering	Klaus-Dieter Beck	German	September 14, 2001
Vice President, Development and Information Technology	James A. Olsen	030-36-0783	September 14, 2001
Vice President, Safety and Human Resources	Michael R. Peelish	235-72-2473	September 14, 2001
Vice President	Frank J. Wood	230-74-0342	September 14, 2001
Senior Vice President	John R. Tellmann	315-54-6211	February 21, 2002
Senior Vice President, Eastern Operations	Randy L. McMillion	235-90-8345	May 1, 2002
Director	Joel Richards III	534-44-7083	December 19, 2003

September 27, 2001

**RAG AMERICAN COAL COMPANY**

**Principal Operating Office:** 999 Corporate Blvd.  
Linthicum Heights, MD 21090

**Telephone:** 410/689-7500

**Incorporation:**  
State The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801  
Date June 18, 1999  
Existence Perpetual

**Qualified to Do Business In:** Maryland

**Ownership - Percentage:** RAG American Coal Holding, Inc. (6/30/99) – 100%  
999 Corporate Blvd., Linthicum Heights, MD 21090

**IRS Identification Number:** 54-1947356

**OFFICERS:**

<u>Title</u>	<u>Name</u>	<u>Social Security #</u>	<u>Date Assumed Office</u>
President and Chief Executive Officer	James F. Roberts	187-40-9345	June 24, 1999
Senior Vice President, General Counsel and Secretary	Greg A. Walker	262-82-8649	June 30, 1999
Vice President	James A. Olsen	030-36-0783	September 18, 2000
Vice President and Controller	Darrell H. Roland	233-86-6633	March 1, 2000
Vice President	Frank J. Wood	230-74-0342	June 30, 1999
Vice President, Safety and Human Resources	Michael R. Peelish	235-72-2473	March 27, 2001
Treasurer	Gary G. Pearson	512-36-0698	March 27, 2001

**DIRECTORS:**

Karl F. Jakob	German	September 30, 2000
James F. Roberts	187-40-9345	June 18, 1999
Jurgen W. Stadelhofer	German	July 20, 1999

## RAG AMERICAN COAL COMPANY

Resignations (since incorporation):

<u>Title</u>	<u>Name</u>	<u>Social Security No.</u>	<u>Date Resigned</u>
Assistant Secretary	J. Alan Link	232-92-6300	June 30, 1999
Secretary, Treasurer	Roy West	235-88-5799	June 30, 1999
Senior Vice President, Sales and Marketing	Nicholas P. Moros	042-40-2347	August 11, 1999
Assistant Secretary	Susan E. Chetlin	210-46-8811	December 31, 1999
Controller	Frank J. Wood	230-74-0342	March 1, 2000
Senior Vice President, Development	Richard D. Mills	306-44-2951	March 31, 2000
Director, Vice President and Treasurer	J. Alan Link	232-92-6300	April 1, 2000
Senior Vice President, Western Operations	George E. Vajda	303-46-6591	May 16, 2000
Vice President, Process Management	Randall J. Scott	522-82-2279	June 30, 2000
Director	Rainer Benning	German	September 30, 2000
Treasurer	Frank J. Wood	230-74-0342	March 27, 2001
Vice President, Planning	Klaus-Dieter Beck	German	March 27, 2001
Vice President, Human Resources	Michael R. Peelish	235-72-2473	March 27, 2001
Assistant Treasurer	Gary G. Pearson	512-36-0698	March 27, 2001
Executive Vice President, Chief Operating Officer	John M. DeMichiei	208-40-1828	September 13, 2001

January 10, 2003

**PLATEAU MINING CORPORATION**

(Formerly Cyprus Plateau Mining Corporation, name change 6/30/99; formerly Plateau Mining Company; name changed effective June 8, 1987)

**Principal Operating Office:** 847 Northwest Highway 191  
Helper, UT 84526

**Telephone:** 435/472-0475

**Incorporation:**  
State Delaware, The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801  
Date August 26, 1982  
Existence Perpetual

**Qualified to Do Business In:** Utah

**Ownership - Percentage:** RAG American Coal Company – 100% (12% acquired from Mitsubishi Development Pty Ltd. and 3% acquired from Mitsubishi International Corp. 12/10/01)  
999 Corporate Blvd., Linthicum Heights, MD 21090

**IRS Identification Number:** 95-3761213

**OFFICERS:**

<u>Title</u>	<u>Name</u>	<u>Social Security #</u>	<u>Date Assumed Office</u>
President	Thomas J. Lien	474-46-3032	September 14, 2001
Senior Vice President, General Counsel and Secretary	Greg A. Walker	262-82-8649	June 30, 1999
Vice President	Frank J. Wood	230-74-0342	December 20, 1993
Vice President and Controller	Darrell H. Roland	233-86-6633	March 1, 2000
Vice President, Regional Sales (West)	Larry M. Deal	420-72-8611	March 1, 2000
Treasurer	Gary G. Pearson	512-36-0698	December 13, 2002
Assistant Secretary	Sharon J. Fetherhuff	503-50-3540	December 13, 2002

**DIRECTORS:**

James F. Roberts	187-40-9345	June 30, 1999
Frank J. Wood	230-74-0342	June 30, 1999

## PLATEAU MINING CORPORATION

Resignations (since January 1, 1998):

<u>Title</u>	<u>Name</u>	<u>Social Security No.</u>	<u>Date Resigned</u>
Assistant Secretary	Morris W. Kegley	306-52-2454	July 15, 1998
Director	K. Itadani	Japanese	June 22, 1998
Director	K. Kinoshita	Japanese	July 15, 1998
Director	Masayuki Maekita	Japanese	October 1, 1998
Director	Gerald J. Malys	165-36-0198	June 30, 1999
Director	Philip C. Wolf	317-50-5623	June 30, 1999
Assistant Secretary	Greg A. Walker	262-82-8649	June 30, 1999
Vice President and Treasurer	Farokh S. Hakimi	093-42-6402	June 30, 1999
Senior Vice President	Gerald J. Malys	165-36-0198	June 30, 1999
Senior Vice President, General Counsel, and Secretary	Philip C. Wolf	317-50-5623	June 30, 1999
Director of Tax	J. David Flemming	301-48-5865	June 30, 1999
Assistant Secretary	Sharon J. Fetherhuff	503-50-3540	June 30, 1999
Assistant Secretary	Dale E. Huffman	557-86-5790	June 30, 1999
Assistant Treasurer	J. M. Coyner	227-60-6113	June 30, 1999
Senior Vice President, Sales and Marketing	Nicholas P. Moros	042-40-2347	August 11, 1999
Director	N. P. Moros	042-40-2347	August 11, 1999
Director	Satoki Shimazaki	Japanese	November 5, 1999
Assistant Secretary	Susan E. Chetlin	210-46-8811	December 8, 1999
Vice President, Sales and Marketing	Patrick J. Panzarino	134-38-7821	December 8, 1999
Controller	Frank J. Wood	230-74-0342	March 1, 2000
Vice President and Treasurer	J. Alan Link	232-92-6300	April 1, 2000
Vice President, Operations	George A. Vajda	303-46-6591	May 16, 2000
Director	Kazuma Ishikawa	Japanese	July 13, 2000
Vice President, International Sales	Tracy V. Bunderson	529-72-3300	December 11, 2000
President and Director	John M. DeMichie	208-40-1828	September 13, 2001
Director	Thomas J. Lien	474-46-3032	December 7, 2001
Director	John R. Tellman	315-54-6211	December 7, 2001
Director	Soichi Komaya	Japanese	December 10, 2001
Director	Michael Henry	Australian	December 10, 2001
Frank J. Wood	Treasurer	230-74-0342	December 13, 2002
Assistant Treasurer	Gary G. Pearson	512-36-0698	December 13, 2002

**Exhibit  
112.500a**

Lee T. Gaskins  
Senior Land Administrator  
Tele: (303) 749-8410  
Fax: (303) 749-8449



September 11, 2002

Brian W. Burnett, Esq.  
Callister Nebeker & McCullough  
Attorneys at Law  
Gateway Tower East, Suite 900  
10 East South Temple  
Salt Lake City, UT 84133

***Surface Use Agreement and Bill of Sale  
Between Plateau Mining Corporation  
And Sunnyside Cogeneration Associates  
Star Point Mine  
Carbon County, Utah***

Dear Mr. Burnett:

Pursuant to our telephone conversation on September 10, 2002, enclosed for your further handling/files are the following documents:

1. One (1) fully executed and notarized original Surface Use Agreement dated effective August 30, 2002 between Plateau Mining Corporation and Sunnyside Cogeneration Associates.
2. One (1) fully executed and notarized original Memorandum of Surface Use Agreement dated effective August 30, 2002 between Plateau Mining Corporation and Sunnyside Cogeneration Associates.
3. One (1) fully executed Bill of Sale dated effective August 30, 2002 between Plateau Mining Corporation and Sunnyside Cogeneration Associates.

Also, you indicated that an additional set of documents would be prepared and sent to Sunnyside Cogeneration Associates for execution. When available, please send the additional set of partially executed documents to my attention for further handling and permanent retention.

Should you have any questions concerning this matter, please do not hesitate to contact me at (303) 749-8410. Thank you for your cooperation and assistance.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'L. T. Gaskins', is written over a horizontal line. The signature is fluid and cursive.

L. T. Gaskins  
Room #329

Enclosures (3)

C. Bromley, Esq. – RAG American Coal Holding, Inc. (Englewood, CO)  
J. Borla – Plateau Mining Corporation (Helper, UT)  
J. Pappas – Plateau Mining Corporation (Helper, UT)  
E. Schrum – RAG American Coal Holding, Inc. (Linthicum Heights, MD)  
D. Ware – Plateau Mining Corporation (Helper, UT)

## SURFACE USE AGREEMENT

THIS SURFACE USE AGREEMENT (the "Agreement"), dated effective the 30<sup>th</sup> day of August, 2002, is by and between **PLATEAU MINING CORPORATION**, a Delaware corporation, with an address of 847 Northwest Highway 191, Helper, Utah 84526 (hereinafter referred to as "**Plateau**"), and **SUNNYSIDE COGENERATION ASSOCIATES**, a Utah Joint Venture (General Partnership), among Sunnyside Holdings I, Inc. and Sunnyside II, L.P., with an address at One Power Plant Road, P. O. Box 159, Sunnyside, Utah 84539 (hereinafter referred to as "**Sunnyside**").

### WITNESSETH:

**Whereas**, by Bill of Sale of even date herewith, Plateau has sold and Sunnyside has purchased, a certain stockpile of reclamation soil (the "**Reclamation Stockpile**") which is located upon and is accessed by way of certain parcels of land owned by Plateau and located in the County of Carbon, State of Utah, such land being further described in **Exhibit "A"** attached hereto (the "**Plateau Property**").

**Whereas**, Sunnyside desires to obtain rights of access to and from the Reclamation Stockpile and the rights to conduct operations upon the portions of the Plateau Property, in order to remove the Reclamation Stockpile therefrom.

**Now Therefore**, for and in consideration of the terms, covenants and conditions hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Demise.** Plateau does hereby grant unto Sunnyside for the term and purposes and upon the conditions and provisions herein set forth, the non-exclusive right and privilege to enter upon, over and across a portion of the Plateau Property on and around which the Reclamation Stockpile is located, as such portion of the Plateau Property is described in **Exhibit "B"** attached hereto and made a part hereof, and referred to herein as the "**Stockpile Area**", together with the non-exclusive right and privilege to enter upon, through, over and across, or perform work on, an existing unpaved road presently located upon over and across the Plateau Property, which road runs generally north from County Road 290 in Section 10, T15S, R8E, SLB&M, and is generally located south and east of the Stockpile Area, as such road is further described in **Exhibit "C"** attached hereto and made a part hereof (the "**Existing Road**"), together with the right to construct an additional access road as described in **Exhibit "D"** attached hereto and made a part hereof (the "**Pioneer Road**"), over and across the Plateau Property, such roads being referred to herein collectively as the "**Roads**", in order to allow Sunnyside ingress to and egress from and the right to remove its Reclamation Stockpile from the Stockpile Area.

2. **Term.** The term of this Agreement shall commence on the effective date hereof, and unless terminated earlier as provided for below, shall continue for an initial period of thirty (30) years, or until the date Sunnyside completes its activities involving the removal of the Reclamation Stockpile and reclamation of the Stockpile Area and the Roads as provided below, whichever occurs first. If Sunnyside determines it will not complete its

activities involving the removal of the Reclamation Stockpile and reclamation of the Stockpile Area and the Roads by the end of the initial term, this Agreement may be extended by Sunnyside for up to four additional five (5)-year terms by Sunnyside providing Plateau with notice of intent to renew at least ninety (90) days in advance of the applicable termination date. This Agreement may be terminated sooner as follows:

- a. Sunnyside may terminate this Agreement for any reason or no reason whatsoever upon thirty (30) days prior written notice to Plateau; and
- b. Plateau may terminate this Agreement on account of Sunnyside's material breach or default of any of the terms and conditions of this Agreement. If Sunnyside fails in the performance of any obligation under this Agreement, Plateau shall give a notice of default to Sunnyside, describing the default with reasonable specificity. If Sunnyside does not cure the default within thirty (30) days after receipt of a notice hereunder, Sunnyside shall be deemed to be in material default, provided, however, that a material default shall not be deemed to have occurred hereunder if the nature of the default is curable and is such that it would reasonably require greater than 30 days to cure, and Sunnyside has made every effort to commence such cure within the 30 day period and thereafter diligently prosecutes such cure to completion. If a default or breach is not cured as provided above, Plateau shall be entitled to terminate Sunnyside's rights hereunder.

Upon termination, should Sunnyside not previously have fully and completely satisfied its obligations incurred hereunder, then and in such event, this Agreement shall continue in effect until such obligations are fully and completely performed.

### 3. Allowed Uses and Restrictions.

- a. Sunnyside is hereby given the right of reasonable ingress to and egress from the Stockpile Area for itself, its employees, agents, licensees, contractors, subcontractors, invitees, successors and assigns, on or across the Existing Road and the to be constructed Pioneer Road, including, but not limited to, the right to transport on, over, across and through the Roads the soil to be removed from the Reclamation Stockpile Area, supplies, materials and equipment reasonably necessary to support Sunnyside's activities on the Stockpile Area.
- b. Sunnyside, its employees, agents, licensees, invitees, contractors, subcontractors, successors and assigns have the right and privilege to enter upon, through, over and across the Stockpile Area and the Roads for the sole purpose of removing the Reclamation Stockpile for its business use.
- c. Sunnyside at all times will fully and promptly comply with all applicable laws, rules and regulations of any governmental authority which apply to its use of the Roads and Stockpile Area for the purposes stated above. Sunnyside agrees to conduct all of its operations in a good and workmanlike manner and in a manner which shall minimize, to the extent practicable, any disturbance of or interference with the use by Plateau of the Plateau Property, including the lands upon which the Roads and Stockpile Area are presently located or will be located in the future, as the case may be.

d. Sunnyside shall not commit or knowingly allow another to commit any waste or nuisance upon the Plateau Property, the Roads or the Stockpile Area. Sunnyside shall not destroy, deface or damage, or knowingly permit any other person to do so, and shall ensure reasonable precautions to avoid any damage, other than reasonable or normal wear and tear, to existing buildings, structures, gates, bridges, roads, culverts, cattle guards, fences, dams, dikes or other facilities, if any. All unreasonable damage caused by Sunnyside shall be repaired by Sunnyside as soon as is practicable to, as nearly as possible, the condition existing prior to such damage. Sunnyside shall promptly reimburse Plateau for any unrepaired damages caused by Sunnyside's activities on the Plateau Property, the Roads or the Stockpile Area, for which Plateau has a receipt(s) and/or written estimate(s) of repairs, copies of which shall be provided to Sunnyside for review.

e. Sunnyside shall use its best efforts to limit vehicular traffic to the Roads to the fullest extent reasonably practicable in order to minimize surface disturbance. Sunnyside shall ensure that the speed of all vehicles shall be kept to a reasonable rate.

f. Sunnyside agrees to keep all gates, if any, on the Roads and Stockpile Area open or closed as found. The parties mutually agree to keep all gates locked in such a manner so as to permit access by both Plateau and Sunnyside at any time, either by a double lock system or otherwise. Sunnyside agrees to limit access to the Roads and the Stockpile Area, including the distribution of keys to any lock(s), to those employees, agents, licensees, contractors, subcontractors and invitees of Sunnyside who are engaged in Sunnyside's operations on the Roads and the Stockpile Area.

g. No person who is on the Roads or the Stockpile Area by virtue of the rights granted to Sunnyside hereunder shall be permitted to carry firearms or do or perform any act except those acts which are reasonably related to the rights granted hereby. Specifically, but not by way of limitation, no such person shall be permitted to engage in recreational pursuits, including hunting and fishing, on or within the boundaries of the Plateau Property, the Roads or the Stockpile Area.

h. Any and all rights of use of the Roads and the Stockpile Area not specifically conferred upon and granted to Sunnyside hereunder are kept and retained by Plateau.

i. Sunnyside will ensure that its employees, agents, licensees, contractors, subcontractors and invitees who enter upon the Roads and/or the Stockpile Area shall comply with the terms of this Agreement.

#### **4. Rights Reserved by Plateau.**

a. Sunnyside's rights to use the Roads and/or the Stockpile Area under this Agreement are non-exclusive and expressly subject to Plateau's right to use and occupy, and to permit others to use and occupy, the Plateau Property or any part thereof for reclamation, mining, exploration for minerals of every kind and nature, exploration for oil and gas, production of oil and gas, other resource development, farming, ranching, grazing livestock, hunting, fishing and other recreational uses of

all kinds, or for any other purpose not inconsistent with Sunnyside's rights hereunder, together with all rights reasonably necessary to those purposes. Sunnyside's rights hereunder shall be exercised so as not to unreasonably interfere with Plateau's interests, and Plateau shall exercise such rights so as not to unreasonably interfere with the activities of Sunnyside permitted hereunder.

- b. Without limiting the generality of Paragraph 4(a) above, Sunnyside expressly acknowledges (i) Plateau shall have the continuing right to conduct its ongoing reclamation activities and other operations upon the Plateau Property, and (ii) the right of Phillips Petroleum Company (Phillips) to enter upon, over and through a portion of the Plateau Property, Stockpile Area and the Roads for the purpose of conducting oil and gas, and coal bed methane extraction, storage, transmission and related operations, in accordance with a Surface Use Agreement and an Oil and Gas Lease between Plateau and Phillips. Phillips has been made aware of Sunnyside's interests under this Agreement. Plateau's and Phillips' reasonable use and entry, exercised so as not to unreasonably interfere with Sunnyside's interests, upon, over, and across the Plateau Property, Stockpile Area, and the Roads shall not be considered to be an unreasonable interference with Sunnyside's use of the Plateau Property, Stockpile Area or the Roads, nor a breach of any express or implied covenant of quiet enjoyment.

5. **Acceptance.** Sunnyside accepts the Roads and the Stockpile Area as suitable for Sunnyside's uses and purposes set forth hereinabove.

6. **Breach and Re-Entry.** Plateau may terminate this Agreement on account of Sunnyside's material breach or default of any of the terms and conditions of this Agreement. If Sunnyside fails in the performance of any obligation under this Agreement, Plateau shall give a notice of default to Sunnyside, describing the default with reasonable specificity. If Sunnyside does not cure the default within thirty (30) days after receipt of a notice hereunder, Sunnyside shall be deemed to be in material default, provided, however, that a material default shall not be deemed to have occurred hereunder if the nature of the default is curable and is such that it would reasonably require greater than 30 days to cure, and Sunnyside has made every effort to commence such cure within the 30 day period and thereafter diligently prosecutes such cure to completion. If a default or breach is not cured as provided above, Plateau shall be entitled to terminate Sunnyside's rights hereunder.

7. **Surrender of the Premises.** Except as may otherwise be provided for herein, upon termination of this Agreement, Sunnyside shall peaceably surrender the Roads and the Stockpile Area to Plateau, free and clear of all liens and encumbrances made or allowed by Sunnyside or in any way arising out of this Agreement or Sunnyside's use of the Roads and Stockpile Area. In addition, if not already done earlier, upon completion of its activities or by the end of this Agreement, Sunnyside agrees to do or have performed the following:

- a. Repair any damages to Plateau's improvements caused by Sunnyside's operations;
- b. Remove any and all buildings, equipment, materials, supplies and all other improvements placed upon the Roads and/or Stockpile Area by Sunnyside at Sunnyside's own cost, risk and expense, within thirty (30) days after the effective date of

termination of this Agreement. Any and all personal property belonging to Sunnyside which remains on the Plateau Property after the thirty (30) day removal period has elapsed shall, at the option of Plateau, either become the property of Plateau or may be removed by Plateau for appropriate offsite disposition. The reasonable costs associated with any such removal and disposition by Plateau shall be paid for by Sunnyside within thirty (30) days after receipt of Plateau's invoice for same;

c. Perform reclamation of the Stockpile Area in accordance with and as may be required by any applicable local, state or federal laws, rules, regulations or orders of such authorities in effect at the time of termination of this Agreement;

d. Upon the written request of Plateau, or of any of its successors and assigns, such request to be sent to Sunnyside within ninety (90) days after termination of this Agreement, perform reclamation of the Existing Road and/or the Pioneer Road in accordance with and as may be required by any applicable local, state or federal laws, rules, regulations or orders of such authorities in effect at the time of termination of this Agreement; and

e. Provide Plateau, its successors or assigns, with a Release of Surface Use Agreement in recordable form.

**8. Taxes.** Plateau shall be responsible for the payment of all real estate taxes assessed against the Stockpile Area and the land upon which the Roads are located.

**9. Encumbrances.** Except as may otherwise be provided for herein, Sunnyside shall keep the Stockpile Area and Roads free and clear of any and all liens and encumbrances arising or which might arise, for any reason, out of Sunnyside's use of the Stockpile Area and Roads and shall hold harmless, defend and indemnify Plateau against any such liens or encumbrances.

**10. Indemnification.** Sunnyside will hold harmless and fully indemnify Plateau its affiliates, and their respective shareholders, partners, members, officers, directors, employees, or agents, and their successors and assigns (the "**Plateau Entities**") against all damages, liabilities, costs, penalties, losses, fines, claims, expenses, demands, causes of action, and any consequential damages, of whatever nature, kind and quality, whether in law or in equity, including costs of settlement and legal or attorney fees and expenses (collectively "**Liabilities**"), which may be made upon any of the Plateau Entities or against the Plateau Entities' interest in the Stockpile Area and/or Roads for, or on account of, any debt or expense contracted or incurred by Sunnyside in conducting its activities, as well as against any and all negligent acts, transactions and omissions of Sunnyside, its employees, agents, contractors, subcontractors, licensees and suppliers in conducting such activities, and Sunnyside will defend and hold the Plateau Entities harmless and fully indemnify them as to any and all Liabilities, for, on account of, injury to, or death of, any person or damage to any property, or strict liability, sustained or incurred which arise out of or results from, directly or indirectly, any activities taken in connection with this Agreement by Sunnyside, its employees, agents, contractors, subcontractors, licensees and suppliers or their presence or activities upon or about the Stockpile Area and/or Roads, or any unsafe condition of the Stockpile Area and/or Roads, whether or not created by Sunnyside

or Sunnyside's operations. In addition, Sunnyside will waive, hold harmless and fully indemnify the Plateau Entities against any and all penalties or charges imposed upon any of the Plateau Entities by local, state or federal authorities on account of Sunnyside's failure to comply with all laws, rules, regulations or orders of such authorities. Sunnyside's above obligation to indemnify and defend and hold harmless the Plateau Entities from Liabilities shall not apply to the extent such Liabilities are caused by the negligent or willful acts or omissions of Plateau.

**11. Notices.** Any and all payments, notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered if delivered personally; (b) upon delivery after the mailing thereof by reputable overnight express service (e.g. Federal Express, Airborne Express, etc.); or (c) upon delivery after the mailing thereof by first-class, certified - return receipt requested, postage prepaid, mail; if sent and addressed, at the respective addresses set forth below (or at such other address as may be designated in a written notice and given in accordance with this paragraph):

**If to Plateau:**

Plateau Mining Corporation  
847 NW Highway 191  
Helper, Utah 84526

Attention: Dennis Ware  
Telephone: (435) 472-4737

**If to Sunnyside:**

Sunnyside Cogeneration Associates  
One Power Plant Road  
P. O. Box 159  
Sunnyside, Utah 84539

Attention: Plant Manager  
Telephone: 435-888-4476

**13. Relationship of the Parties.** Nothing in this Agreement shall be interpreted or construed as a co-partnership or joint venture between Plateau and Sunnyside in any of the operations to be conducted in, on or under the Stockpile Area and/or the Roads by Sunnyside.

**14. Waiver.** Failure to strictly enforce any right or obligation hereunder shall not constitute a waiver of such right or obligation. Any express waiver of a party's breach of any provision of this Agreement on one or more occasions shall not constitute a waiver of the right to enforce the same or any other provision in the event of a later breach.

**15. Assignment.** Sunnyside may not assign or otherwise transfer this Agreement or any interest in it, in whole or in part, and may not sublet the Stockpile Area and/or Roads or any part of them without Plateau's prior written consent, which consent shall not be unreasonably withheld. Any assignment or transfer in violation hereof shall be void and invalid. Any such assignment or other transfer shall not, however, release or relieve Sunnyside from liability hereunder unless (i) the assignee or transferee specifically agrees to assume and accept such liability as to all or that portion of the Stockpile Area and/or Roads affected thereby, and (ii) Plateau has agreed to release Sunnyside, in a written document specifically stating same. Stated alternatively, absent such agreement, any such assignment or transfer shall be with recourse.

16. **Legal Effect.** The execution of this Agreement shall not constitute any denial, admission or recognition by Plateau that the types and kinds of uses of the land granted hereby are or were inherently created by or reserved to the grantor(s) in the underlying instrument or instruments.

17. **Recordation.** This Agreement may not be recorded; however, the parties hereto have agreed to execute a Memorandum of Surface Use Agreement for recording purposes in substantially the same form as that attached hereto as **Exhibit "E"** and made a part hereof, which will refer to and incorporate this Agreement therein by reference.

18. **Entire Agreement.** This Agreement represents the full and complete agreement between the parties regarding the subject matter hereof and all parties executing this instrument acknowledge having received a copy of same. The terms and conditions of this Agreement merge with and supersede any prior or contemporaneous, oral or written, statements or agreements. This Agreement may not be modified or amended except by a written amendment signed by both parties.

19. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Utah and all rules, regulations and ordinances of the County of Carbon. Each of the parties hereto consents to the jurisdiction of any appropriate court in the State of Utah in the event there is a dispute or disagreement arising out of this Agreement.

20. **Severance.** Should any portion of this Agreement be declared invalid and unenforceable, then such portion shall be deemed to be severed from this Agreement and shall not affect the remainder thereof.

21. **Construction.** Paragraph headings in this Agreement are inserted for convenience only, and shall not be considered a part of this Agreement, or used in its interpretation. Unless otherwise provided, or unless the context shall otherwise require, words importing the singular number shall include the plural number, words importing the masculine gender shall include the feminine gender, and vice versa. This Agreement shall not be construed against either party merely or solely because of the draftsmanship hereof.

22. **Binding Effect.** All the terms, conditions and covenants of this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of each of the parties hereto.

23. **Counterpart Agreements.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

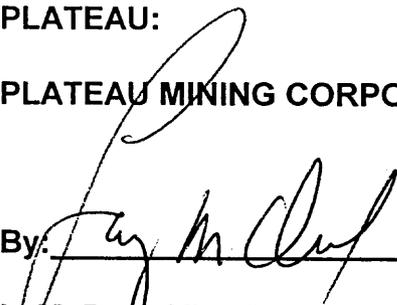
24. **Third Parties.** Nothing herein expressed or implied is intended or shall be construed to confer upon or give any person or entity other than the Parties hereto and their successors and assigns any right or remedies by reason of this Agreement as a third party beneficiary or otherwise.

25. **Further Assurances.** The Parties agree from time to time to execute, acknowledge and deliver such additional documents, and perform such further acts, as may be reasonably requested by either Party or as are necessary to effect the transactions contemplated hereby or effect the intent of the Parties as manifested by this Agreement.

IN WITNESS WHEREOF, Plateau and Sunnyside have executed this Agreement effective the date first above written.

PLATEAU:

PLATEAU MINING CORPORATION

By:  \_\_\_\_\_

L. M. Deal, Vice President,  
Regional Sales (West)



SUNNYSIDE:

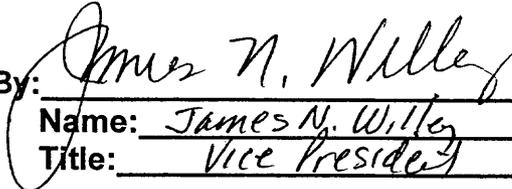
SUNNYSIDE COGENERATION ASSOCIATES,  
a Utah Joint Venture, acting by and through its  
joint venture partners:

SUNNYSIDE HOLDINGS I, INC.,  
a Delaware corporation

By:  \_\_\_\_\_

Name: G. B. Lawler  
Title: President

SUNNYSIDE II, L.P., a Delaware limited  
partnership, acting by and through its General  
Partner, Sunnyside II, Inc. a  
Delaware corporation

By:  \_\_\_\_\_

Name: James N. Willey  
Title: Vice President



**ALL-PURPOSE ACKNOWLEDGEMENT**

State of California

County of San Diego

} SS.

On 9/6/02 before me, Neal Ganz  
(DATE) (NOTARY)

personally appeared G.B. Lawyer  
SIGNER(S)

personally known to me - OR -

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Neal Ganz  
NOTARY'S SIGNATURE

**OPTIONAL INFORMATION**

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgement to an unauthorized document.

**CAPACITY CLAIMED BY SIGNER (PRINCIPAL)**

- INDIVIDUAL
- CORPORATE OFFICER
- \_\_\_\_\_ TITLE(S)
- PARTNER(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

**DESCRIPTION OF ATTACHED DOCUMENT**

\_\_\_\_\_ TITLE OR TYPE OF DOCUMENT

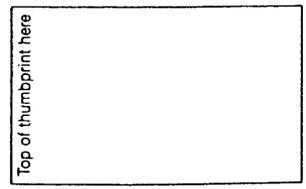
\_\_\_\_\_ NUMBER OF PAGES

\_\_\_\_\_ DATE OF DOCUMENT

\_\_\_\_\_ OTHER

SIGNER IS REPRESENTING:  
NAME OF PERSON(S) OR ENTITY(IES)  
\_\_\_\_\_  
\_\_\_\_\_

RIGHT THUMBPRINT  
OF  
SIGNER



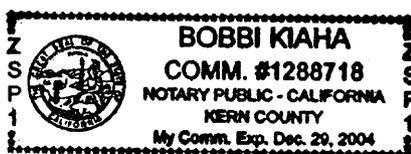
# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }  
County of Kern } ss.

On September 3, 2002, before me, Bobbi Kiaha, Notary Public,  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
personally appeared James N. Willey,  
Name(s) of Signer(s)

- personally known to me  
 proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Bobbi Kiaha  
Signature of Notary Public

Place Notary Seal Above

## OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

### Description of Attached Document

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

### Capacity(ies) Claimed by Signer

Signer's Name: \_\_\_\_\_

- Individual  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Attorney in Fact  
 Trustee  
 Guardian or Conservator  
 Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER

Top of thumb here

**CORPORATE ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2002, by \_\_\_\_\_, the \_\_\_\_\_ of Sunnyside Holdings I, Inc., a Delaware corporation.

Witness my hand and official seal.

\_\_\_\_\_  
**Notary Public**

\_\_\_\_\_  
**Address**

**My Commission expires:** \_\_\_\_\_

**PARTNERSHIP ACKNOWLEDGMENT - UTAH**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2002, by \_\_\_\_\_, the \_\_\_\_\_ of Sunnyside II, Inc., a Delaware corporation and the General Partner of Sunnyside II, L.P., a Delaware limited partnership.

Witness my hand and official seal.

\_\_\_\_\_  
**Notary Public**

\_\_\_\_\_  
**Address**

**My Commission expires:** \_\_\_\_\_

**EXHIBIT "A"**

Attached to and made a part of that certain Surface Use Agreement dated effective the 30<sup>th</sup> day of August, 2002, by and between Plateau Mining Corporation and Sunnyside Cogeneration Associates, a Utah Joint Venture (General Partnership), among Sunnyside Holdings I, Inc. and Sunnyside II, L.P.

**"Plateau Property"**

**General Location of Surface Access:**

**Township 15 South, Range 8 East, SLB&M**

Section 10: A portion of the SW/4 SE/4 lying north of County Road #290; and the NW/4 SE/4

**General Location of Reclamation Stockpile:**

**Township 15 South, Range 8 East, SLB&M**

Section 10: A portion of the E/2 NE/4 SW/4 and the W/2 NW/4 SE/4

## EXHIBIT "B"

Attached to and made a part of that certain Surface Use Agreement dated effective the 30<sup>th</sup> day of August, 2002, by and between Plateau Mining Corporation and Sunnyside Cogeneration Associates, a Utah Joint Venture (General Partnership), among Sunnyside Holdings I, Inc. and Sunnyside II, L.P.

### "Stockpile Area"

The following described tract or parcel of land located in Section 10, Township 15 South, Range 8 East, SLB&M, being further described as follows, with a bearing of North 89° 31' 31" East between the southwest section corner and the southeast section corner of Section 10, used as a Basis of Bearing:

**BEGINNING** at point 1,995.27 feet north and 2,610.11 feet east of the southwest corner of Section 10, Township 15 South, Range 8 East, SLB&M, thence South 83° 20' 00" West, 90.93 feet;

Thence South 34° 25' 00" West, 176.06 feet;

Thence South 50° 49' 02" West, 143.49 feet;

Thence South 82° 20' 38" West, 66.22 feet;

Thence North 41° 53' 26" West, 137.83 feet;

Thence North 08° 47' 21" West, 145.84 feet;

Thence North 01° 18' 00" West 88.97 feet;

Thence North 15° 01' 15" West, 437.29 feet;

Thence North 75° 48' 35" East, 64.83 feet;

Thence South 67° 13' 26" East, 156.12 feet;

Thence South 58° 21' 03" East, 363.59 feet;

Thence South 10° 59' 19" East, 122.02 feet;

Thence South 28° 13' 04" East, 80.88 feet;

Thence South 13° 38' 17" East, 78.59 feet, more or less, to the **POINT OF BEGINNING**, containing 5.96 acres, more or less.

## EXHIBIT "C"

Attached to and made a part of that certain Surface Use Agreement dated effective the 30<sup>th</sup> day of August, 2002, by and between Plateau Mining Corporation and Sunnyside Cogeneration Associates, a Utah Joint Venture (General Partnership), among Sunnyside Holdings I, Inc. and Sunnyside II, L.P.

### "Existing Road"

Covering the following described centerline of an existing fifty foot (50') wide roadway, being twenty-five feet (25') on either side of the centerline thereof, located in Section 10, Township 15 South, Range 8 East, SLB&M, with a bearing of North 89° 31' 31" East between the southwest section corner and the southeast section corner of Section 10 used as a Basis of Bearing:

**BEGINNING** at a point North 89° 31' 31" East, 2,755.87 feet and North 00° 28' 29" West, 1,084.93 feet from the southwest corner of Section 10, Township 15 South, Range 8 East, SLB&M, said point is on the north edge of an existing asphalt road commonly known as County Road #290, and running thence North 35° 37' 55" East, 50.41 feet;

Thence North 61° 56' 00" East, 231.00 feet;

Thence North 13° 20' 00" East, 72.08 feet;

Thence North 30° 28' 00" West, 145.28 feet;

Thence North 04° 38' West, 159.00 feet;

Thence North 25° 19' 10" West, 174.39 feet;

Thence North 16° 36' 33" West, 74.23 feet;

Thence North 37° 48' 00" West, 32.90 feet, containing 1.08 acres, more or less.

## EXHIBIT "D"

Attached to and made a part of that certain Surface Use Agreement dated effective the 30<sup>th</sup> day of August, 2002, by and between Plateau Mining Corporation and Sunnyside Cogeneration Associates, a Utah Joint Venture (General Partnership), among Sunnyside Holdings I, Inc. and Sunnyside II, L.P.

### "Pioneer Road"

Covering the following described centerline of a fifty foot (50') wide strip of land for the construction of a pioneer road, being twenty-five feet (25') on either side of the centerline thereof, located in Section 10, Township 15 South, Range 8 East, SLB&M, with a bearing of North 89° 31' 31" East between the southwest section corner and the southeast section corner of Section 10 used as a Basis of Bearing:

**BEGINNING** at a point 1,865.99 feet north and 2,794.15 feet east of the southwest corner of Section 10, Township 15 South, Range 8 East, SLB&M, and running thence North 84° 40' 00" West, 140.54 feet;

Thence North 39° 26' 00" West, 78.04 feet;

Thence North 16° 44' 00" West, 55.78 feet, containing 0.31 acres, more or less.

## EXHIBIT "E"

### MEMORANDUM OF SURFACE USE AGREEMENT

**THIS MEMORANDUM OF SURFACE USE AGREEMENT** (the "**Memorandum**"), dated effective the \_\_\_ day of August, 2002, is by and between **PLATEAU MINING CORPORATION**, a Delaware corporation, with an address of 847 Northwest Highway 191, Helper, Utah 84526 (hereinafter referred to as "**Plateau**"), and the **SUNNYSIDE COGENERATION ASSOCIATES**, a Utah Joint Venture (General Partnership), among Sunnyside Holdings I, Inc. and Sunnyside II, L.P., with an address at One Power Plant Road, P. O. Box 159, Sunnyside, Utah 84539 (hereinafter referred to as "**Sunnyside**").

Sunnyside owns a certain stockpile of reclamation soil (the "**Reclamation Stockpile**") which is located upon and is accessed by way of certain parcels of land owned by Plateau and located in the County of Carbon, State of Utah, such land being further described in **Exhibit "A"** attached hereto (the "**Plateau Property**").

Plateau, in consideration of the covenants and agreements contained in that certain unrecorded Surface Use Agreement (the "**Agreement**") dated concurrently herewith, granted unto Sunnyside the non-exclusive right and privilege to enter upon, over and across a portion of the Plateau Property on and around which the Reclamation Stockpile is located, as such portion of the Plateau Property is described in **Exhibit "B"** attached hereto, and referred to herein as the "**Stockpile Area**", together with the non-exclusive right and privilege to enter upon, through, over and across an existing road as further described in **Exhibit "C"** attached hereto (the "**Existing Road**"), presently located upon over and across the Plateau Property, together with the right to construct an additional access road as described in **Exhibit "D"** attached hereto (the "**Pioneer Road**"), over and across the Plateau Property, such roads being referred to herein collectively as the "**Roads**", in order to allow Sunnyside ingress to and egress from and the right to remove its Reclamation Stockpile from the Stockpile Area.

The use of Stockpile Area and the Roads are subject to all of the terms and conditions of the Agreement, reference to which may be made for a complete statement of rights and obligations of Plateau and Sunnyside. Should there be any discrepancy between this Memorandum and the Agreement, the Agreement shall control.

The term of the Agreement shall be for a term commencing on the effective date hereof and continuing thereafter for an initial period of thirty (30) years, or until such time as Sunnyside completes its activities involving the removal of the Reclamation Stockpile and reclamation of the Stockpile area and the Roads as provided in the Agreement, whichever occurs first. If the activities are not completed within said initial term, the Agreement may be extended by Sunnyside for up to four additional five (5)-year terms by Sunnyside.

Copies of the Agreement may be found at the above-indicated addresses of the parties.

This Memorandum may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

EXHIBIT "E" – CONTINUED

All the terms, conditions and covenants of the Agreement shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of each of the parties hereto.

IN WITNESS WHEREOF, Plateau and Sunnyside have executed this Memorandum effective the date first above written.

**PLATEAU:**

**PLATEAU MINING CORPORATION**

By: \_\_\_\_\_

L. M. Deal, Vice President,  
Regional Sales (West)

**SUNNYSIDE:**

**SUNNYSIDE COGENERATION ASSOCIATES,**  
a Utah Joint Venture, acting by and through its  
joint venture partners:

**SUNNYSIDE HOLDINGS I, INC.,**  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SUNNYSIDE II, L.P.,** a Delaware limited  
partnership, acting by and through its General  
Partner, Sunnyside II, Inc. a  
Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CORPORATE ACKNOWLEDGMENT**

STATE OF COLORADO    )  
                                  ) ss.  
COUNTY OF DOUGLAS    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of April, 2002, by L. M. Deal, the Vice President, Regional Sales (West) of Plateau Mining Corporation, a Delaware corporation.

Witness my hand and official seal

\_\_\_\_\_  
**Notary Public**

\_\_\_\_\_  
**Address**

**My Commission expires:** \_\_\_\_\_

EXHIBIT "E" – CONTINUED

CORPORATE ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2002, by \_\_\_\_\_, the \_\_\_\_\_ of Sunnyside Holdings I, Inc., a Delaware corporation.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Address

My Commission expires: \_\_\_\_\_

PARTNERSHIP ACKNOWLEDGMENT - UTAH

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_ - \_\_\_\_\_, 2002, by \_\_\_\_\_, the \_\_\_\_\_ of Sunnyside II, Inc., a Delaware corporation and the General Partner of Sunnyside II, L.P., a Delaware limited partnership.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Address

My Commission expires: \_\_\_\_\_

WHEN RECORDED, RETURN TO:

Brian W. Burnett

Callister Nebeker & McCullough

10 East South Temple, Suite 900

Salt Lake City, UT 84133

## MEMORANDUM OF SURFACE USE AGREEMENT

**THIS MEMORANDUM OF SURFACE USE AGREEMENT** (the "**Memorandum**"), dated effective the 30<sup>th</sup> day of August, 2002, is by and between **PLATEAU MINING CORPORATION**, a Delaware corporation, with an address of 847 Northwest Highway 191, Helper, Utah 84526 (hereinafter referred to as "**Plateau**"), and the **SUNNYSIDE COGENERATION ASSOCIATES**, a Utah Joint Venture (General Partnership), among Sunnyside Holdings I, Inc. and Sunnyside II, L.P., with an address at One Power Plant Road, P. O. Box 159, Sunnyside, Utah 84539 (hereinafter referred to as "**Sunnyside**").

Sunnyside owns a certain stockpile of reclamation soil (the "**Reclamation Stockpile**") which is located upon and is accessed by way of certain parcels of land owned by Plateau and located in the County of Carbon, State of Utah, such land being further described in **Exhibit "A"** attached hereto (the "**Plateau Property**").

Plateau, in consideration of the covenants and agreements contained in that certain unrecorded Surface Use Agreement (the "**Agreement**") dated concurrently herewith, granted unto Sunnyside the non-exclusive right and privilege to enter upon, over and across a portion of the Plateau Property on and around which the Reclamation Stockpile is located, as such portion of the Plateau Property is described in **Exhibit "B"** attached hereto, and referred to herein as the "**Stockpile Area**", together with the non-exclusive right and privilege to enter upon, through, over and across an existing road as further described in **Exhibit "C"** attached hereto (the "**Existing Road**"), presently located upon over and across the Plateau Property, together with the right to construct an additional access road as described in **Exhibit "D"** attached hereto (the "**Pioneer Road**"), over and across the Plateau Property, such roads being referred to herein collectively as the "**Roads**", in order to allow Sunnyside ingress to and egress from and the right to remove its Reclamation Stockpile from the Stockpile Area.

The use of Stockpile Area and the Roads are subject to all of the terms and conditions of the Agreement, reference to which may be made for a complete statement of rights and obligations of Plateau and Sunnyside. Should there be any discrepancy between this Memorandum and the Agreement, the Agreement shall control.

The term of the Agreement shall be for a term commencing on the effective date hereof and continuing thereafter for an initial period of thirty (30) years, or until such time as Sunnyside completes its activities involving the removal of the Reclamation Stockpile and reclamation of the Stockpile area and the Roads as provided in the Agreement, whichever occurs first. If the activities are not completed within said initial term, the Agreement may be extended by Sunnyside for up to four additional five (5)-year terms by Sunnyside.

Copies of the Agreement may be found at the above-indicated addresses of the parties.

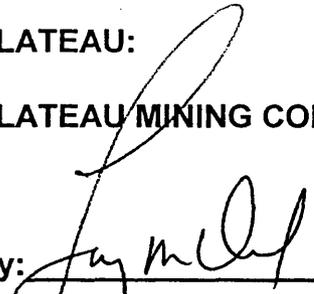
This Memorandum may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

All the terms, conditions and covenants of the Agreement shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of each of the parties hereto.

**IN WITNESS WHEREOF**, Plateau and Sunnyside have executed this Memorandum effective the date first above written.

**PLATEAU:**

**PLATEAU MINING CORPORATION**

By:  \_\_\_\_\_

*cb*  
L. M. Deal, Vice President,  
Regional Sales (West)



**SUNNYSIDE:**

**SUNNYSIDE COGENERATION ASSOCIATES,**  
a Utah Joint Venture, acting by and through its  
joint venture partners:

**SUNNYSIDE HOLDINGS I, INC.,**  
a Delaware corporation

By:  \_\_\_\_\_

Name: G. B. Lawry

Title: President

**SUNNYSIDE II, L.P.,** a Delaware limited  
partnership, acting by and through its General  
Partner, Sunnyside II, Inc. a  
Delaware corporation

By:  \_\_\_\_\_

Name: James N. Willey

Title: Vice President



**ALL-PURPOSE ACKNOWLEDGEMENT**

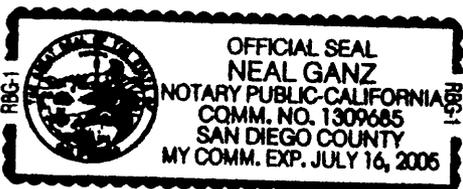
State of California }  
County of San Diego } SS.

On 9/6/02 before me, Neal Ganz  
(DATE) (NOTARY)

personally appeared G.B. Lawyer  
SIGNER(S)

personally known to me - OR -  proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Neal Ganz  
NOTARY'S SIGNATURE

**OPTIONAL INFORMATION**

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgement to an unauthorized document.

**CAPACITY CLAIMED BY SIGNER (PRINCIPAL)**

- INDIVIDUAL
- CORPORATE OFFICER
- \_\_\_\_\_ TITLE(S)
- PARTNER(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

**DESCRIPTION OF ATTACHED DOCUMENT**

\_\_\_\_\_ TITLE OR TYPE OF DOCUMENT

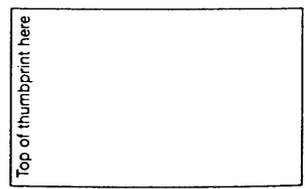
\_\_\_\_\_ NUMBER OF PAGES

\_\_\_\_\_ DATE OF DOCUMENT

\_\_\_\_\_ OTHER

**SIGNER IS REPRESENTING:**  
NAME OF PERSON(S) OR ENTITY(IES)  
\_\_\_\_\_  
\_\_\_\_\_

RIGHT THUMBPRINT  
OF  
SIGNER



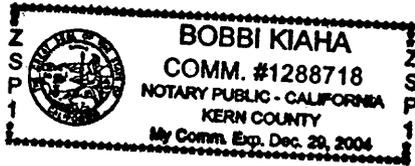
**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California }  
County of Kern } ss.

On September 3, 2002, before me, Bobbi Kiaha, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
personally appeared James N Willey  
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.  
Bobbi Kiaha  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

**RIGHT THUMBPRINT OF SIGNER**

Top of thumb here

## EXHIBIT "A"

Attached to and made a part of that certain Memorandum of Surface Use Agreement dated effective the 30<sup>th</sup> day of August, 2002, by and between Plateau Mining Corporation and Sunnyside Cogeneration Associates, a Utah Joint Venture (General Partnership), among Sunnyside Holdings I, Inc. and Sunnyside II, L.P.

### "Plateau Property"

#### General Location of Surface Access:

##### Township 15 South, Range 8 East, SLB&M

Section 10: A portion of the SW/4 SE/4 lying north of County Road #290; and the NW/4 SE/4

#### General Location of Reclamation Stockpile:

##### Township 15 South, Range 8 East, SLB&M

Section 10: A portion of the E/2 NE/4 SW/4 and the W/2 NW/4 SE/4

## EXHIBIT "B"

Attached to and made a part of that certain Memorandum of Surface Use Agreement dated effective the 30<sup>th</sup> day of August, 2002, by and between Plateau Mining Corporation and Sunnyside Cogeneration Associates, a Utah Joint Venture (General Partnership), among Sunnyside Holdings I, Inc. and Sunnyside II, L.P.

### "Stockpile Area"

The following described tract or parcel of land located in Section 10, Township 15 South, Range 8 East, SLB&M, being further described as follows, with a bearing of North 89° 31' 31" East between the southwest section corner and the southeast section corner of Section 10, used as a Basis of Bearing:

**BEGINNING** at point 1,995.27 feet north and 2,610.11 feet east of the southwest corner of Section 10, Township 15 South, Range 8 East, SLB&M, thence South 83° 20' 00" West, 90.93 feet;

Thence South 34° 25' 00" West, 176.06 feet;

Thence South 50° 49' 02" West, 143.49 feet;

Thence South 82° 20' 38" West, 66.22 feet;

Thence North 41° 53' 26" West, 137.83 feet;

Thence North 08° 47' 21" West, 145.84 feet;

Thence North 01° 18' 00" West 88.97 feet;

Thence North 15° 01' 15" West, 437.29 feet;

Thence North 75° 48' 35" East, 64.83 feet;

Thence South 67° 13' 26" East, 156.12 feet;

Thence South 58° 21' 03" East, 363.59 feet;

Thence South 10° 59' 19" East, 122.02 feet;

Thence South 28° 13' 04" East, 80.88 feet;

Thence South 13° 38' 17" East, 78.59 feet, more or less, to the **POINT OF BEGINNING**, containing 5.96 acres, more or less.

## EXHIBIT "C"

Attached to and made a part of that certain Memorandum of Surface Use Agreement dated effective the 30<sup>th</sup> day of August, 2002, by and between Plateau Mining Corporation and Sunnyside Cogeneration Associates, a Utah Joint Venture (General Partnership), among Sunnyside Holdings I, Inc. and Sunnyside II, L.P.

### "Existing Road"

Covering the following described centerline of an existing fifty foot (50') wide roadway, being twenty-five feet (25') on either side of the centerline thereof, located in Section 10, Township 15 South, Range 8 East, SLB&M, with a bearing of North 89° 31' 31" East between the southwest section corner and the southeast section corner of Section 10 used as a Basis of Bearing:

**BEGINNING** at a point North 89° 31' 31" East, 2,755.87 feet and North 00° 28' 29" West, 1,084.93 feet from the southwest corner of Section 10, Township 15 South, Range 8 East, SLB&M, said point is on the north edge of an existing asphalt road commonly known as County Road #290, and running thence North 35° 37' 55" East, 50.41 feet;

Thence North 61° 56' 00" East, 231.00 feet;

Thence North 13° 20' 00" East, 72.08 feet;

Thence North 30° 28' 00" West, 145.28 feet;

Thence North 04° 38' West, 159.00 feet;

Thence North 25° 19' 10" West, 174.39 feet;

Thence North 16° 36' 33" West, 74.23 feet;

Thence North 37° 48' 00" West, 32.90 feet, containing 1.08 acres, more or less.

## EXHIBIT "D"

Attached to and made a part of that certain Memorandum of Surface Use Agreement dated effective the 30<sup>th</sup> day of August, 2002, by and between Plateau Mining Corporation and Sunnyside Cogeneration Associates, a Utah Joint Venture (General Partnership), among Sunnyside Holdings I, Inc. and Sunnyside II, L.P.

### "Pioneer Road"

Covering the following described centerline of a fifty foot (50') wide strip of land for the construction of a pioneer road, being twenty-five feet (25') on either side of the centerline thereof, located in Section 10, Township 15 South, Range 8 East, SLB&M, with a bearing of North 89° 31' 31" East between the southwest section corner and the southeast section corner of Section 10 used as a Basis of Bearing:

**BEGINNING** at a point 1,865.99 feet north and 2,794.15 feet east of the southwest corner of Section 10, Township 15 South, Range 8 East, SLB&M, and running thence North 84° 40' 00" West, 140.54 feet;

Thence North 39° 26' 00" West, 78.04 feet;

Thence North 16° 44' 00" West, 55.78 feet, containing 0.31 acres, more or less.

# BILL OF SALE

THIS BILL OF SALE dated effective the 30<sup>th</sup> day of August, 2002, is by and between **PLATEAU MINING CORPORATION**, a Delaware corporation (f/k/a Cyprus Plateau Mining Corporation), with an address of 847 NW Highway 191, Helper, Utah 84526 (hereinafter referred to as "**Seller**"), and **SUNNYSIDE COGENERATION ASSOCIATES**, a Utah Joint Venture (General Partnership), among Sunnyside Holdings I, Inc. and Sunnyside II, L.P., with an address at One Power Plant Road, P. O. Box 159, Sunnyside, Utah 84539 (hereinafter referred to as "**Buyer**").

Seller, for and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby sell, assign and transfer to Buyer 269,160 cubic yards, more or less, of soil (the "**Reclamation Stockpile**") which is stockpiled and located on the surface of those certain tracts, parcels or lots of land located in Carbon County, Utah, as further described in **Exhibit "A"** attached hereto and made a part hereof (the "**Stockpile Area**").

The Reclamation Stockpile is sold "**AS IS, WHERE IS, WITH ALL FAULTS, AND WITHOUT REPRESENTATIONS OR WARRANTIES, EITHER EXPRESS OR IMPLIED, OF ANY KIND OR CHARACTER, INCLUDING, BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY, CONDITION OF THE RECLAMATION STOCKPILE, FITNESS FOR A PARTICULAR PURPOSE OR USE, WHETHER EXPRESS OR IMPLIED BY LAW OR FACT.**" Buyer acknowledges that Buyer's removal and use of the Reclamation Stockpile shall be at Buyer's sole cost and risk.

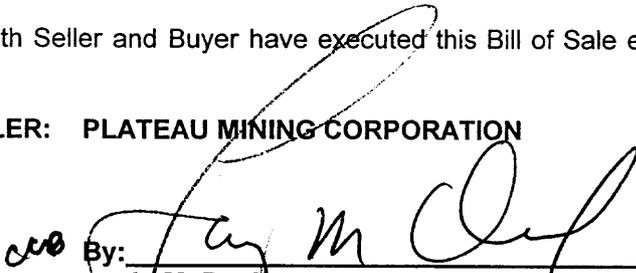
Seller warrants that it is the sole owner of the Reclamation Stockpile and that the Reclamation Stockpile is being transferred to Buyer free and clear of any liens and encumbrances.

The transfer is effective as of the date first above written.

The Reclamation Stockpile is located on the Stockpile Area, which consists of fee surface land, and all such Reclamation Stockpile is in the possession of Seller.

**IN WITNESS WHEREOF**, both Seller and Buyer have executed this Bill of Sale effective as of the date first above written.

**SELLER: PLATEAU MINING CORPORATION**

cc By:   
L. M. Dear  
Vice President, Regional Sales (West)

APPROVED  


**BUYER: SUNNYSIDE COGENERATION ASSOCIATES**,  
a Utah Joint Venture, acting by and through its joint venture partners:

**SUNNYSIDE HOLDINGS I, INC.**, a Delaware corporation

By:   
Name: \_\_\_\_\_  
Title: President

**SUNNYSIDE II, L.P.**,  
a Delaware limited partnership, acting by and through its  
General Partner, Sunnyside II, Inc. a Delaware corporation

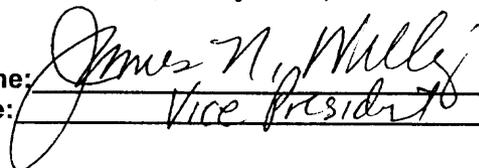
By:   
Name: \_\_\_\_\_  
Title: Vice President

EXHIBIT "A"

Attached to and made a part of that certain Bill of Sale dated effective the 30<sup>th</sup> day of August, 2002, between **PLATEAU MINING CORPORATION**, a Delaware corporation, Seller, and **SUNNYSIDE COGENERATION ASSOCIATES**, a Utah Joint Venture (General Partnership), among Sunnyside Holdings I, Inc. and Sunnyside II, L.P., Buyer, covering the Reclamation Stockpile located on a portion of following described tracts, parcels or lots of land located in Carbon County, Utah, as further described below:

**Township 15 South, Range 8 East, SLB&M**

Section 10: A portion of the E2 NE/4 SW/4 and the W/2 NW/4 SE/4 bounded and described as follows:

That certain tract or parcel of land located in Section 10, Township 15 South, Range 8 East, SLB&M, being further described as follows, with a bearing of North 89° 31' 31" East between the southwest section corner and the southeast section corner of Section 10, used as a Basis of Bearing:

**BEGINNING** at point 1,995.27 feet north and 2,610.11 feet east of the southwest corner of Section 10, Township 15 South, Range 8 East, SLB&M, thence South 83° 20' 00" West, 90.93 feet;

Thence South 34° 25' 00" West, 176.06 feet;

Thence South 50° 49' 02" West, 143.49 feet;

Thence South 82° 20' 38" West, 66.22 feet;

Thence North 41° 53' 26" West, 137.83 feet;

Thence North 08° 47' 21" West, 145.84 feet;

Thence North 01° 18' 00" West 88.97 feet;

Thence North 15° 01' 15" West, 437.29 feet;

Thence North 75° 48' 35" East, 64.83 feet;

Thence South 67° 13' 26" East, 156.12 feet;

Thence South 58° 21' 03" East, 363.59 feet;

Thence South 10° 59' 19" East, 122.02 feet;

Thence South 28° 13' 04" East, 80.88 feet;

Thence South 13° 38' 17" East, 78.59 feet, more or less, to the **POINT OF BEGINNING**, containing 5.96 acres, more or less.

**Exhibit  
117.200a**

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Ken Larson, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and that the first publication was on the 4th day of April, 2002, and that the last publication of such notice was in the issue of such newspaper dated the 25th day of April, 2002.

*Ken G. Larson*

Ken G Larson - Publisher

Subscribed and sworn to before me this 25th day of April, 2002.

*Linda Thayne*

Notary Public My commission expires January 10, 2003 Residing at Price, Utah

Publication fee, \$ 533.12



LINDA THAYN  
NOTARY PUBLIC • STATE of UTAH  
845 EAST MAIN  
PRICE, UTAH 84501  
COMM. EXP. 1-10-2003

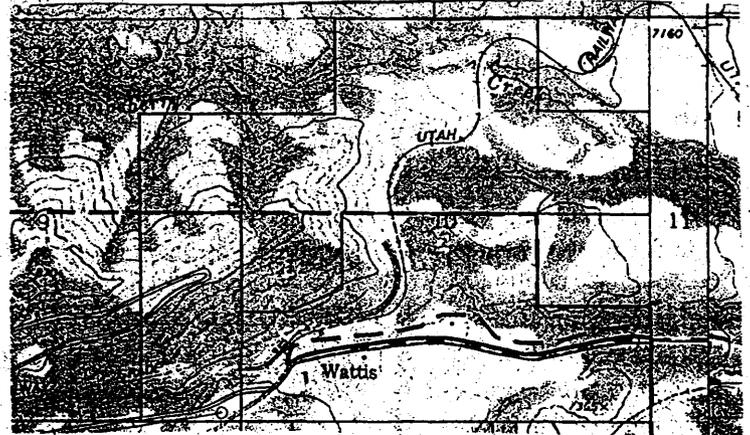
**PUBLIC NOTICE**

Application for Post Mining Land Use Change  
Star Point Mine  
Plateau Mining Corporation  
Permit C/007/006, Approved 01/28/92

Notice is hereby given that Plateau Mining Corporation, 847 Northwest Highway 191, Helper, Utah 84526, a subsidiary of RAG American Coal Company, 999 Corporate Blvd., Linthicum Heights, MD 21090, has filed an application with the Utah Department of Natural Resources, Division of Oil, Gas and Mining for a change in post mining land use to Permit C/007/006. The land use change will allow for oil and gas development on fee surface within the Drunkards Wash Unit under the provisions of the Utah Coal Mining and Reclamation Act pursuant to R645-301-413.300 of the Utah Coal Program Regulations. The portion of the permit area that is affected is located in Carbon County, Utah and follows:

Township 15 South, Range 8 East, SLB&M

Section 10: N1/2SE1/4SE1/4, N1/2SW1/4SE1/4, N1/2SE1/4SW1/4, N1/2SW1/4SW1/4, a tract or parcel of land lying north of County Road 290 comprising 11.77 acres more or less.



The permit area is shown on the Wattis U.S. Geological Survey 7.5-minute map

The Mining and Reclamation Plan is available for public review at: Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801; and the Carbon County Courthouse, 120 East Main Street, Price, Utah 84501.

Written comments, objections and requests for information conferences on this proposal may be addressed to:

Utah Coal Program  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Closing date for submission of such comments, objections and requests for public hearing or information conference on the proposal must be submitted by May 25, 2002.

Published in the Sun Advocate April 4, 11, 18, and 25, 2002

Table 230.200i (Continued)<sup>1</sup>  
 Gentry Mountain Air Shaft Soil Properties

Characteristic	Horizons										
	A1	A11	A12	B21	B2t	B22	C	C1	C2	C3	Cca
Gentry Ridge Break Out Area - Pit No. 4 (See Map 222.100f)								Vegetative Type: Shrub - Grass			
Depth		0-3	3-8		8-13		13-24				
Color	Dry Moist	10Yr 3/3 10Yr 3/2	10Yr 3/3 10Yr 3/2		10Yr 4/3 10Yr 3/3		10Yr 7/3 10Yr 6/4				
Particle Size	% Sand % Silt % Clay	451540	353926		333829		532621				
Texture Class		Clay Loam	Loam		Clay Loam		Sandy Clay Loam				
Structure		3 f&msbk	2 mabk		2 cpr		m				
% Rock Fragment by Volume		10 gr	10 gr		10 gr		45 gr 5 cob				
% Organic Material		6.94	6.03		4.11		2.03				
pH		7.1	7.4		7.6		7.7				
Effervescence		e	e		e		ev				
Solubility (ppm)	Ca Mg	2000175	6550213		2025125		3438163				
EC X 10 <sup>3</sup>		0.65	0.56		0.54		0.46				

From Welsh & Murdock, 1981 - Plateau Mining Company - Analysis of Soils Resources for the Starpoint Mining and Reclamation Plan Unit Train Area, Seeley Canyon Breakout Area, Gentry Mountain (Breakout) Shaft Area, and South Portal Reclamation Area.

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CPMC proposes to redistribute topsoil to all disturbed areas where topsoil was removed. Since topsoil was not salvaged from most areas which been disturbed and which will need to be reclaimed, it is reasonable to assume that the thickness of topsoil or replaced A horizon material may be less than what existed originally.

The soil on the Gentry Mountain Air Shaft site is Taxonomic Unit C17 (see Exhibit 222.300a). Soil properties of Pit 2 which was dug in the mapping unit of the air shaft are shown on Table 230.200i. Soil Pit 2 had an "A" horizon of 5 inches however, soil down to 25 inches or deeper have properties suitable for reclamation, and will be utilized in accordance with R645-301-232.300. At least 24 inches of soil will be removed from the drill pad prior to drilling. Soil removed from the pad will be stored on site until interim reclamation of the site takes place, which will be as soon as practicable after the air shaft is completed. The other remaining area wherein topsoil is scheduled to be removed is a 13.43 acre tract on the southwest corner of the Refuse Expansion Area. According to the detailed Order 1 Soil Survey conducted in this area by EPS in 1981, this soil to be stripped corresponds to the PL2 soil mapping unit. Average removal depth of soil in this area is approximately 3 feet with an A horizon (topsoil) of approximately 8 inches and a C horizon (subsoil) averaging 28 inches in thickness.

The topsoil stockpile sites have been identified on Maps 222.200a - f. Borrow material will be used in compliance with Division regulations.

### **233 thru 233.400. TOPSOIL SUBSTITUTES AND SUPPLEMENTS.**

All reference to the refuse pile, topsoil borrow, and subsoil stockpile sites mentioned within this section is superseded with the information provided in Sunnyside Cogeneration Associates' Permit C/007/042.

CPMC proposes to supplement topsoil volumes available for reclamation by using the material from the subsoil stockpile located north of the lower facilities as substitute growth media. This material will be placed over the Refuse Pile at a thickness of four feet. Additionally, the Lion Deck and main channel restoration area, which includes a large portion of the lower facilities area, will receive at least four feet of cover where coal waste is used as backfill or left in place. In those areas where coal waste is not present, the areas will receive at least 17-inches of substitute growth media. Table 233.100 presents the locations where substitute growth media will be imported and the volume required for adequate cover.

Following the demolition of the surface facilities, soil trenches will be excavated to identify any potential soil resources suitable as growth media. If suitable borrow material in quantities equal to the deficiency are not found during reclamation activities, CPMC will utilize an alternate borrow area. The alternate borrow area will be on property currently owned by CPMC and located in the SW 1/4 SW 1/4 Section 2, T.15 S. R. 8 E. Exhibit 233 outlines the alternate borrow area and the operation proposed to supply the growth medium deficiency. The soils in this area are described in the Soil Survey of Carbon Area, Utah (Jensen, 1998) as belonging to the Strych soil series, map unit 113. These soils are typically well drained, very deep, very stony loams. A more detailed description of these soils is included in Exhibit 233.

In those areas where topsoil was not removed and not described above, substitute growth media will be obtained from overcast materials, pond embankments, and previously cut and fill areas. Specifically, it is anticipated that the Star Point No. 1 and No 2 Mine Areas, access and exploration roads, the southwest portion of the lower facilities area and the old rail car storage area. It is not anticipated at this time that additional growth media will be imported to these areas. Reclamation of these areas is discussed further in Section 240.

Past reclamation events would seem to support the concept that adequate reclamation material is available in-place in several locations. During the reclamation of portions of Mine No. 1 in the fall of 1985, it was discovered that in certain areas, topsoil had been buried by sidecast fill material cast downhill during road construction. In this area, adequate topsoil was recovered to cover all 10.10 recontoured acres to a depth of approximately 17 inches. It is unknown whether or not areas similar to the Portal No. 1 area will exist, but it is possible.

**Table 233.100**  
**Reclamation Soil Balance for Coal Waste Cover**

Location	Cover Required (Assume 4' Cover)	Available
<sup>(1)</sup> Refuse Pile		
Main Channel	116,468 CY	0
Lion Deck	18,837 CY	0
<sup>(1)</sup> Refuse Pile Test Plots		
<sup>(1)</sup> Subsoil Stockpile North of Wash Plant		
Topsoil Stockpile North of Test Plots	0	8,500 CY**
<sup>(1)</sup> Soil Borrow Site - Stage 1		
<sup>(1)</sup> Soil Borrow Site - Stage 2		
<b>Totals</b>	<b>135,305CY</b>	<b>8,500 CY</b>
<sup>(2)</sup> <b>Difference</b>		<b>-126,805 CY</b>

<sup>(1)</sup> The refuse pile, topsoil borrow, and subsoil stockpile sites addressed within this section are superseded with the information provided in Sunnyside Cogeneration Associates' Permit C/007/042.

<sup>(2)</sup> Soil harvested from Lion Deck outslope and the Main Channel and surrounding areas during backfilling and grading operations.

\*\* Approximately 200 CY of topsoil from the Corner Canyon Fan site and 200 CY of soil from the Unit Train Loadout facility are also stored in this stock pile. These quantities will be removed from the stockpile and distributed at their original location.

No reasonable method is currently available to quantify exactly how much of this material is potentially available but CPMC will endeavor to recover as much as possible.

**234 thru 234.320. TOPSOIL STORAGE.**

There are currently 2 topsoil storage areas; one immediately north of the refuse pile and a small pile located just northwest of the Unit Train Loadout along the conveyor. Two subsoil stockpiles exist: one just northeast of the wash plant and another located underground near the Corner Canyon Fan Site. Topsoil from the small topsoil stockpile and the subsoil material near the silo will be respread on the disturbed area associated with the Unit Train loadout and conveyor. Approximately 8500 cubic yards of topsoil exist in the topsoil stockpile immediately north of the refuse test plots. This topsoil came from:

sedimentation ponds constructed in 1980, the Refuse Expansion Area, the Unit Train Loadout Conveyor and Silo, and the Corner Canyon Fan Site. In the large subsoil stockpile approximately 269,160 cubic yards of subsoil are stored. All of this material was removed from the refuse expansion area.

Each of these stockpiles was located and approved by Division personnel prior to construction. The normal soil stabilization practices suggested by CPMC including siting to protect them from wind and water erosion, unnecessary compaction and the planting of rapidly growing plant species were implemented. However, due to Division concerns over erosion and slope stability, the subsoil stockpile had extensive sloping and terrace measures were constructed to provide geotechnical stability and to provide for suitable stabilization with respect to wind and water erosion. CPMC does not foresee any reason why the currently established stockpiles will need to be moved prior to final reapplication.

The locations of all existing topsoil and subsoil stockpiles are shown on the appropriate disturbed area topsoil maps. Topsoil in these stockpiles will remain there until the mining operations are no longer being conducted, the surface facilities have been removed and the areas appropriately regraded, then the topsoil in these stockpiles will be replaced and revegetation activities will commence. Since all existing topsoil stockpile locations and protection measures were approved prior to construction and regularly monitored since, no additional measures are needed to protect this stockpiled resource.

#### REFUSE EXPANSION AREA

With the exception of the first topsoil removal efforts associated with the sediment pond construction in 1980, all topsoil stockpiling efforts have been closely coordinated with Division personnel. Topsoiling plans for the proposed refuse expansion areas and associated topsoil and subsoil stockpile construction were closely reviewed during the permitting process. In CPMC's initial submittal requesting approval to expand the Refuse Pile Area and construct the subsoil stockpile, they committed to the Division on May 28, 1982 to construct the piles in 2 foot lifts or to maintain a maximum slide slope ratio of 2:1 or, in a valley fill situation, the pile would blend into the existing topographic configuration. The side slopes were to be terraced.

In response to this submittal, the Division issued the following stipulations in connection with the construction and revegetation of these stockpiles: Refuse Pile Expansion Plan - Division Stipulations Issued June 15, 1982; Stipulation 6-14-82-2 (DWH), Final Reclamation Plan, Stipulation 4-14-82-3 (LK), Seed Mixture, Stipulation 6-14-82-4 (LK), Vegetation Sampling, Stipulation 6-14-82-5 (TLP), Terracing of Outcrops, Stipulation 6-14-82-6 (TLP), Detention Basin Site, Stipulation 6-14-82-7 (TLP), Wind and Water Erosion Control, and Stipulation 6-14-82-8S (TLP), Repair of Rills and Gullies. Subsequent site inspections and Division enforcement action verified that the topsoil and subsoil stockpiles were constructed according to the proposed 2:1 slope standard and the Division stipulation that terraces be pitched to the inside to decrease erosion and prevent slumping.

#### CORNER CANYON FAN SITE

Topsoil and subsoil stockpiles for reclaiming the Corner Canyon Fan Site are located in two locations. Topsoil amounting to approximately 200 cubic yards was removed from the proposed fan site and hauled through the mine and stored adjacent to the existing topsoil stockpile. This small pile is physically separated from topsoil removed from the facilities areas due to USFS stipulations that this topsoil be removed from the site and transported to CPMC's existing approved stockpile area. To assure that this

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topsoil will be returned to its origin in Corner Canyon, it is marked with a durable metal sign which reads: "Topsoil -Corner Canyon Fan - Use only at Corner Canyon". Erosion control for this stockpile is accomplished by use of a small perimeter ditch and long term perennial vegetation seeded with a straw mulch and stabilized to the site with stapled nylon netting. Subsoil removed from this site was removed according to CPMC's approved plan and stored underground in a stable location near the Corner Canyon Fan Site.

### **GENTRY MOUNTAIN AIR SHAFT SITE**

Topsoil removed from the Gentry Mountain Air Shaft site will be stored, and protected with perimeter ditches or silt fences, on site until the air shaft is completed. Topsoil will be removed with a back hoe or small dozer and placed as shown on Figure 526.100a. A berm will be placed around the topsoil pile to prevent loss by erosion. Considering the topsoil will be stockpiled for less than 90 days, no other erosion protections are needed. The topsoil will be protected from all forms of contamination by segregating it from air shaft construction operations. The topsoil will then be redistributed over the reclaimed areas which were disturbed during the drilling of the air shaft. This site will not be disturbed again until final reclamation, unless there is an emergency in the mine.

The preexisting road to the air shaft site from the south east was ripped and seeded by the Forest Service in 1991. Recreationists have since driven on the reclaimed road and reestablished it. CPMC plans to utilize this road in the area shown on Map 521.121h, Surface Facilities. Topsoil will not be removed since this road has been previously disturbed. The access labeled "Surface Trail" on Map 521.121h will be utilized as instructed by Forest Service personnel during a site visit on May 18, 1992. Topsoil will not be removed on this trail but will be driven over as the Forest Service prefers this method as the best management practice.

### **UNIT TRAIN LOADOUT AREA**

Soils removed from suitable slopes during the construction of the Unit Train Loadout project were stored in two different locations. As allowed for in the permit, soils materials were not segregated and all removed soils were placed into designed storage piles. Soils from the southern end of the conveyor, Sediment Pond 8 and Silo Area were placed in a stockpile east of the sedimentation pond. This stockpile contains an estimated 1500 cubic yards of soil. It must be emphasized that soil materials removed from this area do not possess generic soil horizons and that these soils are classified by SCS as undifferentiated geologic materials. Soils removed from the northern end of the conveyor were stockpiled in a separate pile located north of the refuse test plots adjacent to the existing topsoil stockpiles. An estimated 200 cubic yards of soil from the disturbance associated with the Unit Train conveyor were placed into this stockpile. Once constructed, berms were placed at the toe of the slopes and the site mulched and seeded.

#### **240. RECLAMATION PLAN.**

#### **241 thru 242.320. SOIL REDISTRIBUTION.**

There have long been regulatory concerns expressed regarding the availability of adequate topsoil to assure long term revegetation success. Numerous stipulations have been issued and exchanges of correspondence have taken place between the Division and CPMC. As has been previously acknowledged, extensive areas were disturbed prior to environmental regulations requiring topsoil salvage and replacement

for reclamation. CPMC acknowledges this concern and believes that existing scientific literature on the subject, site specific research conducted by CPMC and the success of past reclamation all demonstrate that the conditions of the area are relatively amenable to successful reclamation.

Considerable acreages have been disturbed on areas lacking developed soil profiles. Mention is made of the fact that examination of the site specific soil mapping unit descriptions found in Exhibit 222.300a documents that certain soil mapping units (i.e. BY - Badland-Rubble Complex and numerous Rock Outcrop areas) have no developed soil horizons. At the scale of mapping used many series contain significant amounts of Rock Outcrop which also lacks a developed soil profile. For areas where little or no topsoil existed prior to disturbance, CPMC will strive to return these locations to AOC using locally available previously disturbed material and recover as much potential growth media within the individual disturbed areas as possible.

With this background, CPMC points out that numerous road cut areas contain areas which were disturbed without topsoil being salvaged. Many acres of the roads did not even possess topsoil and that during the final reclamation of such areas, they will be reclaimed using the fill material used to construct these roads. In some instances, buried topsoils may be encountered and will be used whenever possible for topsoiling.

The Mudwater Canyon Fan Site is another area disturbed without topsoil removal. Past reclamation operations have been successful and at this site, CPMC proposes to reclaim the site using existing fill material. Reclamation along the Unit Train Loadout Conveyor was also successfully conducted on areas lacking developed topsoil and using available fill material.

#### **CORNER CANYON FAN SITE**

Areas where topsoil replacement will be employed include the Corner Canyon Fan Site. Soil materials salvaged at this site are discussed in the previous discussion on Topsoil Storage. Estimates at this site indicate that topsoil amounting to 200 cubic yards and subsoil amounting to 5000 cubic yards are available for redistribution considering that the planimetered acreage of this site equals 0.44. This means that ample topsoil quantities are available to sustain long term reclamation.

#### **UNIT TRAIN LOADOUT AREA**

Stockpiled soil materials for the Unit Train Loadout are located in stockpiles previously discussed, at the north and south ends of the conveyor. Once the mine is no longer active and the conveyor is removed, the stockpiled soil materials will be removed from storage using appropriate equipment and replaced onto the regraded area. Along the conveyor and associated areas, it is estimated that in the lower stockpile there are 1500 cubic yards of soil material, while 200 cubic yards of soil material exist in the upper stockpile. This yardage translates into an average laydown thickness of 6 inches of topsoil on the reclaimed Unit Train Loadout Area.

#### **REFUSE EXPANSION AND LOWER FACILITIES AREA**

All reference to the refuse pile area within this section is superseded with the information provided in Sunnyside Cogeneration Associates' Permit C/007/042.

No soil materials were removed from the lower facilities area which includes the lower office complex, the wash plant and tipple area, overland conveyor and miscellaneous roads. During reclamation, building foundations, roads, and associated structures will be removed. At this time, the soils underlying these

## **MAIN CHANNEL RESTORATION AREA**

The reclamation of the main channel includes restoring the gradient of the channel to near its original condition as possible. This activity will include the removal a significant portion of the coal waste currently present in the channel. However, much of the upper portion of the channel area will be backfilled with coal waste in an effort to restore the channel to its original elevation. Also, coal waste will be required as fill to create the channel side slopes. Where coal waste is used as backfill in this area, at least four feet of suitable growth media will cover the coaly material. Currently, the anticipated volume of growth media required to reclaim the channel and the lower facilities areas is approximately 116,468 CY. This material will need to be imported either from the alternate borrow area or from growth media found during reclamation activities in this or other areas.

## **SUBSOIL STOCKPILE**

During final reclamation, the materials stored in the Subsoil Stockpile will be removed and transported to the Refuse Pile. The materials will be accessed by an existing road that currently runs through the facilities area and across the hillside south of the stockpile. During removal of the stockpile, CPMC will make an effort to remove only the subsoil and disturb the native soils as little as possible. After the subsoils are removed, the remaining surface will be reclaimed using the same techniques as described in Section 542.200 and Section 244. The surface of the newly exposed native soils will roughened to reduce compaction and enhance retention of moisture. Original drainage channels will be restored to the extent possible and final slopes will be shaped to slopes no greater than a 2:1. The surface will be reseeded with the reclamation seed mix appropriate to this area as described in Section 341.

## **GENTRY MOUNTAIN AIR SHAFT SITE**

Interim reclamation of the air shaft site will take place as soon as the air shaft is completed. Interim reclamation will consist of grading the site to approximate original contour, replacing topsoil over the graded areas, and planting of the disturbed areas with the approved permanent seed mix. The preexisting reclaimed road will be ripped and seeded to restore it to the current condition as of June, 1992 as required by the Manti-La Sal National Forest personnel in a site visit on May 18, 1992. The surface trail area will be roughened with a backhoe; areas of topsoil that may have become compacted will receive special attention, and will be seeded as required by the Manti-La Sal National Forest personnel in a site visit on May 18, 1992. Final reclamation will consist of cutting off the drill hole casing four feet below ground level, filling the drill hole with concrete or a bentonite based product, removing the chain-link fence, regrading and replanting any areas which are disturbed by final reclamation activities.

### **243. SOIL NUTRIENTS.**

Nearly 158 soil samples have been analyzed within the past 12 years along with 2 on-site long term fertilizer studies, ample response information is available to formulate a soil fertilization program and forgo the unnecessary testing of additional soil samples. The primary basis for this opinion is the detailed soils survey conducted by PM in Response to Stipulation UMC 817.24-1-TLP - Item #3, Division letter of March 28, 1985 and submitted by CPMC on May 21, 1985.

Utilizing the Division's "Guidelines for Supplying Soil Amendments" the following conclusions can be drawn.

#### NITRATE-NITROGEN

As are reported in the CPMC response submitted May 21, 1985, nitrate-nitrogen has been analyzed in 69 samples, all of which tested below 9 ppm. Upon adding the interaction of organic matter and nitrogen as suggested in the Division's guidelines, 40 samples were analyzed for both of these parameters. Of these 40 samples, 57.5 percent required 40 pounds per acre of supplemental nitrogen, 22.5 percent required 20 pounds per acre of supplemental nitrogen and 20 percent required 10 pounds per acre of supplemental nitrogen. It is noteworthy that all of these samples yielded a nitrogen deficiency.

#### PHOSPHORUS

A total of 69 samples were tested for plant available phosphorus, of which only 1 (1.45 percent) tested adequate. Sixty-two samples (89.86 percent) were reported to require 30 pounds per acre of supplemental phosphorus and 6 samples (8.7 percent) required 20 pounds per acre of supplemental phosphorus of these samples 98.55 percent demonstrated an obvious phosphorus deficiency.

#### POTASSIUM

A total of 69 samples were tested for plant available potassium, of which only 4 (6 percent) tested at a level low enough to benefit from supplemental potassium.

#### IRON AND ZINC

According to the Utah State University, Utah Fertilizer Guide these nutrients are also never known to be deficient in Utah. The Division's guidelines also do not recommend these parameters for topsoil sampling.

Based upon examination of a large data base and comparison with published standards, additional soil testing of respread topsoil is unnecessary. In view of the consistent values obtained wherein we are 100 percent certain all future sampling for nitrate-nitrogen will yield a deficiency, 98.55 percent certain that phosphorus will be deficient, 94 percent certain that potassium is adequate and nearly 100 percent certain that iron and zinc are adequate, CPMC proposes the following fertilization program for all future reclaimed areas. Supplemental nitrogen will be applied at the rate of 40 pounds per acre and supplemental phosphorus will be applied at the rate of 30 pounds per acre active ingredient.

#### 244 thru 244.320. SOIL STABILIZATION.

In order to reduce the extent of potential slippage on the interface between the regraded fill and the respread topsoil and/or growth media, CPMC will deep gouge, scarify, or rip the spoil prior to replacement of topsoil. To the extent that slope permits, ripping will be done on the contour. Whenever slope conditions do not allow for the safe operation of men and equipment, CPMC will endeavor to reapply the topsoil in an uneven and in a roughened condition to achieve an end result similar to ripping.

**TABLE 321.100a**  
**Permit Area Vegetation Type Acreage**

VEGETATION TYPE	INITIAL PERMIT ACRES	SCA PERMIT TRANSFER	PERMIT AREA REDUCTION	PHILLIPS POSTMINING LAND USE	REVISED PERMIT ACRES
Douglas Fir	2120.05	-	-	-	2120.05
Aspen	2012.17	-	-	-	2012.17
Mountain Grassland	1671.22	1.70	17.28	-	1652.24
Mountain Shrub	1137.89	50.80	35.85	-	1051.24
Spruce/Fir	752.33	-	-	-	752.33
Sagebrush	709.43	78.50	1.72	11.77	617.44
Pinyon-Juniper	582.23	33.77	2.41	-	546.14
Saltbush	81.44	12.7	16.64	-	52.10
Barren	17.24	-	-	-	17.24
<b>TOTAL ACRES<sup>(*)</sup></b>	<b>9084</b>	<b>177.47</b>	<b>73.90</b>	<b>11.77</b>	<b>8820.86</b>

(\*) 177.47 acres of the 263.14 acre reduction is associated with the Refuse Pile (147.2 acres), Topsoil Borrow (24.0 acres), and Subsoil Stockpile (5.96 acres) and access road (0.31 acres) sites permitted under Sunnyside Cogeneration Associates' Permit C/007/042. The remaining 85.67 acres are 73.9 acres of BLM lands which are contingent to the Refuse Pile and no longer required by PMC and 11.77 acres associated with the post mining land use change for Phillips Petroleum's gas wells and utility corridor.

The smaller scale maps were used to calculate the acreage of vegetation types within the permit area and the larger scale maps were used to calculate the extent of existing disturbance. These maps were compiled from a variety of sources. Mapping originally conducted for CPMC in 1980 and 1981 was used as a basis for portions of the vegetation maps. Mapping completed in these two years was conducted by Endangered Plant Studies, Inc. (EPS), and consisted of work covering the lower portion of the surface facilities area, particularly those areas surrounding the proposed Refuse Expansion Area.

In 1982, the Environmental Services Group of Getty Mining Company conducted detailed vegetation mapping at the proposed Corner Canyon Fan Site, the proposed Subsoil Stockpile Area and in the proposed Unit Train Loadout Area.

Mapping for the most of the permit area was completed during July 1986. Initially, vegetation types were mapped from a combination of black and white or color aerial photographs taken in 1983 and 1985, respectively. Field verification of the mapping including the current extent of disturbance was conducted during July 1986. The mapping of the vegetation within the Castle Valley Ridge Lease Tract areas was completed during July 1988. The mapping of the vegetation was finalized following the completion of field sampling efforts in Little Park Canyon in July 1991.

Since no information could be obtained outlining the characteristics of the vegetation prior to 1916 when the mine opened, photographs taken in 1976 (prior to when the current major expansion took place) and professional judgement was used to extrapolate the community types for previously disturbed areas. The SCS soils mapping used this same kind of extrapolation. CPMC feels that the current assessment is the best available in light of the available information.

The disturbed vegetation acreage by type for selected pre-SMCRA (but continuously used for mining after SMCRA) areas and all post-SMCRA areas *excluding* County Road 290 are included in Table 321.100b.

**TABLE 321.100b**  
**Disturbed Acreage by Vegetation Type**

VEGETATION TYPE	INITIAL DISTURBED ACRES	SCA PERMIT TRANSFER	PHILIPS POSTMINING LAND USE	REVISED DISTURBED ACRES
Mountain Shrub	51.31	20.8		30.51
Pinyon-Juniper	21.31	12.46		8.85
Sagebrush	111.67*	78.5	5.46	27.71
Douglas Fir	7.24	-		7.24
Mountain Grassland	13.41	-		13.41
Saltbush	8.01	2.4		5.61
Aspen	0.44	-		0.44
<b>TOTAL ACRES<sup>(1)</sup></b>	<b>213.39</b>	<b>114.16</b>	<b>5.46</b>	<b>93.77</b>

<sup>(1)</sup> 114.16 acre reduction associated with the Refuse Pile and Topsoil Borrow sites permitted under Sunnyside Cogeneration Associates' Permit C/007/042. The 5.46 acre reduction is associated with the post mining land use change for Phillips Petroleum's gas wells and utility corridor.

### PLANT COMMUNITY DESCRIPTIONS

Table 321.100a, Permit Area Vegetation Acreage Type indicates that the permit area encompasses 8820.86 acres with the lower portions of the permit area dominated by pinyon-juniper, sagebrush and saltbush vegetation types and the mountainous portions of the permit area dominated by coniferous forests containing Douglas fir, Engelmann spruce and Subalpine fir and the deciduous species aspen, and mountain shrub communities. Grass dominated areas are also common in many mountainous areas.

According to Table 321.100b, Disturbed Acreage by Vegetation Type, seven vegetation types have been disturbed in connection with pre-SMCRA (continuously used) and post-SMCRA mining activities. A list of the dominate plants growing in each of these plant communities is presented on Table 321.100c, in Exhibit 321.100a. A brief description for each of these community types has been given below.

## Mountain Shrub Community

A total of 30.51 acres have been disturbed in the Mountain Shrub Community. This type consists of a small finger-like ridge south and just west of the existing coal refuse pile and another area north and east of the Lion Deck Portal. This type is dominated by taller shrubs and the more abundant plants include Utah Serviceberry (*Amelanchier utahensis*), Mountain mahogany (*Cercocarpus montanus*), and Mountain Snowberry (*Symphoricarpos oreophilus*). Big sagebrush (*Artemisia tridentata*) is also an important component of this community. This plant community usually grows on soils containing very little useable topsoil, and which possess numerous large boulders and rocks which lowers the water holding capability of these areas.

The Mountain Shrub Community in this area is not currently being grazing by livestock and is presently utilized only by wildlife. Very little evidence of human perturbation can be observed and there is no evidence of fire or reseeding.

## Pinyon-Juniper Community

This community exists on many of the drier sites with poorly developed soils often associated with the steeper south facing slopes. This type accounts for 8.85 acres of the disturbance to the vegetation resources at CPMC (Maps 321.100b thru 321.100d). This type is called by some ecologists the pygmy forest since it is dominated by low growing trees which often contain an abundance of shrubs and a paucity of herbaceous plants in the understory. Pinyon pine (*Pinus edulis*) and Utah juniper (*Juniperus osteosperma*) dominate the overstory. Prominent shrubs found within this type include Wyoming Big sagebrush (*Artemisia tridentata* spp. *wyomingensis*), Utah Serviceberry, Mountain mahogany and Mountain snowberry. The sparse herbaceous cover is composed mainly of the grasses; Slender wheatgrass (*Elymus trachycaulus*), Salina wildrye (*Elymus salinus*), Prairie junegrass (*Koeleria macrantha*), and Indian ricegrass (*Stipa hymenoides*), intermingled with forbs including; Curlycup gumweed (*Grindelia squarrosa*), Colton locoweed (*Astragalus coltonii*), and *Eriogonum* spp.

Extensive portions of this type were disturbed by mining activities conducted prior to the recent legislation governing reclamation. The undisturbed portions that remain are used primarily as winter range by mule deer. At CPMC this plant community is the most common in the vicinity of the Topsoil Stockpiles, the Wash Plant Complex and the Lion Deck Portal Access Road.

## Sagebrush Community

The Sagebrush Community occupies flatter areas near the Wash Plant and Coal Refuse Pile. These soils are generally more developed and productive than other soils. In most areas this type is dominated by Wyoming Big sagebrush but on more mesic sites Basin Big sagebrush (*Artemisia tridentata* spp. *tridentata*) is found. In many instances this type appears to occupy soils having

sandstone bedrock at a depth of approximately 30 inches. Floristically this type contains very few other plant species and Big sagebrush accounts for most of the plant growth in this community.

A total of 27.71 acres of Sagebrush have been disturbed, essentially all in the vicinity of the Coal Refuse Pile (321.100b, Disturbed Acreage by Vegetation Type). This type has been sampled both for predisturbance and reference areas.

This plant community is the commonly used type of mule deer winter range and nearly all areas show signs of heavy browsing and numerous pellet groups. This type shows no signs of recent fires, but the existence of Crested wheatgrass in the vegetation sampling suggests that portions of this type have undergone some form of range improvement in the past.

### **Douglas Fir Community**

This type is ubiquitous across the permit area. A total of 7.24 acres have been disturbed by mining activities at CPMC (Table 321.100b). This type has been quantitatively sampled in the vicinity of the Mine No. 1 Portal, at the Corner Canyon Fan Site. This vegetation type can be characterized as coniferous forest being dominated by Douglas Fir (*Pseudotsuga menziesii*). The understory is dominated by Utah Serviceberry and Black chokecherry (*Prunus virginiana*). At the Star Point Mine No. 1 area and on the steep north facing slopes towards the Lion Deck Portal this community is composed of a mosaic of several stages ranging from relatively young stands to almost climax forest. This type contains few grasses or forbs with herbaceous species accounting for less than one percent of the total plant cover.

This plant community is used primarily as summer range for mule deer and as hiding cover by small mammals and birds. Due to the proximity of this type to numerous reseeded areas at CPMC this type is used extensively as hiding cover by mule deer. Due to the steepness of the slopes this type is grazed only by wildlife in the mine area and to a limited degree elsewhere within the permit area. Due to the steepness of the slopes and limited timber volumes this type does not show evidence of having been cut for timber or been burned.

### **Mountain Grassland Community**

This type occurs throughout the CPMC permit area. It occupies a rather prominent band scattered between the stands of Douglas Fir from the Star Point No. 1 Mine westward to the Lion Deck Portal (Map 321.100b). This site typically occupies the more xeric locations across the permit area on sites with poorly developed soils and with more direct exposure. Salina wildrye is the dominant species accompanied by a host of forb species, the most common being Colton locoweed and Western yarrow (*Achillea millefolium ssp. lanulosa*). A total of 13.4 acres have been disturbed in this type (Table 321.100b).

## Saltbrush Community

This plant community occurs along the lower portions of the Unit Train Loadout Area and on other sites where Mancos Shale is exposed. Total area for this community was estimated to be only 5.61 acres. This community is dominated by very low growing shrubs and drought hearty grasses and forbs. The total plant cover on these sites is the lowest of all plant communities sampled. The shrub component provides most of the ground cover followed by grasses and forbs. Shadscale (*Atriplex confertifolia*) is the dominant shrub species and accounts for most of the plant cover growing on this site. Slender wheatgrass is the most common grass. The dominant forb was *Eriogonum* spp.

The soils on these areas are very poorly developed due to the heavy clayey soil textures and steep slopes. Due to these two factors surface runoff is very high. Due to the low growth of the vegetation, which is often covered by snow during the winters, these areas receive little mule deer utilization during the winters.

## Aspen Community

This community occurs most extensively at the Corner Canyon Fan Site and to a limited degree above the Lion Deck Portal. The Aspen Plant Community is dominated by the broad leaf tree Quaking aspen (*Populus tremuloides*). Total plant cover on the Aspen type is normally the highest of all plant communities found within the CPMC permit area. The dense shrubby and herbaceous understory is usually in excess of 60 percent. The most common shrubs are Mountain snowberry and Woods rose (*Rosa woodsii*). The most commonly occurring grasses are Kentucky bluegrass (*Poa pratensis*) and Slender wheatgrass. Forbs commonly contribute the most ground cover and the most common forbs include; Silky lupine (*Lupinus sericeus*) and Wayside gromwell (*Lithospermum ruderale*). This type is the most floristically diverse of all of the plant communities within the CPMC permit area. A total of .44 acres of Aspen have been disturbed by mining activities in the CPMC permit area.

Evidence suggests that where Aspen is located near south facing slopes this type is extensively used as hiding cover and as forage by mule deer and elk. This type has historically been extensively overgrazed on the Forest and the presence of Kentucky bluegrass suggests that many of these areas are in a disclimax condition.

## QUANTITATIVE VEGETATION SAMPLING

### Introduction

Since mining commenced at this location in 1916 and continued until 1981 before any attempt was made to quantitatively sample the vegetation, the CPMC mine complex is somewhat atypical of

the premise on which the Division's regulations are written, in that many areas had no chance of being sampled prior to disturbance and those which have been sampled since 1981 are believed on the basis of professional judgement of being representative of those sites which were disturbed earlier. The assumptions associated with this logic may or may not be valid.

Due to the long history of mining in the area and changes in the state and federal regulations, there has been a variety of vegetation sample techniques, designs, and goals for which these studies were based. Consequently, several reference areas have been chosen over the years, some of which may or may not be appropriate to be used as standards for revegetation success. The sampling of reference areas and their corresponding predisturbance areas was conducted initially in 1981 and has commenced to the present time. An attempt has been made in this document to review available vegetation data and other information to provide a logical, straightforward approach for future reclamation and to provide appropriate success standards that comply with current state and federal regulations. With this intent in mind, some of the reference areas have been dropped or replaced by other reference areas to be used as future success standards for revegetation. *Whereas, much of this is explained below in the sampling methodologies – explanations, justifications and a complete summary of each area to be reclaimed and the standards chosen to represent final revegetation success have been included in Section 356.200.*

In 1981 two predisturbance areas and reference areas, the Mountain Shrub and Sagebrush areas were sampled adjacent to the Proposed Coal Refuse Pile Expansion Area. Because nearly ninety percent of the existing refuse pile and its expansion area was comprised of the Sagebrush community prior to disturbance (see Map 321.100c), the Sagebrush Reference Area was chosen to represent the standard for success and the Mountain Shrub Reference Area was removed from this consideration.

Since no additional disturbance was associated with the Douglas Fir or Mountain Grassland Communities during the post-SMCRA operations at the mine site, it was possible only to establish reference areas (with no predisturbance data) for these plant communities. Because these two communities are closely associated, exist adjacent to each other, and disturbance to them was pre-SMCRA, the Mountain Grassland Reference Area was chosen to be the standard for revegetation success (see Section 356.200).

In 1982 sampling involved both predisturbance and reference areas for two locations, the Corner Canyon Fan Site and the Unit Train Loadout Site. A reference area for the Subsoil Stockpile - Pinyon Juniper Reference Area was also established. Since that time a decision was made to use the Sagebrush Reference Area as the standard of success for the Subsoil Stockpile area and to drop the Pinyon Juniper Reference Area. Also, the Corner Canyon Fan site will use the existing Mountain Grassland Reference Area for a standard of revegetation success. The Unit Train Loadout site will use the reference area sampled in 1982 for a success standard. This reference area was called the Saltbush Reference Area (see Map 321.100c and Section 356.200).

personnel of wildlife and the effects of mining on that wildlife resource. For additional discussion of employee awareness programs see Section 330.

### **Stream Buffer Zones**

Refer to Section 330.

### **340. RECLAMATION PLAN.**

The objective of the proposed backfilling, contouring, grading and seeding/mulching process is to achieve a reclaimed surface which will provide a variety of topographic features enhancing the postmining land use. The premining topography in the area contains long steep slopes with numerous natural benches. The backfilling plan includes leaving modified cutslopes and the associated benches. The postmining topography is graphically represented on Maps 542.200a through 542.200i. For additional discussion refer to the engineering Reclamation Plan located in Section 540 and Exhibit 233 in Chapter 2.

The refuse pile, topsoil borrow, and subsoil stockpile areas will be reclaimed according to Sunnyside Cogeneration Associates' Permit C/007/042.

### **341. REVEGETATION.**

CPMC has long had a commitment toward ensuring that all areas disturbed in connection with mining are returned to a postmining configuration which would allow these lands to be used in a similar manner to adjacent lands which are not disturbed. The following discussion specifically addresses how this will be accomplished for each disturbed area within the CPMC Permit Area.

#### **341.100. SCHEDULE OF REVEGETATION.**

Revegetation efforts will be initiated following the backfilling and regrading activities described in response to Section 540 and detailed on Table 542.100a have been completed. Following regrading, the site will be deep gouged or similarly scarified treated to assure that redistributed topsoil forms a good bond with the regraded landscape. This roughened state will aid in reducing the possibility of slippage occurring at the spoil-topsoil interface. The roughness of this bond will promote moisture retention and tend to increase root penetration.

Topsoil reapplication will be conducted whenever conditions allow for safe operation of equipment on the site. Based upon research conducted in the Northern Great Plains (Gee and Bauer, 1976) and in Wyoming (Miller and Cameron, 1976), CPMC does not anticipate compaction of redistributed topsoil posing a problem for revegetation efforts except when very moist soils are being handled. These studies document that compaction of stockpiled topsoils is largely alleviated as the materials are respread. To the extent that conditions allow, redistribution of topsoil will be conducted along the slope to reduce the possibility of surface runoff. As soon as possible following topsoiling and as

TABLE 341.100a: STAR POINT MINE REVEGETATION TIMETABLE

Name	January	February	March	April	May	June	July	August	September	October	November
Order seed, seedlings, mulch	■										
Backfilling & Regrading						■					
Gouging, seedbed prep.								■			
Fertilization									■		
Seeding										■	
Mulching										■	
Planting seedlings										■	
Final preparations											■

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99B

Cynus Plateau Mining Company

Milestone ◊

Summary ▼

Time Frame ■

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## **R645-301-400. LAND USE AND AIR QUALITY**

### **410. LAND USE.**

Following are descriptions of premining land use and proposed postmining land use. Land use information for the soil borrow area is located in Exhibit 233. All reference to the refuse pile, topsoil borrow and subsoil stockpile sites mentioned within this section are superseded with the information provided in Sunnyside Cogeneration Associates' Permit C/007/042.

### **411. ENVIRONMENTAL DESCRIPTION.**

#### **411.100. thru 411.110. PREMINING LAND-USE INFORMATION.**

Historically, the livestock industry has been an integral part of the region's economy. Early settlers depended on range land for grazing sheep, cattle, and horses. As time passed, grazing operations became smaller, more numerous, and directly associated with small farms. Timber also has been an integral part of the economy of the region, but on a much smaller scale than the livestock industry. Early settlers needed fence posts, corral poles, house logs, mine timber, railroad ties, and lumber. Numerous small sawmills supplied local needs. As time passed and needs diminished, most mills went out of business. No timber has been commercially harvested in the past 20 years.

Non-commercial use of the land has been as wildlife habitat. The area supports a good population of game wildlife and is therefore used for hunting.

#### **411.120. LAND-USE DESCRIPTION IN CONJUNCTION WITH OTHER ENVIRONMENTAL RESOURCES INFORMATION.**

Land capability and productivity before mining have been only slightly reduced compared to the present land capability. Mining activities have proceeded on the current lease areas of the PMC for several decades with only minor effects on productive capabilities in terms of soils, topography, vegetation, wildlife, or hydrology. The soils indigenous to the area affected by the operations are described in R645-301-200. Vegetation and wildlife are discussed in R645-301-300. Land productivity in terms of plant products before any mining did not differ greatly from present productivity. Wildlife, sheep, cattle, and horses used the land for grazing. Small scale timbering has in the past provided fence posts, corral poles, house logs, and railroad ties. Farming in the area is prohibited by the steep and rocky terrain and the lack of water.

The land use of the Unit Train Loadout area is that of grazing by domestic livestock and wildlife. Grazing, which is by cattle, is under the control of the BLM and is part of the Wattis Grazing Allotment. The allotment contains approximately 3,500 acres of Public Land with an allocation of about 100 AUM's. This amounts to 35 acres per AUM which reflects the low productivity of the area. Due to steepness of slope and the inherent lack of production on the Badlands, the actual contribution of this area to the grazing resource is very low. According to BLM, some fence posts and cord wood are cut from Badlands but, in general, the land is not managed intensively for these products. Likewise, the local SCS office describes the Badlands as not containing a developed soil, but consists of geologic material derived from weathered Mancos Shale and sandstone which do not have an agronomic potential for the production of food or fiber.

Current and future land use will suit the physical features of the mine plan area, which are mostly steep and rocky. Such land is well suited for management as a multi-use area, and coal mining fits appropriately into the overall land use scheme. Land productivity data were obtained from USFS and BLM of geologic material derived from weathered Mancos Shale and sandstone which do not have an agronomic potential for the production of food or fiber. Current and future land use will suit the physical features of the mine plan area, which are mostly steep and rocky. Such land is well suited for management as a multi-use area,

and coal mining fits appropriately into the overall land use scheme. Land productivity data were obtained from USFS and BLM.

Besides coal, oil and gas are the known minerals of value in the environs of the permit area. A few wells drilled in a field adjacent to the permit area produced gas and oil from 1924 to 1976. On December 28, 1990, the BLM approved the Drunkards Wash Unit (Unit) for the production of gas, including but not limited to coalbed methane. Since then, and as expanded, the Unit encompasses approximately 94,000 acres within Carbon and Emery County. There is a producing well within the permit area and several adjacent to the permit area.

#### **411.130. Existing Land Uses and Land-Use Classifications.**

Recreational use of the general region of the permit area consists of hunting, camping, picnicking, mountain biking, horseback riding, ATV riding, and hiking. Snowmobiling also occurs where the slopes are not too steep.

The PMC property and adjacent area are currently used for grazing, recreation, forestry, oil and gas, and coal mining. The majority of the surface under which PMC has federal leases is managed by the USFS under the multiple use and sustained yield concepts. Lands under state leases are used for grazing and access to the underground mining operations, including personnel and material supply and coal haulage from the underground mine to the preparation facilities. Coal preparation and management facilities are located on fee land.

Phillips Petroleum Company (Phillips), formerly River Gas Corporation, intends to develop their oil and gas leases and other mineral estates in the area adjacent to the mine facilities and contemplates using the pre-existing roads in the area. Phillips is a working interest owner in and unit operator of the Drunkards Wash Unit. Also Carbon County's communication and relay facilities exist atop Star Point Ridge, adjacent to the mine facilities.

Utah Railway Company owns the siding track, right-of-way and access road at the Wattis Junction at Plateau's Loadout. Therefore, Utah Railway Company expects the track and access road to be returned in good condition following the removal of the silo, conveyors and any other structures (see Exhibit 412.200a).

USFS lands on Gentry Mountain Meadow and Castle Valley Ridge are grazed by cattle. Gentry Mountain Meadow is grazed by 1,440 head of cattle, and the Castle Valley Ridge is grazed by 236 head of cattle between July 26 and September 30. Private land owned by U. S. Fuel Company is grazed by 200 to 300 head of cattle between May and November. The land managed by the BLM within the permit boundary is grazed. There are four livestock allotments, three for cattle and one for sheep. Total grazing allowed is 650 animal units per month.

Recreational use of the area affected by mining operations consists primarily of hunting and camping, however, growing use of the area by mountain bikers, ATV riders and hikers has been seen over the past few years. Heavy hunting of elk and mule deer occurs on Gentry Mountain. Gentry Mountain is frequently used for camping. There is no merchantable timber although much of the area is covered by Douglas fir, aspen, pinyon pine, and juniper. Timbering in the area will be dictated by the surface land owner(s) and no plans/contracts are known to exist for harvesting the timber in the area. During the life of the mine the land use should remain the same: recreation; grazing; wildlife; and mining. During the last five years, land use within and adjacent to the permit boundary has changed substantially.

The Manti-La Sal National Forest has established the Castle Valley Ridge Trail System which includes a trail in the area of PMC mining as shown on Map 521.121g1, Subsidence Monitoring Plan. This trail crosses the

surface above the 3rd North main entries and falls within the subsidence angle of draw as shown on the map. This trail could be impacted by subsidence. Discussions with Forest Service personnel have identified two alternatives for this trail: 1) the trail could be temporarily closed during the subsidence period to prevent any danger to trail users, and 2) the trail could be rerouted. Rerouting the trail would be difficult and costly. Since most of the ground movement during subsidence takes place over a few month period, closure of the trail would be for only a few months. If mining takes place during the winter when there is no use of the trail, there will be no inconvenience to anyone. Mining will be scheduled if possible to take advantage of the winter season, however, mining schedules are dependant on many factors and are very costly to change even by a few weeks. PMC will work closely with the U.S. Forest Service to schedule closure of the trail if that alternative is chosen. Timing of mining beneath the trail will be known as mining approaches the area several months ahead of time, allowing adequate time to post closure of the trail. Once subsidence has stabilized, the trail can be reopened.

Any damage to the Castle Valley trail will be promptly repaired in accordance with commitments made in the subsidence section (500) of this permit document.

In order to assure that postmining land use will be the same as premining land use County Road No. 290 which provides access to Gentry Mountain and Carbon County's communications and relay facilities will remain in place after final reclamation (see Exhibit 412.200a). The power line will remain as granted by Right -of-Way 1262. Other roads within the disturbed area will be reclaimed and costs for road reclamation are included within the bond.

The local, state, and federal managing authorities for areas within the permit boundaries are Carbon County, State of Utah, USFS and U. S. Bureau of Land Management (BLM).

The Carbon County zoning Code, amended December 28, 1981, zones the PMC property as CE-2 Critical Environmental Zone. Section 4-2-17 of the Carbon County zoning ordinance states:

"The CE-2 Critical Environmental Zone covers certain mountain, riparian and other lands of environmental concern in the County which, because of the presence of less severe physical conditions, are of less critical environmental concern than the CE-1 Zone, and are suitable for limited levels of development activity."

"Historically, lands within this zone have been used for livestock grazing, wildlife habitat and the location of an occasional ranch, mine or recreational site."

The portion of the permit area within the Manti-La Sal National Forest is subject to the "Land Management Plan" of the USFS (1986). The surface facilities and Corner Canyon fan are included within the Leasable Minerals Management Unit; the remainder of the permit area is within National Forest lands is within the Range Management Unit. The management objectives related to the permit area, as set forth by the USFS in the land management plan, are to improve and maintain watershed conditions, improve desirable plant species and vegetative cover, decrease soil erosion, maintain soil stability and productivity, coordinate mineral activities with other resource uses, manage and protect archaeological and paleontological resources, harvest timber and forest products on a sustained yield basis, provide quality recreational opportunities, coordinate transportation systems, and protect and maintain wildlife and fish habitats (USFS, 1979).

BLM planning under the "Management Framework Plans" for the Wattis unit states that all coal leases or permits must provide for minimizing or avoiding environmental damage and for rehabilitating lands affected by the operations. The lands in the project area and adjacent areas are used for mining, oil and gas, cattle grazing, recreation, and forestry. Recreational uses consist primarily of hunting, camping, and picnicking. Past and present land uses of the project area and the region as a whole are discussed in the following sections. The source of much of this information is the Draft Environmental Statement: Development of Coal Resources in Central Utah (U. S. Geological Survey, 1978).

The Central Utah coal region encompasses lands in federal, state, county, and private ownership. Land use management plans for public and National Forest lands generally allow for mine and mine-related activities. Coal mining has been an integral part of the region's economy. Mining and related construction activity dominate employment in Carbon and Emery Counties. Active mining is going on in areas adjacent to the permit area.

#### **411.140. thru 411.145. Cultural and Historic Resources Information.**

Cultural and historic resources on and adjacent to the PMC operation were inventoried on 6 separate occasions. Areas inventoried are shown on Map 112.500b. The first inventory conducted in 1980 and 1981 by Archeological-Environmental Research Corporation (AERC) of Salt Lake City, Utah, comprised Chapter 5 of the original permit. This chapter along with the pertinent responses in the Supplement resulting from the initial submittal are presented in Exhibit 411.140a, Historical and Cultural Resources.

The second inventory of Historic and Cultural resources was performed in May, 1982, by K.K. Pelli Cultural Resource Management Specialists of Moab, Utah. This study was performed in conjunction with the Unit Train Loadout. This report is in Exhibit 411.140a.

The third inventory was performed in November, 1983, by Nickens and Associates of Montrose, Colorado in conjunction with the Unit Train Loadout. This report is presented in Exhibit 411.140a.

The fourth inventory was performed in November, 1982, by P/S Scientific Inc., of Salt Lake City on the Corner Canyon Fan Breakout Area. This report is presented in Exhibit 411.140a.

The fifth inventory was conducted by Abajo Archaeology in July, 1987. This inventory covered the Gentry Ridge area and is presented in Exhibit 411.140a.

The sixth inventory was performed by the Office of Public Archaeology of Brigham Young University.

An inventory was performed on the soil borrow area in 1998, the inventory is contained in Exhibit 233, Chapter 4, Appendix 4-1.

Review of this material confirms that there are no sites eligible for nomination to the National Register of Historic Places within PMC's area of disturbance.

The Utah State Historical Preservation Office (SHPO) files were inventoried in June of 1997. The documentation and photographs collected in 1980 and 1986 of the town of Wattis were limited. Four photographs taken June of 1980 were located in the file, three of the lower pad area, including the tipple structure and one of a concrete garage, alleged to be a portion of the town schoolhouse. The file also included pages from the November 1980 report prepared by AERC., Centennial Echos from Carbon County, Daughters of the Utah Pioneers, 1948 and Carr's publication of Utah ghost towns. The files for the town of Wattis were re-evaluated by SHPO in 1986 and determined to be "to insignificant" to evaluate by Ryan Roper a SHPO employee.

The town of Wattis was allowed to deteriorate between the end of World War II and the mid 1950's. Residents and businesses associated with the town moved into larger communities such as Price and Helper. Eventually the town area was replaced by mine facilities as the mining operation expanded. The AERC survey performed in 1980/1981 contains photographs and descriptions of the town of Wattis as it existed in 1980/1981. Refer to Exhibit 411.140a for various cultural and archeological surveys.

The south half of Section 9, T15S, R8E was surveyed by AERC in 1978 for the BLM. The Lions Deck facilities are located within the south half of Section 9 and the northeast quarter of 17. A portion of the AERC report is contained in Exhibit 411.140a., Appendix 5A (although the copies are poor), with the full report having been submitted to the Moab office of the BLM in 1978.

The mine and town of Hiawatha and Morhland are the most noteworthy historical areas immediately adjacent to the Star Point Mine. Historical and archeological data for these areas can be reviewed at the U.S. Fuel office in Helper, Utah or SHPO in Salt Lake City, Utah.

During reclamation of the Star Point Mine site the old shop building and other structures in the general area will be removed and disposed of as described in Chapter 5, Engineering. Alternatives for retaining the old shop building, tipple, and other potential historical structures were explored by engineering personnel, however the methods needed to construct and maintain a stable slope behind the structures were not compatible with the retention of the structures. The old concrete tipple will be partially removed and covered during reclamation.

Sagebrush Archeological Consultants, LLC was hired to inventory and evaluate the aforementioned structures and others for eligibility for registration with the National Register of Historical Places (NRHP). All structures evaluated were not eligible. A complete report is presented in Exhibit 411.140a.

There are no public parks or historic places in or near the permit area. There are no public parks or cultural or historic resources listed or eligible for listing in the National Register of Historic Places located within the permit area. Cultural and historic resources of the permit area are presented on Map 112.500b.

There are no cemeteries or Indian burial grounds identified within the permit area.

There are no areas within the permit boundary which are units of the national system of trails or the wild and scenic rivers system, including study rivers designated under Section 5(A) of the Wild and Scenic Rivers Act.

#### **411.200. PREVIOUS MINING ACTIVITY.**

Coal mining started in 1917. The Lion Coal Company operated Wattis No. 1 and 2 Mines until the end of 1963. There were no coal mining activities from 1964 through 1967. Plateau Mining, Ltd. operated the Star Point No. 1 Mine in the Hiawatha Coal Seam, which was not mined by Lion Coal Company, and the Star Point No. 2 Mine in the Wattis Coal Seam, previously the Wattis 1 Mine, from 1967 through the fall of 1971. United Nuclear Corporation acquired the Star Point Mines in the fall of 1971. The present day modernization of the coal mine started when the Lion Deck Portal Area was expanded in October, 1977. United Nuclear Corporation extracted coal through July 21, 1980. Since then, the coal has been produced by PMC.

#### **411.210. TYPE OF MINING METHOD USED.**

Conventional (drill and blast) mining and room-and-pillar mining with continuous mining machines have been used in the past. Pillars were recovered as mining conditions permitted. The room-and-pillar system was the logical choice for recovering the coal in the old workings and for driving development openings into the virgin areas.

## **411.220. COAL SEAMS OR OTHER MINERAL STRATA MINED.**

PMC is located in Wattis, Utah, with the mine portals at approximately 8500 feet above sea level. The coal-bearing strata are in the lower 400 feet of the Blackhawk Formation of the Mesa Verde Group. Coal has been extracted from three seams, which, from uppermost to lowermost, are the Wattis, Third, and Hiawatha Seams. When mining began in the early 1900's, entry was made into the Third Seam and coal was extracted from it first. Mining was expanded into the Wattis Seam. Slopes connected the Wattis Seam with the Third Seam and provided access to the virgin western reserve area.

## **411.230. thru 411.250. EXTENT OF COAL OR OTHER MINERALS REMOVED.**

From 1917 through 1963 approximately 12,000,000 tons of coal were removed from the Star Point Mines by Lion Coal Company. Between 1967 and the fall of 1971 approximately 750,000 tons of coal were extracted by Plateau Mining, Ltd. United Nuclear Corporation as UNC Plateau Mining Company mined approximately 5,000,000 tons of coal between the fall of 1971 and July 21, 1980. PMC has mined approximately 12,000,000 tons between 1980 and 1990.

## **412. RECLAMATION PLAN.**

### **412.100. POSTMINING LAND USE PLAN.**

The postmining land uses will be the same as premining uses except for the area shown on Map 542.200c, which will have a higher and better use through further development and processing on oil and gas within the Drunkard Wash Unit. These uses include livestock grazing, wildlife habitat, recreation and forestry in the areas belonging to USFS. Table 412.100a, summarizes the disturbed areas and their postmine land uses. Refer to Exhibit 412.200a for property exchange, easement, right-of-way, maintenance, lease, and use agreements.

### **412.110. ACHIEVEMENT OF PROPOSED POSTMINING LAND USE.**

Forestry as a postmining land use will be achieved by the implementation of the Reclamation Plan as discussed in response to R645-301.300. This Plan provides for replanting tree species compatible with native species where appropriate.

Recreation as a postmining land use will be achieved by implementing the Reclamation Plan. This Plan allows for reclaiming disturbed areas, replanting species compatible with grazing, wildlife and forestry. The land will be utilized for recreation as it was prior to mining activity. Public access to the area will be by County Road No. 290, which will remain after final reclamation as an essential part of the postmining land use.

Oil and Gas development will be located where the preparation plant and mine rescue training field once were. The areas will be graded to facilitate the well pads and utility corridor. A conditional use permit has been obtained from Carbon County to allow for the proposed land use change (Exhibit 412.200a).

Reclamation of the refuse pile is discussed in Section 540 and 550 of this M&RP. The implementation of the reclamation plan should be sufficient to return the refuse to the intended postmining land use.

### **412.120. thru 412.130. RANGE, GRAZING, AND OIL AND GAS LAND USE.**

Postmining land uses are to be achieved by effectively reclaiming disturbed areas including the establishment of a diverse vegetative cover compatible with wildlife and livestock grazing. The alternative postmining land use will be achieved through proper grading of the well sites and utility corridor capable of supporting the higher and better use. PMC, the surface and/or mineral estate owner, has entered into a Lease and Surface Use Agreement with Phillips to allow access to and development of leased substances (Exhibit 412.200a).

**TABLE 412.100a.  
Postmining Land Use**

AREA	PRESENT OWNERSHIP	PREMINING USE	PROPOSED POSTMINING USE	ABILITY TO SUPPORT PROPOSED POSTMINING USE
<b>LAND USE IN RELATION TO MINE FEATURES</b>				
Mine Site and Exploratory Excavations	USFS, Private, State	Wildlife, Grazing Recreation	Wildlife, Grazing Recreation	-
Conveyor and Powerline Routes	Private, State	Grazing	Grazing, Power Line Route	-
County Road 290	Private, BLM, State	Service Road	Service Road	-
Coal Processing and Unit Train	Private, BLM	Grazing, Wildlife, Recreation	Oil and Gas, Grazing, Wildlife, Recreation	-
Corner Canyon Fan Breakouts	USFS	Grazing, Wildlife Forestry, Recreation	Grazing, Wildlife Forestry, Recreation	-
<b>LAND USE IN RELATION TO PHYSICAL FEATURES</b>				
Flatlands	-	-	Oil and Gas, Wildlife/Grazing Habitat	Adequate
Canyons	-	-	Wildlife/Grazing Habitat	Adequate
Moderate Elevations: North & East Slopes	-	-	Wildlife/Grazing Habitat	Adequate
South & West Slopes	-	-	Wildlife Habitat	Moderate - because of harsh natural conditions
High Elevations; Steep land North & East Slopes	-	-	Wildlife Habitat	Adequate
South & West Slopes	-	-	Wildlife Habitat	Moderate - because of harsh natural conditions

**412.140. thru 412.200. CONSISTENCY WITH SURFACE OWNER PLANS AND APPLICABLE UTAH AND LOCAL LAND-USE PLANS.**

The reclamation plan is consistent with all state, federal and local land use plans and programs, including surface water plans.

The surface owners of record agree with the post mining land uses. No other comments have been received. Copies of letters sent to the land owners by PMC are presented in Exhibit 412.200a, Land Owner Letters. Exhibit 412.200a also contains various documents pertaining to postmining land uses.

## **412.300. SUITABILITY AND COMPATIBILITY.**

Following the removal of the surface facilities, the affected areas will be restored to a condition capable of supporting the postmining land uses. This will be achieved by implementing the reclamation plan described in response to R645-301-542 or as required by the Division's Oil and Gas regulations. Specifically, the affected area will be regraded to the approved contour, drainage patterns will be restored, soil material will be reapplied and the seed mixtures will be planted.

All reclaimed areas will be capable of supporting the postmining land uses. Based on the results of interim vegetation, vegetation test plots, ongoing vegetation monitoring and data gathered over two permit terms, the soils in the disturbed areas are capable of supporting a variety of vegetation compatible with current and postmining land uses.

## **413. PERFORMANCE STANDARDS**

### **413.100. thru 413.120. POSTMINING LAND USE.**

All disturbed areas will be restored in a timely manner to conditions that are capable of supporting premining land uses or higher or better uses.

### **413.200. thru 413.220. DETERMINING PREMINING USES OF LAND.**

The postmining land uses will be the same as the premining land uses, except for those areas where oil and gas development are to occur.

### **413.300. thru 414.300. CRITERIA FOR ALTERNATIVE POSTMINING LAND USES.**

Phillips is in good standing in the State of Utah. Phillips is a working interest owner in, and is unit operator of, the Drunkard Wash Unit. Existing wells recover gas from state, federal, and private mineral estates within and adjacent to permit area.

The use does not present any actual or probable hazard to public health or safety, or threat of water diminution or pollution; and the use will not: be impractical or unreasonable; be inconsistent with applicable land-use policies or plans; involve unreasonable delay in implementation; or cause or contribute to violation of federal, Utah, or local law.

The Lease and Surface Use Agreement between PMC and Phillips addresses the surface landowner of the lands within the permit area of knowingly requesting that a variance be granted so as to render the land shown on Map 542.200c after reclamation suitable for an industrial use. The Lease and Surface Use Agreement further requires the Phillips to perform all reclamation of which may be required by federal or state law. The Division of Oil, Gas and Mining will further oversee Phillips activities on PMC's fee surface.

## **420. AIR QUALITY**

### **421. thru 422. CLEAN AIR ACT AND OTHER APPLICABLE LAWS.**

PMC has and will continue to make every effort to comply with requirements of the Clean Air Act, the Clean Water Act, and the laws pertinent to this section. The information presented in R645-301-700 describes how the hydrologic resource will be protected. NPDES permit UT-0023736 will continue to be in effect for the PMC operations. The applicable air quality permit issued by the Utah State Department of Health will be maintained and PMC will endeavor to comply with these permits.

The Utah State Health Department does not require air quality monitoring programs except for major sources. PMC has not implemented a monitoring program. Meteorological data, including wind speed and direction, were collected over a three year period to establish a baseline for prevailing winds in the event monitoring equipment placement becomes necessary.

Fugitive dust control measures have been implemented on all facilities at PMC. All surface operations including construction and reclamation operations are conducted utilizing dust control measures. Approval orders have been received from the Utah State Department of Health for all facilities at PMC. These approval orders are as follows: Coal Production Increase and Waste Area Expansion approved Aug. 5, 1981; Fly Ash Collector for Mine Repair Boiler approved Nov. 6, 1981; Rock Dust Distribution System approved March 18, 1982; Coal Fired Boiler Lion Deck Bath House approved March 15, 1985; Unit Train Loadout approved April 28, 1982; and Unit Train Loadout Modification approved August 19, 1985; Approval Order For Modification to Star Point Coal Mine and Processing Facility DAQE-886-96, September 20, 1996. A copy of Approval Order DAQE-886-96, replacing all Approval Orders issued for this location is presented in Exhibit 422a, Air Quality Approval Correspondence.

Unpaved roads are periodically watered when conditions dictate. Speeds on these roads are restricted to twenty five miles per hour to reduce fugitive dust. Chemical stabilization has not been necessary. In the event it does become necessary, nontoxic agents will be used.

The main access road, which carries the vast majority of traffic, is paved to prevent fugitive dust. Traffic is restricted to established roadways.

Accumulations of coal, rock and other dust forming materials are promptly removed from roads. Unpaved roads are periodically graded and compacted to stabilize the surfaces.

Dumping of coal has been restricted and eliminated where possible by constructing stacking tubes. Heights of free-falling coal have been reduced to the lowest level possible. Coal in the system has surface moisture from the mining and washing processes which helps reduce fugitive dust. Coal stockpiles are inspected daily, and burning areas are removed and cooled to prevent further burning.

All transfer points on conveyors are enclosed to prevent fugitive dust losses. Conveyors have covers to prevent dust loss. Fugitive dust from loading of coal at the silo and the truck loading point is controlled with chutes, hoods and by reducing the drop distance as well as with water sprays.

The coal refuse material contains approximately 20% moisture which eliminates any fugitive dust from this material. After it is spread and dried, it crusts over which reduces dust loss from the pile.

Disturbances to land are kept to a minimum to prevent unnecessary dust. Those areas which are disturbed during construction that are not necessary for surface facilities are promptly seeded to stabilize the surface material.

Very little surface drilling and blasting are conducted at PMC. When they occur, appropriate measures are used to control dust emissions.

#### **423. SURFACE COAL MINING AND RECLAMATION ACTIVITIES EXCEEDING 1,000,000 TONS PER YEAR.**

No surface mining takes place at PMC.

**Exhibit**  
**412.200a**

**PLATEAU  
MINING  
CORPORATION**

Willow Creek Mine  
847 NW Hwy 191  
Helper, Utah 84526  
(435) 472-0482  
Fax: (435) 472-0486

An affiliate of **RAG**

April 2, 2002

Mr. William D. Krompel  
Commissioner  
120 East Main Street  
Price, Utah 84501

**Re: Post Mining Land Use, Oil and Gas Development, Star Point Mine, C/007/006,  
Carbon County, Utah**

Dear Mr. Krompel:

In accordance with the requirements of R645-301-412.200, Plateau Mining Corporation (PMC) is seeking approval from the surface landowners within and adjacent to the Star Point Mine to allow for oil and gas development on a portion of land owned by PMC as shown on Figures 1 and 2, after final reclamation of the site. Phillips Petroleum Company, which is a working interest owner in, and unit operator of, the Drunkards Wash Unit will drill and develop two wells along with utility corridor on PMC's fee surface.

Access onto the well sites will be from County Road 290. The Star Point Mine reclamation plan was developed to address the watershed of lands within the permit and adjacent areas following coal mining and reclamation operations. The watershed of lands has been improved by coal mining and reclamation operations when compared with the condition of the watershed before mining.

The watershed has been improved by demonstrating that:

- A. The amount of total suspended solids or other pollutants discharged to ground or surface water from the permit area will be reduced, so as to improve public or private uses or the ecology of such water, or flood hazards within the watershed containing the permit area will be reduced by reduction of the peak flow discharge from precipitation or thaws; and
- B. The total volume of flow from the proposed permit area, during every season of the year, will not vary in a way that adversely affects the ecology of any surface water or any existing or planned use of surface or ground water.

Mr. William D. Krompel

April 2, 2002

Page 2

All runoff and sediment control structures were designed and prepared by, or under the direction of, and certified by a qualified, registered, professional engineer.

Comments concerning the proposed use from the legal or equitable owner of record of the surface areas to be affected and from the Federal, Utah and local government agencies which would have to initiate, implement, approve, or authorize the proposed use of the land following reclamation should be mailed to: Plateau Mining Corporation, Attention: Johnny Pappas, 847 NW Highway 191, Helper, Utah 84526.

If you have any questions or need additional information, please do not hesitate to contact me at (435)472-4741.

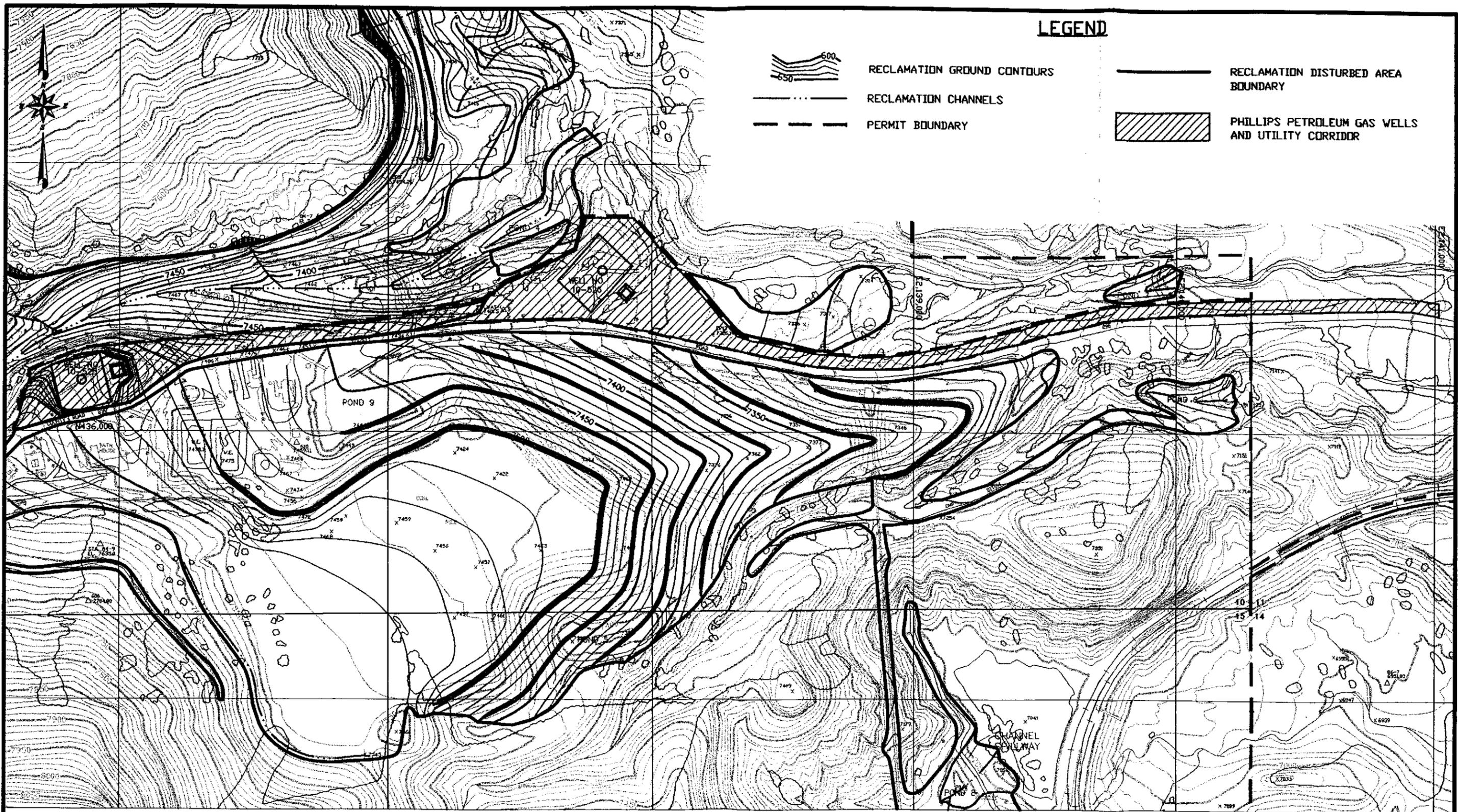
Sincerely,



Johnny Pappas  
Sr. Environmental Engineer

Enclosures

Env: Star Point Mine  
Chrono: JP020401.LTR



**LEGEND**

-  RECLAMATION GROUND CONTOURS
-  RECLAMATION CHANNELS
-  PERMIT BOUNDARY
-  RECLAMATION DISTURBED AREA BOUNDARY
-  PHILLIPS PETROLEUM GAS WELLS AND UTILITY CORRIDOR

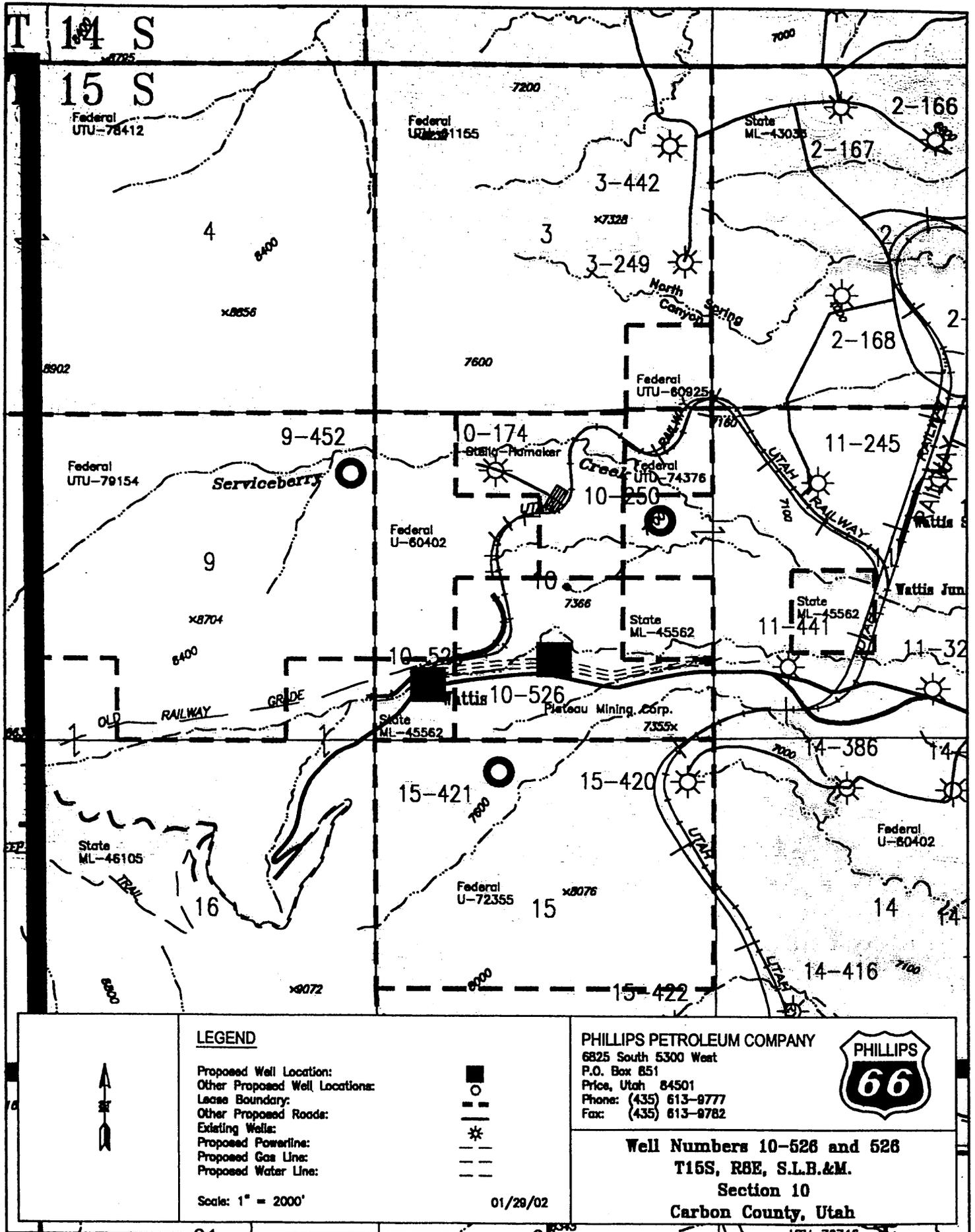
TOWNSHIP 15 SOUTH, RANGE 8 EAST, SECTION 10, SALT LAKE BASE AND MERIDIAN



FIGURE 1. PHILLIPS PETROLEUM POST MINING LAND USE CHANGE



6 UC779304 V10-1.DWG 02-20-02



**PLATEAU  
MINING  
CORPORATION**

Willow Creek Mine  
847 NW Hwy 191  
Helper, Utah 84526  
(435) 472-0482  
Fax: (435) 472-0486

An affiliate of **RAG**

April 2, 2002

Mr. Mark Mackiewicz  
Bureau Of Land Management  
125 South 600 West  
Price, Utah 84501

**Re: Post Mining Land Use, Oil and Gas Development, Star Point Mine, C/007/006,  
Carbon County, Utah**

Dear Mr. Mackiewicz:

In accordance with the requirements of R645-301-412.200, Plateau Mining Corporation (PMC) is seeking approval from the surface landowners within and adjacent to the Star Point Mine to allow for oil and gas development on a portion of land owned by PMC as shown on Figures 1 and 2, after final reclamation of the site. Phillips Petroleum Company, which is a working interest owner in, and unit operator of, the Drunkards Wash Unit will drill and develop two wells along with utility corridor on PMC's fee surface.

Access onto the well sites will be from County Road 290. The Star Point Mine reclamation plan was developed to address the watershed of lands within the permit and adjacent areas following coal mining and reclamation operations. The watershed of lands has been improved by coal mining and reclamation operations when compared with the condition of the watershed before mining.

The watershed has been improved by demonstrating that:

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- B. The total volume of flow from the proposed permit area, during every season of the year, will not vary in a way that adversely affects the ecology of any surface water or any existing or planned use of surface or ground water.

Mr. Mark Mackiewicz

April 2, 2002

Page 2

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If you have any questions or need additional information, please do not hesitate to contact me at (435)472-4741.

Sincerely,



Johnny Pappas  
Sr. Environmental Engineer

Enclosures

Env: Star Point Mine  
Chrono: JP020402.LTR

**PLATEAU  
MINING  
CORPORATION**

Willow Creek Mine  
847 NW Hwy 191  
Helper, Utah 84526  
(435) 472-0482  
Fax: (435) 472-0486

An affiliate of **RAG**

April 2, 2002

Ms. Elaine J. Zieroth  
Forest Supervisor  
Manti-La Sal National Forest  
599 West Price River Drive  
Price, Utah 84501

**Re: Post Mining Land Use, Oil and Gas Development, Star Point Mine, C/007/006,  
Carbon County, Utah**

Dear Ms. Zieroth:

In accordance with the requirements of R645-301-412.200, Plateau Mining Corporation (PMC) is seeking approval from the surface landowners within and adjacent to the Star Point Mine to allow for oil and gas development on a portion of land owned by PMC as shown on Figures 1 and 2, after final reclamation of the site. Phillips Petroleum Company, which is a working interest owner in, and unit operator of, the Drunkards Wash Unit will drill and develop two wells along with utility corridor on PMC's fee surface.

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- B. The total volume of flow from the proposed permit area, during every season of the year, will not vary in a way that adversely affects the ecology of any surface water or any existing or planned use of surface or ground water.

Ms. Elaine J. Zieroth

April 2, 2002

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Sincerely,



Johnny Pappas  
Sr. Environmental Engineer

Enclosures

Env: Star Point Mine  
Chrono: JP020403.LTR

**PLATEAU  
MINING  
CORPORATION**

Willow Creek Mine  
847 NW Hwy 191  
Helper, Utah 84526  
(435) 472-0482  
Fax: (435) 472-0486

An affiliate of **RAG**

April 2, 2002

Mr. Randy Scott  
General Manager  
Sunnyside Cogeneration Associates  
#1 Power Plant Road  
Sunnyside, Utah 84539

**Re: Post Mining Land Use, Oil and Gas Development, Star Point Mine, C/007/006,  
Carbon County, Utah**

Dear Mr. Scott:

In accordance with the requirements of R645-301-412.200, Plateau Mining Corporation (PMC) is seeking approval from the surface landowners within and adjacent to the Star Point Mine to allow for oil and gas development on a portion of land owned by PMC as shown on Figures 1 and 2, after final reclamation of the site. Phillips Petroleum Company, which is a working interest owner in, and unit operator of, the Drunkards Wash Unit will drill and develop two wells along with utility corridor on PMC's fee surface.

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Mr. Randy Scott

April 2, 2002

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If you have any questions or need additional information, please do not hesitate to contact me at (435)472-4741.

Sincerely,



Johnny Pappas  
Sr. Environmental Engineer

Enclosures

Env: Star Point Mine  
Chrono: JP020404.LTR



# CARBON COUNTY PLANNING AND BUILDING DEPARTMENT

120 East Main Street • Price, Utah 84501 • (435) 636-3260 • Fax (435) 636-3264

## CONDITIONAL USE PERMIT CARBON COUNTY DEPARTMENT OF PLANNING AND ZONING

DAVE LEVANGER  
Building Official  
Director of Planning  
636-3261

LEW KORENKO  
Deputy Building  
Official  
636-3262

GAYLA WILLIAMS  
Deputy Zoning  
Administrator  
636-3710

BOBBIE FLEMETAKIS  
Secretary  
636-3260

**THIS CERTIFICATE ISSUED AS PER SECTION 3-3-26 OF THE  
DEVELOPMENT CODE OF CARBON COUNTY TO:**

**PHILLIPS PETROLEUM COMPANY  
P. O. BOX 851  
PRICE, UTAH 84501**

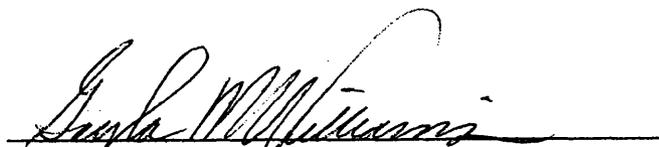
**GRANTING A CONDITIONAL USE PERMIT TO DRILL AND PRODUCE  
GAS WELL #10-525 and #10-526 ON PROPERTY OWNED BY PLATEAU  
MINING CORPORATION.**

**DATED: MAY 16, 2002**

### CONDITIONS:

- Comply with all Ordinances of Carbon County and laws of the State of Utah.
- Store and dispose of all garbage properly.
- Restrict all noise to that necessary for the project, not to exceed 55 decibels day/night at a distance of 1,800 feet from site location.
- Do not infringe upon existing use (This is private property).
- Control dust as dictated by road/weather conditions.
- No firearms allowed on site.
- No open fires allowed on site. (Or if allowed, must be attended 24 hours per day).
- Keep gates closed, or install cattle guards, to protect livestock.
- Control noxious weeds per County ordinance.
- Control all water used/produced on site through whatever means necessary  
Liners required      5' Fence around ponds required.
- Preserve aesthetic integrity of the area: structures and/or pump should blend in with color of area; should not be visible along the horizon.
- Emit no fumes, smoke, noise, vibration or odor beyond the boundaries of the property.

### APPROVED:

  
GAYLA M. WILLIAMS  
DEPUTY ZONING ADMINISTRATOR

# PLATEAU MINING CORPORATION

Willow Creek Mine  
847 NW Hwy 191  
Helper, Utah 84526  
(435) 472-0475  
Fax: (435) 472-4780

An affiliate of **RAG**

August 9, 2002

Jon D. Baccus  
Central Region Manager  
Phillips Petroleum Company  
Insurance, Real Estate and Claims  
4 B2 Phillips Building  
Bartlesville, OK 77251-1967

*Plateau's  
EIT is:  
95-3761213*

**Surface Use Agreement dated effective August 9, 2002  
between Plateau Mining Corporation  
and Phillips Petroleum Company  
Star Point Mine  
Carbon County, Utah**

Dear Mr. Baccus:

Pursuant to Ms. Deanna J. Walker's instructions, enclosed are two (2) partially executed and notarized counterpart originals of the Surface Use Agreement and Memorandum of same dated effective August 9, 2002 between Plateau Mining Corporation and Phillips Petroleum Company.

Please -

- ✓ 1. Execute and have your signature notarized where indicated on pages 12 and 13 of each counterpart original of the Surface Use Agreement and pages 2 and 3 of each counterpart original of the Memorandum of Surface Use Agreement;
- ✓ 2. Retain one (1) set of the fully executed and notarized originals of both the Surface Use Agreement and Memorandum of Surface Use Agreement for your records; and
- ✓ 3. Return the remaining fully executed and notarized counterpart originals of the Surface Use Agreement and Memorandum of Surface Use Agreement to me via overnight express mail.

Should you have any questions concerning this matter, please do not hesitate to contact me at (303) 749-8410. Thank you for your cooperation and assistance.

Sincerely yours,

L. T. Gaskins  
Sr. Land Administrator  
Englewood, CO Office

Enclosures (4)

C. Bromley, Esq. - RAG American Coal Holding, Inc. (Englewood, CO)  
J. Pappas - Plateau Mining Corporation (Helper, UT)  
D. Ware - Plateau Mining Corporation (Helper, UT)

<b>INSURANCE REAL ESTATE &amp; CLAIMS CENTRAL REGION</b>					
AUG 12 2002					
<input type="checkbox"/> JDB	<input checked="" type="checkbox"/> SAB	<input type="checkbox"/> SKM	<input type="checkbox"/> JAN	<input type="checkbox"/> KAE	<input type="checkbox"/> PSK
<input type="checkbox"/> SLH	<input type="checkbox"/> RLH	<input type="checkbox"/> NR	<input type="checkbox"/> WRS	<input type="checkbox"/> JDB	<input type="checkbox"/> FILE
<input type="checkbox"/> WOH	<input type="checkbox"/> DJW				

## MEMORANDUM OF SURFACE USE AGREEMENT

**THIS MEMORANDUM OF SURFACE USE AGREEMENT** (the "Memorandum"), dated effective the 9th day of August, 2002, is by and between **PLATEAU MINING CORPORATION**, a Delaware corporation, with an address of 847 Northwest Highway 191, Helper, Utah, 84526 (hereinafter referred to as "PMC"), and **PHILLIPS PETROLEUM COMPANY**, a Delaware corporation, with an address at Insurance, Real Estate and Claims, 4 B2 Phillips Building, Bartlesville, Oklahoma 74004 (hereinafter referred to as "Phillips").

PMC, in consideration of the covenants and agreements contained in that certain unrecorded Surface Use Agreement (the "Agreement") dated concurrently herewith, granted unto Phillips certain rights and privileges to enter upon, under, over, through and across those certain tracts, parcels or lots of land located in the County of Carbon, State of Utah, as further described in Exhibit "A" attached hereto and made a part hereof (the "Property").

The Property is subject to all of the terms and conditions of the Agreement, reference to which may be made for a complete statement of rights and obligations of PMC and Phillips. Should there be any discrepancy between this Memorandum of Surface Use Agreement and the Agreement, the Agreement shall control.

The term of the Agreement shall commence on the effective date hereof and shall continue for so long thereafter as that certain Lease of even date herewith between PMC as Lessor, and Phillips as Lessee (the "Oil and Gas Lease") remains in effect; however, upon termination of the Oil and Gas Lease, Phillips has the right to continue the Agreement in accordance with the applicable terms and conditions thereof.

Copies of the Agreement and the Oil and Gas Lease may be found at the above indicated addresses of the parties.

This Memorandum may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

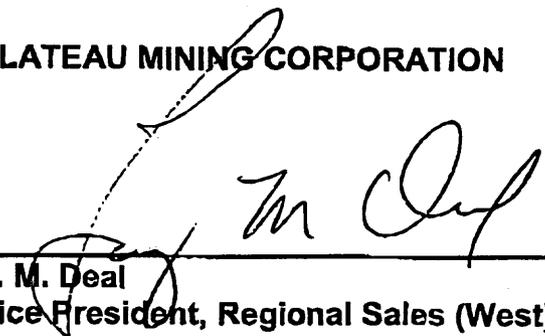
All the terms, conditions and covenants of the Agreement shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of each of the parties hereto.

IN WITNESS WHEREOF, PMC and Phillips have executed this Memorandum effective the date first above written.

PMC:

PLATEAU MINING CORPORATION

By:

  
L. M. Deal  
Vice President, Regional Sales (West)



PHILLIPS:

PHILLIPS PETROLEUM COMPANY

By:

  
Jon D. Baccus  
Attorney-in-Fact

### CORPORATE ACKNOWLEDGMENT

STATE OF COLORADO    )  
                                   ) ss.  
 COUNTY OF DOUGLAS    )

The foregoing instrument was acknowledged before me this 9th day of August, 2002, by L. M. Deal, the Vice President, Regional Sales (West) of Plateau Mining Corporation, a Delaware corporation.

*Ann Marie Bruzenhan*

Notary Public

7999 South Jasmine Circle  
Englewood, CO 80112-3052

Address

My Commission expires: May 21, 2004



### CORPORATE ACKNOWLEDGMENT

STATE OF OKLAHOMA    )  
                                   ) ss.  
 COUNTY OF Washington    )

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of August, 2002, by Jon D. Baccus, Attorney-in-Fact of Phillips Petroleum Company, a Delaware corporation.

*Shary J. Kincard*

Notary Public

105 S.W. Kaw Avenue  
Bartlesville, OK 74003

Address

My Commission expires: February 4, 2006  
 Comm. # 02001974



**EXHIBIT "A"**

Attached to and made a part of that certain Memorandum of Surface Use Agreement dated effective the 9th day of August, 2002, between Plateau Mining Corporation and Phillips Petroleum Company, covering the following described tracts, parcels or lots of land located in the County of Carbon, State of Utah, to-wit:

**Township 15 South, Range 8 East, SLB&M**

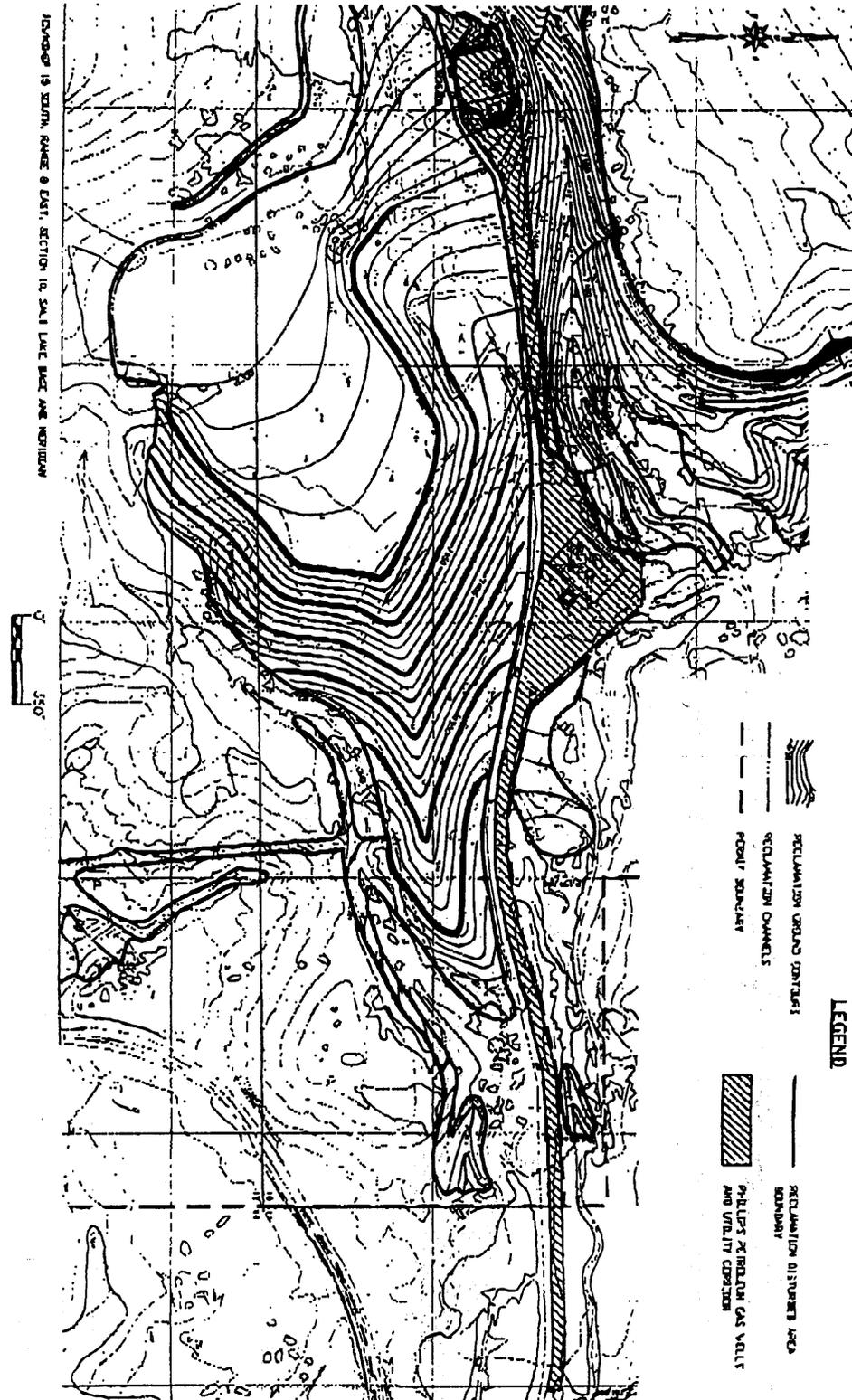
Section 10: All those certain lands located in the N/2 SE/4 SE/4; N/2 SW/4 SE/4; N/2 SE/4 SW/4; and the N/2 SW/4 SW/4 situated north of County Road #290, as depicted by the cross-hatched area in the map attached to this Exhibit A,

containing 11.77 acres, more or less.

**Subject to, as applicable:**

All prior coal leases; all prior oil and gas leases; all prior conveyances of record of portions of the Property or interests in the Property, or of any rights, titles or interests therein; reservations of rights to drill for oil, gas, water and other minerals of record; and all exceptions, reservations, conditions, rights, privileges, easements, encumbrances or rights-of-way as are contained within prior instruments of record affecting the Property or as are apparent from an inspection of the Property.

### EXHIBIT "A" - CONTINUED



## SURFACE USE AGREEMENT

**THIS SURFACE USE AGREEMENT** (the "Agreement") is made and entered into effective the 9th day of August, 2002, by and between **PLATEAU MINING CORPORATION**, a Delaware corporation, with an address of 847 Northwest Highway 191, Helper, Utah, 84526 (hereinafter referred to as "PMC"), and **PHILLIPS PETROLEUM COMPANY**, a Delaware corporation, with an address at Insurance, Real Estate and Claims, 4 B2 Phillips Building, Bartlesville, Oklahoma 74004 (hereinafter referred to as "Phillips").

### RECITALS

- A. To the best of its knowledge, PMC owns or otherwise controls the surface estate in and to those certain tracts, parcels or lots of land as further described in **Exhibit "A"** attached hereto and made a part hereof (the "Property").
- B. Phillips holds that certain Lease dated concurrently herewith between PMC as Lessor, and Phillips as Lessee (the "Oil and Gas Lease"), covering the oil and gas rights in and underlying a portion of the Property. In addition, Phillips owns or operates mineral leases, and in the future may own or operate other mineral leases, including but not limited to coal bed methane leases, between Phillips and third parties underlying and in the vicinity of the Property (the "Third Party Leases"), and desires to enter on the Property for the purposes of conducting oil and gas operations related to the Oil and Gas Lease and the Third Party Leases ("Operations").
- C. In addition to the rights granted in the Oil and Gas Lease, Phillips desires to obtain from PMC, and PMC desires to grant to Phillips, on the terms and conditions set forth herein, the right to enter upon, under, over, through and across the Property for the purpose of conducting its Operations, which Operations include drilling, completing, producing, shutting-in, plugging and abandoning wells pursuant to the Oil and Gas Lease and Third Party Leases, and constructing, reconstructing, inspecting, operating, maintaining, repairing, replacing and removing, as appropriate, an access road to each well location, as well as gathering system pipelines, transmission pipelines, power lines, and other related or associated facilities (collectively, the "Facilities").

### AGREEMENT

In consideration of the foregoing recitals and the terms, covenants and conditions contained herein, PMC and Phillips hereby mutually agree as follows:

1. **Rights Granted.** PMC hereby grants to Phillips, for itself and its employees and its authorized agents, licensees, contractors, subcontractors, invitees, successors, and permitted assigns, the right to enter upon, under, over, through, and across the Property for the sole purpose of conducting Phillips' Operations hereunder.

2. **Location of Facilities and Notification of Entry.** Phillips agrees to provide PMC with fourteen (14) calendar days prior written notice of its entry upon the Property for the purpose of initial construction of the Facilities. Thereafter, Phillips agrees to give PMC reasonable advance notice of entry upon the Property for the purposes and activities allowed hereunder. Phillips also agrees to consult with PMC as to the location of its Facilities and will make reasonable efforts to accommodate PMC's concerns regarding the location of all or any part of the Facilities. Notwithstanding anything contained herein to the contrary, except for normal maintenance and repair of its Facilities, Phillips shall not conduct its Operations or undertake any surface-disturbing activities upon the Property without PMC's prior written consent, which consent shall not be unreasonably withheld.
3. **Compensation.** As compensation and damages for Phillips' use of the Property for its Operations, Phillips will pay to PMC the following amounts:
- a. **Well Locations.** \$1,000.00 lump sum payment for the surface used for each well location and for damages caused to each well location by the installation of a well thereon. The payment of the foregoing sum shall not in any way limit Phillips' liability or responsibility under Paragraph 9, below.
  - b. **Other Facilities Related to Phillips' Operations.** \$1,000.00 per acre lump sum payment for the surface used for installation of compressor stations, meter sites and battery sites, and for damages caused to such surface by the installation of same. The payment of the foregoing sum shall not in any way limit Phillips' liability or responsibility under Paragraph 9, below.
  - c. **Access Roads, Pipelines and Underground Power Lines.** \$12.00 per rod lump sum payment for damages caused by the installation of Facilities on the Property. Such compensation shall include the right for Phillips, from time to time and at any time or times, to lay, construct, operate, inspect, maintain, repair, replace with same or different size pipe, remove, or abandon in place such pipeline(s) and/or underground power line(s), unless the removal thereof is otherwise required by any local, state or federal law, rule, regulation or any applicable order, decree or permit. Such compensation also includes the right for Phillips to construct from time to time and at any time or times additional pipelines, appurtenances, valves, metering equipment, cathodic protection, wires, conduits, cables, underground power lines and other facilities needed for its Operations; however, notwithstanding anything contained herein to the contrary, Phillips shall not under any circumstances enter into any agreement regarding the installation of any of the Facilities for or on behalf of PMC or to bind PMC to any such agreement. The payment of the foregoing sum shall not in any way limit Phillips' liability or responsibility under Paragraph 9, below.
  - d. **Annual Rental Payments.** In the event that the Oil and Gas Lease shall terminate prior to termination of this Agreement, Phillips may at its election maintain this Agreement in full force and effect upon termination of the Oil and

Gas Lease by paying to PMC the following amounts on the dates set forth below (the "Annual Payments"):

<u>Amount</u>	<u>Due Date</u>
\$2,500.00	Upon the effective date of termination of the Oil and Gas Lease, and on or before the first and second anniversary dates thereof;
\$3,000.00	On or before the third and fourth anniversary dates of the effective date of termination of the Oil and Gas Lease; and
\$3,500.00	On or before the fifth anniversary date of the effective date of termination of the Oil and Gas Lease, and on each such anniversary date thereafter.

- e. **Payments.** For taxation purposes, all compensation paid pursuant to this Agreement for well locations shall be compensation for surface damages to the Property.

For taxation purposes, fifty (50) percent of compensation paid pursuant to this Agreement for the Facilities related to Phillips' Operations shall be in consideration for the right to use the Property and fifty (50) percent shall be paid as compensation for surface damages to the Property.

4. **Term.** The term of this Agreement shall run concurrently with the Oil and Gas Lease. This Agreement shall terminate automatically upon termination of the Oil and Gas Lease for any reason whatsoever, unless Phillips timely pays PMC the Annual Payment required by Paragraph 3(d) to be made upon the effective date of termination of the Oil and Gas Lease. Thereafter, this Agreement shall continue in full force and effect on the terms set forth herein for so long as the Annual Payments required by Paragraph 3(d) are timely made by Phillips to PMC. This Agreement may be terminated sooner as follows:

- a. Phillips may terminate this Agreement for any reason or no reason whatsoever upon thirty (30) days prior written notice to PMC; and
- b. PMC may terminate this Agreement in accordance with Paragraph 15, below.

Any and all obligations of Phillips under this Agreement which have not been fully and completely performed to the reasonable satisfaction of PMC shall survive the termination of this Agreement.

5. **PMC Permit Modification.** Phillips agrees to fully cooperate with and to reimburse PMC for all reasonable, actual costs, which may be incurred by PMC in association with any modifications to the permit issued to PMC under and in accordance with the Surface Mining Control and Reclamation Act of 1977 (30 USC 1201, et seq.) ("SMCRA Permit Modification Costs") which are required or made necessary in order for Phillips to properly exercise its rights hereunder. The

Permit modification will be necessary due to the installation of the Facilities by Phillips. PMC agrees to supply Phillips with an itemized bill/invoice for any such SMCRA Permit Modification Costs incurred by PMC, and Phillips shall have thirty (30) days after receipt of each said bill/invoice to either challenge same or to reimburse PMC for the amount so specified.

**6. Non-exclusivity of Rights Granted to Phillips.**

- a. Phillips' rights granted hereunder are non-exclusive and made expressly subject to PMC's right to use and occupy, and to permit third parties to use and occupy, the Property, or any part thereof, for any purpose whatsoever not inconsistent with Phillips' rights hereunder, together with all rights reasonably necessary to those purposes. Phillips' rights hereunder shall be exercised so as not to unreasonably interfere with the activities or interests of PMC or such third parties, and PMC shall use its best efforts to exercise its activities and rights so as not to unreasonably interfere with the activities of Phillips permitted hereunder.
- b. Without limiting the generality of Paragraph 6(a) above, Phillips expressly acknowledges the right of Sunnyside Cogeneration Associates to enter upon, over and through a portion of the Property for the purpose of removing all or a portion of a soil stockpile located in portions of the SW/4 and SE/4 of Section 10, Township 15 South, Range 8 East, SLB&M, in accordance with a Surface Use Agreement between PMC and Sunnyside Cogeneration Associates under negotiation between the parties on the date of this Agreement. A true and correct copy of such agreement, and a copy of the recorded memorandum of the same, shall be provided to Phillips promptly following recording of the memorandum. Sunnyside's entry upon, over, and across the Property under said agreement shall not be considered to be an unreasonable interference with Phillips' use of the Property nor a breach of PMC's express or implied covenant of quiet enjoyment.
- c. PMC shall have the continuing right to use any existing roads and/or roads constructed by Phillips upon the Property for ingress to and egress from any and all lands contiguous to and which are owned or controlled by PMC, including, but not limited to, the right to construct, reconstruct, maintain and repair any roads across the Property which PMC, in its sole discretion, may deem necessary or appropriate in connection with its ownership of the Property.
- d. PMC shall have the continuing right to conduct its ongoing reclamation activities and other operations upon the Property, which uses shall not be considered or construed to be an unreasonable interference with Phillips' use of the Property nor a breach of PMC's express or implied covenant of quiet enjoyment. Any use of the Property by PMC to further its reclamation activities and operations shall not be considered or construed to be an unreasonable interference with or danger to the use of the Property by Phillips. PMC will not under any circumstances place equipment on, grade or

otherwise conduct reclamation or construction activities on or across Phillips' well locations, gathering system pipelines, transmission pipelines, power lines or associated facilities, related to its Operations without Phillips' prior written consent, which consent shall not be unreasonably withheld.

- e. PMC, or its duly authorized agent, shall have the right at any time during the term of this Agreement, at PMC's sole risk and expense, to enter upon the Property for the purposes of inspecting same for all reasonable and necessary purposes incidental to PMC's ownership of the Property and for all reasonable and necessary purposes connected with the maintenance, operation and inspection of any property owned or controlled by PMC and which may be located adjacent to or within the external boundaries of the Property.
7. **Water.** PMC shall have the continuing right to capture and divert all waters of every nature whatsoever at any time existing upon the Property, including, but not limited to, stream flows, flood flows, waste waters and percolating water upon the Property so long as such capture and diversion does not unreasonably interfere with Phillips' Operations. PMC shall have no right to capture or divert water which may be produced as a result of Phillips' Operations.
8. **Phillips Costs.** All engineering, construction and maintenance costs incurred by Phillips in connection with this Agreement shall be the sole responsibility of Phillips.
9. **Surface Damages Caused by Phillips' Operations.** Phillips shall at all times use the Property in a reasonable and prudent manner so as to prevent Unreasonable Damage (as defined below) to the Property, to lands adjacent to the Property, and to PMC's gates, bridges, roads, culverts, cattle guards, fences, dams, dikes or other PMC facilities. Phillips shall promptly repair any Unreasonable Damage to the same caused directly or indirectly by its Operations, or shall promptly reimburse PMC for any unrepaired Unreasonable Damage to the same directly or indirectly caused by Phillips' Operations for which PMC has a receipt and/or written estimates of repairs, copies of which shall be provided to Phillips. For purposes of this Paragraph 9, "Unreasonable Damage" shall mean damage to real and personal property that is caused by Phillips' failure to use the Property in a reasonable and prudent manner.
10. **Ad Valorem Taxes.** PMC shall be responsible for the payment of all ad valorem taxes assessed against the Property and all taxes assessed against the mineral estate owned by PMC. Phillips shall be responsible for the payment of all ad valorem taxes assessed against its personal property and which may be placed upon, over, or under the Property.

## **11. Conduct of Operations.**

- a. All of Phillips' Operations shall be conducted in a safe and workmanlike manner and in compliance with all applicable federal, state or local laws, rules or regulations.
- b. Phillips will design and construct well locations to provide a safe working area while reasonably minimizing the total surface area disturbed. All areas disturbed or affected by drilling and/or Phillips' Operations, except areas reasonably required for production operations, shall be maintained by Phillips to control dust and minimize erosion of the surface of the Property. Further, during drilling, production and reclamation operations, Phillips shall keep all disturbed areas of the Property reasonably free of noxious weeds.
- c. Phillips' right to enter upon the Property shall include the right of reasonable ingress to and egress from the Property on or across the existing roads of PMC and the well site access roads to be constructed by Phillips, as well as the right to transport on, over, across and through such roads supplies, materials and equipment reasonably necessary to support Phillips' Operations.
- d. Phillips at all times will fully and promptly comply with all applicable laws, rules and regulations of any governmental authority which apply to its use of the Property. Phillips agrees to conduct all of its operations in a manner which shall minimize, to the extent practicable, any disturbance of or interference with the use of the Property by Plateau or by third parties, including the lands upon which the well site access road(s) and other areas affected by Phillips' Operations are presently or will be located.
- e. Phillips shall not commit or knowingly allow another to commit any waste or nuisance upon the Property. Phillips shall not destroy, deface or damage, or knowingly permit any other person to do so, and shall ensure reasonable precautions to avoid any damage, other than reasonable or normal wear and tear, to existing buildings, structures, gates, bridges, roads, culverts, cattle guards, fences, dams, dikes or other facilities, if any.
- f. Phillips agrees to keep all gates, if any, on the Property open or closed as found or as instructed by PMC. The parties mutually agree to keep all gates locked in such a manner so as to permit access by both PMC and Phillips at any time, either by a double lock system or otherwise. Phillips agrees to limit access to the Property, including the distribution of keys to any lock(s), to those employees, agents, licensees, contractors, subcontractors and invitees of Phillips who are engaged in Phillips' Operations on the Property.
- g. Phillips shall have the right subject to applicable laws, rules and regulations to trim or clear away all trees, brush and plant growth on the Property which interfere with or are dangerous to Phillips' Operations and to trim or remove

any trees or plants or other objects from the Property lying on either side of any roads constructed thereon which create a hazard by falling on the road.

- h. No person who is on the Property by virtue of the rights granted to Phillips hereunder shall be permitted to carry firearms or do or perform any act except those acts which are reasonably related to the rights granted hereby. Specifically, but not by way of limitation, no such person shall be permitted to engage in recreational pursuits, including hunting and fishing, on or within the boundaries of the Property.
- i. When requested by PMC prior to construction, Phillips shall bury its transmission pipeline(s) to the depth reasonably specified by PMC and/or encase said pipeline(s) at specified crossings to allow heavy equipment to traverse the same.
- j. When requested by PMC prior to construction, Phillips shall fence off each well location specified by PMC.
- k. Any and all rights of use of the Property not specifically conferred upon and granted to Phillips hereunder and in the Oil and Gas Lease are kept and retained by PMC.
- l. Phillips will ensure that its employees, agents, licensees, contractors, subcontractors and invitees who enter upon the Property shall comply with the terms of this Agreement.

## 12. Reclamation.

- a. All disturbed areas affected by Phillips' Operations, except areas reasonably needed for production operations, shall be reclaimed by Phillips as early as practicable and as nearly as practicable to their original condition.
- b. Phillips shall consult with PMC regarding seed mix to be used for reseeded.
- c. Phillips shall notify PMC prior to final reclamation operations on the Property, including plugging and abandonment, and shall comply with any federal, state or local notification rules, regulations or requirements. Phillips shall use its reasonable efforts to consult in good faith with PMC and reasonably accommodate PMC's concerns, if any, regarding all aspects of final reclamation, including but not limited to timing of such operations, topsoil protection and reclamation of the Property. All final reclamation operations shall comply with all applicable federal, state or local laws, rules or regulations.
- d. Upon termination of this Agreement, Phillips shall remove any and all buildings, equipment, materials, supplies and all other improvements placed upon the Property by Phillips at Phillips' own cost, risk and expense, within ninety (90) days after the effective date of termination of this Agreement. Any

and all personal property belonging to Phillips which remains on the Property after the ninety (90) day removal period has elapsed shall, at the option of PMC, either become the property of PMC or may be removed by PMC for appropriate offsite disposition. The costs associated with any such removal by PMC shall be paid for by Phillips within thirty (30) days after receipt of PMC's invoice for same. However, Phillips' buried pipelines will be abandoned in place unless the removal thereof is otherwise required by any local, state or federal law, rule, regulation or any applicable order, decree or permit. Any abandoned well bore shall be plugged with cement and capped in accordance with applicable local, state or federal laws, rules or regulations.

**13. Encumbrances.** Phillips agrees to permit no liens or encumbrances to attach to or remain upon the Property as a result of its Operations. Phillips shall keep the Property free and clear of any and all liens and encumbrances arising or which might arise, for any reason, out of Phillips' Operations and use of the Property, and shall hold harmless, defend and indemnify PMC against any such liens or encumbrances.

**14. Indemnification.**

- a. For purposes of this Paragraph 14, the term "Claim" shall include, without limitation, any claim, damage, liability, cost, penalty, loss, fine, expense, demand, cause of action (including costs of settlement and legal or attorney fees and expenses), and any consequential damages, of whatever nature, kind or quality, whether in law or in equity.
- b. Phillips will hold harmless and indemnify PMC, its affiliates, and their respective shareholders, partners, members, officers, directors, employees, or agents, and their successors and assigns (the "PMC Entities") from and against all Claims which may be made upon any of the PMC Entities or against the PMC Entities' interest in the Property, and which arise out of or result from, directly or indirectly, any activities undertaken in connection with this Agreement by Phillips, its employees, agents, contractors, subcontractors, licensees and suppliers, except to the extent that such Claims arise out of or result from, directly or indirectly, the negligence of PMC, its employees, agents, contractors, subcontractors, licensees or suppliers or from activities undertaken in connection with this Agreement at the direction of PMC. In addition, Phillips will hold harmless and indemnify the PMC Entities from and against any and all penalties or charges to the extent such penalties or charges are imposed upon any of the PMC Entities by federal, state or local authorities on account of Phillips' failure to comply with all laws, rules, regulations or orders of such authorities. PMC will indemnify Phillips and its affiliates from and against any and all penalties or charges to the extent such penalties or charges are imposed upon Phillips or its affiliates by federal, state or local authorities on account of PMC's failure to comply with all laws, rules, regulations or orders of such authorities.

- c. PMC shall release and indemnify Phillips, its officers, directors, employees and agents, all of its subsidiaries and affiliates and their respective officers, directors, employees and agents, and Phillips' successors and assigns, from and against all Claims directly or indirectly arising from or related to any release, discharge, disposal or emission of pollutants, hazardous materials, hazardous substances, or hazardous wastes, from the Property into the environment (including the surface or subsurface of the Property) which occurred on or before the effective date of this Agreement. Phillips shall release and indemnify the PMC Entities from and against any all Claims directly or indirectly arising from or related to any release, discharge, disposal or emission of pollutants, hazardous materials, hazardous substances, or hazardous wastes, from the Property into the environment (including the surface or subsurface of the Property) which occurs after the effective date of this Agreement and which directly or indirectly arises from its Operations on the Property, except to the extent that such Claims arise out of or result from, directly or indirectly, the negligence of PMC, its employees, agents, contractors, subcontractors, licensees or suppliers or from activities undertaken in connection with this Agreement at the direction of PMC.
- d. The indemnities set forth in this Paragraph 14 shall survive the termination of this Agreement.
15. **Breach and Re-entry.** If Phillips commits a material breach of any term of this Agreement and fails or refuses to commence in good faith to remedy the breach within thirty (30) days after PMC sends written notice to Phillips (by personal delivery or U.S. Mail) specifying the breach under this Agreement, then PMC, in addition to any other rights or remedies it may have at law or in equity, may immediately terminate this Agreement and take possession of the Property without further notice to Phillips. The taking of action to remedy any alleged violation by Phillips shall not be deemed an admission by Phillips hereunder of the facts, causes or state of events described and set forth in PMC's notice to Phillips.
16. **Waiver.** Even if PMC waives Phillips' breach of any provision of this Agreement on one or more occasions, that shall not mean that PMC waives the right to enforce the same or any other provision in case of a later breach by Phillips.
17. **Notices.** Any and all payments, notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered if delivered personally; (b) when sent if given by prepaid telegram or facsimile (except as to payments); or (c) three (3) days after the mailing thereof by first-class, postage prepaid, mail if mailed, at the respective addresses set forth below (or at such other address as may be designated in a written notice and given in accordance with this Paragraph):

**If to PMC:**

Plateau Mining Corporation  
847 NW Highway 191  
Helper, Utah 84526

Attention: Dennis Ware  
Telephone: (435) 472-4737  
Facsimile: (435) 472-4782

**With a copy to:**

Plateau Mining Corporation  
391 Inverness Drive South,  
Suite 333  
Englewood, Colorado 80112-9804

Attention: Land Administration  
Telephone: (303) 749-8410  
Facsimile: (303) 749-8449

**If to Phillips:**

Phillips Petroleum Company  
Insurance, Real Estate and Claims  
4 B2 Phillips Building  
Bartlesville, Oklahoma 74004

Attention: Jon D. Baccus  
Telephone: (918) 661-5185  
Facsimile: (918) 661-5780

**With a copy to:**

Phillips Petroleum Company  
Insurance, Real Estate and Claims  
P.O. Box 105  
Livermore, Colorado 80536

Attention: Deanna J. Walker  
Telephone: (970) 498-9677  
Facsimile: (970) 498-9687

18. **Assignment.** The rights of Phillips hereunder may not be assigned, in whole or in part, and Phillips may not sublet the Property or any part thereof, in either case without prior notice to and the prior written consent of PMC, which consent shall not be unreasonably withheld. No such assignment shall be valid or binding unless and until Phillips' assignee(s) have agreed in writing to assume all of the rights, duties and obligations set forth herein, and Phillips shall have provided PMC a true and correct copy thereof.
19. **Surrender and Relinquishment:** Except as may otherwise be provided for herein, upon termination of this Agreement, Phillips shall peaceably surrender the Property to PMC, free and clear of all liens and encumbrances made or allowed by Phillips or in any way arising out of this Agreement or Phillips' use of the Property. In addition, if not sooner performed, then Phillips agrees to perform the following prior to or promptly following termination of this Agreement:
- a. To repair any Unreasonable Damage in accordance with Paragraph 9 above;
  - b. To perform the activities specified in Paragraph 12 above; and
  - c. Provide PMC, its successors or assigns, with a Release of Surface Use Agreement in recordable form.
20. **Recordation.** This Agreement may not be recorded; however, the parties hereto have agreed to execute a Memorandum of Surface Use Agreement for recording purposes in substantially the same form as that attached hereto as **Exhibit "B"** and made a part hereof, which will refer to and incorporate this Agreement therein by reference. In the event the Memorandum of Surface Use Agreement is

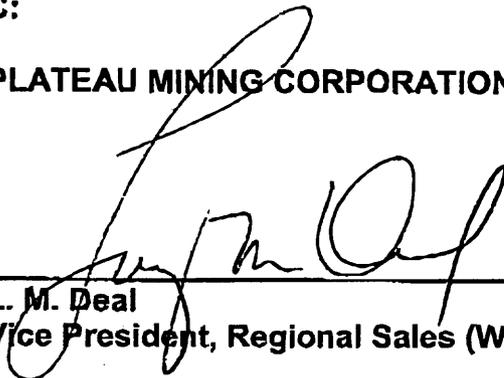
recorded, the recording party shall provide the non-recording party with a copy of the recorded document when it becomes available.

21. **Entire Agreement.** This Agreement represents the full and complete agreement between the parties regarding the subject matter hereof and all parties executing this instrument have received a copy of same. The terms and conditions of this Agreement shall supersede any prior or contemporaneous, oral or written, statements or agreements. This Agreement may not be modified or amended except by a written amendment signed by both parties.
22. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Utah and all rules, regulations and ordinances of the County of Carbon. Each of the parties hereto consents to the jurisdiction of any appropriate court in the State of Utah in the event there is a dispute or disagreement arising out of this Agreement.
23. **Severance.** Should any portion of this Agreement be declared invalid and unenforceable, then such portion shall be deemed to be severed from this Agreement and shall not affect the remainder thereof.
24. **Construction.** Paragraph headings in this Agreement are inserted for convenience only, and shall not be considered a part of this Agreement, or used in its interpretation. Unless otherwise provided, or unless the context shall otherwise require, words importing the singular number shall include the plural number, words importing the masculine gender shall include the feminine gender, and vice versa. This Agreement shall not be construed against either party merely or solely because of the draftsmanship hereof.
25. **Binding Effect.** All the terms, conditions and covenants of this Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of each of the parties hereto.
26. **Counterpart Agreements.** This Agreement may be executed in any number of counterparts and shall be binding upon all owners of interests in the Property executing the same or a counterpart hereof.
27. **Third Parties.** Nothing herein expressed or implied is intended or shall be construed to confer upon or give any person or entity other than the Parties hereto and their successors and assigns any right or remedies by reason of this Agreement as a third party beneficiary or otherwise.
28. **Further Assurances.** The Parties agree from time to time to execute, acknowledge and deliver such additional documents, and perform such further acts, as may be reasonably requested by either Party or as are necessary to effect the transactions contemplated hereby or effect the intent of the parties as manifested by this Agreement.

**IN WITNESS WHEREOF**, PMC and Phillips have executed this Agreement effective as of the date first above mentioned.

**PMC:**

**PLATEAU MINING CORPORATION**

By: 

L. M. Deal  
Vice President, Regional Sales (West)



**PHILLIPS:**

**PHILLIPS PETROLEUM COMPANY**

By: 

Jon D. Baccus  
Attorney-in-Fact

**CORPORATE ACKNOWLEDGMENT**

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DOUGLAS )

The foregoing instrument was acknowledged before me this 9th day of August, 2002, by L. M. Deal, the Vice President, Regional Sales (West) of Plateau Mining Corporation, a Delaware corporation.



Ann Marie Bruzenhan  
Notary Public

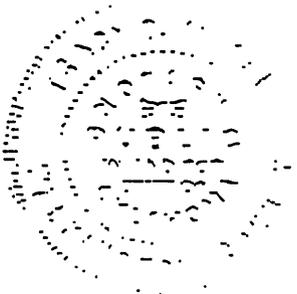
7999 South Jasmine Circle  
Englewood, CO 80112-3052  
Address

My Commission expires: May 21, 2004

**CORPORATE ACKNOWLEDGMENT**

STATE OF OKLAHOMA )  
 ) ss.  
COUNTY OF Washington )

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of August, 2002, by Jon D. Baccus, Attorney-in-Fact of Phillips Petroleum Company, a Delaware corporation.



Tracy A. Kincaid  
Notary Public

105 S.W. Kaw Avenue  
Bartlesville, OK 74003  
Address

My Commission expires: February 4, 2006  
Comm. # 02001974

**EXHIBIT "A"**

Attached to and made a part of that certain Surface Use Agreement dated effective the 9th day of August, 2002, between Plateau Mining Corporation and Phillips Petroleum Company, covering the following described tracts, parcels or lots of land located in the County of Carbon, State of Utah, to-wit:

**Township 15 South, Range 8 East, SLB&M**

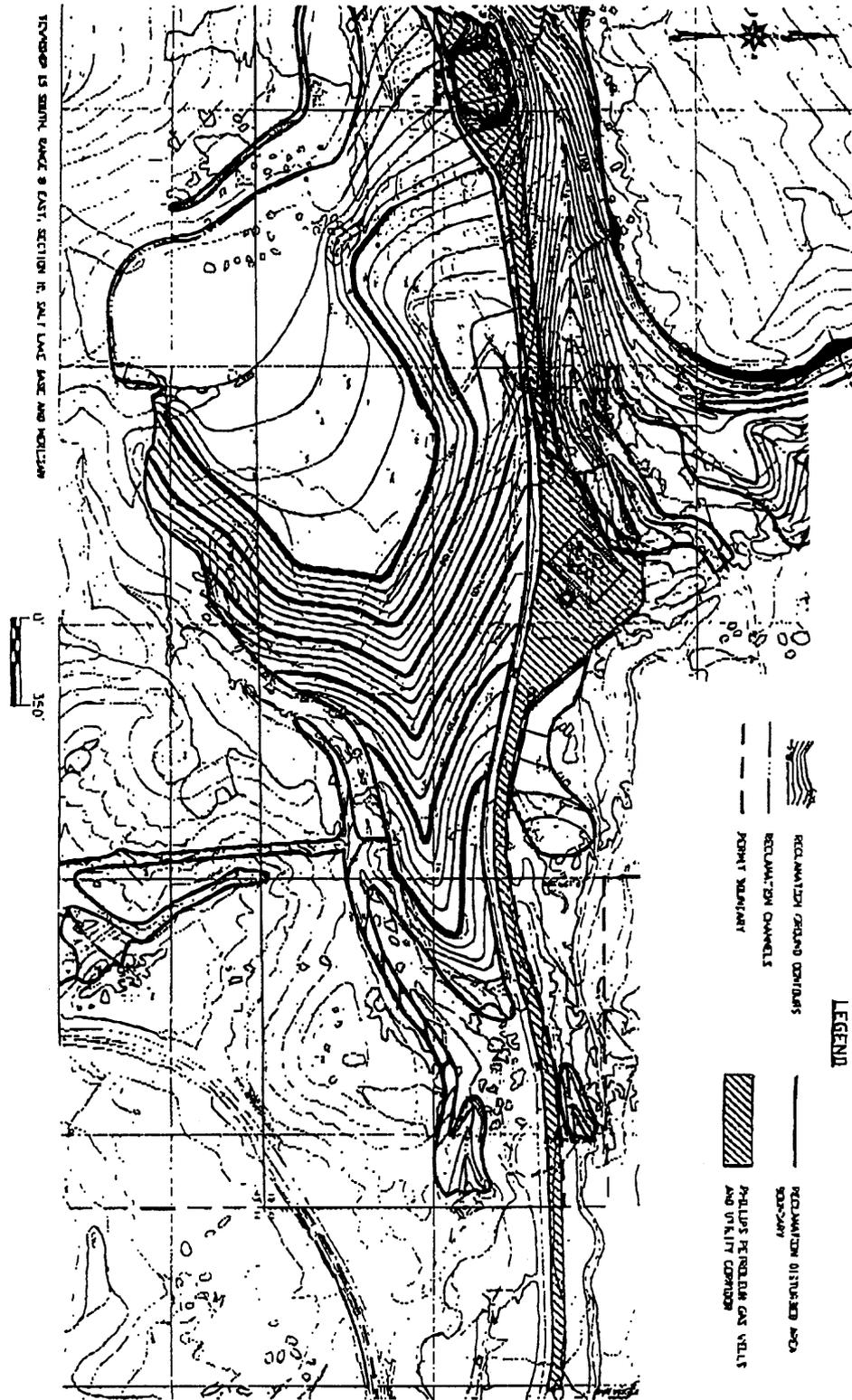
Section 10: All those certain lands located in the N/2 SE/4 SE/4; N/2 SW/4 SE/4; N/2 SE/4 SW/4; and the N/2 SW/4 SW/4 situated north of County Road #290, as depicted by the cross-hatched area in the map attached to this Exhibit A;

containing 11.77 acres, more or less.

**Subject to, as applicable:**

All prior coal leases; all prior oil and gas leases; all prior conveyances of record of portions of the Property or interests in the Property, or of any rights, titles or interests therein; reservations of rights to drill for oil, gas, water and other minerals of record; and all exceptions, reservations, conditions, rights, privileges, easements, encumbrances or rights-of-way as are contained within prior instruments of record affecting the Property or as are apparent from an inspection of the Property.

### EXHIBIT "A" - CONTINUED



## EXHIBIT "B"

Attached to and made a part of that certain Surface Use Agreement dated effective the 9th day of August, 2002, between Plateau Mining Corporation and Phillips Petroleum Company.

### MEMORANDUM OF SURFACE USE AGREEMENT

**THIS MEMORANDUM OF SURFACE USE AGREEMENT** (the "Memorandum"), dated effective the 9th day of August, 2002, is by and between **PLATEAU MINING CORPORATION**, a Delaware corporation, with and address of 847 Northwest Highway 191, Helper, Utah, 84526 (hereinafter referred to as "PMC"), and **PHILLIPS PETROLEUM COMPANY**, a Delaware corporation, with an address at Insurance, Real Estate and Claims, 4 B2 Phillips Building, Bartlesville, Oklahoma 74004 (hereinafter referred to as "Phillips").

PMC, in consideration of the covenants and agreements contained in that certain unrecorded Surface Use Agreement (the "Agreement") dated concurrently herewith, granted unto Phillips certain rights and privileges to enter upon, under, over, through and across those certain tracts, parcels or lots of land located in the County of Carbon, State of Utah, as further described in Exhibit "A" attached hereto and made a part hereof (the "Property").

The Property is subject to all of the terms and conditions of the Agreement, reference to which may be made for a complete statement of rights and obligations of PMC and Phillips. Should there be any discrepancy between this Memorandum of Surface Use Agreement and the Agreement, the Agreement shall control.

The term of the Agreement shall commence on the effective date hereof and shall continue for so long thereafter as that certain Lease of even date herewith between PMC as Lessor, and Phillips as Lessee (the "Oil and Gas Lease") remains in effect; however, upon termination of the Oil and Gas Lease, Phillips has the right to continue the Agreement in accordance with the applicable terms and conditions thereof.

Copies of the Agreement and the Oil and Gas Lease may be found at the above indicated addresses of the parties.

This Memorandum may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

All the terms, conditions and covenants of the Agreement shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of each of the parties hereto.

**EXHIBIT "B" – CONTINUED**

**IN WITNESS WHEREOF**, PMC and Phillips have executed this Memorandum effective the date first above written.

**PMC:**

**PLATEAU MINING CORPORATION**

**By:** \_\_\_\_\_  
**L. M. Deal**  
**Vice President, Regional Sales (West)**

**PHILLIPS:**

**PHILLIPS PETROLEUM COMPANY**

**By:** \_\_\_\_\_  
**Jon D. Baccus**  
**Attorney-in-Fact**

**EXHIBIT "B" - CONTINUED**

**CORPORATE ACKNOWLEDGMENT**

**STATE OF COLORADO**     )  
  ) ss.  
**COUNTY OF DOUGLAS**     )

The foregoing instrument was acknowledged before me this 9th day of August, 2002, by L. M. Deal, the Vice President, Regional Sales (West) of Plateau Mining Corporation, a Delaware corporation.

\_\_\_\_\_  
**Notary Public**

\_\_\_\_\_  
**Address**

**My Commission expires:** \_\_\_\_\_

**CORPORATE ACKNOWLEDGMENT**

**STATE OF OKLAHOMA**                     )  
  ) ss.  
**COUNTY OF** \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of August, 2002, by Jon D. Baccus, Attorney-in-Fact of Phillips Petroleum Company, a Delaware corporation.

\_\_\_\_\_  
**Notary Public**

\_\_\_\_\_  
**Address**

**My Commission expires:** \_\_\_\_\_



**PHILLIPS PETROLEUM COMPANY**

9780 Mt. Pyramid Court, Suite 200  
Englewood, CO 80112

**AMERICAS DIVISION**

August 13, 2002

Mr. L. T. Gaskins  
Plateau Mining Corporation  
391 Inverness Drive South., Suite 333  
Englewood, CO 80112-9804

L62925 -- Plateau Mining Corporation  
Carbon County, Utah

Dear Lee:

Attached for your records is an original Lease and an original Memorandum of Lease, both dated effective August 9, 2002, which have been fully executed by Plateau Mining Corporation and Phillips Petroleum Company. Also attached is Phillips check # 000490 issued in the amount of \$24,000.00 as bonus consideration for the subject Lease.

If I can assist you further, please contact me at (303) 643-4356.

Sincerely,

Gregory A. Reeves  
Landman

AUG-13-2002 04:23PM FROM: RAG American Coal 3051480440 1.000 1.000 1.001

## MEMORANDUM OF LEASE

**THIS MEMORANDUM OF LEASE** (the "Memorandum"), dated effective the 9<sup>th</sup> day of August, 2002, is by and between **PLATEAU MINING CORPORATION**, a Delaware corporation, with an address of 847 Northwest Highway 191, Helper, Utah 84526 (hereinafter referred to as "Plateau"), and **PHILLIPS PETROLEUM COMPANY**, a Delaware corporation, with an address of 9780 Mt. Pyramid Ct., Suite 200, Englewood, CO 80112 (hereinafter referred to as "Phillips").

Plateau, in consideration of the covenants and agreements contained in that certain unrecorded Lease (the "Lease") dated concurrently herewith, leased unto Phillips the right and privilege to enter upon, through, over and across that certain land located in the County of Carbon, State of Utah, the same being generally described as follows (the "Leased Premises"):

**Township 15 South, Range 8 East, SLB&M**  
**Section 10: S/2 SE/4; NW/4 SE/4; E/2 SW/4**

containing 200.00 acres, more or less.

**Subject to:**

All prior coal leases; all prior oil and gas leases; all prior conveyances of record of portions of the Leased Premises or interests in the Leased Premises, or of any rights, titles or interests therein; reservations of rights to drill for oil, gas, water and other minerals of record; and all exceptions, reservations, conditions, rights, privileges, easements, encumbrances or rights-of-way as are contained within prior instruments of record affecting the Leased Premises or as are apparent from an inspection of the Leased Premises.

PMC has leased and lets exclusively unto Phillips the Leased Premises for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing and owning oil, gas of whatsoever nature or kind (including gas well gas, casinghead gas, methane and gas from coal seams, carbon dioxide, and other gas, whether of commercial value or not, hereinafter referred to as "gas"), together with all associated hydrocarbons produced in a liquid or gaseous form, and sulfur (the "Leased Substances") and for injecting waters and other fluids, gas, air, and other gaseous substances, into subsurface strata, and, subject to the terms and conditions set forth in that certain Surface Use Agreement of even date herewith between PMC and Phillips, laying pipeline; establishing and utilizing facilities for surface or subsurface disposal of salt water or formation water, construction of roads and bridges, digging canals, storing oil, building links, power stations, telephone lines, and other structures and facilities thereon to produce, save, take care of, treat, process, store, and transport said Leased Substances and products manufactured therefrom.

The Leased Premises are subject to all of the terms and conditions of the Lease, reference to which may be made for a complete statement of rights and obligations of PMC and Phillips. Should there be any discrepancy between this Memorandum of Lease and the Lease, the Lease shall control.

The term of the Lease shall be for a primary term of two (2) years and shall commence on the effective date hereof; however, the Lease shall continue so long thereafter as Phillips is in compliance with all of the terms and conditions thereof.

Copies of the Lease may be found at the above indicated addresses of the parties.

This Memorandum may be executed in any number of counterparts and shall be binding upon all owners of interests in the Leased Premises executing the same or a counterpart hereof, whether or not named herein, and whether or not other owners of interests in the Leased Premises have executed other counterparts or have not entered into the Lease.

All the terms, conditions and covenants of the Lease shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of each of the parties hereto.

IN WITNESS WHEREOF, PMC and Phillips have executed this Memorandum effective the date first above written.

PLATEAU:

PLATEAU MINING CORPORATION

By:

*L. M. Deal*  
L. M. Deal  
Vice President, Regional Sales (West)



PHILLIPS:

PHILLIPS PETROLEUM COMPANY

By:

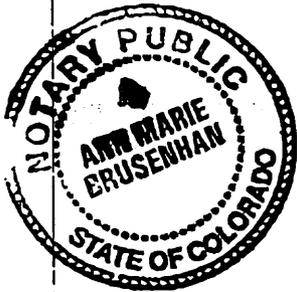
*William Rainbolt*  
William Rainbolt  
Attorney-in-Fact

*CR*

CORPORATE ACKNOWLEDGMENT

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DOUBLAS )

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of August, 2002, by **L. M. Deal**, the Vice President, Regional Sales (West) of Plateau Mining Corporation, a Delaware corporation.



Ann Marie Brusenhan  
Notary Public

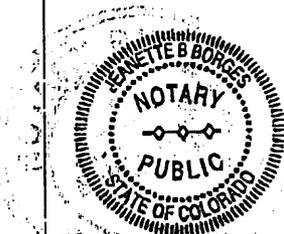
7999 South Jasmine Circle  
Englewood, CO 80112-3052  
Address

My Commission expires: May 21, 2004

CORPORATE ACKNOWLEDGMENT

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DOUGLAS )

The foregoing instrument was acknowledged before me this 13<sup>TH</sup> day of August, 2002, by **William Rainbolt**, Attorney-in-Fact of Phillips Petroleum Company, a Delaware corporation.



MY COMMISSION EXPIRES:  
November 12, 2002

Jeanette B. Borges  
Notary Public

8416 3 COOK WAY  
THORNTON, CO 80229  
Address

My Commission expires: NOVEMBER 12, 2002

## LEASE

**THIS LEASE** (the "Lease") is made and entered into the 9<sup>th</sup> day of August, 2002, by and between **PLATEAU MINING CORPORATION**, a Delaware corporation, with an address at 847 Northwest Highway 191, Helper, Utah 84526 (hereinafter referred to as "PMC"), and **PHILLIPS PETROLEUM COMPANY**, a Delaware Corporation, with an address of 9780 Mt. Pyramid Ct., Suite 200, Englewood, Colorado 80112 (hereinafter referred to as "Phillips").

**WITNESSETH**, PMC, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the covenants and agreements contained in this Lease, including the bonus payment and royalty provisions herein provided, hereby grants, leases and lets unto Phillips the lands hereinafter described for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing and owning oil, gas of whatsoever nature or kind (including gas well gas, casinghead gas, methane and gas from coal seams, carbon dioxide, and other gas, whether of commercial value or not, hereinafter referred to as "gas"), together with all associated hydrocarbons produced in a liquid or gaseous form, and sulfur, all such substances are hereinafter referred to as the "Leased Substances," and for injecting waters and other fluids, gas, air, and other gaseous substances, into subsurface strata, and, subject to the terms and conditions set forth in that certain Surface Use Agreement of even date herewith between PMC and Phillips (the "Surface Use Agreement"), laying pipeline; establishing and utilizing facilities for surface or subsurface disposal of salt water or formation water, construction of roads and bridges, digging canals, storing oil, building links, power stations, telephone lines, and other structures and facilities thereon to produce, save, take care of, treat, process, store, and transport said Leased Substances and products manufactured therefrom, said leased premises (the "Leased Premises") being located in Carbon County, Utah and further described as follows, to-wit:

**Township 15 South, Range 8 East, SLB&M**  
**Section 10: S/2 SE/4; NW/4 SE/4; E/2 SW/4**

containing 200.00 acres, more or less, for purposes of calculating any payments due under this Lease.

**Subject to:**

All prior coal leases; all prior oil and gas leases; all prior conveyances of record of portions of the Leased Premises or interests in the Leased Premises, or of any rights, titles or interests therein; reservations of rights to drill for oil, gas, water and other minerals of record; and all exceptions, reservations, conditions, rights, privileges, easements, encumbrances or rights-of-way as are contained within prior instruments of record affecting the Leased Premises or as are apparent from an inspection of the Leased Premises.

**NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THERE SHALL BE NO DRILLING OPERATIONS OR OTHER SURFACE DISTURBANCE ON THE LEASED PREMISES OUTSIDE OF THE DRILLSITES DESIGNATED ON EXHIBIT A WITHOUT THE PRIOR WRITTEN CONSENT OF PMC, WHICH CONSENT MAY NOT BE UNREASONABLY WITHHELD.**

AUG-13-2002 04:23PM FROM: KAU AMERICAN COAL 001400440 1 000 1 0017022 1 001

**NOTWITHSTANDING** any other particular description, it is nevertheless the intention of PMC to include within this Lease and PMC does hereby lease, let, and demise not only the Leased Premises described above, but also any and all future oil and gas interests and after acquired oil and gas interests of PMC in the Leased Premises, together with, but subject to the terms and conditions of the Surface Use Agreement, all strips and lands underlying roads, easements and rights-of-way which traverse or adjoin the Leased Premises and which are owned or claimed by PMC. PMC agrees to execute any supplemental instrument requested by Phillips for a more complete or accurate description of the Leased Premises and/or to cure any title defects in the Leased Premises.

The rights granted Phillips to investigate, explore, and prospect for (whether by geophysical, seismic, or other means), to drill for, and to produce Leased Substances, shall be, subject to any pre-existing rights, exclusive, and no other person shall have the right to conduct such activities on the Leased Premises during the term of this Lease.

1. It is agreed that this Lease shall remain in force for a primary term of two (2) years from this date and as long thereafter as Leased Substances of commercial value are produced from the Leased Premises by Phillips, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this Lease, Leased Substances of commercial value are not being produced on the Leased Premises by Phillips, but Phillips is then engaged in drilling or reworking operations to produce Leased Substances of commercial value thereon; then this Lease shall continue in force so long as such operations are being continuously prosecuted on the Leased Premises; and such operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of Leased Substances on the Leased Premises, the production thereof should cease from any cause after the primary term, this Lease shall not terminate if Phillips commences additional drilling or reworking operations to produce Leased Substances of commercial value within ninety (90) days from the date of cessation of production or from the date of completion of a dry hole. If Leased Substances shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this Lease, the Lease shall continue in force so long as Leased Substances of commercial value are produced from the Leased Premises by Phillips.

For the purpose of developing coalbed gas; the word "operations" shall mean, in addition to those matters covered elsewhere herein, (1) operations of said wells to remove water or other substances from the coalbed, or to dispose of such water or other substances; even though such operations do not result in the production of hydrocarbons in paying quantities; or (2) shutting-in or otherwise discontinuing production from said wells to allow for surface or underground mining, or reclamation activities affecting the drill site or well bore.

2. Phillips shall pay to PMC a bonus payment in the amount of \$120.00 per net mineral acre [Twenty-Four Thousand Dollars (\$24,000.00) for 200 acres] upon the execution of this Lease. In consideration of the bonus in hand paid and the covenants herein contained, PMC agrees that Phillips shall not be obligated, except as otherwise provided herein, to commence or continue any operations

during the primary term. Phillips may at any time or times during or after the primary term surrender this Lease as to all or any portion of said land and as to any strata or stratum by delivering to PMC or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. The Lease is subject to the following Allowed Uses/Restrictions:

- a. Phillips, for itself and its employees, and its authorized agents, licensees, contractors, subcontractors, invitees, and permitted successors and assigns, shall have those rights to enter under, over, through, upon and across the Leased Premises as are set forth in the Surface Use Agreement.
- b. Phillips at all times will fully and promptly comply with all applicable laws, rules and regulations of any lawful governmental authority which apply to its occupation and use of the Leased Premises for the hereinabove stated purposes, including those pertaining to the environment and land reclamation. Phillips will insure that its employees, agents, licensees, contractors, subcontractors and invitees who enter upon the Leased Premises shall comply with the terms of this Lease.

4. PMC, for itself and its successors and assigns, hereby specifically reserves any and all rights of entry upon and use of the Leased Premises not specifically conferred upon and granted to Phillips hereunder or in the Surface Use Agreement, the same to be kept and retained by PMC.

5. In consideration of the premises hereof, Phillips covenants and agrees to pay the following as royalties:

- a. Oil - Phillips agrees to pay to PMC a royalty of three-sixteenths (3/16<sup>th</sup>) of the oil produced, saved and sold from the leased premises; or at the option of PMC, to pay to PMC the cash value of such royalty. When paid in money, the royalty shall be calculated upon the reasonable market value of the oil at the well, including any subsidy or extra payment which Phillips, or any successors in interest thereto, may receive, without regard to whether such subsidy or extra payment shall be made in the nature of money or other consideration, and, in no event shall the royalties be based upon a market value less than that used by the United States in the computation of royalties, if any, paid by Phillips to the United States of America on oil of like grade and gravity produced in the same field. When PMC elects to take royalty oil in kind, such royalty oil shall be delivered on the premises where produced without cost to PMC at such time and in such tanks provided by Phillips as may reasonably be required by PMC; but in no event shall Phillips be required to hold royalty oil in storage beyond the last day of the calendar month next following the calendar month in which the oil was produced. Phillips shall not be responsible or be held liable for the loss or destruction of royalty oil in storage from causes under which Phillips has no control. For royalty purposes, the word "oil" shall mean crude petroleum oil and any other hydrocarbons, regardless of gravities, which are produced at the well in liquid form.

- b. Gas - Phillips agrees to pay to PMC a royalty of three-sixteenths ( $3/16^{\text{th}}$ ) of the reasonable market value at the well of all gas produced, saved and sold from the Leased Premises. Where gas is sold at the well, the reasonable market value of such gas for the purpose of determining the royalties payable hereunder, shall be the arms-length price at which the production is sold under the contract. If gas is sold or utilized off the lease under a contract, the reasonable market value of such gas for the purposes of determining royalty payable hereunder shall be the arms-length price at which the production is sold under the contract less any costs necessary to deliver the said gas to the purchaser. Whether the gas is sold at the well or it is sold or utilized off the lease under a contract, in no event shall the price for gas be less than that received by the United States of America for its royalties from gas of like grade and quality from the same field; provided, however, the reasonable market value of processed or manufactured or extracted products for the purpose of computing royalty hereunder, shall be the value after deducting the costs of transportation, processing, or manufacturing, except that the deduction deducting the costs of transportation, processing, or manufacturing may not exceed  $2/3$  of the amount of the gross of any such products without approval by the PMC and, provided further, that the market value of transported, processed, or manufactured products used in the computation of royalties hereunder shall not be less than the value used by the United States in its computation of royalties on similar products resulting from production of like grade and quality in the same field.
- c. Sulfur - Phillips agrees to pay PMC three-sixteenth ( $3/16^{\text{th}}$ ) of the reasonable market value of all sulfur which Phillips shall produce, save, and sell from the leased premises. The basis for computing the reasonable market value of sulfur covered in this Section (c) shall be as follows:
- (i) If the sulfur is sold under a bonafide contract of sale, the amount of money or its equivalent actually received from the sale of the sulfur less reasonable costs, if any, of transporting the sulfur from the place where extracted to the place where, under the contract of sale, the sulfur is to be delivered, shall be regarded as the reasonable market value.
  - (ii) If the sulfur extracted is treated at a mill, smelter, processing plant or reduction works which receives similar substances from independent sources and which is owned or controlled by Phillips, such treatment shall be treated as a sale within the meaning of this section for the purpose of determining market value, and in such event a rate or charge for sampling, assaying, milling, smelting or refining the sulfur therefrom shall be deducted, which shall not exceed an amount to be determined by applying the same rates as are applied by such mill, smelter, or reduction works or competing works on substances of substantially like characteristics and like quantities received from independent sources. In the event of controversy, Phillips shall have the power to reasonably determine

such rates and charges. Transportation charges may also be deducted as provided in subdivision (i) hereof.

iii. If a mill or other reduction works is operated exclusively in connection with the Leased Premises or lands communitized, unitized, or pooled therewith pursuant to Section 11 below, and the costs of operating the mill or reduction works shall, for the purpose of fixing the royalty set forth in this Lease, be regarded as part of the costs of extraction, and the proportionate cost of assaying, sampling, smelting, refining, and transportation only shall be deducted as herein provided.

d. Time of Payment – All royalty on oil production during any calendar month shall be due and payable by Phillips to PMC not later than the last day of the calendar month following that in which produced. All royalty on gas production during any calendar month shall be due and payable by Phillips to PMC not later than the last day of the second month following that in which produced.

e. Option to take in kind. PMC may at its option take its royalty gas in kind at the well heads, provided expressly that Phillips shall be under no obligation to furnish any storage facilities for royalty gas.

f. In addition, Phillips shall not create by a transfer or assignment of all or any portion of this Lease or any interest therein, an overriding royalty interest, production payment or similar interest, except those created in order to finance the proposed operations hereunder, that exceeds fifty percent (50%) of royalty first payable to PMC under and in accordance with this Lease, or when added to any other overriding royalty interest, exceeds such percentage.

Notwithstanding the foregoing provisions, Phillips shall have the right to use, free of cost (subject to pre-existing third-party rights or PMC's obligations to pay therefore), any water, except water from PMC's wells and ponds, from the Leased Premises for Phillips' operations which benefit the Leased Premises.

6. If during or after the primary term, one or more wells on the Leased Premises are capable of producing gas, but such well or wells are either shut-in or gas therefrom is not being sold or used, such well or wells shall nevertheless be deemed to be producing for purposes of maintaining the Lease. If for a period of 90 consecutive days such well or wells are shut-in or gas therefrom is not being sold or used, then Phillips shall pay or tender as royalty to the royalty owners \$1.00/year/net royalty acre then retained hereunder, such payment or tender to be made on or before the anniversary date of the Lease next ensuing after the expiration of 90 days from the date such well is shut-in and thereafter on or before the anniversary date of this Lease during the period such well is shut-in; provided that if this Lease is otherwise being maintained by operations, or if gas is being sold or used from another well or wells on the Leased Premises, no shut-in royalty shall be due until the end of the 90 day period next following cessation of such operations or production.

7. If PMC owns an interest in the Leased Premises less than the entire and undivided fee simple mineral estate therein, then the rentals and royalties (including any shut-in gas royalty) herein provided for shall be paid to PMC only in the proportion which PMC's interest bears to the whole and undivided fee mineral.
8. Phillips shall have the right at any time to remove all machinery and fixtures it placed on the Leased Premises, including the right to draw and remove casing.
9. The rights of Phillips hereunder may not be assigned in whole or part as to any mineral or horizon without prior notice to and the prior written consent of PMC, which consent shall not be unreasonably withheld. No such assignment shall be valid or binding unless and until Phillips' assignee(s) have agreed in writing to assume all of the rights, duties and obligations set forth herein, and Phillips shall have provided PMC a true and correct copy thereof. The rights of PMC hereunder may be assigned in whole or part as to any mineral or horizon. No change in ownership of PMC's interest (by assignment or otherwise) shall be binding on Phillips until Phillips has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from PMC, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Phillips. No present or future division of PMC's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Phillips, and all Phillips' operations may be conducted without regard to any such division.
10. For purposes of verifying royalty payments made under this Lease, PMC shall have the right to review at Phillips' office during normal business hours any and all reports filed by Phillips with state and federal agencies related to payments of federal and state royalties thereto, such as the Minerals Management Service (MMS) or the appropriate state counterpart, with respect to production obtained from the Drunkards Wash Unit, and any and all correspondence with or orders issued by such agencies with regard to such Unit.
11. Phillips, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of said Leased Premises and as to any one or more of the formations hereunder, to pool, unitize, or communitize the leasehold estate covered by this Lease with other land or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Phillips' judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude, such nonproducing formations. The forming or reforming of any unit shall be accomplished by Phillips executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this Lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this Lease. In lieu of the royalties elsewhere herein specified, including shut-in gas

royalties, PMC shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this Lease; such allocation shall be that proportion of the unit production that the total number of mineral acres covered by this Lease and included in the unit bears to the total number of mineral acres in such unit. In addition to the foregoing, Phillips shall have the right to unitize, pool or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions and provisions of this Lease shall be deemed modified to conform to the terms, conditions and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this Lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this Lease shall not terminate or expire during the life of such plan or agreement. In the event that said land or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to PMC, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to PMC shall be based upon production only as so allocated. PMC shall formally express PMC's consent to any cooperative or unit plan of development or operation adopted by Phillips and approved by any governmental agency by executing the same upon request of Phillips.

12. PMC agrees that, should Phillips be prevented from complying with any express or implied covenant of this agreement (except payment of money to PMC) by reason of scarcity of or inability to obtain or use labor, water, equipment or material (including drilling rig), strike or differences with workmen, failure of carriers to transport or furnish facilities for transportation, wars, fires, storms, storm warnings, floods, riots, epidemics, compliance with or obedience to any federal or state law or any regulation, rule or order of any governmental authority having jurisdiction, including but not limited to inability (except through Phillips' lack of reasonable diligence) to obtain any license, permit, or other authorization that may be required to conduct operations on or in connection with the leased premises or lands pooled or unitized therewith, or any cause whatsoever (other than financial), beyond its reasonable control, whether similar or dissimilar from those enumerated, and not the result of Phillips' negligent acts or omissions, any such reason shall be deemed an "event of force majeure" and then, to the extent Phillips is so prevented, its obligation to comply with such covenant shall be suspended and excused and the period for performance and the term of this Lease shall be extended for an additional period equal to the duration of the event of the force majeure, and Phillips shall not be liable in damages for failure to comply therewith. Upon the occurrence and upon the termination of the event of the force majeure, Phillips shall promptly notify PMC. Phillips shall use reasonable diligence to remedy the event of force majeure, but shall not be required against its better judgment to settle any labor dispute or contest the

validity of any law or regulation or any action or inaction of civil or military authority.

13. All the terms, conditions and covenants of this Lease shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of each of the parties hereto.
14. If operations are not conducted on the Leased Premises on or before the first anniversary date hereof, this Lease shall terminate as to both parties, unless Phillips on or before said date shall, subject to the further provisions hereof, pay or tender to PMC the sum of \$200.00, which shall operate as delay rental and cover the privilege of deferring operations for one year from said date. In like manner and upon like payments or tenders, operations may be further deferred for like periods of one year each during the primary term. If at any time that Phillips pays or tenders delay rental, royalties or other monies, two (2) or more parties are, or claim to be, entitled to receive same, Phillips may, in lieu of any other method of payment herein provided, pay or tender such rental, royalties or other monies in the manner herein specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Phillips may elect. Any payment hereunder may be made by check or draft of Phillips deposited in the mail or delivered to PMC or to a depository bank on or before the last date of payment. Said delay rental shall be apportionable as to said land on an acreage basis, and a failure to make proper payment or tender of delay rental as to any interest therein shall not affect this Lease as to any portion of said land or as to any interest therein as to which proper payment or tender is made. Any payment or tender which is made in an attempt to make proper payment, but which is erroneous in whole or in part as to parties, amount, or depository, shall nevertheless be sufficient to prevent termination of this Lease and to extend the time within which operations may be conducted in the same manner as though a proper payment had been made; provided, however, Phillips shall correct such error within thirty (30) days after Phillips has received written notice thereof from PMC. Phillips may at any time and from time to time execute and deliver to PMC or file for record a release or releases of this Lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations as to the released acreage or interest. If this Lease is so released as to all minerals or horizons under a portion of said land, the delay rental and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the acreage bears to the acreage which was covered by this Lease immediately prior to such release. If Phillips drills a well on the Leased Premises or lands communitized, unitized, or pooled therewith, and whether such well is completed as a producing well or a dry hole, Phillips shall have no further obligation to make delay rental payments to PMC to maintain this Lease during its primary term.
15. It is understood and agreed that in order to obtain maximum efficient recovery of coalbed gas, Phillips may treat and stimulate coal seams and adjacent strata in such manner as Phillips may determine in its sole discretion. Such treatment and stimulation may include, but is not limited to, hydraulic stimulation or the injection of gas, water, brine, or other fluids into the subsurface strata. PMC hereby releases Phillips from any and all claims, actions, damages and liability which may arise in connection with any damage or injury to any coal seam or adjacent strata

as a result of such activities conducted under this Lease, except for environmental impacts, such as on water quality, or for any resulting surface disturbance.

16. Phillips shall not commit or knowingly allow another to commit any waste or nuisance on the Leased Premises. Phillips shall not destroy, deface or damage any part of the improvements, if any, or knowingly permit any other person to do so.
17. Phillips agrees to permit no liens or encumbrances to attach to or remain upon the Leased Premises described herein as a result of its drilling, construction activities, maintenance, operations on or use of the Leased Premises described herein. Phillips shall keep the Leased Premises free and clear of any and all liens and encumbrances arising or which might arise, for any reason, out of Phillips' operations upon the Leased Premises, and shall hold harmless, defend and indemnify PMC against any such liens or encumbrances.
18. Phillips will hold harmless and indemnify PMC, its affiliates, and their respective shareholders, partners, members, officers, directors, employees, or agents, and their successors and assigns (the "PMC Entities") from and against all Claims (as defined below), which may be made upon any of the PMC Entities or against the PMC Entities' interest in the Leased Premises, and which arise out of or result from, directly or indirectly, any activities undertaken in connection with this Lease by Phillips, its employees, agents, contractors, subcontractors, licensees and suppliers; except to the extent that such claims arise out of or result from, directly or indirectly, the negligence of PMC, its employees, agents, contractors, subcontractors, licensees or suppliers or from activities undertaken in connection with this Lease at the direction of PMC. In addition, Phillips will hold harmless and indemnify the PMC Entities from and against any and all penalties or charges to the extent such penalties or charges are imposed upon any of the PMC Entities by federal, state or local authorities on account of Phillips' failure to comply with all laws, rules, regulations or orders of such authorities. PMC will indemnify Phillips and its affiliates from and against any and all penalties or charges to the extent such penalties or charges are imposed upon Phillips or its affiliates by federal, state or local authorities on account of PMC's failure to comply with all laws, rules, regulations or orders of such authorities. For purposes of this Section 18, "Claim" shall include, without limitation, any claim, damage, liability, cost, penalty, loss, fine, expense, demand, cause of action (including costs of settlement and legal or attorney fees and expenses), and any consequential damages, of whatever nature, kind or quality, whether in law or in equity.
19. It is expressly understood by the parties hereto that all work performed by Phillips (or its agents, employees, invitees, guests, contractors or subcontractors), pursuant to this Lease or which in any way relate to use and occupation of the Leased Premises, shall not be in the capacity as an agent for PMC. Nothing contained within this Lease authorizes Phillips to enter into any agreement for or on behalf of PMC, or to bind PMC to any obligation or undertaking.
20. Even if PMC waives Phillips' breach of any provision of this Lease on one or more occasions, that shall not mean that PMC waives the right to enforce the same or any other provision in case of a later breach by Phillips.

21. If Phillips commits a material breach of any term of this Lease and fails or refuses to commence in good faith to remedy the breach, within thirty (30) days after receipt of PMC's written notice in a non-emergency situation and within forty-eight (48) hours after receipt of PMC's verbal notice in an emergency situation, specifying the breach, then PMC, in addition to any other rights or remedies PMC may have at law or in equity, may take possession of the Leased Premises and any structures located thereon, therein or thereunder, whether placed thereon, therein or thereunder by PMC or Phillips, and if PMC chooses, may terminate this Lease. The taking of any action by Phillips to remedy any alleged violation shall not be deemed an admission by Phillips hereunder of the facts, causes or state of events described and set forth in PMC's notice to Phillips. Upon any such termination of this Lease, Phillips shall provide PMC with a Release of Lease in recordable form.
22. Except as may otherwise be provided for herein, upon termination of this Lease, Phillips shall peaceably surrender the Leased Premises to PMC, free and clear of all liens and encumbrances made or allowed by Phillips or in any way arising out of this Lease or Phillips' use of the Leased Premises. In addition, if not already done earlier, upon completion of its activities or by at the end of this Lease, Phillips agrees to do or have performed the following:
- a. Repair any damages to PMC's improvements caused by Phillips' operations;
  - b. Provide PMC, its successors or assigns, with a Release of Lease in recordable form.
23. Any and all payments, notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered if delivered personally; (b) when sent if given by prepaid telegram or facsimile; or (c) three (3) days after the mailing thereof by first-class, postage prepaid, mail if mailed, at the respective addresses set forth below (or at such other address as may be designated in a written notice and given in accordance with this paragraph):

**If to PMC:**

Plateau Mining Corporation  
847 Northwest Highway 191  
Helper, Utah 84526  
Attention: Dennis Ware  
Telephone No.: (435) 472-4737  
Facsimile No.: (435) 472-4782

**If to Phillips:**

Phillips Petroleum Company  
9780 Mt. Pyramid Court, Suite 200  
Englewood, Colorado 80112  
Attention: Land Director  
Telephone No.: (303) 643-4356  
Facsimile No.: (303) 643-4378

**With a copy to:**

Plateau Mining Corporation  
391 Inverness Drive South, Suite 333  
Englewood, Colorado 80112-9804  
Attention: Land Administration Dept.  
Telephone No.: (303) 749-8410  
Facsimile No.: (303) 749-8440

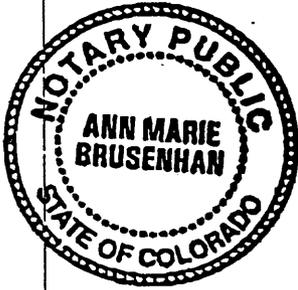
24. The execution of this Lease shall not constitute any denial, admission or recognition by PMC that the types and kinds of uses of the Leased Premises granted hereby are or were inherently created by or reserved to the grantor(s) in the underlying instrument or instruments. Nothing in this Lease shall be interpreted or construed as a co-partnership or joint venture between PMC and Phillips.
25. This Lease may be executed in any number of counterparts and shall be binding upon all owners of interests in the Leased Premises executing the same or a counterpart hereof.
26. Phillips, at the request of PMC, shall execute and deliver to PMC any available instruments, agreements, documents, permits or applications, or any other papers reasonably required by PMC, and Phillips shall do such other acts as may be reasonably requested by PMC, all to effect the purposes of this Lease. Conversely, PMC, at the request of Phillips, shall execute and deliver to Phillips any available instruments, agreements, documents, permits, easements, rights-of-way or applications, or any other papers reasonably required by Phillips, and PMC shall do such other acts as may be reasonably requested by Phillips, all to effect the purposes of this Lease.
27. This Lease may not be recorded; however, the parties hereto have agreed to execute a Memorandum of Lease for recording purposes in substantially the same form as that attached hereto as Exhibit "B" and made a part hereof, which will refer to and incorporate this Lease therein by reference. In the event the Memorandum of Lease is recorded, the recording party shall provide the non-recording party with a copy of the recorded document when it becomes available.
28. This Lease represents the full and complete agreement between the parties regarding the subject matter hereof and all parties executing this instrument have received a copy of same. The terms and conditions of this Lease shall supersede any prior or contemporaneous, oral or written, statements or agreements. This Lease may not be modified or amended except by a written amendment signed by all parties hereto.
29. This Lease shall be construed in accordance with and governed by the laws of the State of Utah and all rules, regulations and ordinances of the County of Carbon. Each of the parties hereto consents to the jurisdiction of any appropriate court in the State of Utah in the event there is a dispute or disagreement arising out of this Lease.
30. Should any portion of this Lease be declared invalid and unenforceable, then such portion shall be deemed to be severed from this Lease and shall not affect the remainder thereof.
31. Unless otherwise provided, or unless the context shall otherwise require, words importing the singular number shall include the plural number, words importing the masculine gender shall include the feminine gender, and vice versa. This Lease shall not be construed against either party merely or solely because of the draftsmanship hereof.



CORPORATE ACKNOWLEDGMENT

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DOUGLAS )

The foregoing instrument was acknowledged before me this 9th day of August, 2002, by *L. M. Deal*, the Vice President, Regional Sales (West) of Plateau Mining Corporation, a Delaware corporation.



*Ann Marie Brusenhan*  
Notary Public

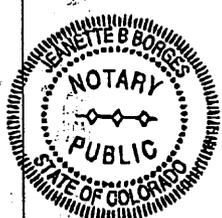
7999 South Jasmine Circle  
Englewood, CO 80112-3052  
Address

My Commission expires: May 21, 2004

CORPORATE ACKNOWLEDGMENT

STATE OF COLORADO )  
 ) ss.  
COUNTY OF ~~DOUBLAS~~ DOUBLAS JB

The foregoing instrument was acknowledged before me this 13<sup>TH</sup> day of August, 2002, by *William Rainbolt*, Attorney-in-Fact of Phillips Petroleum Company, a Delaware corporation.



MY COMMISSION EXPIRES:  
November 12, 2002

*Jeanette B. Borges*  
Notary Public

8463 Cook Way  
Thornton, CO 80229  
Address

My Commission expires: NOVEMBER 12, 2002

EXHIBIT "A"

Attached to and made a part of that certain Lease dated effective the 9<sup>th</sup> day of August, 2002 between Plateau Mining Corporation, PMC, and Phillips Petroleum Company, Phillips.

Location of Drillsites and Related Surface Disturbance

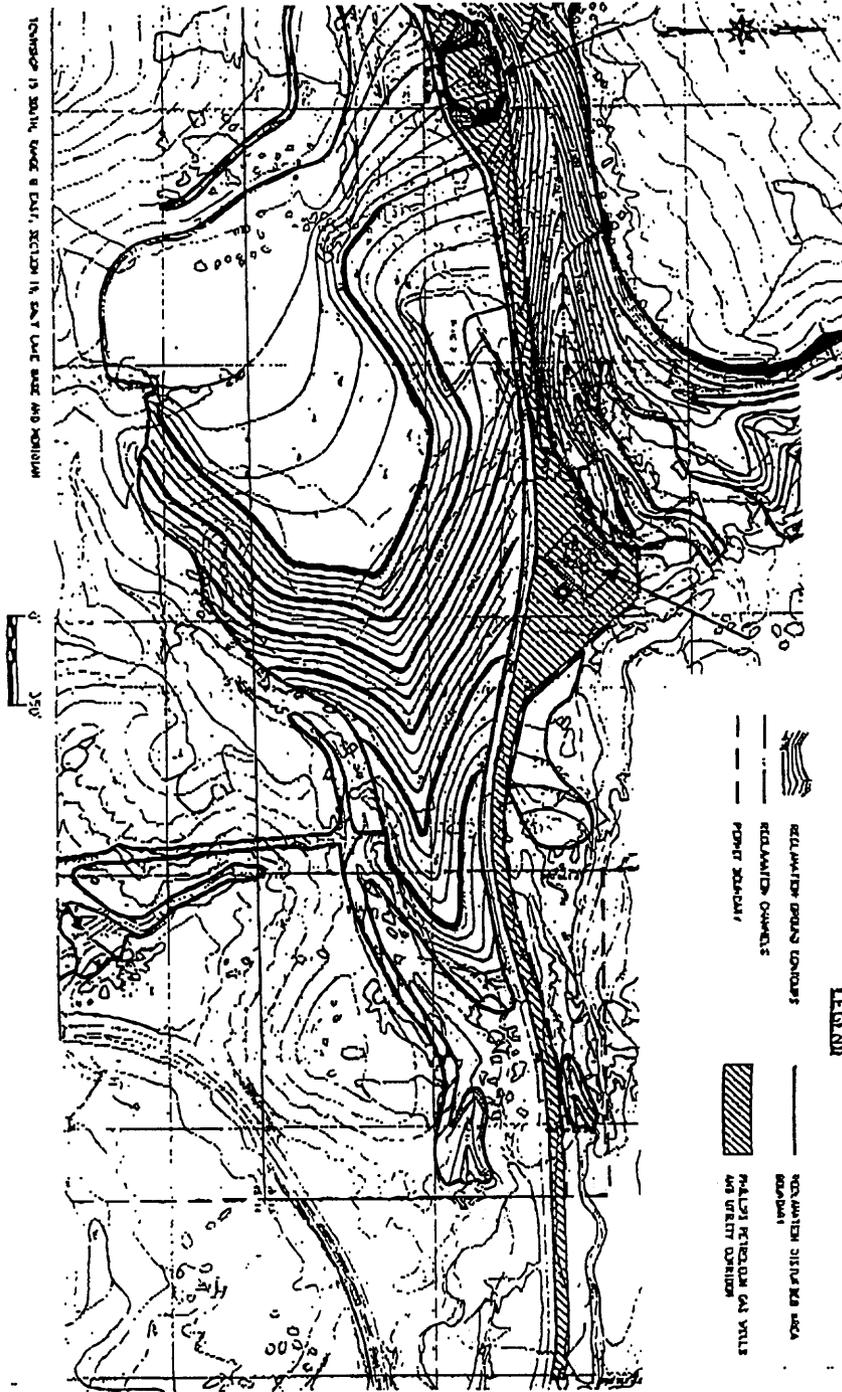


EXHIBIT "B"

Attached to and made a part of that certain Lease dated effective the 9<sup>th</sup> day of August, 2002 by and between Plateau Mining Corporation, PMC, and Phillips Petroleum Company, Phillips.

MEMORANDUM OF LEASE

**THIS MEMORANDUM OF LEASE** (the "Memorandum"), dated effective the 9<sup>th</sup> day of August, 2002, is by and between **PLATEAU MINING CORPORATION**, a Delaware corporation, with an address of 847 Northwest Highway 191, Helper, Utah 84526 (hereinafter referred to as "Plateau"), and **PHILLIPS PETROLEUM COMPANY**, a Delaware corporation, with an address of 9780 Mt. Pyramid Ct., Suite 200, Englewood, CO 80112 (hereinafter referred to as "Phillips").

Plateau, in consideration of the covenants and agreements contained in that certain unrecorded Lease (the "Lease") dated concurrently herewith, leased unto Phillips the right and privilege to enter upon, through, over and across that certain land located in the County of Carbon, State of Utah, the same being generally described as follows (the "Leased Premises"):

**Township 15 South, Range 8 East, SLB&M**  
Section 10: S/2 SE/4; NW/4 SE/4; E/2 SW/4

containing 200.00 acres, more or less.

**Subject to:**

All prior coal leases; all prior oil and gas leases; all prior conveyances of record of portions of the Leased Premises or interests in the Leased Premises, or of any rights, titles or interests therein; reservations of rights to drill for oil, gas, water and other minerals of record; and all exceptions, reservations, conditions, rights, privileges, easements, encumbrances or rights-of-way as are contained within prior instruments of record affecting the Leased Premises or as are apparent from an inspection of the Leased Premises.

PMC has leased and lets exclusively unto Phillips the Leased Premises for the purpose of investigating, exploring, prospecting, drilling, and operating for and producing and owning oil, gas of whatsoever nature or kind (including gas well gas, casinghead gas, methane and gas from coal seams, carbon dioxide, and other gas, whether of commercial value or not, hereinafter referred to as "gas"), together with all associated hydrocarbons produced in a liquid or gaseous form, and sulfur (the "Leased Substances") and for injecting waters and other fluids, gas, air, and other gaseous substances, into subsurface strata, and, subject to the terms and conditions set forth in that certain Surface Use Agreement of even date herewith between PMC and Phillips, laying pipeline; establishing and utilizing facilities for surface or subsurface disposal of salt water or formation water, construction of roads and bridges, digging canals, storing oil, building links, power stations, telephone lines, and other structures and facilities thereon to produce, save, take care of, treat, process, store, and transport said Leased Substances and products manufactured therefrom.

**EXHIBIT "B" - CONTINUED**

The Leased Premises are subject to all of the terms and conditions of the Lease, reference to which may be made for a complete statement of rights and obligations of PMC and Phillips. Should there be any discrepancy between this Memorandum of Lease and the Lease, the Lease shall control.

The term of the Lease shall be for a primary term of two (2) years and shall commence on the effective date hereof; however, the Lease shall continue so long thereafter as Phillips is in compliance with all of the terms and conditions thereof.

Copies of the Lease may be found at the above indicated addresses of the parties.

This Memorandum may be executed in any number of counterparts and shall be binding upon all owners of interests in the Leased Premises executing the same or a counterpart hereof, whether or not named herein, and whether or not other owners of interests in the Leased Premises have executed other counterparts or have not entered into the Lease.

All the terms, conditions and covenants of the Lease shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of each of the parties hereto.

**IN WITNESS WHEREOF**, PMC and Phillips have executed this Memorandum effective the date first above written.

**PLATEAU:**

**PLATEAU MINING CORPORATION**

By: \_\_\_\_\_  
**L. M. Deal**  
**Vice President, Regional Sales (West)**

**PHILLIPS:**

**PHILLIPS PETROLEUM COMPANY**

By: \_\_\_\_\_  
**William Rainbolt**  
**Attorney-in-Fact**



**521.120. EXISTING SURFACE AND SUBSURFACE FACILITIES AND FEATURES.**

**521.121. BUILDINGS IN AND WITHIN 1000 FEET OF THE PERMIT AREA.**

The locations of buildings within, or within 1000 feet of, the permit area are shown on Maps 521.121a through 521.121g.

Map 521.121a, Surface Facilities  
Map 521.121b, Surface Facilities  
Map 521.121c, Surface Facilities  
Map 521.121d, Surface Facilities  
Map 521.121e, Subsidence Monitoring Plan  
Map 521.121f, Subsidence Monitoring Plan  
Map 521.121g, Subsidence Monitoring Plan

**521.122. SURFACE AND SUBSURFACE MAN-MADE FEATURES WITHIN THE PERMIT AREA.**

The locations of surface and sub-surface man-made features within, passing through, or passing over the proposed permit area are presented on Maps 521.121a through 521.121g.

There are no oil or gas wells within the permit area. Water well locations are presented on Map 731.800a.

**521.123. PUBLIC ROADS IN OR WITHIN 100 FEET OF THE PERMIT AREA.**

Each public road located within, or within 100 feet of, the permit area is shown on Maps 521.121a through 521.121d.

**521.124. EXISTING FACILITIES WITHIN THE PERMIT AREA.**

Locations and sizes of existing areas of spoil, waste, coal development waste, and non-coal development waste, and non-coal waste disposal, dams, embankments, other impoundments, and water treatment and air pollution control facilities within the permit area are presented on Maps 521.121a through 521.121d.

**521.125. SEDIMENTATION PONDS AND IMPOUNDMENTS.**

Locations of all sediment ponds, impoundments, waste banks, waste dams and embankments are shown on Maps 521.121a through 521.121d.

**521.130. LANDOWNERS AND RIGHT OF ENTRY AND PUBLIC INTEREST MAPS.**

**521.131. SURFACE AND SUB-SURFACE OWNERS.**

The boundaries of lands and names of present owners of record of those lands, both surface and sub-surface, included in or contiguous to the permit area, are presented on Maps 112.500a and 112.500b.

## **521.132. RIGHT TO ENTER AND CONDUCT MINING ACTIVITIES.**

The boundaries of land within the proposed permit area upon which CPMC has the legal right to enter and begin underground coal mining activities are presented on Map 112.500b. Also see response to R645-301-114.100.

## **521.133. PROTECTION OF PUBLIC AND LANDOWNERS INTERESTS.**

### **521.133.1. OPERATIONS WITHIN 100 FEET OF ROAD RIGHT-OF-WAY.**

CPMC conducts mining operations within 100 feet of the right-of-way line of County Road No. 290 which provides access to Gentry Mountain. In order to protect public and landowners interests and provide safe access to Gentry Mountain CPMC has provided the No. 1 Mine access road, which is no longer used for mining, as an alternate route through the mine area. Final reclamation will consist of completely reclaiming the

No. 1 Mine access road. Access to Gentry Mountain will then be provided by County Road No. 290 after mine operation ceases.

As required under Division Order ACT/007/006-DO-92A, public notice was given related to a meeting which was scheduled on April 28, 1992 at the Days Inn in Price, Utah wherein protests could be heard related to the proximity of the mine to County Road 290. The notice was published in the Sun Advocate on April 14, 1992 whereafter the meeting was cancelled due to lack of interest. Compliance with the Division order was met as stated in a letter dated June 16, 1992 from DOGM. The June 16, 1992 letter and a copy of the published "public notice" is included in Exhibit 521.133a.

### **521.133.2. RELOCATING A PUBLIC ROAD.**

CPMC does not intend to relocate any public road.

## **521.140. MINE MAPS AND PERMIT AREA MAPS.**

### **521.141. AFFECTED AREA.**

The boundaries of all areas proposed to be affected by the underground mining activities are presented on Maps 116.100a, 116.100b, and 116.100c. The official permit boundary for Permit C/007/006 is shown on Map 112.500a "Surface Ownership and Official Permit Boundary".

## **521.142. UNDERGROUND WORKINGS AND SUBSIDENCE AREAS.**

See response to R645-301-525.

## **521.143. WASTE DISPOSAL SITES.**

See response to R645-301-528.300

## **Mining Method**

CPMC utilizes the standard methods of mining. CPMC uses room and pillar, longwall, and continuous miner development methods to extract coal.

### **Room and Pillar Mining**

Room and pillar mining refers to the extraction of rooms (mine openings) and pillars using a continuous mining machine. Rooms are mined on development and the pillars are extracted on retreat. This mining method has been the backbone of the U.S. coal industry and owes its popularity to its relatively lower cost and flexibility. This method easily adapts to changes in the geological and physical conditions of the mine. Continuous miners may be used to recover remnant coal in old mine works. Continuous miners can negotiate tectonically disturbed areas of the mine and adapt to seam variations and uneven reserve blocks. The continuous miner section equipment can easily be transported to different locations within the mine. Total production is only proportionately affected by stoppages of any one section.

The productivity of a continuous miner section in room and pillar extraction is less than a longwall section under most conditions and is generally more expensive in cost per ton. The overall coal recovery seldom exceeds 55 to 60 percent due to the necessity to leave barriers and remnant pillars.

### **Longwall Mining**

Longwall mining has gained great acceptance in the U. S., primarily because of its advantages of high productivity, low operating cost, high reserve recovery, controlled subsidence, and a good safety record. Longwall mining derived its name from the several hundred foot long face from which coal is cut. Longwall panels are large, solid blocks of coal laid out several thousands of feet long by several hundreds of feet wide. Extraction is by a cutting machine with large drums that cut coal from the block. All activities occur under a canopy of hydraulically controlled steel supports. The roof supports are placed in a straight line with skin-to-skin contact to separate the work area from the caved material near the longwall face. The cutting step is followed by advance of the steel supports in a continuous cycle of operation. Longwall mining achieves upward of 75 percent recovery because the entire seam is extracted in major blocks. CPMC has used the longwall method of mining coal successfully and anticipates continued use of the longwall method to insure maximum resource recovery and controlled subsidence.

### **Engineering Techniques**

CPMC is using and will continue to use good engineering judgment in designing mine layouts, pillar sizing, entry widths and heights, and surface facilities. Various engineering disciplines are represented at CPMC. When a particular engineering discipline is not available within CPMC, other Cyprus resources may be used or outside firms may be contracted to provide assistance.

### **Production**

The annual production is dictated by market demand and as such, is subject to fluctuations. The Star Point No. 2 Mine has a maximum annual coal capacity of approximately 3.2 million tons. Since the raw coal is washed the amount of coal available for sale is less than the amount of raw coal produced. Production capacity can be increased with a little difficulty. Table 523a, Plateau Mining Planned

INCORPORATED  
EFFECTIVE  
SEP 10 2001  
OIC  
STATE DIVISION

Planned Production Schedule, shows the current estimated annual production tonnages for the life of the existing operation and reserves.

**TABLE 523a.**  
**Plateau Mining Planned Production Schedule**

<b>YEAR</b>	<b>RAW</b>	<b>PRODUCTION TONS</b>
1996	3,246,000	2,856,000
1997	3,171,000	2,790,000
1998	1,833,000	1,636,000
1999	700,000	630,000
2000	700,000	630,000
2001	700,000	630,000
2002	700,000	630,000
2003	700,000	630,000
2004	700,000	630,000
2005	700,000	630,000
2006	700,000	630,000
2007	700,000	630,000
2008	700,000	630,000
2009	570,000	513,000
2010	230,000	207,000
<b>TOTAL</b>	<b>16,050,000</b>	<b>14,302,000</b>

**Mining Refuse Pile**

All reference to activities associated with the refuse pile within this section are superseded with the information provided in Sunnyside Cogeneration Associates' Permit C/007/042.

Mining will start in the southeast portion of the refuse pile and then progress in a northerly and westerly direction. Slopes will not exceed 2:1, grading will be performed to maintain positive drainage and prevent impounding of water on the mined pile, and compliance with all other performance standards and commitments contained in the approved plan.

Excavating, loading and hauling equipment will be used in the mining operation. Existing haul and ancillary roads and pads will be utilized. No surface blasting is planned nor has such been necessary in such a project. Drilling of refuse test holes are planned, but not limited to those shown on the Figures 523a, to assist in obtaining coal quality and how mining will progress.

Tonnage records will be maintained by Sunnyside Cogeneration Associates to account for the amount of refuse transported to their permitted facility (C/007/035). The refuse material will be used as a fuel source for their power generating plant.

### **Major Equipment**

CPMC will continue to use standard mining methods and equipment commonly used in the Western U. S. coal industry.

The longwall section contains the following representative equipment:

- Shield Roof Supports
- Armored Face Conveyor
- Shearer
- Stage Loader
- Electrics
- Hydraulic System
- Miscellaneous Equipment

A typical continuous miner section contains the following equipment:

- Continuous Miner
- Haulage Cars
- Roof Bolter
- Feeder Breaker
- Electrics
- Mantrip Vehicle
- LHD Scoop
- Parts Car
- Conveyor System
- Rock Duster
- Miscellaneous Equipment

The following types of utility and support equipment are utilized in and about the CPMC operation:

- Electrical Distribution System
- Conveyor Systems
- Rock Dust Distribution System
- Personnel First Aid and Safety Equipment
- Supply Tractors and Trailers
- Personnel Carriers

Lubrication Trailers  
Air Compressor  
Welder  
Shield Roof Support Carriers  
Generator  
Fork Lift  
Front End Loaders  
Dozers  
Motor Graders  
Crushers  
Trucks  
Miscellaneous Equipment

**523.100. thru 523.220 SURFACE MINING OPERATIONS WITHIN 500 FEET OF AN UNDERGROUND MINE.**

There will be no surface mining at the CPMC operation.

**524. BLASTING AND EXPLOSIVES.**

CPMC will comply with all applicable State and Federal laws in the use of explosives. CPMC does not normally use blasting at its operation except for occasional maintenance blasting as described below.

**524.100. thru 524.120. BLASTER CERTIFICATION.**

Persons conducting blasting will be properly certified. Blaster certificates will be carried by the blasters or will be on file at the mine office.

**524.130. FIRING OF A BLAST.**

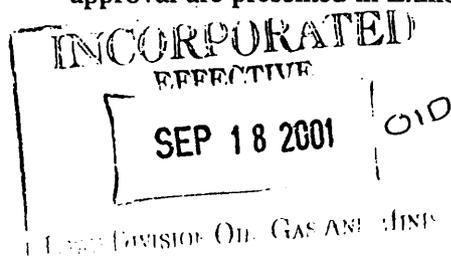
A certified blaster and at least one other person will be present at the firing of a blast.

**524.140. RESPONSIBILITY.**

The person responsible for blasting will be familiar with the blasting plan and site-specific performance standards and will give on-the-job training to uncertified persons who will assist in the use of explosives.

**524.200. thru 524.250. BLAST DESIGN.**

Occasionally surface maintenance blasting is required at CPMC to break boulders, clear chutes, and clear trenches. A blasting record similar to that shown in Table 524.200a, Blasting Record, will be completed and submitted to the Division for approval prior to initiating any blast, including those which may take place within 500 feet of an active or abandoned underground mine. There are no dwellings or buildings within 1,000 feet of CPMC operations. Blasting Plans submitted for Division review and approval are presented in Exhibit 524, Blast Design.



2. Piezometers are monitored every two months.
3. Side slopes are measured concurrently with compaction testing.
4. Visual monitoring is conducted quarterly for evidence of structural weakness, ponding or impounded water and general appearance.

Inspections will be conducted by a qualified Registered Engineer or other person approved by the Division. CPMC may utilize qualified persons with certification as Impoundment Inspectors through the M.S.H.A. or persons familiar with construction of similar earth and waste structures to conduct these inspections.

#### Maintenance Plan

Maintenance of the refuse pile conforms to the design recommendations outlined in Exhibit 528.322a.

1. Side slopes are maintained at 2 horizontal to 1 vertical, or less.
2. Water is not allowed to pond or impound to any significant depth or extent.
3. Piezometers are maintained.
4. Drainage patterns are maintained.

When the refuse pile is full or no longer needed, it will be reclaimed as discussed in R645-301-542.200 by covering with a suitable material, and revegetating the area with the approved seed mixture.

Since Star Point Mine No. 2 is an underground mine, no soil is generated in the mining of coal. Waste rock generated from miscellaneous underground projects is either backfilled into old mine workings or is transported to the surface mixed with coal, washed out of the coal at the preparation plant and deposited in the refuse pile, or is transported separately to the refuse pile.

Mine development waste (including that which may be acid- or toxic forming from the floor or roof of the mine) is deposited on the refuse pile with coal waste from the coal cleaning plant. The refuse pile has been demonstrated to be stable in Exhibit 528.322a. Compaction analyses of the refuse material are performed annually. A summary of recent compaction analyses is provided in Exhibit 528.322c, Coal Refuse Pile Certification.

Samples of roof and floor rock from all three mineable seams have been obtained from cored drill holes and analyzed for potential of being acid, alkaline, or toxic-forming.

Sample locations are shown on Map 116.100a, Map 116.100b, and Map 116.100c. Exhibit 231.200a discusses the acid and toxic-forming potential of the roof and floor rock.

Exhibit 528.322e, Response to Initial Completeness Review Comment UMC 784.14(a)(1) Permit Renewal - August 1987 discusses the ground-water impacts associated with the coal refuse pile.

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As of August 1996, the refuse pile contained approximately 5,264,000 tons of material. This is based on a volume of 123,957,000 cubic feet and a density of 79 pounds per cubic foot. The ultimate capacity of the refuse pile is 8.5 million tons. The remaining capacity is 3,236,00 million tons (3,034,000 cubic yards). According to Table 523a, based on a production level of 3.2 million raw tons for 1996 and 1997, 1.8 million raw tons for 1998, 0.7 million raw tons every year thereafter, and washing reject of 10 percent, approximately 1.59 million tons of waste will be produced through the remaining life of the mine (14 years). Using current projections shown in Table 523a, the refuse pile has a capacity-life on the order of 37 years; well beyond the projected life of the Star Point Mine.

The refuse pile at CPMC has been previously permitted through the Division. Continued operation of the pile will be under the same requirements and procedures as previously approved.

Mining of the refuse pile for available coal resources will be performed under Sunnyside Cogeneration Associates' Permit C/007/042.

### **Reclamation Plan**

Reclamation of the refuse pile will be performed in accordance with Sunnyside Cogeneration Associates' Permit C/007/042.

#### **528.323. thru 528.323.2. BURNING AND BURNED WASTE UTILIZATION.**

Coal mine waste fires will be extinguished by persons who understand the procedures and are authorized to do so by CPMC. No burning or burned waste will be removed from the disposal area.

#### **528.330. NONCOAL MINE WASTE.**

#### **528.331. DESIGNATION OF NONCOAL MINE WASTE MATERIALS.**

Noncoal materials such as paper, wood, trash and discarded conveyer belting are collected routinely, transported to a central collection area and periodically removed by a contracted disposal service.

#### **528.332. FINAL DISPOSAL OF NONCOAL MINE WASTES.**

Non-coal waste is collected in a central collection area and periodically removed to a state approved landfill.

#### **528.333. RESTRICTIONS ON DISPOSAL ON NONCOAL MINE WASTE MATERIAL.**

Non-coal waste will not be deposited in a refuse pile or impoundments, nor will it be deposited within 8 feet of any coal outcrop or storage area.

#### **528.334. HAZARDOUS WASTE MATERIALS.**

Non-coal wastes defined as "hazardous" are handled in accordance with the requirements of Subtitle C of RCRA. CPMC has a Hazardous Waste Program which consists of conducting inventories of all chemicals used on the property and maintaining a file of MSDS sheets for all chemicals used.

No surface coal mining and reclamation activities have or will be conducted within the permit area.

### **541.300. UNDERGROUND COAL MINING AND RECLAMATION ACTIVITIES.**

All surface equipment, structures, or other facilities not required for continued underground mining activities and monitoring, unless approved by the Division as suitable for the post-mining land use or environmental monitoring, will be removed and the affected lands reclaimed following permanent cessation of mining operations.

### **541.400. ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS.**

The plan presented herein is designed to meet the requirements of R645-301 and the environmental protection performance standards of the State Program.

### **542. NARRATIVES, MAPS AND PLANS.**

#### **542.100. RECLAMATION TIMETABLE.**

Reclamation of the Refuse Pile, topsoil borrow, and subsoil stockpile sites referred to within this Plan are superseded with the information presented in Sunnyside Cogeneration Associates' Permit C/007/042.

A detailed timetable for the completion of each major step in the reclamation plan is included as Table 542.100a and Figure 5-1 in Exhibit 233. Table 542.100a projects completion of the reclamation within a 2-year period. However, specifics related to the duration and sequencing of reclamation construction activities will be dependent largely upon contractor preference and equipment. Therefore, selected tasks may shift and the time frame may be extended beyond that indicated in Table 542.100a (up to a total potential duration of 5 years).

#### **542.200. PLAN FOR BACKFILLING, SOIL STABILIZATION, COMPACTING, AND GRADING.**

The Star Point regrading plan was designed to meet the objectives of balancing cut and fill quantities, maintaining a geotechnically stable site, and minimizing erosion. The primary features of the regrading plan are:

- Regrading of areas to create slopes which will adequately drain while minimizing long-term erosion concerns;
- Backfilling to remove highwalls and cut slopes to the extent possible within the objectives noted above (cut and fill balance, site stability, and erosion control), recognizing the presence of pre-SMCRA slopes where available on-site materials will not allow complete removal of the highwalls and cut slopes;
- Construction of stable channels across regraded areas; and
- Removal of sedimentation ponds and implementation of interim sediment control.

The estimated cut quantity for the Star Point facility is 789,910 cubic yards, with an estimated fill of 315,532 cubic yards (see Table 542.200a). The difference between these two quantities is anticipated to be balanced by placing at the Lion Deck or Refuse Pile. Regrading activities will continue until the final surface configuration defined by Maps 542.200a through 542.200i is approximated. Details regarding topsoil placement and revegetation following regrading are provided in Chapters 200 and 300 of this M&RP, respectively. Any plans presented in this section that are not consistent with information presented in Exhibit 528.322d supercede the information in Exhibit 528.322d.

**TABLE 542.100a  
Reclamation Timetable**

Task	Months From Start of Reclamation <sup>(a)</sup>																								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
No. 1 and No. 2 Mines and Access Road																									
Remove Storage/Seal Mine Openings	█																								
Install Interim Sediment Control	█	█																							
Backfill and Compact		█	█	█																					
Construct Reclamation Channels			█	█																					
Remove Sedimentation Pond No. 3				█																					
Place Topsoil			█	█	█																				
Revegetate				█	█																				
Midwater Canyon Fan, Corner Canyon Fan, and Little Park Canyon Breakout (if installed)																									
Remove Structures/Seal Mine Openings			█																						
Install Interim Sediment Control			█																						
Backfill and Compact				█																					
Place Topsoil				█	█																				
Revegetate					█																				
Gentry Mountain Air Shaft																									
Seal Mine Opening				█																					
Revegetate as Necessary					█																				

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**TABLE 542.200a**  
**Cut and Fill Balance<sup>(a)</sup>**

Area	Cut Quantity (yd <sup>3</sup> )	Fill Quantity (yd <sup>3</sup> )	Difference (yd <sup>3</sup> )
Lion Deck	59,771	153,901	+ 94,130
Pond 1	39,398	29,641	-9,757
Pond 2	9,600	9,667	+67
Main channel and lower facilities	582,382	28,803	-553,579 <sup>(b)</sup>
Refuse pile <sup>(1)</sup>			
No. 1 and 2 Mine roads	12,600	12,600	0
No. 1 Mine	41,646	41,723	+77
No. 2 Mine	4,039	5,681	+1,642
Lion Deck road repair	12,600	12,600	0
Exploration road	1,566	1,566	0
Pond 6 <sup>(1)</sup>			
Pond 7	215	493	+278
Pond 8	6,795	7,159	+364
Subsoil stockpile <sup>(1)</sup>			
Refuse pile test plots <sup>(1)</sup>			
Topsoil pile north of test plots	8,500	0	-8,500 <sup>(c)</sup>
Unit train loadout area and conveyor	5,100	6,000	+900
Mudwater Canyon fan portal	2,506	2,506	0
Corner Canyon fan portal	1,375	1,375	0
Little Park fan portal	1,817	1,817	0
<b>Total</b>	<b>789,910</b>	<b>315,532</b>	<b>- 474,378</b>

<sup>(1)</sup> Permitted by Sunnyside Cogeneration Associates (SCA) under Permit C/007/042

<sup>(a)</sup> Calculated using Softdesk® Civil/Survey, Version 7.5-7.6

<sup>(b)</sup> Material to be moved to Lion Deck and Refuse Pile (SCA Agreement)

<sup>(c)</sup> Material to be used in reclamation of the Main Channel and/or Lion Deck areas.

**Demolition.** Prior to significant regrading activities at the Star Point facility, existing buildings, walls, utilities, coal-handling facilities, and other above-ground structures and materials will be removed from the area. To the extent possible, these structures and facilities will be salvaged. Those materials requiring off-site disposal will be placed in a permitted landfill. Final decisions regarding salvage or disposal of structures and equipment will be made just prior to reclamation following an assessment of the salvageability of the structures and equipment. If foundations will not interfere with regrading activities, they will be left in place for on-site burial. Foundations which will be within 4 feet of the reclaimed surface will be broken up to the extent practical prior to backfilling. Other foundations may be left intact.

Non-coal wastes found during demolition or other reclamation activities (including, but not limited to, grease, lubricants, paints, flammable liquids, garbage, abandoned machinery, lumber, and combustible materials generated during previous mining activities) will be placed and stored in a controlled manner at the Star Point facility. This storage area will be determined at the time of reclamation and will be at the discretion of the permittee. Final disposal of the non-coal mine wastes will be at a designated disposal site within the permit area or at a State-approved solid waste disposal facility. Notwithstanding any other provision of the R645 rules, any non-coal mine waste defined as "hazardous" under Section 3001 of the Resource Conservation and Recovery Act ("RCRA")(P.L. 94-580, as amended) and 40 CFR 261 will be handled in accordance with the requirements of Subtitle C of RCRA and any implementing agency.

**Backfilling and Compaction.** The objective of the proposed backfilling, contouring, and grading process is to achieve a stable reclaimed surface which will provide a variety of topographic features enhancing the post-mining land use. Prior to grading, all vegetation, organic matter, and debris will be cleared from areas to receive fill. The cut material from site regrading will be placed as fill and graded to facilitate drainage from the mine site and contributing side areas. All fill placed during recontouring of the site will be compacted to at least 85 percent of maximum Proctor density (ASTM D698). Compaction will be accomplished using repeated passes of rubber-tired equipment, rollers, and other appropriate equipment.

Side hill fills, where the width is too narrow to allow access by compaction equipment, will be initially constructed by end dumping, but only to a width necessary to allow equipment access. After this is achieved, the fill will be placed in lifts and compacted to at least 85 percent of maximum Proctor density.

Fill lifts will be placed with a thickness when compacted of no more than 12 inches. Care will be taken to ensure that fill materials are not frozen during placement or compaction. Any areas that are damaged by freezing will be reconditioned, reshaped, and recompacted to at least 85 percent of maximum Proctor density.

Previous (pre-SMCRA) mining in the area has resulted in the exposure of coal seams and the formation of cut slopes incident to mining activities. An indication of the extent of the pre-SMCRA disturbance is provided in Exhibit 542.200a, which contains copies of stereographic aerial photographs dated September 17, 1975 (pre-SMCRA), November 21, 1976 (pre-SMCRA), and May 8, 1984 (post-SMCRA). To the extent feasible, using available materials, coal outcrops which were previously exposed by pre-SMCRA operations will be covered with at least 4 feet of soil during reclamation. Furthermore, pre-SMCRA cut slopes will be covered to the extent practical given the available material. The extent to which slopes will be covered is indicated on Maps 542.200a through 542.200i. Cut slopes will remain where complete backfilling would result in slopes whose steepness would be unstable or where the backfill would impinge upon roads which are to be retained as part of post-reclamation land use.

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Chen and Associates (Exhibit 528.322a) states that the safety factor against a deep-seated failure, when using coal processing waste, was calculated by others to be greater than 1.5 under static conditions for 1.75:1 slope. A safety factor against a shallow (infinite slope) failure for a 1.75:1 slope was calculated to be on the order of 1.2 under static conditions. Under dynamic conditions, the safety factor for shallow slides was calculated to be less than 1.0. Based on these results, they believe surficial raveling and shallow slippage would occur on slopes steeper than 1.75:1.

Slopes placed at 2:1 are calculated to have a static safety factor from a deep-seated type failure of greater than 1.5. Shallow infinite slope type failures were calculated to be approximately 1.4 under static conditions. Under dynamic conditions, a safety factor of 1.1 was calculated for these slopes. Based on these results, the slopes consisting of coal processing waste should be no steeper than 2:1.

According Rollins, Brown and Gunnell (Exhibit 553.130a) backfill material consisting of sands and gravels can be placed in a relatively uncompacted manner to construct a final slope no steeper than 1.5:1, which is the angle of repose for this type of material.

Another limitation to steep slopes is the placement and preparation of growth media. Growth media is to be placed in an uncompacted manner. Due to the looseness of the growth media, the incorporation of hay mulch, and subsequent gouging, the growth media has a tendency to migrate down a steep slope. When this happens, the four-foot veneer of growth media covering the coal processing waste is jeopardized. Furthermore, a 1.8:1 slope is about the steepest that a trackhoe can effectively operate on.

Asphalt materials which are retained in place or removed from site surfaces during grading will be covered with at least 2 feet of soil during reclamation. In general, grading and backfilling operations will proceed from the upstream end of the surface facilities to the downstream end, thus allowing the sedimentation ponds to remain effective for as long as possible.

**Topsoiling, Seeding, and Mulching.** Following regrading, plant-growth media will be placed over the regraded areas at thicknesses identified in Section 240 of this M&RP. These plant-growth media will include topsoil which has been salvaged from the site as well as other soils which are suitable for plant growth. Preparation of the rough-graded surface and placement of the plant-growth media will occur as described in Section 240 of this M&RP.

Following placement of the upper plant-growth media and prior to application of the reclamation seed mixes, hay and/or straw mulch, or other suitable substitute with a high organic matter content, will be incorporated into the growth media at a rate of 2 tons per acre. This will be done to improve soil structure for aeration purposes, increase micropore space, and improve the water-holding capacity of the soil. Incorporation of this mulch will occur either by plowing along the contour, deep gouging, or a combination of these methods.

Once the growth media are emplaced and either after or during incorporation of the initial mulch (depending on the method), the surface soil will be gouged at several locations to a depth of approximately 12 to 18 inches using the bucket of a trackhoe. The purpose of this gouging will be to reduce compaction of the upper soil and to increase water infiltration. Care will be taken to avoid deep gouging into coal waste at the refuse pile. While it is recognized that the deep gouging process may extend below the thickness of the growth media in other areas, information presented in Section 230 of this M&RP indicates that the soil materials which will underlie the plant-growth media are neither acid- nor toxic-forming. Therefore, if these materials are exposed, they will not create revegetation concerns. Furthermore, wind and water transport of the adjacent growth media will soon cover exposed subsoils.

Following deep gouging, the prepared area will be seeded with the appropriate seed mix and fertilized as indicated in Sections 341 and 243 of this M&RP, respectively. An additional 1.5 to 2 tons per acre of straw mulch will then be spread over the seeded area using choppers and blowers or hand spreading. This final mulch cover will either be crimped with a trackhoe bucket or shovel or sprayed with a tackifier following spreading to retain it on the reseeded area.

**Construction of Reclamation Channels.** Reclamation channels will be constructed at the locations shown on Maps 542.200a through 542.200c. These channels will be constructed to capture runoff from undisturbed areas and convey this runoff to off-site areas. Details regarding the design of these channels are provided in Section 760 of this M&RP.

**Sedimentation Pond Removal and Interim Sediment Control.** The sedimentation ponds will be retained for as long as practical during reclamation. Once backfilling and grading operations proceed to the location of a pond, it will be removed. This removal will consist primarily of filling the pond areas with the adjacent embankment materials using backhoes, loaders, dozers, compactors, and other appropriate equipment.

Before regrading of an area no longer allows that area to drain to the sedimentation pond, plant-growth media will be emplaced on the area and it will be mulched and deep gouged as indicated previously in this section. If necessary, silt fences and straw-bale dikes may also be installed to control localized erosion on a temporary basis prior to the establishment of revegetation efforts. Locations of the silt fences and straw-bale dikes will be selected to reduce sediment contributions to runoff based on field observations. These sediment control measures will be installed as noted in Figure 542.200a.

Ponds 4, 6, 7, and 8 are at the downstream end of the Star Point facilities. These ponds will be retained as long as possible to provide downstream sediment control at the site during reclamation. Since reclamation channels will be constructed through these ponds, they will be removed and the area reclaimed at the end of reclamation, as indicated in Table 542.100a. Prior to removal of these ponds, the majority of the area above these ponds will have been final graded, roughened, mulched, and seeded, with interim sediment control installed as necessary.

Exhibit 542.200b presents calculations that quantify the sediment yield that could be expected annually from the disturbed area in the Star Point area under the following time frames:

- Pre-mining conditions,
- Conditions immediately following completion of seeding and mulching, and
- Conditions several years after reclamation has occurred.

These calculations were performed to compare the improvement after implementation of the reclamation efforts against background levels. Assumptions used for the analysis of each time period listed above are provided in Exhibit 542.200b.

As noted in the exhibit, implementation of reclamation will substantially reduce the amount of sediment eroded from the reclaimed areas, even though the sedimentation ponds will be removed. Pre-mining erosion in the area is estimated to have occurred at rates varying from 8.0 to 77.4 tons per acre per year, depending upon the pre-disturbance vegetative type. Immediately after completion of seeding and mulching, with a fresh mulch layer on the surface, erosion is estimated to occur at a rate of 1.2 tons per acre per year. Following establishment of the vegetative cover (i.e., after weathering and degradation of

the mulch), the erosion rate is estimated to vary from 3.8 to 36.3 tons per acre per year (a 53 percent reduction compared to pre-mining conditions). Hence, reclamation of the area will reduce soil loss below that estimated to have occurred prior to disturbance, even with the concurrent removal of the sedimentation ponds during reclamation.

If reclamation work is not completed before seasonal conditions require a halt to reclamation work, those areas which have been regraded but which have not been topsoiled and reseeded will be deep gouged and left in a roughened state until reclamation activities resume.

#### **542.300. FINAL SURFACE CONFIGURATION MAPS AND CROSS SECTIONS.**

Final surface configuration maps and cross sections for the Star Point site are provided on Maps 542.200a through 542.200i and Drawing 5-2 through 5-4. County Road 290, which accesses the lands west of the surface facilities will remain following reclamation (see Section 542.600). No other facilities related to the coal mining operations will remain in the permit area following reclamation.

#### **542.400. REMOVAL OF TEMPORARY STRUCTURES.**

All surface structures associated with the mining operation will be removed as outlined in Section 542.200. A description ensuring that all structures and the sedimentation pond have been removed will be provided to the Division before seeking bond release or abandoning the permit area.

#### **542.500. REMOVAL OF SEDIMENTATION PONDS.**

Information regarding removal of the sedimentation ponds associated with the Star Point Mines is provided in Section 542.200. The timetable for removal of these ponds is indicated in Table 542.100a.

#### **542.600. ROADS.**

All roads not to be retained for an approved post-mining land use will be reclaimed after they are no longer needed for mining and reclamation operations. County Road 290 is a public road used to access Gentry Mountain and Carbon County's communication and relay facilities. In order to achieve post-mining land use, this road will be retained after final reclamation. Reclamation of mining areas adjacent to these roads will be performed in a manner which protects the long-term post-mining land uses of the roads and the area.

Roads will be reclaimed by pulling fill back up from the downslope and placing it in the cuts. The replaced fill material will be shaped to conform to the adjacent terrain and to meet natural drainage patterns. Following rough grading, topsoil will be applied to the regraded surfaces and the reclaimed roads will be mulched, deep gouged, and revegetated in accordance with Section 542.200 of this M&RP.

Natural drainages will be re-established across the reclaimed roads as indicated in Section 760. Culverts which are required for an approved post-mining land use (i.e., those which exist along County Road 290) will be retained; all others will be removed. Water bars and cross drains may be constructed across reclaimed roads to minimize erosion where necessary. The entrances to reclaimed roads will be blocked by barriers of native rock or earthen berms to prevent vehicular access.

As indicated in Exhibit 553.130b, a section of the lower portion of the Lion Deck access road experienced a stability failure in May 1994. Although this section of road was repaired, additional repair work is anticipated during reclamation to provide a long-term, stable surface for County Road 290. This repair

work will consist of the removal of approximately 12,600 cubic yards of material, backfilling this material in adjacent areas to assist in achieving the post-reclamation topography, and importing approximately 12,600 cubic yards of material from the alternate borrow area (identified in Section 233 of this M&RP) to reconstruct the road. The fill used to reconstruct the road will be placed with a thickness when compacted of no more than 8 inches. All fill placed during reconstruction of the road will be compacted to at least 92 percent of maximum Proctor density (ASTM D698). Compaction will be accomplished using repeated passes of rollers and other appropriate equipment.

#### **542.700. FINAL ABANDONMENT OF MINE OPENINGS AND DISPOSAL AREAS.**

**Abandonment of Openings.** All mine openings will be sealed at least 25 feet inside the mine opening. Prior to installation of the seal, all loose material will be removed from the roof, floor, and rib of the mine within 3 feet of the seal area. The seal will then be constructed using solid concrete blocks (average minimum compressive strength of 1,800 psi) with nominal dimensions of 6 inches high, 8 inches wide, and 16 inches long. Mortar will consist of one part cement, three parts sand, and no more than 7 gallons of water per sack of cement.

The seal will be recessed at least 16 inches deep into each rib and 12 inches deep into the floor. No recess will be made into the roof. In the bottom course, each block will be laid with its long axis parallel to the rib. The long axis in succeeding higher courses will be perpendicular to the long axis of the blocks in the preceding course. An interlaced pilaster will be constructed in the center.

The seals will have a thickness of approximately 16 inches. Following seal construction, the entries will be backfilled from the seal to the outside surface with soil that is sloped at the surface to match the final slope at the entry. The soil will then be raked and revegetated with the approved seed mixture (see Section 300).

Alternatively, a cast-in-place MSHA approved seal will be installed with a minimum thickness of 3 feet and with a minimum compressive strength of 200 psi.

**Disposal of Excess Spoil.** If excess spoil is generated in the permit area, this material will be disposed of in the refuse pile prior to final reclamation of that pile. Material which is added to the refuse pile during reclamation will be placed in accordance with the procedures outlined in Section 528.322 of this M&RP.

**Disposal of Coal Mine Waste.** All reference to the refuse pile mentioned within this section is superseded with the information provided by Sunnyside Cogeneration Associates' Permit C/007/042. All coal mine waste generated at the Star Point Mines during reclamation will be disposed of at the refuse pile in accordance with the procedures outlined in Section 528.322 of this M&RP. The refuse pile will be reclaimed following completion of mining, placement of spoil and coal-mine waste generated during reclamation, and completion of the sampling program discussed in R645-301-528.322. During reclamation, the pile will be reshaped as necessary to achieve the approximate shape indicated on Map 542.200c, and then ripped or scarified to insure a stable contact between the refuse and the cover material. Subsequent to placement of the cover material, the surface will be gouged or pocked so as to produce a roughened surface to help control runoff and enhance local vegetative growth. Gouging or pocking of the surface material will be conducted in a manner so as to minimize penetration of the refuse material.

Test plots were established in 1982 on the east end of the refuse pile to evaluate various topsoil and subsoil depths for final reclamation of the refuse pile. To date, data indicate that as little as 10 inches of soil or subsoil will be adequate for final reclamation. However, since the data obtained from the test plots

(see Exhibit 553.130a). Furthermore, the refuse pile has been designed and constructed to be stable (see Exhibit 528.322a). The slopes have thus been designed to prevent slides.

**Erosion and Water Pollution.** Temporary sediment-control measures will be implemented during and following backfilling and regrading as outlined in Section 542.200 of this M&RP. As vegetation becomes established on the reclaimed surfaces, erosion potentials will be further minimized. By minimizing erosion, water pollution will also be precluded.

In an effort to eliminate pre-existing highwalls at the site following reclamation, the reclamation plan has been designed with soil being replaced at slopes of up to 2H:1V. As noted in Exhibits 528.322a and 553.130a, these slopes will be geotechnically stable. Dozers will be used during placement of the topsoil or substitute topsoil on these slopes, taking care to achieve a reasonably uniform thickness of the final soil cover. Following placement and prior to seeding, all areas with a slope steepness of 3H:1V or steeper will be deep gouged using a trackhoe. The final surface will consist of mounds and depressions capable of holding runoff and difficult to walk on.

Although the gouging will extend below the depth of the final topsoil layer, information presented in Section 222.400 of this M&RP indicates that the subsoils will be of acceptable chemical and physical quality, with the possible exception of the percentage of rock fragments. Hence, the surface will still be capable of sustaining an adequate vegetative cover, further minimizing long-term erosion of the slopes.

**Post-Mining Land Use.** The disturbed area will be backfilled and regraded in a manner that supports the approved post-mining land use in Section 412 and 413 of the M&RP.

#### **553.200. SPOIL AND WASTE.**

**Spoil.** All spoil generated within the permit area during reclamation will be placed on the refuse pile prior to its final reclamation. This material will be compacted during placement as outlined in Section 528.322 of this M&RP.

**Refuse Piles.** All reference to the refuse pile mentioned within this section is superseded with the information provided by Sunnyside Cogeneration Associates' Permit C/007/042. During reclamation, the refuse pile will be graded to achieve the approximate shape indicated on Map 542.200c. As indicated in Exhibit 528.322d, terraces will be constructed on the outslope of the refuse pile to control erosion and conserve soil moisture. The grade of the outslope between terrace benches has been designed to be 3H:1V. Following final grading of the refuse pile, the coal mine waste will be covered with a minimum of 4 feet of non-toxic, non-combustible material, or such other depth as deemed acceptable by the Division based on a review of the refuse-pile test-plot data or other appropriate research or studies.

**Coal Processing Waste.** Coal processing waste at the site will be disposed of primarily on the refuse pile prior to final reclamation of that pile. Coal processing waste that is not disposed of on the refuse pile will be covered with at least 4 feet of non-toxic, non-combustible material.

#### **553.300. EXPOSED COAL SEAMS, ACID- AND TOXIC-FORMING MATERIALS, AND COMBUSTIBLE MATERIALS.**

**Exposed Coal Seams.** Coal seams that were exposed during mining will be covered with a minimum of 4 feet of non-toxic and non-combustible materials during final backfilling and grading. This cover may consist of material removed during grading of the site (see Section 542.200), subsoil, and/or topsoil.

**Acid- and Toxic-Forming Materials.** Acid- and toxic-forming materials that exist at the site will be covered with a minimum of 4 feet of non-toxic and non-combustible materials during final backfilling and grading. This cover may consist of material removed during grading of the site (see Section 542.200), subsoil, and/or topsoil.

**Combustible Materials.** All combustible materials that are exposed, used, or produced during mining will be disposed of off site at a permitted facility.

**553.400. CUT-AND-FILL TERRACES.**

A terrace will be retained during final grading activities to accommodate County Road 290. Road drainage will continue as currently constructed except where minor modifications are required for slope reclamation on the Lion Deck. As indicated in Section 553.200 of this M&RP, terraces will also be constructed on the outslope of the refuse pile to control erosion and conserve soil moisture. More detail regarding these latter terraces is provided in Exhibit 528.322d.

**553.500. HIGHWALLS FROM PREVIOUSLY MINED AREAS.**

Several highwalls and cut slopes that are the result of previous mining operations existed within the disturbed area prior to the passage and implementation of SMCRA. The reclamation plan has been designed to eliminate these highwalls to the maximum extent technically practical.

**553.600. PREVIOUSLY MINED AREAS.**

As noted previously, the reclamation plan has been designed to eliminate pre-existing highwalls from the site following reclamation, to the maximum extent technically practical. Section 542.200 of this M&RP indicates that the plan has been designed with a reasonable balance between cut and fill quantities. Section 553.100 indicates that reclaimed slopes at the site will be geotechnically stable. Procedures to minimize erosion on these reclamation slopes are also discussed in Section 553.100.

**553.700. BACKFILLING AND GRADING - THIN OVERBURDEN.**

No surface coal mining and reclamation activities involving thin overburden will occur within the permit area.

**553.800. BACKFILLING AND GRADING - THICK OVERBURDEN.**

No surface coal mining and reclamation activities involving thick overburden will occur within the permit area.

**553.900. REGRADING OF SETTLED AND REVEGETATED FILLS.**

As indicated elsewhere in this M&RP, several areas of the Star Point facility had been disturbed for mining activities prior to the passage and implementation of SMCRA. In some of these areas (particularly along the No. 1 and No. 2 Mines access road), the fills have settled and become revegetated. Nonetheless, in an effort to reclaim all cut slopes to the extent technically practical and minimize long-term erosion of the site, this fill material will be used where possible for reclamation of the adjacent cut slopes. Methods for reclaiming these areas are described in Section 542.200 of this M&RP.

INCORPORATED

**Exhibit  
542.800a**

**SUMMARY OF BOND COSTS****COST****Direct Costs**

Demolition	\$1,715,253.00
Backfilling and Grading	\$2,670,828.00
Revegetation	\$783,322.00
<b>Total Direct Costs</b>	<b>\$5,169,403.00</b>

**Indirect Costs**

Startup @ 10.0%	\$516,940.30
Contingency @ 10.0%	\$516,940.30
Engineering Redesign @ 5.0%	\$258,470.15
Project Management Fee @ 5.0%	\$258,470.15
Main Office Expense @5.0%	\$258,470.15
<b>Total Indirect Costs</b>	<b>\$1,809,291.05</b>

**Total Reclamation Costs** **\$6,978,694.05**

Escalation \$817,422.11

**Reclamation Cost 2007** **\$7,796,116.16**

**Bond Amount (nearest \$1,000)** **\$7,796,000.00**

MAP REF.	DESCRIPTION							COST
1	Loadout Silo							\$338,249.00
2	Conveyor 1907							\$20,884.00
3	Conveyor 1906							\$42,313.00
9	Sample Building							\$17,162.00
10	Conveyor 1905							\$50,259.00
13	Radial Stacker Conveyor							\$2,513.00
14	Reclaim Conveyor							\$4,739.00
16	Equipment Storage/Mine Rescue							\$545.00
17	Accounting/Surface Operations							\$0.00
18	Surface Operations Bathhouse							\$0.00
19	Surface Foreman's Office							\$0.00
20	Coal Waste Bin Refuse							\$11,998.00
20A	Conveyor Between							\$4,817.00
21	Prep. Plant Crusher Building							\$111,016.00
21	Clarifier							\$20,359.00
22	Weather Station							\$0.00
23	Ambulance Garage							\$0.00
25	Substation							\$0.00
26	Screening Building							\$27,192.00
27	Clean Coal Stacking Tube							\$14,000.00
27A	Conveyor 1902							\$6,145.00
28	Clean Coal Stacking Tube							\$14,000.00
28A	Conveyor 4500 Feet Area 1							\$11,241.00
30	Shop Building							\$0.00
31	Old Warehouse Building							\$27,950.00
34	Reservoir 350,000 Gallons							\$27,065.00
35	Gasoline Storage/Dispensing							\$0.00
36	Diesel Fuel Storage/Dispensing							\$0.00
37	Power Lines							\$0.00
38	Stoker Coal Bin							\$521.00
39	Conveyor Belt No. 1							\$6,444.00
40	Raw Coal Stacking Tube							\$14,000.00
41	Conveyor Belt No. 2							\$108,119.00
43	Crusher Building							\$8,423.00
44	Conveyor Belt No. 3							\$19,659.00
52	Bathhouse/Office Building							\$121,785.00
53	Warehouse Office							\$75,021.00
54	Underground Warehouse							\$3,607.00
55	Oil Storage Shed							\$4,276.00
56	Substation							\$45,680.00
57	Rock Dust Bin							\$1,981.00
59	Gravel Bin							\$5,126.00
60	Non-coal Waste Bin							\$15,878.00
61	Lion Deck							\$6,900.00
62	Explosives Magazine							\$1,139.00
63	Explosives Magazine							\$456.00
66	Mine Mouth Coal Stope Hole							\$7,756.00
72	Mine Shop							\$174,893.00
73	Motor Control Building							\$11,280.00



DESCRIPTION	COST
Topsoil/Subsoil Removal <sup>(1)</sup>	\$15,544.00
Star Point No. 1 Mine Road	\$36,118.00
Main Channel	\$1,694,936.00
Refuse Area Reshaping	\$0.00
Lion Deck	\$352,338.00
Mine 1 and 2 Area incl. Pond 3	\$246,033.00
Pond 1/Rock Tunnel	\$30,862.00
Pond 2 Area	\$60,882.00
Pond 6 Area	\$0.00
Pond 7 Area	\$2,015.00
Pond 8 and Transfer Bld. Area	\$23,942.00
Exploration Road	\$6,426.00
Unit Train Loadout	\$29,768.00
Lion Deck Access Road Repair	\$137,140.00
Mudwater Canyon Fan Area	\$18,201.00
Corner Canyon Fan Area	\$12,937.00
Little Park Canyon Fan Area	\$0.00
Gentry Mountain Air Shaft	\$3,686.00
<b>TOTAL</b>	<b>\$2,670,828.00</b>
Bonded Under Sunnyside Cogeneration Associates' Permit C/007/042	
<sup>(1)</sup> Based on only 10,500 yds redistributed	

DESCRIPTION	COST
Revegetation	\$598,173.09
Drainage Controls	\$185,149.00
Soil Testing	\$0.00
<b>Total</b>	<b>\$783,322.09</b>

## **747. DISPOSAL OF NONCOAL MINE WASTE.**

### **747.100 thru 747.300. PLACEMENT, STORAGE AND DISPOSAL.**

The location of all surface facilities are listed within Table 526a and shown on Maps 521a through 521d.

## **748. CASING AND SEALING OF WELLS.**

All water wells within the permit area will be cased or sealed as approved by the Division to prevent acid or other toxic drainage from entering ground or surface water, to minimize disturbance to the hydrologic balance, and to ensure the safety of people, livestock, fish and wildlife, and machinery. In the event that a water well is exposed by coal mining or reclamation operations, it will be permanently sealed.

Any use of a drilled hole or borehole or monitoring well will comply with R645-310-731.100 through R645-310-731.522 and R645-310-731.800.

## **750. PERFORMANCE STANDARDS.**

Coal mining and reclamation operations are conducted to minimize disturbance and prevent material damage to hydrologic balance within and without the permit area, and to support approved post mining land use. The surface water conveyance facilities discussed earlier within this permit submittal have been specifically designed to help reduce impacts due to surface operations. The series of ditches and culverts which have been installed throughout the site help contain runoff, reduce erosion, and treat disturbed area waters which are derived from mine areas impacted by surface operations. In addition, potential impacts to, and mitigation of water rights have been evaluated as discussed earlier. Additional information related to this regulation is provided within other 700 sections as appropriate.

## **751. WATER QUALITY STANDARDS AND EFFLUENT LIMITATIONS.**

Discharges of water from disturbed coal mining and reclamation areas will continue to be made in compliance with all Utah and federal water quality laws and regulations. Effluent limitations will be according to 40 CFR Part 434.

## **752. SEDIMENT CONTROL MEASURES.**

Sediment control measures will be located, maintained, constructed and reclaimed according to R645-301-732, R645-301-742, and R645-301-760. Additional details can be found in each respective section referenced.

### **752.100. SILTATION STRUCTURES AND DIVERSIONS.**

Siltation structures will be located, maintained, constructed and reclaimed according to R645-301-732, R645-301-742, and R645-301-763. Additional details can be found in each respective section referenced.

## **752.200 thru 752.250. ROAD DRAINAGE.**

Roads will be located, designed, constructed, reconstructed, used, maintained, and reclaimed according to R645-301-732.400, R645-301-742.400, and R645-301-762 to achieve the following:

- The control or prevention of erosion, siltation and air pollution. This is obtained through the vegetating or stabilizing of all exposed surfaced subject to increased erosion.
- The control or prevention of additional contributions of suspended solids to stream flow or runoff outside the permit area.
- Prevent the violation of effluent standards given under R645-301-751.
- Minimize the diminution to or degradation of the quality or quantity of surface and ground water systems.
- Refrain from significantly altering the normal flow or water in streambeds or drainage channels.

Information related to road drainage systems which achieve these items is found within Sections 732 and 742.

## **753. IMPOUNDMENTS AND DISCHARGE STRUCTURES.**

Information contained within permit Sections 733, 734, 743, 745, and 760 discusses the locations of discharge structures and impoundments, and how they will be maintained, constructed and reclaimed.

## **754. DISPOSAL OF EXCESS SPOIL, COAL MINE WASTE AND NONCOAL MINE WASTE.**

As discussed within the respective section, disposal areas for excess spoil, coal mine waste and noncoal mine waste is located , maintained, constructed and will be reclaimed to comply with Sections 735, 736, 745, 746, 747 and 760.

## **755. CASING AND SEALING OF WELLS.**

All wells within the permit area are managed to comply with Sections 748 and 765. All temporary water monitoring wells are managed according to Section 738.

## **760. RECLAMATION.**

## **761. GENERAL REQUIREMENTS.**

Reclamation of the Refuse Pile and Topsoil Borrow sites referred to within this Plan are superseded with the information presented in Sunnyside Cogeneration Associates' Permit C/007/042.

All temporary structures will be removed and reclaimed according to the reclamation plan presented within Sections 540 and 550 of this M&RP. Post-mining reclaimed contours for the permit area are presented as Maps 542.200a through 542.200c. No permanent sedimentation ponds, impoundments or treatment facilities are planned for the mine permit area. Upon reclamation, the main stream channel within Sage Brush Canyon and other tributaries will be reconstructed according to the requirements of R645-301 and R645-302. Additional details related to hydrologic reclamation follow. Reclamation information pertaining to the soil borrow area is located in Exhibit 233.

**Channel Reclamation - General.** All sedimentation ponds and Treatment Facility No. 1 located in conjunction with the Star Point operation are temporary in nature and have been designed according to applicable regulations. These facilities will be removed or filled upon completion of the coal mining operation. As required by Federal and State regulations, such areas disturbed by temporary pond and channel diversion construction will be restored to match surrounding conditions, and the area will be stabilized with an effective vegetative cover as soon as possible after removal. This cover will be composed of native and other plants which are adaptable to the site and provide soil stability.

Stream channel reclamation design has been undertaken as required in the mining regulations. Upon reclamation, existing roadways (except those discussed in Section 542.600) and the existing surface-water conveyance facilities will be removed and the area regraded to the extent technically practical to pre-mining conditions, including revegetation of disturbed areas as specified in the reclamation plan. The plan includes the removal of most of the culverts and temporary diversion facilities associated with mining activities and the restoration of surface contours. A plan showing the culverts and channels to be retained or constructed upon reclamation of the site is presented on Maps 761a through 761c. Culverts to be retained are associated with the roads that will be retained consistent with the post-mining land use.

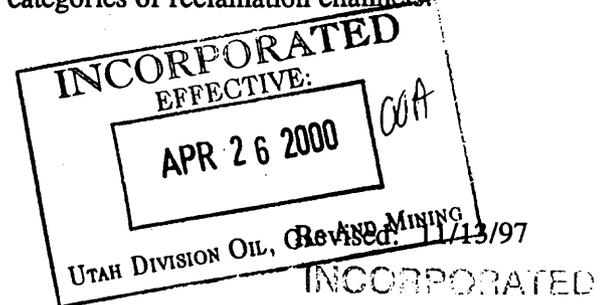
It should be noted that the extent of the channels and culverts shown on Maps 761a through 761c are for illustrative purposes. The actual extent will be determined in the field, ensuring that channels are constructed across all reclaimed cut and fill slopes and that culverts extend beneath the retained county road. In the area of the Lion Deck, all channels on the uphill side of the county road will cross the reclaimed fill prior to discharging into the reclamation culverts. It is anticipated that the reclamation culverts will extend primarily beneath the road surface. Final extent of reclamation channels and culverts will be determined in the field.

**Reclamation Channel Design.** Reclamation channel designs were based on the assumption that existing surface disturbances such as roadways (except as described in Section 542.600) and diversions (except those associated with the retained road) will be removed upon final reclamation and that surface runoff will follow natural flow paths approximating those which existed prior to mining. With flow paths defined, anticipated peak surface runoff rates were calculated using the curve-number methodology of the U.S. Soil Conservation Service (1972). Upstream and downstream cross-sections were observed in the field for those channels requiring reclamation and channel design has been completed to match natural conditions to the extent possible.

Reclaimed channel design calculations for the mine permit area are shown in Exhibit 761a. Diversions with a drainage area of less than 1 square mile were designed to safely convey the peak flow resulting from the 10-year, 6-hour precipitation event (in accordance with R645-301-742.333). The "main" reclamation channel (SPRD-31), with a drainage area of greater than 1 square mile, is classified as intermittent due to its watershed size (R645-100-200) and was, therefore, designed to convey the peak flow resulting from the 100-year, 6-hour precipitation event. Watershed boundaries for the drainage areas associated with each reclamation diversion are indicated on Maps 761a through 761c or in Exhibit 761a if those watershed boundaries extend beyond the borders of the maps.

Exhibit 761a presents designs for the following three categories of reclamation channels:

- Standard broad-swale design
- Standard riprap-channel design



- Site-specific channel design

Channels which fit into each of the above categories are identified in Exhibit 761a. The standard broad-swale design will generally be installed high in the watershed on steep reclaimed slopes where drainage areas and design discharges are limited. This channel will consist of a broad swale in which an erosion-control mat has been installed (Tensar TM-3000 or equivalent) and then seeded with the appropriate seed mix. The mat will provide immediate erosion protection, which will ultimately be enhanced by the vegetation.

The standard riprap-channel design will generally be installed lower in the watersheds where design discharges are greater. The standard design consists of riprap with a median diameter of 6 inches installed over a sand filter blanket, with a bottom width of 4 feet, a depth of 1 foot, and side slopes of 2H:1V. The filter blanket will consist of the standard Utah Department of Transportation ("UDOT") 1-inch mix.

Site-specific channel designs are generally in lower reaches of the watersheds where design flows are higher. These channels have been designed with riprap underlain by one or two filter blankets (depending upon the median diameter of the riprap), or with erosion-control mat, depending on the location. Where on filter blanket is designed, it will consist of the UDOT 1-inch mix. Where two filter blankets are designed, they will consist of a  $d_{50}$  = 1-inch material overlying the UDOT 1-inch mix. Channel dimensions and median riprap diameters vary between the site-specific designs.

Tables 761a and 761b summarizes the design of the reclamation channels. Locations of these channels are noted on Maps 761a through 761 c. Note on Map 761c that Channels SPRD-32, -34, -39, -41, -42, -43 and a segment of SPRD-40 are associated with Sunnyside Cogeneration Associates' Permit C/007/042 and no longer permitted by PMC under C/007/006.

Note on Maps 761a and 761c that portions of five reclamation channels (SPRD-25b, -26, -27, -28, and-38) will be constructed across the old (pre-SMCRA) tram grade that will not be reclaimed under this plan (compare with Maps 542.200a and 542.200c). Runoff from above this abandoned grade has on occasion flowed down this grade in the past, causing localized erosion of the grade and diversion of flows into facility areas. In order to prevent this from occurring following reclamation, the channels will be extended across the grade at the indicated locations. Each of these channels will consist of the standard broad-swale design (just as the lower portions are designed) and will be constructed as noted above. The only regrading of the tram area will occur where the channels cross the grade, with no additional reclamation of the tram grade being anticipated. The reclamation design for the Lion's Deck and Pond 001 areas have been refined necessitating a new channel design. The modified channel design for these areas can be found in an Addendum to Exhibit 761a.

**Reclamation Culvert Design.** Several existing culverts associated with County Road 290 will be retained following reclamation. The retention of these culverts is necessary for long-term maintenance of the condition of the road.

Operational culvert 46B will be replaced by SPRC-44 to allow reclamation of the access road to Pond 001. Details of the design can be found in the Addendum to Exhibit 761a.

## **762. ROAD RECLAMATION.**

All roads located on the permit property not to be retained for an approved post-mining land use will be reclaimed immediately after they are no longer needed for coal mining and reclamation operations.

Design calculations for culverts and ditches associated with the River Gas road are presented in Exhibit 761b. Since this road will not be reclaimed, these structures will be retained following reclamation. Sediment contributions from the road will be minimized by proper road maintenance and by surfacing the road with gravel road-base material.

## 762.100. RESTORING NATURAL DRAINAGE PATTERNS.

Natural drainage patterns will be restored during reclamation of roads not scheduled for regrading. Details regarding the restoration of stream channels are provided in Section 761 and Exhibit 761a of this M&RP.

## 762.200. RESHAPING CUT AND FILL SLOPES.

All cut and fill slopes will be reshaped to be compatible with the post-mining land use and complement the drainage pattern of the surrounding terrain.

**TABLE 761a**  
**Standard Reclamation Channel**  
**Design Summary**

Standard Broad Swale Design <sup>(a)</sup>			Standard Riprap Channel Design <sup>(b)</sup>		
SPRD-1	SPRD-16	SPRD-21a	SPRD-8	SPRD-12	SPRD-23
SPRD-2	SPRD-17a	SPRD-21b	SPRD-9	SPRD-13	SPRD-24
SPRD-3	SPRD-17b	SPRD-25a	SPRD-10	SPRD-22a	SPRD-29
SPRD-4a	SPRD-17c	SPRD-25b	SPRD-11	SPRD-22b	SPRD-33
SPRD-4b	SPRD-18a	SPRD-26			
SPRD-5	SPRD-18b	SPRD-20b			
SPRD-6	SPRD-19a	SPRD-27			
SPRD-7	SPRD-19b	SPRD-28			
SPRD-14	SPRD-19c	SPRD-30			
SPRD-15	SPRD-20a	SPRD-32 <sup>(1)</sup>			
	SPRD-20b				
	SPRD-20c	SPRD-36a			
		SPRD-36b			
		SPRD-38			
		SPRD-39 <sup>(1)</sup>			
		SPRD-40			
		SPRD-41 <sup>(1)</sup>			
		SPRD-42 <sup>(1)</sup>			
		SPRD-43 <sup>(1)</sup>			
		SPRD-44			
		SPRD-45			

<sup>(a)</sup> Consists of erosion control mat (Tensar TM-3000 or equivalent) which has been planted with the appropriate revegetation seed mix. See Exhibit 761a and Maps 761a through 761c, and Map 542.200a for locations.

<sup>(b)</sup> Consists of  $d_{50}=6$ " riprap installed over a sand filter blanket, with a bottom width of 4 feet, a depth of 1 foot, and 2H:1V side slopes. See Maps 761a through 761c for locations.

<sup>(1)</sup> Associated with Sunnyside Cogeneration Associates' Permit C/007/042 and no longer permitted under PMC's Permit C/007/006, see Map 761c.

**TABLE 761b  
Site-Specific Reclamation Channel  
Design Summary**

Reclamation Channel	Bottom Width (ft)	Side Slopes (H:V)	Maximum Flow Depth (ft)	Design Depth (ft)	Maximum Velocity (ft/s)	Riprap $d_{50}^{(a)}$ (in)
SPRD-31	12	3:1	1.18	2.0	10.88	12
SPRD-34 <sup>(1)</sup>	8	3:1	0.53	1.5	8.03	6
SPRD-35	4	2:1	0.40	1.0	10.82	None <sup>(b)</sup>
SPRD-37	4	2:1	0.98	2.0	6.58	None <sup>(b)</sup>

<sup>(a)</sup> Two filter blanket layers ( $d_{50}=1"$  over UDOT 1" mix) to be installed between the 12" riprap and the graded cut or fill.. One filter blanket layer (UDOT 1" mix) to be installed between 6" riprap and graded cut or fill.

<sup>(b)</sup> Channel will be lined with erosion-control mat (Tensar TM-3000 or equivalent).

<sup>(1)</sup> Associated with Sunnyside Cogeneration Associates' Permit C/007/042 and no longer permitted under PMC's Permit C/007/006, see Map 761c.

**TABLE 761c  
Reclamation Culvert Design Summary**

Reclamation Culvert <sup>(a)</sup>	Design Diameter (in)	Peak Flow (cfs)	Outlet Velocity (ft/s)	Required Outlet Protection
SPRC-22	12	0.85	5.47	$d_{50}=6"$
SPRC-44	18	0.30	3.00	None

<sup>(a)</sup> See Map 761a and Map 542.200a for locations.