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WARREN PATTEN
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STANFORD B. OWEN
WILLIAM H. ADAMS
ANTHONY L. RAMPTON
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DANIEL W. ANDERSON
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ROBERT PALMER REES
DIANE H. BANKS
P. BRUCE BADGER
JOHN (JACK) D. RAY
KATHLEEN H. SWITZER
CRAIG T. JACOBSEN
BRUCE D. REEMSNYDER
BROCK R. BELNAP
DOUGLAS R. BREWER
CRAIG E. HUGHES

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

TWELFTH FLOOR
215 SOUTH STATE STREET
P.O. BOX 510210
SALT LAKE CITY, UTAH 84151
TELEPHONE (801) 531-8900
FACSIMILE (801) 596-2814

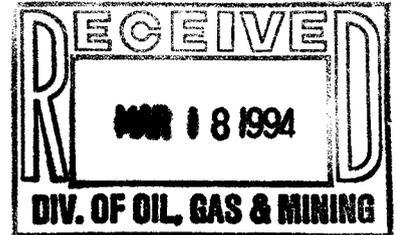
OF COUNSEL
PETER W. BILLINGS, SR.
RALPH H. MILLER

NEVADA OFFICE
KEVIN N. ANDERSON
2835 SOUTH JONES BLVD., SUITE 5
LAS VEGAS, NEVADA 89102
TELEPHONE (702) 367-4545
FACSIMILE (702) 252-5014

VIA FEDERAL EXPRESS

March 17, 1994

Mr. Robert H. Hagen
Director
Office of Surface Mining, Reclamation
& Enforcement
505 Marquette, N.W., Suite 1200
Albuquerque, New Mexico 87102



Dear Director Hagen:

ACT/007/007 #4
Copy Jim

Enclosed for execution is the Escrow Agreement between Zions First National Bank, Sunnyside Coal Company, the Utah Division of Oil, Gas & Mining and the Office of Surface Mining Reclamation & Enforcement. We have incorporated the changes to the Escrow Agreement requested by Ms. Owen. Please execute the Escrow Agreement and return it to the Division in the enclosed Federal Express envelope. This Agreement will be signed in counterpart by Sunnyside Coal Company.

Thank you for your assistance in this matter.

Very truly yours,

Denise A. Drago
Counsel for Sunnyside Coal Company

DAD:jmc:30883

Enclosures

cc: Robert M. Burnham
DeAnn Owen, Esq.
✓ James M. Carter

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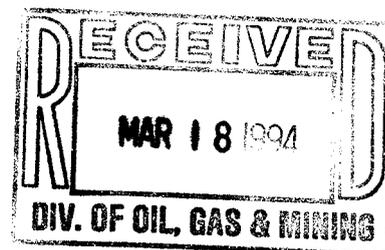
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HAND DELIVERED

March 18, 1994

James M. Carter, Director
Utah Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180



Dear Director Carter:

We have forwarded to Robert Hagen the enclosed Escrow Agreement between Zions First National Bank, Sunnyside Coal Company, the Utah Division of Oil, Gas & Mining and the Office of Surface Mining Reclamation & Enforcement for execution by OSM. Upon your receipt of the signed Agreement, please execute it and return it to me. This Agreement will be signed in counterpart by Sunnyside Coal Company.

Thank you for your assistance in this matter.

Very truly yours,

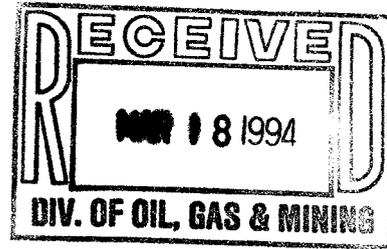
A handwritten signature in black ink, appearing to read "Denise A. Dragoo".

Denise A. Dragoo
Counsel for Sunnyside Coal Company

DAD:jmc:30891

Enclosures

cc: Robert M. Burnham
DeAnn Owen, Esq.
Robert H. Hagen
Thomas A. Mitchell, Esq.



HAND DELIVERED

March 17, 1994

Mr. David VanWagoner, CCTS
Second Vice President
Corporate Trust Administrator
ZIONS FIRST NATIONAL BANK
Trust Department
One South Main Street
P.O. Box 30880
Salt Lake City, Utah 84111

RE: Escrow Agreement

Dear Mr. VanWagoner:

This letter is intended to serve as an escrow agreement (the "Agreement") to provide Zions First National Bank ("Zions" or "Escrow Agent") with necessary instructions from Sunnyside Coal Company ("SCC"), the Utah Division of Oil, Gas & Mining (the "Division") and the federal Office of Surface Mining ("OSM") as Escrow Agent in connection with the sale of certain property as described in Exhibit "A" to the Deed of Reconveyance (the "Property") and secured by the Deed of Trust and Security Agreement dated March 9, 1989 by and between SCC as successor in interest to Trustor, South Eastern Utah Title Company, Trustee, and the Division, as Beneficiary.

I. CONDITIONS FOR DISBURSEMENT OF FUNDS

1. SCC has accepted an offer of Seven Hundred-Fifty Thousand Dollars (\$750,000.00) for the purchase of the Property (the "Purchase Price"). At closing, the net proceeds of the Purchase Price less taxes and closing costs in the amount of Six Hundred Thousand Dollars (\$600,000.00) will be deposited with Escrow Agent. At closing, SCC agrees to pay property taxes due on the Property.

Mr. David VanWagoner
ZIONS FIRST NATIONAL BANK
March 17, 1994
Page 2

2. Prior to closing, the Division agrees to submit to Zions a deed of reconveyance releasing the Property from the Deed of Trust and deliver the executed Deed of Reconveyance into escrow with Zions.

3. Upon deposit of the net proceeds of the Purchase Price with Zions, Escrow Agent agrees that it will issue a letter of credit to the Division and OSM in the amount of Six Hundred Thousand Dollars (\$600,000.00) in the form attached hereto.

4. Upon deposit of the net proceeds of the Purchase Price and issuance of the letters of credit to the Division, Escrow Agent agrees to release the Deed of Reconveyance to SCC.

II. TERMINATION OF ESCROW WITHOUT DISBURSEMENT OF FUNDS.

In the event that the above-stated conditions are not met within 180 days of the date of execution of this Agreement, SCC shall terminate this Agreement by written notice to Zions and Zions shall return the funds and documents to the respective parties who delivered them to Zions. Zions shall not issue to the Division and OSM the above-referenced letter of credit and shall return the Deed of Reconveyance to the Division.

III. INSTRUCTIONS

1. Zions Only a Depository. Zions acts hereunder as a depository only and is not responsible or liable for the sufficiency, correctness, genuineness or validity or any instrument deposited hereunder or with respect to the form or execution of the same or the identity, authority or rights of any person executing or depositing the same.

2. Notice of Default. Zions shall not be required to take or be bound by notice of any default by the undersigned or to take any action with respect to such default involving any expense or liability unless notice in writing of such default is given to an officer of Zions by the undersigned or any of them, and unless Zions is indemnified in a manner satisfactory to it against any such expense or liability.

3. Reliance Upon Depositor. Zions shall be protected in acting upon any notice, request, waiver, consent, receipt or other paper or document received from the undersigned and believed by Zions to be genuine.

Mr. David VanWagoner
ZIONS FIRST NATIONAL BANK
March 17, 1994
Page 3

4. Limitation of Liability. Zions shall not be liable for any error of judgment or any act done or step taken or omitted by it in good faith or for any mistake of fact or law or for anything which Zions may do or refrain from doing in connection herewith, except for its own willful misconduct.

5. Adverse Claims. In the event of an adverse claim or demand affecting the net proceeds of the Purchase Price, Zions may refuse to comply with such claim or demand and may refuse to deliver or dispose of the funds until the rights of the adverse claimants have been finally adjudicated in a court of competent jurisdiction or until all differences shall have been adjusted by agreement and Zions shall have been notified thereof in writing signed by all interested parties.

6. Authority for Agreement. Each party represents and warrants that it has full power and authority to enter into this Agreement and has taken all action necessary to carry out the transaction contemplated hereby so that when executed this Agreement constitutes a valid and binding obligation enforceable in accordance with its terms.

7. Compensation. The fees for the services of Zions under the terms of this Agreement are set forth below. Zions shall have a first lien on the Property and papers held by it hereunder for its compensation and any costs or expenses incurred.

a. In the event the fees due Zions remain unpaid for a period of one year, Zions shall have the right and is hereby authorized in its sole and absolute discretion to discontinue the escrow, terminate all ties hereunder, close all accounting or other records, obtain payment of its compensation, costs, liability or expense and destroy all documents, records and files or retain such items in a dormant account status subject to the escheat laws of the State of Utah.

b. Zions' fees shall be paid by SCC.

c. The fees of Zions shall be:

- i. Set-up and acceptance, \$500.00; and
- ii. Additional reasonable compensation for such other and further duties as may be required of Zions in the performance of this Agreement.

Mr. David VanWagoner
ZIONS FIRST NATIONAL BANK
March 17, 1994
Page 4

d. In addition to the escrow fee paid or agreed upon, the parties agree to pay Zions' costs and expenses, including a reasonable attorney fee, in the event of any dispute or litigation threatened or commenced which requires Zions to refer such matter to its attorneys. However, OSM will not be required to pay any such costs and expenses.

8. Integration. This instrument is the entire agreement of the parties hereto.

We appreciate Zions' continuing cooperation and assistance in this matter.

Very truly yours,

SUNNYSIDE COAL COMPANY
Operations Office
Highway 123
P.O. Box 99
Sunnyside, Utah 84539

Corporate Offices
The Registry
1113 Spruce Street
Boulder, Colorado 80302

BY: _____

Its: _____

Mr. David VanWagoner
ZIONS FIRST NATIONAL BANK
March 17, 1994
Page 5

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS & MINING

3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

BY: _____

Its: _____

OFFICE OF SURFACE MINING,
RECLAMATION & ENFORCEMENT
505 Marquette, N.W., Suite 1200
Albuquerque, New Mexico 87102

BY: _____

Its: _____

The undersigned acknowledged receipt of the above-stated escrow instructions and agree to proceed in strict accordance therewith.

DATED this _____ day of _____, 1994.

ZIONS FIRST NATIONAL BANK

BY: _____

Its: _____