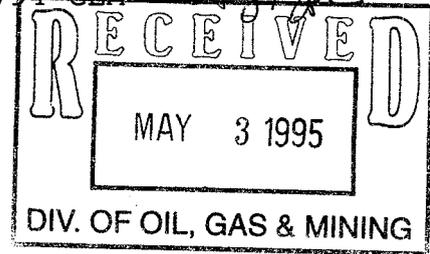


UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

ACT/007/007 #3
Copy John Lovell, Attorney,
Rettig, Inc.

In re:)
)
SUNNYSIDE COAL COMPANY,)
)
Debtor.)
)
Tax I.D. No. 84-1102281)

Case No. 94 12794 GEM
Chapter 11
MC No. CCF-5



NOTICE PURSUANT TO RULE 2002, F.R.B.P., AND LOCAL RULE 202 OF
MOTION TO CONVERT

TO ALL PARTIES IN INTEREST:

NOTICE IS HEREBY GIVEN that the Unsecured Creditors' Committee has moved to convert this bankruptcy case to a Chapter 7 liquidation. A copy of this pleading is available for inspection in the Bankruptcy Court Clerk's office, U. S. Customs House, 721 19th Street, Denver, Colorado 80202-2508, or upon request from the undersigned attorney.

Pursuant to Rule 202 of the Local Rules of Bankruptcy Procedure, if you desire to oppose this action you must file a written objection and request for hearing with the Court on or before **May 25, 1995**, and serve a copy of the written request for hearing upon the attorneys named below. Objections and requests for hearing shall clearly specify the grounds upon which they are based, including the citation of supporting legal authority, if any. General objections will not be considered by the Court.

In the absence of a timely and substantiated objection and request for hearing by an interested party, the Court may approve or grant the aforementioned application without any further notice to creditors or other interested parties.

Respectfully submitted this 1st day of May, 1995.

FAIRFIELD AND WOODS, P.C.

By: Caroline C. Fuller
Caroline C. Fuller, #14403
One Norwest Center, Suite 2400
1700 Lincoln Street
Denver, CO 80203-4524
(303) 830-2400

United States Bankruptcy Court

District of Colorado

ATTORNEY GENERAL
15 1995
RECEIVED

In re Sunnyside Coal Co.

Bankruptcy Case No.
94-12794 CEM

Division of Oil, Gas & Mining
of the State of Utah, et al.

Debtor

Plaintiff

Clay Tucker, an individual
et al.

Defendant

Adversary Proceeding No. 93-1293 MSK

SUMMONS IN AN ADVERSARY PROCEEDING

YOU ARE SUMMONED and required to submit a motion or answer to the complaint which is attached to this summons to the clerk of the bankruptcy court within 30 days after the date of issuance of this summons, except that the United States and its offices and agencies shall submit a motion or answer to the complaint within 35 days.

Address of Clerk
United States Bankruptcy Court
District of Colorado, U.S. Custom House
721 - 19th St., First Floor
Denver, CO 80202-2508

At the same time, you must also serve a copy of the motion or answer upon the plaintiff's attorney.

Name and Address of Plaintiff's Attorney
Robert D. Clark, Assistant U.S. Attorney
1961 Stout St., Suite 1100
Denver, CO 80294-3608

If you make a motion, your time to answer is governed by Bankruptcy Rule 7012.

IF YOU FAIL TO RESPOND TO THIS SUMMONS, YOUR FAILURE WILL BE DEEMED TO BE YOUR CONSENT TO ENTRY OF A JUDGMENT BY THE BANKRUPTCY COURT AND JUDGMENT BY DEFAULT MAY BE TAKEN AGAINST YOU FOR THE RELIEF DEMANDED IN THE COMPLAINT.

Bradford L. Bolton
Clerk of the Bankruptcy Court

MAY - 8 1995

Date

By: *Cristina Morales*
Deputy Clerk

CERTIFICATE OF SERVICE

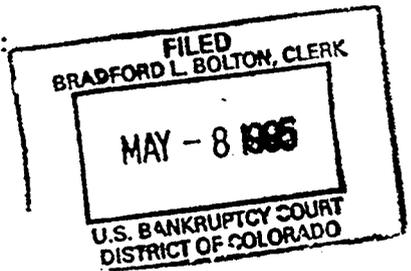
I, Laura Stone, certify that I am, and at all times during the service
(name)

of process was, not less than 18 years of age and not a party to the matter concerning which service of process was made. I further certify that the service of this summons and a copy of the complaint was made May 8, 1995 by:
(date)

Mail service: Regular, first class United States mail, postage fully pre-paid, addressed to:
See attached list.

Personal Service: By leaving the process with defendant or with an officer or agent of defendant at:

Residence Service: By leaving the process with the following adult at:



Publication: The defendant was served as follows: [Describe briefly]

State Law: The defendant was served pursuant to the laws of the State of _____,
as follows: [Describe briefly] (name of state)

Under penalty of perjury, I declare that the foregoing is true and correct.

5/8/95
Date

[Signature]
Signature

Print Name		
Laura Stone		
Business Address		
U.S. Attorney's Office 1961 Stout St., Suite 1100		
City	State	Zip
Denver	CO	80294-3608

Jack L. Smith, Esq.
HOLLAND & HART
Suite 2900
555 Seventeenth Street
P. O. Box 8749
Denver, CO 80201

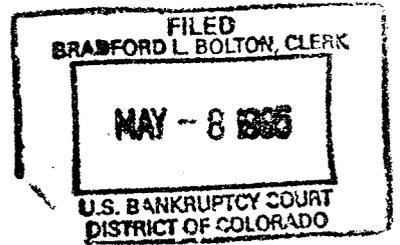
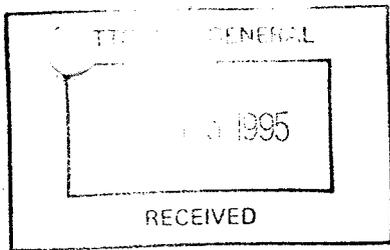
James T. Burghardt, Esq.
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1225 Seventeenth Street, 29th Floor
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Mark L. Fulford, Esq.
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First Interstate Tower North
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Caroline C. Fuller, Esq.
FAIRFIELD & WOODS
1700 Lincoln, Suite 2400
Denver, CO 80203-4524

Duane H. Gillman, Esq.
MCDOWELL & GILLMAN
50 West Broadway, Twelfth Floor
Salt Lake City, Utah 84101

United States Trustee
721 19th Street
Denver, CO 80203



IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

In re:
SUNNYSIDE COAL COMPANY, a Utah
corporation, #84-1102281,
Debtor.

Case No. 94-12794 CEM
Chapter 11
MC No. JLS-18

THE DIVISION OF OIL, GAS AND
MINING OF THE STATE OF UTAH,
AND THE UNITED STATES OF
AMERICA, ACTING THROUGH THE
OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT OF
THE UNITED STATES DEPARTMENT
OF THE INTERIOR,

Adversary Proceeding
No:

Plaintiffs,

-vs-

CLAY TUCKER, an individual;
DAN TUCKER, an individual;
CLAY TUCKER AND DAN TUCKER,
d/b/a THE TUCKER GROUP; AND
WHITMORE LLC,

93 12794 MSK

Defendants.

COMPLAINT FOR BREACH OF CONTRACT

Plaintiffs, the Division of Oil, Gas & Mining of the State of Utah ("DOGM") and the United States of America, acting through the Office of Surface Mining Reclamation and Enforcement of the United States Department of the Interior ("OSM") complain of Defendants and allege as follows:

JURISDICTION AND VENUE

1. Jurisdiction over the subject matter of this adversary proceeding is conferred upon this Court by 28 U.S.C. §§ 151, 157(a) & (b), and 1334, § 105(a) of Title 11, United States Code ("the Bankruptcy Code"), the General Order of Reference of the United States District court for the District of Colorado ("the District Court"), Rule B-105(a) of the District Court Rules for Bankruptcy Practice and Procedure, and the inherent power of the above-entitled court to enforce its own final nonappealable order approving sale of assets of the Debtor made and entered on March 6, 1995, a copy of which is hereunto annexed, marked Exhibit "A" and by this reference made a part hereof ("the Court's Order"). Paragraph 10 thereof provides as follows:

This Court shall retain jurisdiction of this matter to resolve any disputes involving the Tucker Group, the Debtor, the Creditors' Committee, or any other party who had notice of this proceeding, to enforce and interpret the Amended Letter of Intent or this Order, and any matters related thereto.

2. This adversary proceeding is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (B), (L), (N) and (O) in that it:

(a) concerns the administration of the estate of the Debtor,

(b) concerns the allowance or disallowance of claims against the estate of the Debtor,

(c) concerns and affects the confirmation of the Plan of Reorganization of the Debtor,

(d) concerns and affects the order of the Court approving the sale of property to the Defendants, and

(e) affects the liquidation of the assets of the estate and the adjustment of Debtor-Creditor relationships.

3. Alternatively, this proceeding constitutes a non-core proceeding under § 28 U.S.C. 157(a) and (c), in that it is related to Debtor's bankruptcy case under Title 11 of the Bankruptcy Code.

4. Venue of this adversary proceeding is proper in the District of Colorado in accordance with 28 U.S.C. § 1409(a).

5. This proceeding is commenced under and pursuant to Bankruptcy Rules 7001 and 7065, Federal Rules of Bankruptcy Procedure and §105(a) of the Bankruptcy Code.

PARTIES

6. Plaintiffs are the Division of Oil, Gas, & Mining of the State of Utah ("DOGM") and the United States of America, acting through the Office of Surface Mining Reclamation and Enforcement of the United States Department of the Interior ("OSM").

7. The Plaintiffs are intended third-party beneficiaries of an agreement approved by this Court between the Defendants and the Debtor.

8. The Debtor is Sunnyside Coal Company, the Debtor in Possession.

9. The Defendants are Clay Tucker individually, Dan Tucker individually, Clay Tucker and Dan Tucker doing business as the Tucker Group, and Whitmore LLC.

GENERAL NATURE OF PLAINTIFFS' CLAIMS

10. This is an adversary proceeding to enforce the Court's Order approving the sale of Debtor's assets to the Defendants pursuant to § 363(b) of the Bankruptcy Code by requiring the Defendants to specifically perform under the terms of the Court's Order and their agreement with the Debtor, both of which were intended to directly benefit the Plaintiffs and, alternatively for the recovery of damages.

GENERAL AVERMENTS RELATING TO EACH CAUSE OF ACTION

11. The Debtor, Sunnyside Coal Company, commenced the above-entitled Chapter 11 case under the Bankruptcy Code ("Chapter 11 Case") by filing its petition for relief with the above-entitled Court on March 25, 1994 ("the filing date"), and continues as a debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

12. Prior to the filing date, the Debtor operated the Sunnyside Coal Mine located near Price, Utah. The Debtor had acquired and operated the mine because of the existence of a certain coal purchase contract, the terms of which enabled the Debtor to extract coal from the mine and sell it at a profit. When the coal purchase contract was terminated, no other economic market existed for the coal to be derived from the mine. Lacking

a market for the mine's coal, the Debtor shut down the mine, shut off the mine pumps, and allowed the mine to flood. There is no economically realistic possibility of the mine being pumped out and reopened, or that any coal mining operations could occur in the future. Debtor's remaining obligation with regard to the Sunnyside Coal Mine is to reclaim the mine site pursuant to state and federal law ("Reclamation Obligation").

13. After the Debtor ceased mining operations, it commenced its Chapter 11 Case for the purpose of conducting an orderly liquidation of its assets. The Debtor was not conducting mining operations on the filing date, and it is not now engaged in the business of mining or selling coal. It is engaged solely in the liquidation of its assets subject to the approval of the above-entitled Court. The sale which is the subject of this complaint was one step in that process. Plaintiffs as creditors of the Debtor hold the largest secured and unsecured claims against the estate.

14. The Debtor's most valuable assets consist of real property encumbered by liens and security interests held by and in favor of DOGM and the OSM to secure the Debtor's statutory Reclamation Obligation ("pledged assets"). Plaintiffs have duly filed their Amended Proof of Claim in the Chapter 11 Case asserting that the total Reclamation Obligation is \$8.6 million. A copy of plaintiff's Amended Claim is hereunto annexed, marked Exhibit "B" and by this reference made a part hereof.

15. Under applicable law, the Debtor cannot realize the value of its pledged assets until it fully complies with and completes its Reclamation Obligation, which will take the Debtor at least ten years.

16. Because of the uncertainty over the actual cost to the Debtor to perform the Reclamation Obligation, the Debtor is unable to determine whether funds will be available to distribute to creditors from the pledged assets if and when the Reclamation Obligation is fulfilled. The Debtor therefore sought to sell its pledged assets to a purchaser willing to assume the Reclamation Obligation, post an \$8.6 million bond to secure payment of the same, and make an immediate cash payment to the Debtor.

17. In a Letter of Intent dated January 7, 1995 ("Letter of Intent"), the Debtor agreed to sell designated assets of the bankruptcy estate (the "Assets") to Defendants Clay and Dan Tucker ("Tucker", or the "Tucker Group") free and clear of all liens, claims, and interests, in consideration for, among other things: (a) Tucker's posting of an \$8.6 million reclamation bond for the benefit of DOGM and OSM and in a form satisfactory to DOGM and OSM, and provisions for assumption of the Reclamation Obligation; (b) complete release by DOGM and OSM of the Debtor and its officers, directors, and employees from any liability for the Reclamation Obligation; (c) release of the Debtor's current reclamation bond; (d) reservation to the Debtor of title, possession, and the right to salvage certain other property of

the bankruptcy estate; and (e) Tucker's payment of \$140,000 in cash to the Debtor [this amount subsequently was increased by an amendment to the Letter of Intent as described below]. A copy of the Letter of Intent is hereunto annexed as Exhibit "C" and by this reference made a part hereof.

18. At the insistence of the Debtor and the official unsecured Creditors' Committee duly appointed in the Chapter 11 Case ("the Creditors' Committee"), the Letter of intent made provision for submission of competing bids for the Assets by other parties, subject to the condition that they meet certain qualifying requirements set forth in the Letter of Intent, the Motion to Sell, the Sale Procedure Order, and the Sale Notice. Copies of the Motion to Sell, the Sale Procedure Order and the Sale Notice are annexed hereto as Exhibits "D", "E" and "F" respectively, and by this reference each are made a part hereof.

19. The form of the Sale Notice was approved by the Court in the Sale Procedure Order.

20. Pursuant to the detailed bidding procedures and within the bidding period established by the Sale Procedure Order, the Debtor received one competing bid for purchase of the Assets and assumption of the Debtor's Reclamation Obligation, from the Siglarr Trust. The Debtor determined that the bid did not meet the qualifying requirements established by the Sale Procedure Order, most particularly in failing to tender a binding written

commitment from a bond company to provide DOGM with an acceptable reclamation bond in the amount of \$8.6 million.

21. At the March 2, 1995 hearing on the Debtor's Motion to Sell pursuant to the Sale Procedure Order, the Debtor informed the Court that the Siglarr Trust bid did not meet the qualifying requirements established by the Sale Procedure Order and that, accordingly, the competing bid would not be recommended. The Debtor then informed the Court that additional negotiations had been held with the Tucker Group, resulting in an agreement to modify the Letter of Intent to provide that the Tucker Group would make a closing cash payment to the Debtor of \$350,000.00, rather than \$140,000.00, in consideration for the Debtor's waiver of all rights under paragraph B.6. (actually consisting of three paragraphs addressing contingent additional payments by Tucker to the Debtor at closing) and paragraph E.3. (pertaining to the Debtor's underground salvage of personal property after closing) of the Letter of Intent. In addition, the Tucker Group agreed to pay the entire cost of title insurance for its purchase of the Assets. [The letter of Intent as so modified is hereinafter referred to as the "Amended Letter of Intent"]. The Debtor then requested the Court's approval of the sale of the Assets to the Tucker Group in accordance with the Amended Letter of Intent.

22. The offer presented by The Tucker Group was the product of extensive good-faith negotiations conducted at arms length

between and among the Debtor, the Creditors' Committee, The Tucker Group, and the Plaintiffs.

23. The Court's Order approving the sale found that the consideration to be provided by the Tucker Group for the Assets pursuant to the Amended Letter of Intent, including Tucker's provision for satisfying the Reclamation Obligation and commitment to post an acceptable reclamation bond, was fair to the Debtor and the Debtor's bankruptcy estate.

24. The approval of the Tucker offer and consummation of the proposed transaction are in the best interests of the Debtor's estate and its creditors. The proposed transaction allows immediate payment to creditors of the estate and avoids the uncertainty of an indefinite distribution at some point in the future which would depend on the actual costs of reclamation, if and when completed. Both the Debtor, the Creditors' Committee, and the Plaintiffs recommended to the Court that it approve the Debtor's acceptance of the Tucker offer as embodied in the Amended Letter of Intent.

25. The cities of Sunnyside and East Carbon, Utah, withdrew their objection to the Motion to Sell at the hearing.

26. On March 6, 1995, the above-entitled Court made and entered its Order, Exhibit "A" hereto (the "Court's Order"), approving the Tucker Group's Amended Letter of Intent, which set forth the terms of its purchase of the Assets.

27. The Court's Order provided that the Debtor shall accept the Tucker Group's Amended Letter of Intent, shall consummate and close the sale of the Assets to the Tucker Group on the terms and within the time for closing set forth therein, and shall receive the consideration to be paid and delivered by the Tucker Group. Likewise, the consideration to be paid by the Tucker Group to the Debtor shall be transferred and paid to the Debtor on the terms and within the time set forth in the Amended Letter of Intent.

28. The Defendants have failed and refused to perform under their Amended Letter of Intent and the Court's Order and have repudiated the same.

29. The Amended Letter of Intent as approved and encompassed by the Court's Order of March 6, 1995, is the complete and final integrated document under which Plaintiffs' third-party beneficiary claims arise.

FIRST CAUSE OF ACTION

(SPECIFIC PERFORMANCE)

30. The Plaintiffs re-allege and incorporate the preceding allegations as though set forth in full herein.

31. The Debtor owes Plaintiffs and is obligated to perform the Reclamation Obligation in an amount of at least \$8.6 million as set forth in Plaintiffs' Amended Proof of Claim, Exhibit "B" hereto. The Defendants assumed that obligation and agreed to post a reclamation bond in that amount acceptable to the Plaintiffs.

32. The Plaintiffs as intended Beneficiaries of the Amended Letter of Intent and the Court's Order are entitled to specific performance thereof.

33. The Plaintiffs as intended beneficiaries of the Amended Letter of Intent and the Court's Order are entitled to specific enforcement thereof pursuant to the provisions of § 105(a) of the Bankruptcy Code.

SECOND CAUSE OF ACTION

34. Plaintiffs reallege and incorporate the allegations of Paragraphs 1 through 31 as though set forth in full herein.

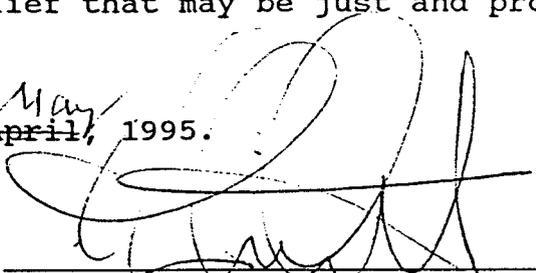
35. Plaintiffs, as the intended third-party beneficiaries of the Amended Letter of Intent and Court's Order, have been damaged by the Defendants' breach and repudiation thereof.

36. The Plaintiffs as intended beneficiaries of the Amended Letter of Intent and the Court's Order are entitled to enforcement thereof pursuant to the provisions of § 105(a) of the Bankruptcy Code.

WHEREFORE, Plaintiffs DOGM and OSM, as direct and intended third-party beneficiaries, demand judgment against Defendants for specific performance of the Court's Order or in the alternative, for damages in such amount as may be proved at trial, their costs

and such other and further relief that may be just and proper in the premises.

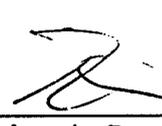
DATED this 5 day of ^{May}~~April~~, 1995.



Thomas A. Mitchell, Esq.
Assistant Utah Attorney General
#3 Triad, Suite 475
355 West North Temple
Salt Lake City, Utah 84180-1204

and

HENRY L. SOLANO
United States Attorney



Robert D. Clark #8103
Assistant United States Attorney
1961 Stout Street, Suite 1100
Denver, Colorado 80294
(303) 844-3885
Attorneys for Plaintiffs

123045.01\hjs

CERTIFICATE OF SERVICE

I hereby certify that I am a member of and/or employed in the office of Henry L. Solano, United States Attorney for the District of Colorado, Denver, Colorado, and that in said capacity I caused to be mailed, in the United States Mails, postage prepaid, on this 3rd day of ^{May} April, 1995, a true and correct copy of the foregoing COMPLAINT FOR BREACH OF CONTRACT, to the following:

Jack L. Smith, Esq.
HOLLAND & HART
Suite 2900
555 Seventeenth Street
P. O. Box 8749
Denver, CO 80201

James T. Burghardt, Esq.
MOYE, GILES, O'KEEFE, VERMEIRE & GORRELL
1225 Seventeenth Street, 29th Floor
Denver, CO 80202-5529

Mark L. Fulford, Esq.
SHERMAN & HOWARD, LLC
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633 17th Street, Suite 3000
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Caroline C. Fuller, Esq.
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1700 Lincoln, Suite 2400
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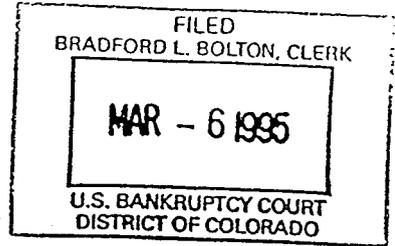
Duane H. Gillman, Esq.
McDOWELL & GILLMAN
50 West Broadway, Twelfth Floor
Salt Lake City, Utah 84101

United States Trustee
721 19th Street
Denver, CO 80203



123045.01Vhjs

EXHIBIT A



UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF COLORADO

In re:) Case No. 94-12794 CEM
SUNNYSIDE COAL COMPANY,) Chapter 11
Debtor.) MC No. JLS-18

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER APPROVING SALE OF ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS

This matter was heard on March 2, 1995, pursuant to the Court's January 27, 1995 Order Establishing Procedure for Sale of Assets, Approving Form of Notice and Setting Hearing on Sale of Assets (the "Sale Procedure Order") and on the Debtor's Motion for Orders (1) Setting Hearing on Notice and Procedure for Sale of Assets, (2) Establishing Notice and Procedure for Sale of Assets, (3) Approving Form of Notice, (4) Approving Breakup Fee, (5) Setting Hearing on Sale of Assets, (6) Authorizing Sale of Assets Outside the Ordinary Course of Business, Free and Clear of Liens, and (7) Shortening and Limiting Notice (the "Motion to Sell"). The Court, having considered:

- A. The Sale Procedure Order;
B. The Motion to Sell;
C. The Notice Pursuant to Local Bankruptcy Rule 202 of the Debtor's Motion for the Sale of Assets Outside the Ordinary Course of Business, Free and Clear of Liens, of a Hearing Approving the Sale, and of Bidding Procedures (the "Sale Notice"), together with a Certificate of Service, both of which were filed with the Court on January 30, 1995;
D. The only objections filed against the Motion to Sell: an objection by the United Mine Workers of America, and an objection by the Cities of East Carbon and Sunnyside;
E. The testimony and offers of proof provided at the hearing;

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F. The statements and arguments of counsel made at the hearing, including counsel for the Debtor, the Creditors' Committee, the United States Department of the Interior, the Tucker Group, the Siglarr Trust, the Cities of East Carbon and Sunnyside, the State of Utah, The United Mine Workers of America, and the UMWA Health and Retirement Funds [counsel for Range Creek Partners, LLC and for BXG entered their appearances at the hearing but did not make statements or present arguments]; and

G. The record in this case;

and being fully advised in the premises, makes the following findings of fact and conclusions of law:

Findings of Fact

1. The Debtor commenced its Chapter 11 case on March 25, 1994 and continues as a debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

2. Prior to filing its petition, the Debtor operated the Sunnyside Coal Mine located near Price, Utah. The Debtor had acquired and operated the mine because of the existence of a certain coal purchase contract, the terms of which enabled the Debtor to extract coal from the mine and sell it at a profit. When the coal purchase contract was terminated, however, no other economic market existed for the coal to be derived from the mine. Lacking a market for the mine's coal, the Debtor shut down the mine, shut off the mine pumps, and allowed the mine to flood. There is no economically realistic possibility of the mine being pumped out and reopened, or that any coal mining operations could occur in the future.

3. After the Debtor ceased mining operations, it commenced this bankruptcy case to conduct an orderly liquidation of its assets. The Debtor was not carrying on mining operations at the time this case was filed, and it is not now engaged in the business of mining or selling coal. It is engaged only in the activity of liquidating its assets for the purpose of paying its creditors. The sale which is the subject of this order is one step in that process.

4. The Debtor's most valuable assets consist of real property pledged to the Division of Oil, Gas and Mining of the State of Utah ("DOGMA") and the United States Department of the Interior, Office of Surface Mining Reclamation and Enforcement

("OSM"), to secure the Debtor's statutory obligations for reclamation of the mine property ("Reclamation Obligations"). DOGM and OSM have asserted that the Reclamation Obligations must be secured by a bond in the amount of \$8.6 million.

5. Under applicable law, the Debtor is unable to realize the value of those pledged assets until it completes its Reclamation Obligations, which the Debtor estimates could take up to ten years.

6. Because of uncertainty over the actual cost of performing the Reclamation Obligations, the Debtor also faces uncertainty as to whether funds would be available to distribute to creditors from the pledged assets if and when reclamation can be completed. The Debtor therefore seeks to sell its pledged assets to a purchaser willing to assume the Reclamation Obligations and to make an immediate cash payment to the Debtor.

7. In a Letter of Intent dated January 7, 1995 ("Letter of Intent"), the Debtor agreed to sell designated assets of this bankruptcy estate (the "Assets") to Clay and Dan Tucker ("Tucker", or the "Tucker Group") free and clear of all liens, claims, and interests, in consideration for, among other things: (a) Tucker's posting of an \$8.6 million reclamation bond for the benefit of DOGM and OSM and in a form satisfactory to DOGM and OSM, and provision for assumption of the Reclamation Obligations; (b) complete release by DOGM and OSM of the Debtor and its officers, directors, and employees from any liability for the Reclamation Obligations; (c) release of the Debtor's current reclamation bond; (d) reservation to the Debtor of title, possession, and the right to salvage certain other property of the bankruptcy estate; and (e) Tucker's payment of \$140,000 in cash to the Debtor [this amount subsequently was increased by an amendment to the Letter of Intent as described below]. At the insistence of the Debtor and the Creditors' Committee, the Letter of Intent made provision for submission of competing bids for the Assets by other parties, subject to the condition that they meet certain qualifying requirements set forth in the Letter of Intent, the Motion to Sell, the Sale Procedure Order, and the Sale Notice.

8. Under the Tucker Letter of Intent, the Assets to be sold by the Debtor and purchased by Tucker are described generally as follows:

- (a) The so-called "Mountain Land," comprised of approximately 23,498 acres of surface land in Carbon County, Utah, together with all mineral rights and appurtenant water rights;

- (b) The so-called "Grassy Trail Creek Water Rights" and related real property interests (including but not limited to water right numbers 91-362, 91-367, 91-368, 91-369, 9-28, 91-84, 91-114, 91-125, 91-144, 91-146, and 91-178, and related dam, reservoir, appurtenant works, and necessary easements associated therewith);
- (c) The real property located under the Sunnyside Cogeneration Associates ("SCA") plant, provided, however, that the Debtor may withdraw this property from the sale at any time before closing of the sale, in which event the cash to be paid by Tucker at closing will be reduced by \$65,000.00;
- (d) All other real property and interests in real property owned by the Debtor, including the mine site and the buildings, fixtures, and personal property located thereon, except: (i) the "prep plant" and certain associated structures described in the Letter of Intent, which the Debtor retains the right to salvage until ten days after closing of the sale, and (ii) water right no. 91-231 and the proceeds of the Debtor's sale of that water right to SCA, which currently are in escrow; and
- (e) Any other property rights appurtenant or pertaining to the foregoing, except equipment or other unaffixed personal property located on the surface of the Assets which is removed by the Debtor prior to closing.

9. The form of the Sale Notice was approved by the Court in the Sale Procedure Order. As reflected by the Certificate of Mailing filed together with the Sale Notice, the Sale Notice was duly served on all parties entitled to receive notice of the proposed sale of the Assets free and clear of all liens, claims, and interests, and of the procedures for submitting competing bids, in accordance with Rules 2002(a)(2), (c)(1), (d)(3), (i) and 6004, F.R.B.P., and Local Bankruptcy Rule 202. The Court finds that the service, scope, and content of the Sale Notice were sufficient and complied with all applicable rules and laws.

10. Pursuant to the detailed bidding procedures and within the bidding period established by the Sale Procedure Order, the Debtor received one competing bid for purchase of the Assets and assumption of the Debtor's Reclamation Obligations, from the Siglarr Trust. The Debtor determined, however, that the bid did not meet the qualifying requirements established by the Sale Procedure Order, most particularly in failing to tender a binding written commitment from a bond company to provide DOGM with an acceptable reclamation bond in the amount of \$8.6 million.

11. At the March 2, 1995 hearing on the Debtor's Motion to Sell pursuant to the Sale Procedure Order, the Debtor informed the Court that the Siglarr Trust bid did not meet the qualifying requirements established by the Sale Procedure Order and that, accordingly, the competing bid would not be recommended. The Debtor then informed the Court that additional negotiations had been held with the Tucker Group, resulting in an agreement to modify the Letter of Intent to provide that the Tucker Group would make a closing cash payment to the Debtor of \$350,000.00, rather than \$140,000.00, in consideration for the Debtor's waiver of all rights under paragraph B.6. (actually consisting of three paragraphs addressing contingent additional payments by Tucker to the Debtor at closing) and paragraph E.3. (pertaining to the Debtor's underground salvage of personal property after closing) of the Letter of Intent. In addition, the Tucker Group agreed to pay the entire cost of title insurance for its purchase of the Assets. [The Letter of Intent as so modified is hereafter referred to as the "Amended Letter of Intent"]. The Debtor then requested the Court's approval of the sale of the Assets to the Tucker Group in accordance with the Amended Letter of Intent.

12. The Tucker Group is purchasing the Assets for value and in good faith within the meaning of 11 U.S.C. § 363(m), and is entitled to the protections thereof. The offer presented by the Tucker Group was the product of extensive good-faith negotiations conducted at arms' length between and among the Debtor, the Creditors' Committee, and the Tucker Group.

13. The consideration to be provided by the Tucker Group for the Assets pursuant to the Amended Letter of Intent, including Tucker's provision for satisfying the Reclamation Obligations and commitment to post an acceptable reclamation bond, is fair to the Debtor and the Debtor's bankruptcy estate under the circumstances of this case. Approval of the Tucker offer and consummation of the proposed transaction are in the best interests of the Debtor's estate and its creditors. The proposed transaction allows immediate payment to creditors of the estate and avoids the uncertainty of an indefinite distribution at some point in the future which would depend on the actual costs of reclamation, if

and when completed. Both the Debtor and the Creditors' Committee have recommended that the Court approve the Debtor's acceptance of the Tucker offer as embodied in the Amended Letter of Intent.

14. The Cities of Sunnyside and East Carbon, Utah, withdrew their objection to the Motion to Sell at the hearing.

15. The objection of the United Mine Workers of America ("UMWA") to the Motion to Sell was heard, and evidence was taken and arguments of counsel were considered.

16. In its objection, the UMWA asserts that the collective bargaining agreement in effect between the UMWA and the Debtor contains provisions regarding successorship which inhibit the ability of the Debtor to sell the Assets to Tucker on the proposed terms. The UMWA did not, however, fulfill its burden to come forward with a showing of the existence of such an agreement or such a limitation on the Debtor's power to sell the Assets. The Court was not provided with evidence of any agreement between the Debtor and the UMWA that would limit the Debtor's ability to consummate the sale to Tucker on the terms proposed.

17. None of the facts which might establish that the Tucker Group would be a "successor" to the Debtor under the UMWA's collective bargaining agreement with the Debtor (as such agreement was described and quoted by the UMWA in its written objection) was established at the hearing. Since before the beginning of this case, the Debtor has not been, and is not now, operating the mine. The Debtor is not selling any mining "operations" to the Tucker Group. There is no evidence that the Debtor is selling the Assets (including the mine property) in bad faith, or that the Debtor's earlier closure of the mine or the Debtor's decision to sell the mine were motivated by a desire to avoid or evade any obligations under its collective bargaining agreement with the UMWA.

18. Based on the facts of this case, to the extent the successorship terms and provisions in the collective bargaining agreement in this case are the same as those in the collective bargaining agreement which was before this Court in its decision in In re Kaiser Steel Corp., 106 B.R. 669 (Bankr. Colo. 1989), the Court's ruling would be the same: Tucker, as the purchaser of the Assets, would not be a "successor" in the operation of the Debtor's business for purposes of the collective bargaining agreement because: (a) the word "operations" in the Kaiser successorship provisions refers to a mine site or facility at which active coal mining operations are being conducted; and (b) the Tucker Amended Letter of Intent was the product of arms' length negotiations between unrelated parties, not entered into for the purpose of foiling or despoiling any underlying claims that the union might

have through its collective bargaining agreement with this Debtor. Under such circumstances Tucker would not, by acquiring the Assets, assume or otherwise become liable to pay any of the Debtor's obligations based upon or related to that collective bargaining agreement.

19. The UMWA also argues that the Debtor is using this proceeding to evade its responsibilities under 11 U.S.C. § 1113. This is not a § 1113 issue. The Debtor does not seek here to modify, amend, or reject its collective bargaining agreement with the union. It seeks simply to sell certain Assets free and clear of the claims and interests of the union under the collective bargaining agreement or under any other contract, law, or regulation.

20. For the forgoing reasons, the UMWA's objection to the proposed sale to Tucker is overruled and denied.

21. No other objections to the Motion for Sale were filed by any interested party.

22. All findings of fact which are conclusions of law shall be deemed to be conclusions of law.

Conclusions of Law

1. The Court has jurisdiction of this matter pursuant to 28 U.S.C. §§ 157(a) and (b) and 1334. The Motion to Sell is a core proceeding under 28 U.S.C. § 157(b). The Court has the authority to enter this Order pursuant to 11 U.S.C. §§ 105(a), 363(b)(1), (f), and (m).

2. Due and proper notice of the Motion to Sell and the Sale Procedure Order has been given. The content and scope of the Sale Notice is adequate and complies with the concepts of due process and all applicable rules and law.

3. Tucker is a good-faith purchaser for value pursuant to the provisions of 11 U.S.C. § 363(m) and is entitled to the protections thereof.

4. All conclusions of law which are findings of fact shall be deemed to be findings of fact.

Order

ACCORDINGLY, IT IS HEREBY ORDERED THAT:

1. The Motion to Sell is Granted.
2. All objections not withdrawn are overruled and denied.
3. The Tucker Group's Amended Letter of Intent with the Debtor, setting forth the terms of its purchase of the Debtor's Assets, is approved.
4. The Debtor shall accept the Tucker Group's Amended Letter of Intent, shall consummate and close the sale of the Assets to the Tucker Group on the terms and within the time for closing set forth therein, and shall receive the consideration to be paid and delivered by the Tucker Group. Likewise, the consideration to be paid by the Tucker Group to the Debtor shall be transferred and paid to the Debtor on the terms and within the time set forth in the Amended Letter of Intent.
5. The Debtor may, and is directed to, make, execute, and deliver all documents necessary to transfer title to the Assets to the Tucker Group or its assignee(s); the Debtor also may, and is directed to, make, execute, and deliver such additional documents as may be reasonable and necessary to effect the transfer and sale of the Assets to the Tucker Group or its assignee(s) and their assumption of the Debtor's Reclamation Obligations; provided, however, that such additional and/or supplemental agreements and documents shall not materially change the terms of the transaction contemplated by the Amended Letter of Intent as approved herein. Attached to this Order as Exhibit A is a copy of a legal description of the real property included in the Assets, as set forth in a title insurance commitment issued by South Eastern Utah Title Company for the benefit of Tucker. The Debtor and Tucker are authorized to modify such legal description as may be necessary to assure that it accurately describes all real property rights owned by the Debtor, as contemplated under the Amended Letter of Intent.
6. The Debtor and the Tucker Group shall be equally responsible for and pay any excise, sales, value added, use, registration, transfer, and similar taxes and charges incurred in connection with the sale contemplated hereunder.
7. Effective at closing, all of the Debtor's right, title and interest in and to the Assets shall be sold, conveyed, assigned, transferred, and delivered to the Tucker Group or its assignee(s), free and clear of any and all liens, claims,

encumbrances, and interests of any other person, including but not limited to DOGM, OSM, any taxing authority, any union with claims against the Debtor arising under contractual, statutory, or regulatory provisions, or any other creditor of the Debtor. Any and all such liens, claims, encumbrances, and interests, to the extent allowed in this bankruptcy case, will attach to the proceeds of the sale. The use of such sale proceeds shall be governed by 11 U.S.C. § 363.

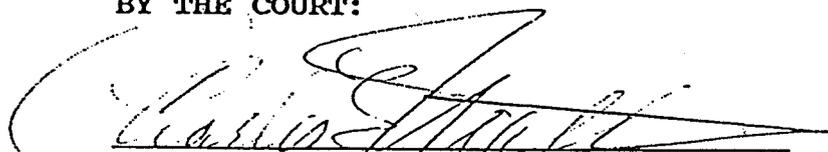
8. At closing of the Sale, contingent upon all other performance as set forth hereinabove, the Debtor and its officers, directors, and employees shall be fully and effectively released from the Reclamation Obligations, and the Debtor's existing reclamation bond in favor of DOGM and OSM shall be cancelled and released.

9. The Debtor and its estate shall retain title and control of all of its property other than the Assets, including but not limited to: (a) proceeds from the Debtor's prior sale of substantially all of its personal property and the prior salvage of certain structures, (b) salvage from the "prep plant" and associated structures as described in the Amended Letter of Intent, provided that all such salvage must be completed prior to ten days after closing of the sale to Tucker, (c) above-ground salvageable equipment or other unaffixed personal property removed from the Assets prior to closing, (d) water right No. 91-231 and the sale proceeds thereof currently being held in escrow pending closing of the sale of that water right to Sunnyside Cogeneration Associates, (e) the Debtor's accounts receivable, and (f) a certificate of deposit at Zions First National Bank in the approximate amount of \$78,051.

10. This Court shall retain jurisdiction of this matter to resolve any disputes involving the Tucker Group, the Debtor, the Creditors' Committee, or any other party who had notice of this proceeding, to enforce and interpret the Amended Letter of Intent or this Order, and any matters related thereto.

Dated this 6th day of March, 1995.

BY THE COURT:



Charles E. Matheson, Chief Judge
United States Bankruptcy Court

3. The land referred to in this Commitment is situated in the State of Utah, County of Carbon, and is described as follows:

T13S, R13E, SLBM

- Section 31: NE 1/4 SE 1/4,
EXCEPTING therefrom all oil, gas and other minerals.
Section 36: All,
EXCEPTING therefrom all coal and other minerals.

T14S, R13E, SLBM

- Section 1: NE 1/4 NE 1/4 (Lot 1),
EXCEPTING therefrom all coal and other minerals.
Section 2: All,
EXCEPTING therefrom all coal and other minerals.
Section 12: All,
EXCEPTING therefrom all coal and other minerals.

T14S, R14E, SLBM

- Section 6: Lots 1, 2, 3, 4, 5 and 7;
S 1/2 NE 1/4; SE 1/4 NW 1/4; SE 1/4 SE 1/4;
W 1/2 SE 1/4; SE 1/4 SW 1/4.
Section 7: Lots 1 and 2; E 1/2 NW 1/4; SW 1/4 NE 1/4;
SE 1/4 SE 1/4; W 1/2 SE 1/4; E 1/2 SW 1/4.
Section 8: SE 1/4 SE 1/4,
EXCEPTING therefrom all coal and other minerals.
Section 9: W 1/2; W 1/2 E 1/2; E 1/2 SE 1/4; SE 1/4 NE 1/4.
EXCEPTING therefrom all coal and other minerals.
Section 17: NE 1/4; SE 1/4 NW 1/4; S 1/2 SE 1/4.
SW 1/4, less the surface only of the following
described portion thereof:
Beg. at a point on the West Right of Way line of an existing roadway in Whitmore Canyon, said point being 872.20 feet East and 755.80 feet North from the SW corner of said Section 17, and running thence S 80 deg. 00' W 240.00 feet; thence N 15 deg. 20' W 147.96 feet; thence N 11 deg. 00' E 200.55 feet; thence N 74 deg. 40' E 150.00 feet; thence S 15 deg. 20' E along said road right of way line 350.00 feet to the point of beginning.
Section 18: Lots 2, 3 and 4; E 1/2 SW 1/4; E 1/2.
Section 19: All.
Section 20: All.
Section 21: E 1/2,
EXCEPTING therefrom all coal.
W 1/2.

- Section 22: All.
EXCEPTING therefrom all coal.
- Section 23: W 1/2; SE 1/4; SW 1/4 NE 1/4,
EXCEPTING therefrom all coal.
N 1/2 NE 1/4; SE 1/4 NE 1/4.
- Section 24: E 1/2 NE 1/4,
EXCEPTING therefrom all coal, petroleum, gas,
nitrogen and phosphate.
SW 1/4 NW 1/4; E 1/2 SE 1/4,
EXCEPTING therefrom all coal.
NW 1/4 NW 1/4; E 1/2 NW 1/4; SW 1/4 NE 1/4;
W 1/2 SE 1/4; E 1/2 SW 1/4; SW 1/4 SW 1/4.
- Section 25: W 1/2 NE 1/4; NE 1/4 NW 1/4; S 1/2 NW 1/4;
W 1/2 SE 1/4; SW 1/4,
EXCEPTING therefrom all coal.
E 1/2 NE 1/4; E 1/2 SE 1/4.
- Section 26: All,
EXCEPTING therefrom all coal.
- Section 27: All,
EXCEPTING therefrom all coal.
- Section 28: All.
- Section 29: All.
- Section 30: SE 1/4 NW 1/4; NE 1/4 SE 1/4; S 1/2 SE 1/4,
EXCEPTING therefrom all coal.
NE 1/4; NE 1/4 NW 1/4; NW 1/4 SE 1/4.
- Section 31: NW 1/4 NE 1/4,
EXCEPTING therefrom all coal.
Lot 4, LESS the portion thereof within Ridgeway
Subdivision; NE 1/4 NE 1/4; S 1/2 NE 1/4;
SE 1/4; SE 1/4 SW 1/4.
- Section 32: All.
LESS that portion of land conveyed to Sunnyside
City described as follows: Beginning at a point
1114.51 feet North and 1629.87 feet East of the SW
corner of Section 32, T14S; R14E, SLB&M; said
point also being on the North Right-of-Way line of
State Highway 123; and running thence N. 17 deg.
58' 31" E 117.11 feet; thence N. 77 deg. E 59.73
feet; thence S. 13 deg. E. 100.41 feet to the
North R/W line of said Highway; thence S. 77 deg.
W. 120.00 feet to the point of beginning.
- Section 33: All.
- Section 34: E 1/2,
EXCEPTING therefrom all coal.
W 1/2.
- Section 35: All,
EXCEPTING therefrom all coal.
- Section 36: W 1/2; S 1/2 NE 1/4; W 1/2 SE 1/4,
EXCEPTING therefrom all coal.
N 1/2 NE 1/4; E 1/2 SE 1/4.

T14S, R15E, SLBM

Section 19: W 1/2 SW 1/4; SE 1/4 SW 1/4.

Section 30: W 1/2.

Section 31: NW 1/4 SW 1/4.

EXCEPTING therefrom all coal and other minerals.
NW 1/4.

T15S, R13E, SLBM

Section 1: Lot 3; Lot 1, LESS the portion thereof within Ridgeway Subdivision; SW 1/4 NE 1/4, LESS the following described portion thereof:

Beg. at the center of Section 1 and running thence N 0 deg. 15' W 266 feet; N 89 deg. 01' E 164 feet; S 0 deg. 15' E 266 feet; S 89 deg. 01' W 164 feet to beginning; SE 1/4 NW 1/4.
EXCEPTING therefrom all oil, gas and minerals.

Beginning at a point 516.4 feet S 89 deg. 01' W of the E 1/4 corner of Section 1; thence S 0 deg. 59' E 102.6 feet; thence S 89 deg. 01' W 75 feet along the N r/w of Denver Avenue; thence N 0 deg. 59' W 102.6 feet; thence N 89 deg. 01' E 75 feet to point of beginning.

LESS that portion conveyed to Sunnyside City for the Cemetary described as follows: A parcel of land situated in the SE 1/4 of the NE 1/4 and the NE 1/4 of the SE 1/4 of Section 1, T15S, R13E, SLB&M, more particularly described as follows: Beginning at the West 1/4 Corner of Sec. 6, T15S, R14E, SLB&M; running thence S. 89 deg. 05' 55" W., 510.90 feet; thence N. 01 deg. 01' 14" W., 158.19 feet; thence N. 77 deg. 40' 24" E., 527.19 feet; thence S. 0 deg. 18' 05" W., 262.68 feet to the point of beginning.

Section 2: N 1/2, LESS the D&RGWRR right of way,
EXCEPTING therefrom all coal and other minerals.

Beg. at a point 435.60 feet West of the SE corner of the SW 1/4 and running thence N 100 feet; W 16 feet; N 417.50 feet; E 451 feet; N 556.50 feet; W 346 feet; N 246 feet; W 974 feet; S 1320 feet; E 884.40 feet to beginning; NW 1/4 SE 1/4, LESS that parcel beginning at a point 160 feet N of the SW corner of the NW 1/4 SE 1/4 and running thence N 150 feet; E 150 feet; S 150 feet; W 150 feet to beginning.

Section 3: E 1/2 NE 1/4; NE 1/4 SE 1/4; SW 1/4 SE 1/4,
EXCEPTING therefrom an undivided 15/16 interest in all oil, gas and minerals.

Section 10: N 1/2 NW 1/4; Those portions of the W 1/2 NE 1/4 and SE 1/4 NW 1/4 lying N of the State Highway right of way; E 1/2 NE 1/4, LESS the State Highway right of way and the following 3 parcels:

Beg. at a point which is 58 feet W and 867 feet S of the NE corner of Sec. 10, T15S, R13E, SLBM; thence running W along the State Highway r/w 208.7 feet; thence N 208.7 feet; thence E 208.7 feet; thence S 208.7 feet, m/l, to point of beginning. This description is tied to the resurvey made by the United States Land Office Engineers in 1942;

Commencing on the N boundary of Utah State Highway No. 123, 58 feet W and 867 feet S from the NE corner of Sec. 10, T15S, R13E, SLBM; thence N 458.70 feet; thence E 417.78 feet; thence S 376.86 feet to said highway boundary; thence S 78 deg. 55' W 425.72 feet along said highway boundary to beginning;

Commencing on the N boundary of Utah State Highway No 123, 266.70 feet W and 906 feet S from the NE corner of Section 10, T15S, R13E, SLBM; thence S 80 deg. 24' W along said highway boundary 423.71 feet; thence N 453.09 feet; thence E 417d.78 feet; thence S 382.47 feet to beginning,
EXCEPTING therefrom an undivided 15/16 interest in all oil, gas and minerals.

All minerals lying below a depth of more than 500 feet below the surface of the following described tract:

Beg. at the SW corner of the SE 1/14 NW 1/4 of Section 10; said point being E along the 1/4 section line 1334 feet, m/l, from the W 1/4 corner of said Sec. 10 and running thence E along the 1/4 section line 2668 feet, m/l, to the SE corner of the SW 1/4 NE 1/4 of said Sec. 10; thence along the E line of the SW 1/4 NE 1/4 of said Sec. 10, N 1207 feet, m/l, to the southerly right of way line of U. S. Highway 123; thence S 80 deg. 13' W along said Southerly line 2707 feet, m/l; to the W line of the SE 1/4 NW 1/4 of said Sec. 10; thence along said W line S 747 feet, m/l, to the point of beginning.

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Section 11: W 1/2 NW 1/4, NW 1/4 SW 1/4, LESS the State Highway right of way and the D&RGWRR right of way. Also, LESS that parcel beginning on the N boundary of Utah State Highway at a point 58 feet W and 867 feet S from the NE corner of Sec. 10; thence N 458.70 feet; E 417.78 feet; S 376.86 feet to said highway boundary; thence S 78 deg. 55' W 425.72 feet along said highway boundary to beginning. Also, LESS that parcel beginning at a point S 58 deg. 47' W 1420.46 feet from the quarter corner common to Sections 2 and 11 in T15S, R13E, SLBM; thence N 23 deg. 25' W 147.58 feet; S 58 deg. 47' W 148.96 feet; S 23' 25' E 147.57 feet; N 58 deg. 47' E 148.96 feet to beg. EXCEPTING therefrom an undivided 15/16 interest in all oil, gas and minerals.

T15S, R14E, SLBM

- Section 1: Lots 3 and 4; SW 1/4 NE 1/4; SW 1/4 SW 1/4; EXCEPTING therefrom all coal.
Lots 1 and 2; SE 1/4 NE 1/4; E 1/2 SE 1/4.
- Section 2: All, EXCEPTING therefrom all coal.
- Section 3: E 1/2, EXCEPTING therefrom all coal.
W 1/2.
- Section 4: All.
- Section 5: All, EXCEPTING therefrom the portion thereof which is within Sunnyside No. 1 Plat, the State Highway #123, and the D&RGW Railroad Right of Way.
- Section 6: Lots 1, 2, 3, 4, 5 and 7*; S 1/2 NE 1/4; SE 1/4 NW 1/4; SE 1/4; E 1/2 SW 1/4.
(* Option to Environmental Power Corporation)
EXCEPTING therefrom the following described portions thereof labelled (a) through (k):

- LESS: a) The following subdivisions:
Sunnyside Subdivision - Plat "A".
Sunnyside Subdivision - Plat "A" (Revised.)
Sunnyside Subdivision - Plat "B".
Sunnyside Subdivision - Plat "C".
Sunnyside No. 1 Plat.
Sunnyside No. 2 Plat.
Sunnyside No. 2 Plat (Revised).
Ridgeway Subdivision.

- LESS: b) Beg. at the SW corner of Lot 19, Blk. 7, SUNNYDALE Amended Plat, according to the official plat thereof and running thence N 1 deg. 08' W 100 feet to the NE corner of said Lot 19; thence 50.0 feet in an E'ly direction along the arc of a curve to the right whose radius is 377.18 feet; thence N 360.0 feet; thence W 770.0 feet; thence S 540.77 feet; thence E 399.53 feet to the NE corner of Lot 26, Block 4, SUNNYDALE; thence S 48 deg. 32'55"E 100.0 feet to the SE corner of said Lot 26; thence 49.38 feet in an E'ly direction along the arc of a curve to the left whose radius is 615.00 feet; thence 251.69 feet in an E'ly direction along the arc of a curve to the right whose radius is 277.18 feet (which curve is the N side of Edgehill Dr.) to the point of beginning. (Carbon County School District).
- LESS: c) Beg. at a point 2222 feet S and 1214 feet W of the NE corner of said Sec. 6, said point also lying on the S'ly r/w line of State Highway 123, and running thence S 18 deg. 00' E 59 feet; thence S 72 deg. 00' W 84 feet; thence N 18 deg. 00' W 50 feet to said highway r/w line; thence N 72 deg. 00' E along said r/w 84 feet to the point of beginning.
- LESS: d) Beg. at a point on the W line of said SW 1/4 NW 1/4 of said Sec. 6, 261 feet N of the SW corner thereof, which point is the SE corner of that certain tract conveyed to Carbon County School District by Deed from Kaiser Steel Corp. dated Nov. 8, 1957, and filed for record Nov. 15, 1957 in the office of the Recorder of Carbon County and of record in Book 51 at pages 65, et seq., Official Records of said County, running thence along the E line of said tract N 3 deg. 31' W 331.13 feet to the true point of beginning of the tract herein conveyed, which point is also the SW corner of this tract; thence continuing along the E line of the aforementioned school tract N 3 deg. 31' W 157.2 feet; thence N 72 deg. 35' E 222.5 feet, m/l, to a point on the W'ly boundary line of an existing road known as Valley View; thence along the W'ly boundary of said existing road S 18 deg. 07' E 150 feet; thence S 72 deg. 35' W 271.4 feet, m/l, to the point of beginning, containing 0.85 acres, m/l. (Church of Jesus Christ of Latter-Day Saints).
- LESS: e) Utah State Highway No. 123.

- LESS: f) Beg. at a point which is South 2605.18 feet and West 1102.67 feet of the NE corner of Sec. 6, T15S, R14E, SLBM; thence S 71 deg. 14' W 150.00 feet; thence S 18 deg. 46' E 150.00 feet; thence N 71 deg. 14' E 150.00 feet; thence N 18 deg. 46' W 150.00 feet to the point of beginning.
- LESS: g) Beg. at the E 1/4 corner of Sec. 6, T15S, R14E, SLBM and running thence S 0 deg. 13' 39" W 1818.48 feet along the E section line of Sec. 6 to the South right of way line of an existing railroad track; thence NW'ly along a curve to the right with a radius of 450.00 feet, through an angle of 83 deg. 37' 47", for a distance of 656.83 feet having a chord that bears N 40 deg. 27' 18" W 600.05 feet; thence N 1 deg. 21' 36" E 68.00 feet along the westerly right of way line of an existing railroad tract; thence S 57 deg. 11' 02" W 338.86 feet to an existing 5/8 inch rebar; thence S 66 deg. 15' 45" W 220.17 feet to an existing 5/8 inch rebar; thence S 86 deg. 11' 30" W 261.34 feet to a metal fence post; thence N 4 deg. 41' 13" W 264.09 feet to a roof bolt on the west side of a gate in a fence line; thence N 10 deg. 54' 48" W 189.49 feet to a metal fence post; thence N 0 deg. 39' 10" W 254.39 feet to a metal fence post; thence N 10 deg. 09' 48" W 315.48 feet to metal fence post; thence N 6 deg. 32' 57" W 232.70 feet to a roof bolt in an existing fence line; thence N 6 deg. 32' 57" W 65.24 feet to the South right of way line of a Denver & Rio Grande Railroad as described in a certain deed dated July 29, 1912; thence N 71 deg. 27' 00" E 1209.07 feet along the South line of a 50 foot wide right of way for the Denver and Rio Grande Railroad; thence NE'ly along a curve to the left with a radius of 979.93 feet, through an angle of 9 deg. 19' 48" for a distance of 159.57 feet, having a chord that bears N 66 deg. 47' 06" E 159.40 feet to the east line of said Sec. 6; thence S 0 deg. 13' 39" W 174.12 feet along the east line of Sec. 6, to the point of beginning; and
- LESS: h) Beg. at the SE corner of Sec. 6, T15S, R14E, SLBM which is a brass cap; and running thence N 89 deg. 57' 59" W 2646.97 feet along the south line of said Sec. 6 to the S 1/4 corner of said Sec. 6; thence S 89 deg. 27' 59" W 1321.87 feet along the south line of said Sec. 6 to the SW corner of the SE 1/4 SW 1/4 of said Sec. 6; thence N 59 deg. 40' 32" E 666.58 feet to a metal fence post; thence N 44 deg. 13' 50" E 430.53 feet to a roof bolt; thence

h) cont. N 59 deg. 09'24" E 167.86 feet to a metal fence post; thence N 63 deg. 51'14" E 188.19 feet to a metal fence post; thence N 60 deg. 15'43" E 335.60 feet to a metal fence post; thence N 21 deg. 00'31" W 34.15 feet to an east brace post in a barbed wire fence; thence N 81 deg. 18' 59" E 1270.98 feet along an existing fence line to a roof bolt; thence N 36 deg. 40' 17" E 152.88 feet along a fence line to a roof bolt; thence S 4 deg. 41' 13" E 264.09 feet to a metal fence post; thence N 86 deg. 11' 30" E 261.34 feet to an existing 5/8 inch rebar; thence N 66 deg. 15' 45" E 220.17 feet to an existing rebar; thence N 57 deg. 11' 02" E 338.86 feet to the west right of way line of an existing railroad right of way; thence S 1 deg. 21' 36" W 68.00 feet along the westerly right of way line of an existing railroad track; thence SE'ly along a curve to the left with a radius of 450.00 feet, through an angle of 83 deg. 37' 47" for a distance of 656.83 feet having a chord that bears S 40 deg. 27' 18" E 600.05 feet to a point on the east line of said Section 6; thence S 0 deg. 13' 39" W 818.01 feet along the section line to the point of beginning.

LESS: i) Beg. at the W 1/4 corner of Sec. 6, T15S, R14E, SLBM thence N 0 deg. 18' 05" E for a distance of 262.68 feet, thence N 89 deg. 05'55" E for a distance of 75.0 feet, thence S 0 deg. 18' 15" W for a distance of 262.68 feet, thence S 89 deg. 05' 55" W for a distance of 75.0 feet to the beg. (LESS the Railroad Right of Way).

LESS: j) Less that portion of Lot 7 of Sec. 6, T15S, R14E, SLBM, as disclosed in the Deed and Assignment to Intermountain Power Agency. Said portion is the Rail Road Right of Way.

LESS: k) LESS that portion conveyed to Sunnyside City for the Cemetary described as follows: A parcel of land situated in the SE 1/4 of the NE 1/4 and the NE 1/4 of the SE 1/4 of Section 1, T15S, R13E, SLB&M, more particularly described as follows: Beginning at the West 1/4 Corner of Sec. 6, T15S, R14E, SLB&M; running thence S. 89 deg. 05' 55" W., 510.90 feet; thence N. 01 deg. 01' 14" W., 158.19 feet; thence N. 77 deg. 40' 24" E., 527.19 feet; thence S. 0 deg. 18' 05" W., 262.68 feet to the point of beginning.

Section 6: ALSO, beg. at the SW corner of the SE 1/4 SW 1/4 of Sec. 6, T15S, R14E, SLBM, which is a brass cap and running thence N 59 deg. 40'32" E 666.58 feet to a metal fence post; thence N 44 deg. 13' 50" E 430.53 feet to a roof bolt; thence N 59 deg. 09' 24" E 167.86 feet to a metal fence post; thence N 63 deg. 51'14" E 188.19 feet to a metal fence post; thence N 60 deg. 15' 43" E 335.60 feet to a metal fence post; thence N 21 deg. 00'31" W 34.5 feet to an east brace post in a barbed wire fence; thence N 81 deg. 18'59" E 1270.98 feet along an existing fence line to a roof bolt; thence N 36 deg. 40' 17" E 152.88 feet along a fence line to a roof bolt; thence N 10 deg. 54' 48" W 189.49 feet to a metal fence post; thence N 0 deg. 39' 10" W 254.39 feet to a metal fence post; thence N 10 deg. 09'48" W 315.48 feet to a metal fence post; thence N 6 deg. 32' 57" W 232.70 feet to a roof bolt in an existing fence line; thence N 6 deg. 32'57" W 65.24 feet to the south right of way line of a Denver and Rio Grande Railroad as described in a certain deed dated July 29, 1912; thence S 71 deg. 27' 00" W 2811.72 feet along the south line of a 50 foot wide right of way for the Denver and Rio Grande Railroad; thence S 0 deg. 50' 04" W 153.50 feet to the NW corner of the SE 1/4 SW 1/4 of said Section 6; thence S 0 deg. 50'04" W 1326.02 feet along the west line of the SE 1/4 SW 1/4 of said Sec. 6 to the point of beginning.

ALSO, beginning at the NE corner of Lot 6, and running thence S 50 feet; thence N 89 deg. 57' W 133.7 feet; thence S 69 deg. 30' W 597.1 feet; thence S 46 deg. 37' W 800 feet, m/l, to the intersection with the range line between Ranges 13 East and 14 East; thence N 0 deg. 16' E along said range line 578 feet, m/l, to an intersection with the S'ly r/w line of Utah State Highway No. 123, said point being on the arc of a 1096.3 feet radius curve to the right; thence NE'ly 754.3 feet around the arc of said curve and along said r/w to an intersection with the E-W quarter section line of said Sec. 6; thence S 89 deg. 57' E 613 feet, m/l, along said quarter section line to the point of beginning, and containing 8.2 acres, m/l.

Sect. 6: All minerals lying below a depth of more than 500 feet
cont. below the surface of the follows described tract:

Beg. at a point 2222 feet S and 1214 feet W of the NE corner of Sec. 6, said point also lying on the S'ly r/w line of State Highway 123, and running thence S 18 deg. 00' E 59 feet; thence S 72 deg. 00' W 84 feet; thence N 18 deg. 00' W 50 feet to said highway r/w line; thence N 72 deg. 00' E along said r/w 84 feet to the point of beg.

Section 7: All that land comprising an area of 181.34 acres, m/l, in Lots 1, 2, 3 and 4 and E 1/2 W 1/2 and W 1/2 W 1/2 SE 1/4 of said Sec. 7, lying E of the Carbon County Railroad r/w, the E'ly boundary of said Railroad r/w being 100.0 feet distant from the centerline of said r/w, more particularly described as follows:

Commencing at the intersection of the S line of Sec. 7, T15S, R14E, SLBM, and the E'ly r/w line of the Carbon County Railroad, said point being more or less S 89 deg. 59' E 2053.10 feet from the South Closing Corner between Sec. 7 and 18 on the range line between Range 13 East and 14 East in T15S, SLBM, as established by the 1899 survey of the General Land Office; thence S 89 deg. 59' E 1233.70 feet to the SE corner of the W 1/2 W 1/2 SE 1/4 of said Sec. 7; thence N 2640.0 feet, m/l, to the NE corner of the W 1/2 W 1/2 SE 1/4 of said Sec. 7; thence N 89 deg. 59' W 660.0 feet, m/l, to the center of said Sec. 7; thence N along the quarter section line 2640.0 feet, m/l, to the N 1/4 corner of said Sec. 7; thence along the section line S 89 deg. 27' E as established by a Dependent Resurvey of the N boundary of said Sec. 7 by the General Land Office in 1942 a distance of 1860.02 feet, m/l, to a point of intersection of said section line and the E'ly r/w line of the Carbon County Railroad said point being located on the arc of a 673.7 feet radius curve right and 100.0 feet E'ly from the centerline of said railroad; thence following S'ly around the arc of said 673.7 feet radius curve 490.0 feet, m/l, to a point located 100.0 feet at right angles to the E'ly from station 107+05.9 of the Carbon County Railroad, said station being at P.T. of a 10 deg. curve to the right; thence S 21 deg. 23' W 245.4 feet along a line 100.0 feet from the parallel to the centerline of said railroad to a point at right angles from Station 109+51.4, said station being the P.C. of an 8 deg. curve left; thence S'ly along and around the arc of a 616.8 feet

Sect. 7: radius curve 100.0 feet from the parallel to the
cont. centerline of said railroad 305.0 feet to a point
located at right angles from Station 113+05.9 P.T.
of said railroad centerline; thence S 6 deg. 57' E
2782.6 feet along a line 100.0 feet from and
parallel to the centerline of said railroad to a
point at right angles from Station 140+88.2 said
station being the P.C. of a 4 deg. curve left;
thence along and around the arc of a 1332.7 feet
radius curve 100.0 feet from and parallel to the
centerline of said railroad 896.81 feet to a point
located at right angles from Station 150+50.7 P.T.
of said railroad centerline; thence S 45 deg. 27'
E 982.76 feet along a line 100.0 feet from and
parallel to the centerline of said railroad to a
point at right angles from Station 160+33.66 of
said railroad centerline and which point is a
point of intersection of said section line between
Sections 7 and 18 and the E'ly r/w line of said
railroad, said point being the point of beginning.

LESS the following described portions thereof:

Lot 1; NE 1/4 NW 1/4; N 1/2 S 1/2 NW 1/4.

Section 8: Lots 3 and 4,
EXCEPTING therefrom all coal and other minerals.
Lots 1 and 2; SE 1/4 NE 1/4; NE 1/4 SE 1/4;
S 1/2 SE 1/4.

Section 9: All.

Section 10: NE 1/4.
EXCEPTING therefrom all coal.
NW 1/4; S 1/2.

Section 15: W 1/2; N 1/2 NE 1/4.

Section 16: All,
EXCEPTING therefrom the following described
portion thereof:

Beg. at the SW corner of said Sec. 16, and
running thence N 500 feet; thence E 900 feet;
thence S 500 feet; thence W 900 feet to the
point of beginning, containing 10.3 acres,
more or less.

Section 17: E 1/2 NE 1/4; NE 1/4 SE 1/4.

Section 32: E 1/2 NE 1/4; E 1/2 SE 1/4; SW 1/4 SE 1/4,
EXCEPTING therefrom all coal.

T15S, R15E, SLBM

Section 6: W 1/2; SW 1/4 SE 1/4,
EXCEPTING therefrom

Section 7: E 1/2 NW 1/4; NW 1/4 NE 1/4; S 1/2 NE 1/4;
N 1/2 SE 1/4; SE 1/4 SE 1/4,
EXCEPTING therefrom all coal.

Order No. 25,412-C

- Section 8: SW 1/4 SW 1/4.
EXCEPTING therefrom all coal.
- Section 17: W 1/2 NW 1/4; SE 1/4 NW 1/4; SW 1/4,
EXCEPTING therefrom all coal.
- Section 18: NE 1/4 NE 1/4,
EXCEPTING therefrom all coal.
- Section 20: E 1/2 NW 1/4; NW 1/4 NW 1/4; NW 1/4 SE 1/4;
E 1/2 SW 1/4,
EXCEPTING therefrom all coal.
- Section 29: E 1/2 SE 1/4; NW 1/4 SE 1/4,
EXCEPTING therefrom all coal.

All of Lot 18, Block 6, Plat B, SUNNYSIDE SUBDIVISION, as per official plat thereof.

Said lands are located in EMERY COUNTY:

T17S, R16E, SLBM

- Section 4: SE 1/4 NW 1/4; SW 1/4 NE 1/4; NW 1/4 SE 1/4,
EXCEPTING therefrom all coal and other minerals.
- Section 15: N 1/2 NW 1/4; SE 1/4 NW 1/4; NE 1/4 SW 1/4,
EXCEPTING therefrom all oil, gas and other minerals.

* * *

EXHIBIT B

SEP 26 1994
OFFICE OF SURFACE MINING
DENVER FIELD OFFICE

United States Bankruptcy Court
District of Colorado
Amended PROOF OF CLAIM

In re (Name of Debtor) In Re Sunnyside Coal Company
Case Number 94 12794 CEM

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor
(The person or other entity to whom the debtor owes money or property)
State of Utah Div. of Oil, Gas & Mining
Office of Surface Mining
Name and Address Where Notices Should be Sent
Utah Attorney General
#3 Triad Suite 475
355 West North Temple
Salt Lake City, Utah 84180-1204
(See Exhibit "B" for OSM address)
Telephone No. (801) 538-5347

- Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
- Check box if you have never received any notices from the bankruptcy court in this case.
- Check box if the address differs from the address on the envelope sent to you by the court.

THIS SPACE IS FOR COURT USE ONLY

ACCOUNT OR OTHER NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR:
Permit # ACT/007/007

Check here if this claim replaces amends a previously filed claim, dated July 22, 1994

1. BASIS FOR CLAIM
 Goods sold
 Services performed
 Money loaned
 Personal injury/wrongful death
 Taxes
 Other (Describe briefly)
Reclamation obligation under Federal & State Surface Mining Reclamation Acts

Retiree benefits as defined in 11 U.S.C. § 1114(a)
 Wages, salaries, and compensation (Fill out below)
Your social security number _____
Unpaid compensation for services performed from _____ (date) to _____ (date)

2. DATE DEBT WAS INCURRED
May 26, 1989

3. IF COURT JUDGMENT, DATE OBTAINED:

4. CLASSIFICATION OF CLAIM. Under the Bankruptcy Code all claims are classified as one or more of the following: (1) Unsecured nonpriority, (2) Unsecured Priority, (3) Secured. It is possible for part of a claim to be in one category and part in another. CHECK THE APPROPRIATE BOX OR BOXES that best describe your claim and STATE THE AMOUNT OF THE CLAIM AT TIME CASE FILED.

SECURED CLAIM \$ 2,040,000
Attach evidence of perfection of security interest _____
Brief Description of Collateral:
 Real Estate Motor Vehicle Other (Describe briefly)
Trust Deed & collateral
Amount of arrearage and other charges at time case filed included in secured claim above, if any \$ _____
 UNSECURED NONPRIORITY CLAIM \$ 6,456,750
A claim is unsecured if there is no collateral or lien on property of the debtor securing the claim or to the extent that the value of such property is less than the amount of the claim.

UNSECURED PRIORITY CLAIM \$ 103,250,000
Specify the priority of the claim.
 Wages, salaries, or commissions (up to \$2000), earned not more than 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier—11 U.S.C. § 507(a)(3)
 Contributions to an employee benefit plan—11 U.S.C. § 507(a)(4)
 Up to \$900 of deposits toward purchase, lease, or rental of property or services for personal, family, or household use—11 U.S.C. § 507(a)(6)
 Taxes or penalties of governmental units—11 U.S.C. § 507(a)(7)
 Other—Specify applicable paragraph of 11 U.S.C. § 507(a) (1)

5. TOTAL AMOUNT OF CLAIM AT TIME CASE FILED: \$ 6,456,750 (Unsecured) \$ 2,040,000 (Secured) \$ 103,250 (Priority) \$ 8.6 million (Total)

Check this box if claim includes charges in addition to the principal amount of the claim. Attach itemized statement of all additional charges. See Ex. A

6. CREDITS AND SETOFFS: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim. In filing this claim, claimant has deducted all amounts that claimant owes to debtor.

7. SUPPORTING DOCUMENTS: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, or evidence of security interests. If the documents are not available, explain. If the documents are voluminous, attach a summary.

8. TIME-STAMPED COPY: To receive an acknowledgement of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

Date
9/22/94

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any)
James W. Carter, Director
Bernard R. Freeman Acting
Thomas E. Ehmet, Acting Director

THIS SPACE IS FOR COURT USE ONLY

U.S. BANKRUPTCY COURT
DISTRICT OF COLORADO
SEP 29 1994
BRADFORD L. R. CLARK
FILED





State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

EXHIBIT NO. "A"

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

September 23, 1994

Robert Burnham
Sunnyside Coal Company
1113 Spruce Street
Boulder, Colorado 80302

Re: Findings Concerning Required Performance Bond

Dear Mr. Burnham:

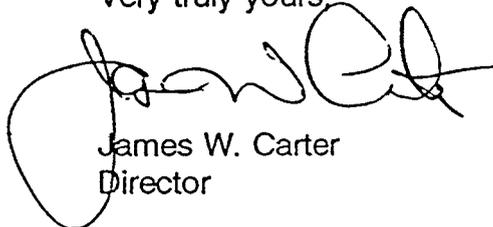
Attached to this letter is the Division's Findings dated September 23, 1994, which support the Division's determination that the required bond for the Sunnyside Mine is \$8.6 million. Because the permittee is presently under the protection of the Bankruptcy Act, having filed for Chapter 11 relief in the Federal District Bankruptcy Court for the District of Colorado, the Division is not taking enforcement action to enforce this requirement at this time.

The Division believes that its appropriate relief in the first instance is to be found in the Bankruptcy Court. The Division is providing you with notice at this time of its bond Findings, and is providing these Findings to its attorneys to use in the proceedings before the Bankruptcy Court for the purpose of protecting its position as a creditor, as well as supporting its regulatory authority under the state statute. Subject to the approval of the Bankruptcy Court, the Division will enforce these Findings to the full extent provided by law.

Page 2
Robert Burnham
September 23, 1994

If you have any questions or concerns regarding the Division's Findings and determination of bond amount, please feel free to contact me at any time.

Very truly yours,

A handwritten signature in black ink, appearing to read "James W. Carter". The signature is fluid and cursive, with a large initial "J" and "C".

James W. Carter
Director

Isj
Enclosure
FINDINGS.SSC

Analysis and Findings
Reclamation Bond Estimate
SUNNYSIDE COAL COMPANY
ACT/007/007
September 22, 1994

INTRODUCTION

These analysis and findings are made to determine the amount of the performance bond required for the Sunnyside Coal Mine, Sunnyside Coal Company (SCC), Permit ACT/007/007, in accordance with the requirements of R645-301-830.400 of the Utah coal mining rules. Evaluation of the bond amount required is necessary because the permittee has failed to meet regulatory requirements which can significantly affect the amount of performance bond required for reclamation. These deficiencies were enumerated in Division Order 94B which required the permittee to submit revised designs and plans for reclamation under the Utah Coal Regulatory Program.

In the findings section of this document, the bond amount required for the Sunnyside Coal Mine is found to be \$8,600,000.

ANALYSIS

Disturbed Area Boundary

The permittee has failed to incorporate portal highwalls and face-up areas associated with active mine openings within the disturbed and bonded permit area. The permittee has failed to include cut and fill areas associated with pads and roads currently used by mining operations. These cut and fill structures are an integral part of the roads, pads and other facilities used during mining operations. Drainages and diversions which were affected by current and previous mining operations have been excluded by the permittee from the disturbed and bonded areas in the plan. Without incorporation of these areas into the bonded and disturbed area boundaries, the permittee cannot effectively reclaim the area to meet post mining land use or approximate original contour requirements.

In a draft reclamation cost estimate submitted by Sunnyside Coal Company to the Division as Table III-24, revised 2/7/94, a summary of the disturbed areas acreages for the permit area was provided. This table indicates that the total disturbed area for the site totals 181.6 acres. An evaluation of the maps and aerial photography of the permit area shows that the disturbed area boundaries do not correspond to the areas indicated on the maps and drawings. The disturbed area boundaries on the current maps correlate only to surfaces of the pads and roads. These boundaries do not include the cut and fill areas above and below these features.

Any interpretation of the maps and drawings provided in the reclamation plan produce a wide variation in the amount of acres measured due in part to an inappropriate map scale of

1"=500' and the lack of map details on the drawings. Evaluation of the maps yielded disturbed area acres ranging from 200 to over 400 acres. Reliance on the information presented on the maps in the plan generated a moderate figure of 285 acres of total disturbed area for the purpose of cost estimation for bonding. In comparison to the 181.6 acres currently presented in the plan, this represents an increase in the disturbed area acreage of 103.4 acres.

The adjusted disturbed area acreages are shown in Table 2 - Disturbed Area Acreages. These adjusted acreages are for the purposes of cost estimation only. A more detailed delineation of these boundaries was required of SCC by Division Order 94B.

Land Use

Much of the cost estimation information provided in the plan by the permittee is based on alternate post mining land uses which would allow for the retention of certain structures and facilities including, but not limited to; offices, shops, pad areas, railroad spurs, and roads. Alternate post mining land use must be approved in accordance with the requirements of R645-301-413. Information regarding alternate post mining land use has not been received or approved by the Division. Therefore, adequate bond must be provided to reclaim the land to the pre-mining land use.

Criteria used for determining reclamation costs must take into account the possibility that if a proposed alternate land use fails to meet reclamation success standards for bond release, the site can be reclaimed to the pre-mining land use. The reclamation bond amount is the cost required to return the land to the original pre-mining land use following the cessation of mining operations. Any reductions based on an alternate land use which would effectively reduce the bond amount can not be allowed until such time as the area meets all other regulatory requirements for bond release. Bonding costs are therefore based on the costs for removal of structures and facilities and reconfiguration of the land to its pre-mining land use.

Currently, the plan lacks any specificity to allow the Division to approve any alternate post mining land uses.¹ A detailed reclamation plan does not exist which would show costs

¹Land use and facilities including utility corridors, right-of-ways, and facilities must be adequately described in the plan. The description must explain the constraints regarding those areas especially in regard to their affect on reclamation requirements and demonstrate that such use constitutes a higher and better land use than the pre mining land use. Alternate post mining land use is subject to a significant revision of the permit, public notice, and written approval by the landowner accepting the alternate post mining land use.

or cost savings from retention of any post mining structures or facilities. Therefore, no consideration has been given to such facilities in this estimate for the required bond amount.

Demolition and Removal

Costs for demolition and removal are found in Table 3 - Demolition and Removal of Facilities. The quantity and type of work described in this table relies on information provided by the permittee. The unit costs are derived from Means Cost Data, 1994.²

A summary sheet in Table 3, entitled Summary of Demolition Cost Using Off-Site Disposal, shows cost considerations involving demolition and removal where all foundations, footings, and demolition materials would be removed and all demolition materials would be disposed of off-site. The total cost for demolition and removal based on off-site disposal was found to be \$4,077,576.

A second summary sheet in Table 3, entitled Summary of Demolition Cost Using On-Site Disposal and Burial, is also included to show cost savings that might be achieved if a specific reclamation plan were provided to address the final location and disposition of all foundations and demolition material. A significant reduction in the overall demolition cost is primarily due to the reduction of dump charges being reduced from \$37.00 per cubic yard for disposal off-site to a landfill to \$6.20 for burial of the materials on-site. A second possibility in lowering the demolition and removal cost is allowing 50% of the concrete footers and foundations to be buried in-place during backfilling operations reducing those costs by half. These two factors if proved feasible, reduce the overall demolition cost to \$2,180,308. Although the plan has not detailed the extent to which in-place abandonment and burial of foundations and footers will occur, such considerations are reasonable in determination of the bond amount required.

While salvage values for materials and equipment is normally not part of the evaluation of reclamation costs for the determining the bonding amount, salvage values for the demolition and removal of these structures were evaluated and are included in the Summary of Demolition Cost for On-Site Disposal and Burial. Salvage value was based on 25% of the demolition cost for all structures of varying composition as noted in the cost summary. While certain structures and facilities may have a higher individual salvage value, similarly lower values would apply to concrete and masonry structures. The total amount of salvage value derived from the demolition cost was found to be \$311,564. This amount however, cannot be incorporated as a reduction in the bond amount required for several

²Means Heavy Construction Cost Data, 1994, 8th Annual Edition, R.S. Means Company, Inc., Kingston, MA.

reasons including variations in fair market value for salvaged materials, program requirements which do not allow property and assets directly pertaining to mining and related activities to be posted as collateral for bonding, and liens or other claims attaching to equipment or materials which may be senior to any claims by the Division for their salvage value.

Costs used in determination of the bond amount will exclude any salvage value, but do allow for on-site disposal and burial of foundations in-place where practical. Therefore, the bond requirement for demolition is \$2,180,308 as shown in Table 3, Summary of Demolition Cost Using On-Site Disposal and Burial.

Mine Openings

A total of 42 mine openings exist within the permit area, 33 portals and 9 shafts. Some of these mine openings have been sealed to meet MSHA requirements, but have not been closed to meet requirements for permanent reclamation under the Coal Regulatory Program.³ For the purposes of the bond amount required, the cost of sealing and reclaiming all mine openings is used since no bond release for any of these mine openings has occurred.

Although the work required for each mine opening varies and specific designs for each mine opening needs to be developed, the following is assumed only for the purposes of this cost estimate. All portals are to be closed by backfilling at a unit cost of \$3,000 each. Shafts are found in primarily two different diameters, 16 feet and 7-8 feet in diameter. Shaft closure methods proposed in the current plan call for capping the shafts with a 6" concrete pad, which meets MSHA requirements but does not provide for a permanent type of closure method for final reclamation. Backfilling of these shafts, because of their depth, is considered impractical in that they average 1,600 feet in depth. A suitable closure method for these shafts requires the construction of a reinforced concrete bulkhead capable of sealing the mine opening and supporting backfilled material over the shaft during reclamation backfilling and grading. Construction of the reinforced concrete bulkheads for the shafts has been estimated at \$6,000 each for the 7-8' diameter shafts and \$12,750 each for the 16' diameter shafts.

A summary of the total cost estimate for sealing mine openings is found in Table 4 -

³SCC has ceased ventilation and dewatering of the mine workings. Incomplete and inadequate sealing of the mine openings at this time poses an imminent danger by allowing access into the mine openings. All openings should be at least temporarily closed as soon as possible to at least meet MSHA's requirements to minimize the hazards associated with access into the mine. Designs for reclamation in permanent closure of all mine openings is deficient in the current mining and reclamation plan and is a priority concern.

Closure of Mine Openings. The total cost for closure of the 42 mine openings is estimated at \$103,250.

Earthwork

Backfilling and grading plans for reclamation of the surface facilities and operations are inadequate for the following reasons. (Refer also to Division Order 94B) Contour information on the drawings does not clearly show the location and the extent of the current mining operations and provides no detail with regard to the design detail for reclamation. No cross sections have been prepared by the permittee to show that slopes will be regraded to approximate the original pre-mining surface configuration. All of these are minimum requirements as required under R645-301.521 of the state coal rules. Detailed design information including maps, cross sections and mass balance calculations have not been provided to show that suitable reclamation of the surface operations can be accomplished.

Consequently, there are no detailed earthwork calculations available for evaluation by the Division. Cost estimation for earthwork can only be based on a more generalized, unit cost estimate. The failure of the permittee to accurately delineate the disturbed area boundary also affects the ability of the Division to determine the extent to which reclamation treatments, including backfilling and grading can be accomplished with reasonably available spoil materials.

This information is important because the site consists primarily of pre-SMCRA disturbances where no topsoil materials were salvaged for redistribution. The costs used in determining the bond amount consider the use of existing materials within the disturbed area as substitute topsoil materials. No imported soil materials are factored into the cost estimation. Coal mine waste and refuse materials within the permit area can be incorporated into the fills for highwall elimination and other large fill areas or hauled to the refuse disposal facilities jointly permitted by Sunnyside Coal Company and Sunnyside Cogeneration Associates. Adequate cover materials are believed to exist within the Sunnyside Cogeneration for use as a permanent refuse disposal facility by the permittee although it is no longer controlled by the permittee. No additional borrow areas are likely to be required for the Sunnyside Coal Company operations because all permanent refuse disposal facilities occur within the permit area owned and controlled by Sunnyside Cogeneration Associates.

The cost of backfilling and grading is based on unit cost calculations which are summarized in Table 5 - Reclamation Costs for Backfilling and Grading. The unit costs used for Backfilling and Regrading is based on an average regrading depth of 3 feet and a unit cost of \$2.55 per cubic yard. The unit cost of \$2.55 per cubic yard is an averaged cost for excavation, haulage, dumping, spreading and compaction of materials throughout the site. Normally the cost for backfilling and grading is based on mass balance calculations,

equipment selection, and productivity calculations in order to determined earthmoving costs. Due to the lack of any of this information in the plan, a more general unit cost is required. For the estimated 285 acres of disturbed area, the calculations yielded 1,379,400 cubic yards of backfilling at a cost of approximately \$3,517,000.

Channel Reconstruction and Sediment Control

The plan indicates that no diversion structures are currently planned. Further, no plans requirements to re-establish the drainage areas affected by surface operations are found within the text of the plan.

Grassy Trail Creek has been channelized throughout most of the area affected by mining. Numerous operational disturbed area and undisturbed area diversions exist within the permit area which have altered natural drainage patterns. The permittee's failure to provide a comprehensive reclamation plan with designs and maps to show that drainage areas and permanent diversions are re-established as required by the rules is a subject of Division Order 94B.

For the purpose of determining the bond amount for the restoration of perennial stream channels such as Grassy Trail Creek and for ephemeral/intermittent channel reconstruction, it has been assumed that the elimination of operational diversions and channels which are no longer be needed during reclamation are included in the costs for general backfilling and grading. The cost for perennial stream channel reconstruction is estimated at \$95 per lineal foot and for ephemeral/intermittent channel reconstruction at \$45 per lineal foot. These costs are associated with the cost of channel reconstruction itself and not with the cost for general grading and earthwork required for re-establishment of the drainage systems.

Sediment control structures are required during phased reclamation activity and involve construction of temporary sediment ponds, diversions and other sediment control structures to maintain adequate sediment control until such time as vegetative growth is established for erosion protection. The plan lacks designs and timing for the installation and removal of such sediment control facilities. In lieu of such designs, a unit cost per acre has been developed for the site for determination of the bond amount. This unit cost for sediment control has been estimated at \$350 per acre.

A summary of the cost estimates for channel construction and sediment control is found in Table 6 - Channel Reconstruction and Sediment Control Costs. The total amount estimated for this reclamation work is \$580,500.

Revegetation Costs

The cost of revegetation is determined on a per acre basis. Specific treatments and costs associated with seedbed preparation, soil amendments, seed mixture, mulch, and application of seed and mulch are normally used to determine the reclamation costs associated with revegetation. The cost of revegetation is also be dependent on the amount and type of other reclamation work involved on the site as well as the intended post mining land use. However, due to the lack of specific reclamation designs and treatments necessary to determine these costs, a per unit cost of \$500 per acre is adopted by the Division. A summary of the revegetation cost associated with the Sunnyside Mine is presented in Table 7 - Revegetation Costs. A total of \$142,500 has been estimated for the cost of revegetation.

Other Costs Used for Determination of the Bond Amount

In addition to the specific areas of reclamation described above, several other costs are associated with the determination of the bond amount. These costs include costs of administration, design and engineering, maintenance and monitoring, and escalation of the bond amount. The Division has derived these costs from other performance bonds in Utah and actual reclamation experience. These cost factors have been incorporated into Table 1 - Summary of Reclamation Costs.

Administrative, design and engineering costs are those costs which would be required to develop specific engineering plans and specification for bidding and construction as well as those costs required to inspect and manage the site administratively throughout reclamation construction. For the purposes of this bond estimate the administrative, design and engineering costs are set at 6% of the reclamation costs.

Maintenance and monitoring costs are costs necessary to maintain and monitor the site to meet and demonstrate compliance with the performance standards required for reclamation and for reclamation success. These costs include surface water monitoring, vegetation monitoring, repairs and additional treatments which may be necessary to meet reclamation success throughout the ten-year bond liability period. For the purposes of this cost estimate, maintenance and monitoring costs are set at 6% of the reclamation costs.

Contingency costs are generally based on the reliability of the design information, the cost estimate provided by the operator and additional not factored into other areas of reclamation. Based on the amount of information provided in the approved reclamation plan, a contingency factor of 50% is justified. However, cost estimates set forth in this document have, to some extent, already anticipated these contingencies. Nonetheless, the lack of specificity in the reclamation plan warrants a substantial contingency factor. For the purposes of this cost estimate, the contingency factor is set at 10% of the reclamation costs.

Means Cost Data information is the basis for determining the escalation factor used by

the Division for all coal bonds. For 1994, this escalation factor has been determined to be 2.01% per year. Bonds are escalated to allow for future costs which may be incurred over the permit term. Accordingly, bonds are normally escalated for a 5-year period to ensure adequate bond over the permit term. A memo showing the escalation factor has been attached to this document following the above referenced tables. Calculations used for projecting the escalation factor require compounding the amount at the escalation rate for four years only since the cost estimate allows for the cost in 1994 dollars.

Summary of Reclamation Costs

A summary of the reclamation costs used in determining the bond amount for the Sunnyside Coal Mine are provided in Table 1 - Summary of Reclamation Costs. Demolition and removal costs, closure of mine openings, backfilling and grading, channel reconstruction and sediment control, and revegetation costs constitute the reclamation costs for these specific reclamation treatments. The subtotal of the cost is \$6,524,028. In addition to these direct costs for reclamation other costs including administrative, design and engineering, maintenance and monitoring and contingency costs, which increase the amount required for the performance bond by an additional \$1,435,286. Escalation of the bond amount for the 5-year period associated with the permit term contributes an additional \$659,483 to the bond amount. The total bond amount required is rounded to the nearest \$100,000, and is \$8,600,000.

Other Cost Estimate Information

In addition to the Division's analysis and estimate of the bond amount, OSM has also conducted an evaluation of the bond amount required based on information collected by OSM and an evaluation of draft cost information provided in that analysis. A summary of this information can be found as an attachment following this analysis as a Memorandum from Karen F. Jass, Mining Engineer, OSM dated September 14, 1994. The consensus of both regulatory authorities is that a bond in the amount of \$8,600,000 is required.

The variation in the conditions and assumptions regarding the site work required due to the lack of specificity in the plan produced a wide range of possible bond calculations by both the Division and OSM ranging from \$4.8 to \$28.4 million. The most significant costs associated involved the possibility of the removal of contaminated soils and PCB transformers which varied from \$80,000 to \$5,000,000. Additionally, backfilling and grading costs involving the source of the materials to be used for backfilling and grading and topsoil caused the cost estimates to range from \$300,000 to over \$9,000,000 for regrading costs. This type of cost fluctuation can be expected due to the lack of information presented in the plan regarding reclamation designs. Without clear and specific designs demonstrating compliance with the coal program, a definitive cost estimate for actual reclamation cannot be readily

determined.

Determination of Bond Amount Required

Based on the estimate presented in these analysis, the bond amount is set at \$8,600,000. Although this amount is not the highest amount which may be justified, it does demonstrate a reasonable amount required for bonding. This bond amount could change if the permittee submitted a detailed and approvable reclamation plan with appropriate designs and cost information.

Bond Amount Required in Comparison to Actual Reclamation Costs

The determination of the bond amount required by the Division is not intended to be a prediction of the amount a permittee will spend to perform reclamation. Rather it is a determination the regulatory authority is required to make, which predicts what the state would spend if it was required to perform reclamation. While experience has shown that the amount of the performance bond is predictive of the magnitude of the reclamation obligation, in this case, it may understate the permittee's actual costs. This is true, because the state's reclamation costs under bond forfeiture do not reflect the more rigorous performance standards that a non-defaulting permittee is required to incur.

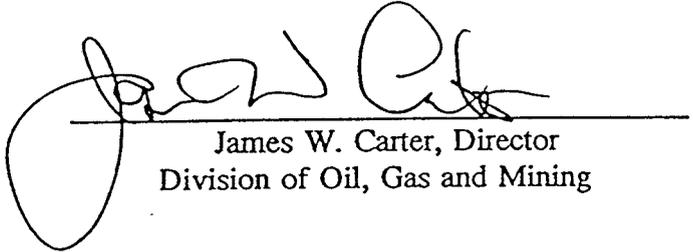
FINDINGS

The minimum bond amount required for the Sunnyside Coal Company is \$8,600,000. This bond amount is required to be posted by Sunnyside Coal Company. R645-301-830.400.

ORDER

Sunnyside Coal Company is in non-compliance with the Utah State Coal Program. As found at R645-301-830.400. In order to comply with the requirements of this section, Sunnyside Coal Company must provide a performance bond in the total amount of \$8.6 million.

Ordered this 22nd day of September, 1994, by the Division of Oil, Gas,
and Mining.



James W. Carter, Director
Division of Oil, Gas and Mining



United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, Colorado 80202-5733

SEP 19

DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:

September 14, 1994

TO: Randy Harden, Senior Reclamation Engineer
Utah Division of Oil, Gas and Mining

From: Karen F. Jass, Mining Engineer
Engineering Support Section

Through: Michael Rosenthal, Chief
Physical Sciences Branch 

Subject: Proposed Cost Estimate for Reclamation of Sunnyside
Coal Company, Sunnyside, Utah.

The recommended OSM estimate for the reclamation of the Sunnyside Coal Company is \$8,600,000.

As discussed during phone conversations with you, this estimate does not include the cost for removal of highly contaminated (PCB) soils. This estimate does assume all replacement soil material is available within the permit boundaries, and that 50% of foundations, demolished material, and footers are hauled to an on-site disposal area. These three costs are reasonable assumptions for most demolition operations, and the costs reflect the minimization of moving the materials.

Using the DOGM estimate as a base, I added a figure of \$139,029 for demolition and disposal of facilities shown on the map, but not addressed in the SCC or DOGM cost estimates. In addition, my estimate for engineering, design, and administration costs was \$362,400, replacing the DOGM figure of \$320,111. Using the DOG procedure for calculation of future costs (2.01%) the total estimate was \$8,565,233, or rounded to \$8,600,000.

If I can be of further assistance or if I can answer any questions, please contact me at (303) 672-5561.

DIRECT COSTS

Demolition/Removal of Facilities

\$	2,058,476	(DOG)
\$	<u>139,029</u>	(additional costs from map)
\$	2,197,505	Total

Closure of Mine Openings

\$	103,250	(DOGM)
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Backfilling and Grading (average 3 feet of material)

\$	3,517,470	(DOGM)
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Channel Reconstruction and Sediment Control

\$	580,500	(DOGM)
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Revegetation (285 AC at \$500/AC)

\$	142,500	(DOGM)
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TOTAL DIRECT COSTS \$ 6,541,225

INDIRECT COSTS

Administrative/Design/Engineering

\$	362,400	
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Maintenance/Monitoring (3%)

\$	196,237	(DOGM)
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Contingency (10%)

\$	654,123	(DOGM)
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TOTAL INDIRECT COSTS \$ 1,212,760

TOTAL DIRECT AND INDIRECT COSTS \$ 7,753,985

Escalation @ 2.01 over 4 years \$ 811,238

Overall Bond Estimate \$ 8,565,223

Assumptions for Engineering/Design/Administration Cost Estimate

1 Engineer X 40 hours/week X 24 weeks (6 months) X \$150/hour =
\$ 144,000

Surveying Crew - Initial

3 person crew X 40 hours/week X 4 weeks X \$40/hour =
\$ 19,200

Site Visit by Engineer

1 Engineer X 1 day/week X 4 weeks/month X 30 months X \$150/hour X
10 hours/day =
\$ 180,000

Surveying Crew - Final

3 person crew X 40 hours/week X 4 weeks X \$40/hour =
\$ 19,200

Total	Assumed	Cost	\$ 362,400
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TABLE 1 - SUMMARY OF RECLAMATION COSTS

This summary of reclamation costs for determination of the bond amount are based on those assumptions found in Tables 2 through 7 and as further explained in the analysis and findings.

TABLE	DESCRIPTION	SUBTOTALS	BOND AMOUNT REQUIRED Until detail is provided for reclamation design
2	Disturbed Area Acreage	285.0	
3	Demolition and Removal of Facilities		
	Off-Site Disposal	\$3,805,165	
	On-Site Disposal and Burial	\$2,180,308	\$2,180,308
	Salvage Value	(\$311,564)	
4	Closure of Mine Openings	\$103,250	\$103,250
5	Backfilling and Grading	\$3,517,470	\$3,517,470
6	Channel Reconstruction and Sediment Control	\$580,500	\$580,500
7	Revegetation	\$142,500	\$142,500
	Subtotal Reclamation Costs		\$6,524,028
	Other Costs		
	Administrative, Design and Engineering @ 6%		\$391,442
	Maintenance and Monitoring @ 6%		\$391,442
	Contingency @ 10%		\$652,403
	Subtotal Other Costs		\$1,435,286
	Subtotal Escalation @ 2.01% per yr for 4 yrs		\$659,483
	Total Bond Amount Required (rounded to the nearest \$100,000)		\$8,600,000

TABLE 2 - DISTURBED AREA ACREAGES

AREA	DESCRIPTION	ACRES	ADJUSTED ACRES
1	Surface Facilities Area	65.0	90.0
	Railroad Right-of-Way (Permanent)	4.5	5.0
	Permanent Road to No. 2 Canyon	2.8	9.0
	Subtotal	72.3	104.0
2	Fan Canyon - No. 2 Mine Fan Pad	1.3	3.0
	Fan Canyon Road	2.0	6.0
	Subtotal	3.3	9.0
3	Whitmore Fan Shaft Area	6.3	8.0
	Whitmore Return Shaft Area	0.9	2.0
	Subtotal	7.2	10.0
4	No. 2 Canyon Yard	6.4	13.0
	Permanent No. 2 Canyon Road	6.2	15.0
	No. 2 Canyon Fan Pad & Access Road	1.5	5.0
	Subtotal	14.1	33.0
5	Water Canyon Portals - No. 2 Mine	2.2	4.0
	Water Canyon Refuse Area	3.7	4.0
	Water Canyon Road	5.4	15.0
	Subtotal	11.3	23.0
6	Manshaft Substation Area	5.7	6.0
	Twinshaft Mine-Water Pond	3.5	4.0
	Permanent West Ridge Road	1.3	4.0
	Whitmore Canyon County Road	1.1	2.0
	Reclamation Test Plot	0.1	1.0
	Subtotal	11.7	17.0

TABLE 2 - DISTURBED AREA ACREAGES

AREA	DESCRIPTION	ACRES	ADJUSTED ACRES
7	Rail Loop Area Plate III-2	12.6	23.0
	Plate III - 23	12.6	13.0
	Railroad Right-of-Way (Permanent)	1.1	2.0
	Subtotal	26.3	38.0
8	Outcrop Fan Road	6.4	10.0
	Outcrop Power Line Corridor	8.4	10.0
	Outcrop Fan Pad - No. 1 Mine	2.0	3.0
	Subtotal	16.8	23.0
9	Pole Canyon Shaft Pad & Access Road	1.3	5.0
	Permanent Pole Canyon Road	1.8	6.0
	002B Mine-Water Pond	2.6	3.0
	Manshaft - Twinshaft	12.9	14.0
	Subtotal	18.6	28.0
	TOTALS	181.6	285.0

Acres provided in this table correspond to draft information regarding boning costs by Sunnyside Coal Company as Table III-24, revised 2/7/94. Adjusted acres shown in the table represent an estimated total disturbed area which incorporates additional areas into the disturbed area to offset discrepancies in the maps and plan information provided by SCC. These adjusted acres are for the purposes of cost estimation only until such time the SCC can provide detailed maps and cost information.

TABLE 3 - DEMOLITION AND REMOVAL OF FACILITIES

DESCRIPTION	MATERIALS	UNIT COST	UNIT	QUANTITY	UNIT	TOTAL	COMMENT
Main Changehouse							
Structure	Mixture of type, average	\$0.21	CF	285,775	CF		
Dump Charge	Demolition Materials	\$37.00	CY	3,704	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	12,425	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	299	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	492	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	107	CY		
Training Building							
Structure	Mixture of type, average	\$0.21	CF	75,480	CF		
Dump Charge	Demolition Materials	\$37.00	CY	978	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	4,440	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	107	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	314	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	68	CY		
Shop							
Structure	Mixture of type, average	\$0.21	CF	762,348	CF		
Dump Charge	Demolition Materials	\$37.00	CY	9,882	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	20,604	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	496	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	608	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	132	CY		
Warehouse Annex							
Structure	Mixture of type, average	\$0.21	CF	82,620	CF		
Dump Charge	Demolition Materials	\$37.00	CY	1,071	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	6,120	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	147	CY		
Footer Demo.	1.5'x3'	\$15.90	LF	468	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	101	CY		

TABLE 3 - DEMOLITION AND REMOVAL OF FACILITIES

DESCRIPTION	MATERIALS	UNIT COST	UNIT	QUANTITY	UNIT	TOTAL	COMMENT
Rotary Car Dump							
Structure	Concrete	\$0.29	CF	720	CF		
Dump Charge	Demolition Materials	\$37.00	CY	9	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	100	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	2	CY		
Footer Demo.	2'x3'	\$18.10	LF	40	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	9	CY		
Prep Plant Office							
Structure	Masonry	\$0.21	CF	2,848	CF		
Dump Charge	Demolition Materials	\$37.00	CY	37	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	320	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	8	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	72	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	16	CY		
Prep Plant Belt MCC Bldg							
Structure	Masonry	\$0.21	CF	3,658	CF		
Dump Charge	Demolition Materials	\$37.00	CY	47	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	389	SF		
Foundation Disp.	Ad' for disposal, on site	\$6.20	CY	9	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	79	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	17	CY		
Material Foreman's Office							
Structure	Masonry	\$0.21	CF	2,592	CF		
Dump Charge	Demolition Materials	\$37.00	CY	34	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	320	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	8	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	72	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	16	CY		

TABLE 3 - DEMOLITION AND REMOVAL OF FACILITIES

DESCRIPTION	MATERIALS	UNIT COST	UNIT	QUANTITY	UNIT	TOTAL	COMMENT
Hoist House No.3 Mine							
Structure	Concrete	\$0.29	CF	38,016	CF		
Dump Charge	Demolition Materials	\$37.00	CY	493	CY		
Foundation Demo.	Mesh reinforcing	\$96.00	CY	117	CY		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	152	CY		
Footer Demo.	2'x3'	\$18.10	LF	194	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	42	CY		
No.3 Slope Ramp Walls							
Wall Demo	8" thick	\$1.70	SF	1,050	SF		
Wall Disp.	Add for disposal, on site	\$6.20	CY	51	CY		
Manshaft Bathhouse							
Structure	Mixture of type, average	\$0.21	CF	60,800	CF		
Dump Charge	Demolition Materials	\$37.00	CY	788	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	4,000	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	96	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	280	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	61	CY		
Manshaft Bathhouse							
Structure	Masonry	\$0.21	CF	7,387	CF		
Dump Charge	Demolition Materials	\$37.00	CY	96	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	648	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	16	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	102	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	22	CY		
Headframe Manshaft							
Structure	Mixture of type, average	\$0.21	CF	7,200	CF		
Dump Charge	Demolition Materials	\$37.00	CY	93	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	180	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	4	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	54	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	12	CY		

TABLE 3 - DEMOLITION AND REMOVAL OF FACILITIES

DESCRIPTION	MATERIALS	UNIT COST	UNIT	QUANTITY	UNIT	TOTAL	COMMENT
Bulk Rock Dust Tank							
Structure	Mixture of type, average	\$0.21	CF	1,507	CF		
Dump Charge	Demolition Materials	\$37.00	CY	20	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	64	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	2	CY		
Footer Demo.	1.5'x3'	\$15.90	LF	32	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	7	CY		
No 3 Mine Milk Building							
Structure	Mixture of type, average	\$0.21	CF	3,465	CF		
Dump Charge	Demolition Materials	\$37.00	CY	45	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	398	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	10	CY		
Footer Demo.	2'x3'	\$18.10	LF	80	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	17	CY		
Garage @ Mouth No. 2 Cyn							
Structure	Mixture of type, average	\$0.21	CF	6,048	CF		
Dump Charge	Demolition Materials	\$37.00	CY	78	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	672	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	16	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	104	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	23	CY		
No. 2 Canyon Trestle Bldg.							
Structure	Concrete	\$0.29	CF	4,453	CF		
Dump Charge	Demolition Materials	\$37.00	CY	58	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	405	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	10	CY		
Footer Demo.	1.5'x3'	\$15.90	LF	83	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	18	CY		

TABLE 3 - DEMOLITION AND REMOVAL OF FACILITIES

DESCRIPTION	MATERIALS	UNIT COST	UNIT	QUANTITY	UNIT	TOTAL	COMMENT
No.2 Canyon Repair Shop							
Structure	Mixture of type, average	\$0.21	CF	1,762	CF		
Dump Charge	Demolition Materials	\$37.00	CY	23	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	198	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	5	CY		
Footer Demo.	1.5'x3'	\$15.90	LF	57	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	12	CY		
No. 2 Canyon Material Shed							
Structure	Mixture of type, average	\$0.21	CF	22,698	CF		
Dump Charge	Demolition Materials	\$37.00	CY	294	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	2,522	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	61	CY		
Footer Demo.	1.5'x3'	\$15.90	LF	299	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	65	CY		
Manshaft Milk Building							
Structure	Mixture of type, average	\$0.21	CF	2,394	CF		
Dump Charge	Demolition Materials	\$37.00	CY	31	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	252	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	6	CY		
Footer Demo.	1.5'x3'	\$15.90	LF	64	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	14	CY		
Substation, Outcrop							
Structure	Mixture of type, average	\$0.21	CF	50,000	CF		
Dump Charge	Demolition Materials	\$37.00	CY	648	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	2,500	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	60	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	200	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	43	CY		
Transformer	750 KVA	\$735.00	EA	1	EA		

TABLE 3 - DEMOLITION AND REMOVAL OF FACILITIES

DESCRIPTION	MATERIALS	UNIT COST	UNIT	QUANTITY	UNIT	TOTAL	COMMENT
Substation, Hillside							
Structure	Mixture of type, average	\$0.21	CF	50,000	CF		
Dump Charge	Demolition Materials	\$37.00	CY	648	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	2,500	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	60	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	200	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	43	CY		
Transformer	750 KVA	\$735.00	EA	1	EA		
Substation, Roadside							
Structure	Mixture of type, average	\$0.21	CF	50,000	CF		
Dump Charge	Demolition Materials	\$37.00	CY	648	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	2,500	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	60	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	200	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	43	CY		
Transformer	750 KVA	\$735.00	EA	1	EA		
Substation, Whitmore fan							
Structure	Mixture of type, average	\$0.21	CF	50,000	CF		
Dump Charge	Demolition Materials	\$37.00	CY	648	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	2,500	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	60	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	200	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	43	CY		
Transformer	750 KVA	\$735.00	EA	1	EA		
Substation, Manshaft							
Structure	Mixture of type, average	\$0.21	CF	50,000	CF		
Dump Charge	Demolition Materials	\$37.00	CY	648	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	2,500	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	60	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	200	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	43	CY		
Transformer	750 KVA	\$735.00	EA	1	EA		

TABLE 3 - DEMOLITION AND REMOVAL OF FACILITIES

DESCRIPTION	MATERIALS	UNIT COST	UNIT	QUANTITY	UNIT	TOTAL	COMMENT
Fan, Shop Fan							
Structure	Mixture of type, average	\$0.21	CF	18,000	CF		
Dump Charge	Demolition Materials	\$37.00	CY	233	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	1,500	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	36	CY		
Footer Demo.	1.5'x3'	\$15.90	LF	170	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	37	CY		
Fan, No. 2 Cyn Air Shaft	Removed 1993						
Fan, Outcrop							
Structure	Mixture of type, average	\$0.21	CF	18,000	CF		
Duip Charge	Demolition Materials	\$37.00	CY	233	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	1,500	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	36	CY		
Footer Demo.	1.5'x3'	\$15.90	LF	170	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	37	CY		
Fan, Whitmore Cyn							
Structure	Mixture of type, average	\$0.21	CF	18,000	CF		
Dump Charge	Demolition Materials	\$37.00	CY	233	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	1,500	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	36	CY		
Footer Demo.	1.5'x3'	\$15.90	LF	170	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	37	CY		
Fan, Twin Shafts							
Structure	Mixture of type, average	\$0.21	CF	18,000	CF		
Dump Charge	Demolition Materials	\$37.00	CY	233	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	1,500	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	36	CY		
Footer Demo.	1.5'x3'	\$15.90	LF	170	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	37	CY		

TABLE 3 - DEMOLITION AND REMOVAL OF FACILITIES

DESCRIPTION	MATERIALS	UNIT COST	UNIT	QUANTITY	UNIT	TOTAL	COMMENT
Power Magazine							
Structure	Concrete	\$0.29	CF	960	CF		
Dump Charge	Demolition Materials	\$37.00	CY	12	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	120	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	3	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	44	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	10	CY		
Detonator Caps Magazine							
Structure	Concrete	\$0.29	CF	960	CF		
Dump Charge	Demolition Materials	\$37.00	CY	12	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	120	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	3	CY		
Footer Demo.	1.5'x2'	\$12.70	LF	44	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	10	CY		
Mine Water Tank (015)							
Structure	Mixture of type, average	\$0.21	CF	69,237	CF		
Dump Charge	Demolition Materials	\$37.00	CY	898	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	3,847	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	93	CY		
Footer Demo.	2'x3'	\$18.10	LF	140	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	30	CY		
Mine Water Tank (015)							
Structure	Mixture of type, average	\$0.21	CF	69,237	CF		
Dump Charge	Demolition Materials	\$37.00	CY	898	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	3,847	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	93	CY		
Footer Demo.	2'x3'	\$18.10	LF	140	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	30	CY		

TABLE 3 - DEMOLITION AND REMOVAL OF FACILITIES

DESCRIPTION	MATERIALS	UNIT COST	UNIT	QUANTITY	UNIT	TOTAL	COMMENT
Other Facilities Show on Maps But Not Found in Estimate by Permittee							
No. 3 Slope Belt Building							
Structure	Mixture of type, average	\$0.21	CF	13,500	CF		
Dump Charge	Demolition Materials	\$37.00	CY	500	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	1,200	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	600	CY		
Footer Demo.	2'x3'	\$18.10	LF	150	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	16	CY		
Wood Retaining Walls, No. 2 Canyon							
Structure	Mixture of type, average	\$0.21	CF	5,860	CF		
Dump Charge	Demolition Materials	\$37.00	CY	217	CY		
Boiler Foundation							
Foundation Demo.	Mesh reinforcing	\$96.00	CY	28	CY		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	28	CY		
Footer Demo.	2'x3'	\$18.10	LF	90	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	10	CY		
Diesel Fuel Storage Tanks							
Structure	Mixture of type, average	\$0.21	CF	4,000	CF		
Dump Charge	Demolition Materials	\$37.00	CY	4	CY		
Footer Demo.	2'x3'	\$18.10	LF	160	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	16	CY		
Bridge, No. 2 Canyon							
Structure	Mixture of type, average	\$0.21	CF	2,000	CF		
Dump Charge	Demolition Materials	\$37.00	CY	74	CY		
Underground Railroad Tunnel at Loadout							
Structure	Mixture of type, average	\$0.21	CF	11,340	CF		
Dump Charge	Demolition Materials	\$37.00	CY	420	CY		
Footer Demo.	2'x3'	\$18.10	LF	500	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	122	CY		

TABLE 3 - DEMOLITION AND REMOVAL OF FACILITIES

DESCRIPTION	MATERIALS	UNIT COST	UNIT	QUANTITY	UNIT	TOTAL	COMMENT
Thickener 120' dia.							
Footer Demo.	2'x3'	\$18.10	LF	378	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	70	CY		
Fence Removal							
Chain Link Bence	Removal	\$0.71	LF	2,181	LF		
Barbed Wire Fence	Removal	\$1.55	LF	471	LF		
Guard Rails - Road							
Guard Rails	Dismantle	\$3.58	LF	3,800	LF		
Dump Charge	Demolition Materials	\$37.00	CY	500	CY		
Bridge Engineering Building							
Structure	Mixture of type, average	\$0.21	CF	14,400	CF		
Dump Charge	Demolition Materials	\$37.00	CY	533	CY		
Footer Demo.	2'x3'	\$18.10	LF	60	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	14	CY		
Mantrip Underpass & Rockslope Tunnel No. 1							
Structure	Mixture of type, average	\$0.21	CF	111	CF		
Dump Charge	Demolition Materials	\$37.00	CY	4	CY		
Footer Demo.	2'x3'	\$18.10	LF	80	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	8	CY		
Shop Fan							
Structure	Mixture of type, average	\$0.21	CF	4,000	CF		
Dump Charge	Demolition Materials	\$37.00	CY	296	CY		
Foundation Demo.	6" thick reinforced	\$4.64	SF	2,500	SF		
Foundation Disp.	Add for disposal, on site	\$6.20	CY	8	CY		
Footer Demo.	2'x3'	\$18.10	LF	200	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	12	CY		
Concrete Retaining Wall - Bathhouse							
Wall Demo	8" thick	\$1.70	SF	2,400	SF		
Wall Disp.	Add for disposal, on site	\$6.20	CY	64	CY		
Footer Demo.	2'x3'	\$18.10	LF	300	LF		
Footer Disp.	Add for disposal, on site	\$6.20	CY	34	CY		

TABLE 3 - DEMOLITION AND REMOVAL OF FACILITIES

DESCRIPTION	MATERIALS	UNIT COST	UNIT	QUANTITY	UNIT	TOTAL	COMMENT
SUMMARY OF DEMOLITION COST USING OFF-SITE DISPOSAL							
General Cleanup	General Cleanup	\$1,000.00	AC	285	AC	\$285,000	
PCB Removal	Oil Disposal	\$7.50	GL	2,500	GL	\$18,750	
Oil Contaminated Soils	Soil Disposal	\$45.00	CY	1,700	CY	\$76,500	
Remove Poles	Pole	\$100.00	EA	88	EA	\$8,800	
Remove Pipelines	Remove Pipe	\$1.87	LF	7,700	LF	\$14,399	
Remove Pavement	Pavement removal, bituminous, 3" thick	\$3.90	SY	11,400	SY	\$44,460	
Disp. of Pavement	Add for disposal, on site	\$6.20	CY	1,235	CY	\$7,657	
Track Removal	Remove ties and track	\$15.80	LF	5,400	LF	\$85,320	
Remove Ballast	Ballast	\$3.47	CY	2,400	CY	\$8,328	
Ballast Disp.	Add for disposal, on site	\$6.20	CY	2,400	CY	\$14,880	
Chain Link Fence	Removal	\$0.71	LF	2,181	LF	\$1,549	
Barbed Wire Fence	Removal	\$1.55	LF	471	LF	\$730	
Guard Rails	Dismantle	\$3.58	LF	3,800	LF	\$13,604	
Structure	Mixture of type, average	\$0.21	CF	2,295,544	CF	\$482,064	
Structure	Concrete	\$0.29	CF	1,147,735	CF	\$332,843	
Structure	Masonry	\$0.21	CF	16,485	CF	\$3,462	
Dump Charge	Demolition Materials	\$37.00	CY	46,357	CY	\$1,715,209	
Foundation Demo.	6" thick reinforced	\$4.64	SF	111,269	SF	\$516,288	
Foundation Demo.	Mesh reinforcing	\$96.00	CY	2,258	CY	\$216,768	
Foundation Disp.	Add for disposal, on site	\$6.20	CY	6,126	CY	\$37,981	
Footer Demo.	1.5'x2'	\$12.70	LF	3,653	LF	\$46,393	
Footer Demo.	1.5'x3'	\$15.90	LF	2,485	LF	\$39,512	
Footer Demo.	2'x3'	\$18.10	LF	3,842	LF	\$69,540	
Footer Disp.	Add for disposal, on site	\$6.20	CY	2,010	CY	\$12,462	
Wall Demo	8" thick	\$1.70	SF	3,450	SF	\$5,865	
Wall Disp.	Add for disposal, on site	\$6.20	CY	115	CY	\$713	
Conveyer	Conveyor Removal	\$15.04	LF	1,230	LF	\$18,499	
TOTAL - WORST CASE SCENARIO FOR DEMOLITION AND REMOVAL						\$4,077,576	

TABLE 3 - DEMOLITION AND REMOVAL OF FACILITIES

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DESCRIPTION	MATERIALS	UNIT COST	UNIT	QUANTITY	UNIT	TOTAL	COMMENT
SUMMARY OF DEMOLITION COST USING ON-SITE DISPOSAL AND BURIAL.							
SALVAGE VALUES (BASED ON 25% OF DEMOLITION COSTS) SHOWN IN COMMENTS							
General Cleanup	General Cleanup	\$1,000.00	AC	285	AC	\$285,000	(\$71,250)
PCB Removal	Oil Disposal	\$7.50	GL	2,500	GL	\$18,750	NO SALVAGE VALUE
Oil Contaminated Soils	Soil Disposal	\$45.00	CY	1,700	CY	\$76,500	NO SALVAGE VALUE
Remove Poles	Pole	\$100.00	EA	88	EA	\$8,800	(\$2,200)
Remove Pipelines	Remove Pipe	\$1.87	LF	7,700	LF	\$14,399	(\$3,600)
Remove Pavement	Pavement removal, bituminous, 3" thick	\$3.90	SY	11,400	SY	\$44,460	NO SALVAGE VALUE
Disp. of Pavement	Add for disposal, on site	\$6.20	CY	1,235	CY	\$7,657	NO SALVAGE VALUE
Track Removal	Remove ties and track	\$15.80	LF	5,400	LF	\$85,320	(\$21,330)
Remove Ballast	Ballast	\$3.47	CY	2,400	CY	\$8,328	NO SALVAGE VALUE
Ballast Disp.	Add for disposal, on site	\$6.20	CY	2,400	CY	\$14,880	NO SALVAGE VALUE
Chain Link Fence	Removal	\$0.71	LF	2,181	LF	\$1,549	(\$387)
Barbed Wire Fence	Removal	\$1.55	LF	471	LF	\$730	(\$183)
Guard Rails	Dismantle	\$3.58	LF	3,800	LF	\$13,604	(\$3,401)
Structure	Mixture of type, average	\$0.21	CF	2,295,544	CF	\$482,064	(\$120,516)
Structure	Concrete	\$0.29	CF	1,147,735	CF	\$332,843	(\$83,211)
Structure	Masonry	\$0.21	CF	16,485	CF	\$3,462	(\$865)
Dump Charge	Demolition Materials	\$6.20	CY	46,357	CY	\$287,413	ON SITE DISPOSAL
Foundation Demo.	6" thick reinforced	\$4.64	SF	111,269	SF	\$258,144	50% Demolition 50% Buried in Place
Foundation Demo.	resh reinforcing	\$96.00	CY	2,258	CY	\$108,384	50% Demolition 50% Buried in Place
Foundation Disp.	Add for disposal, on site	\$6.20	CY	6,126	CY	\$18,991	50% Demolition 50% Buried in Place
Footer Demo.	1.5'x2'	\$12.70	LF	3,653	LF	\$23,197	50% Demolition 50% Buried in Place
Footer Demo.	1.5'x3'	\$15.90	LF	2,485	LF	\$19,756	50% Demolition 50% Buried in Place
Footer Demo.	2'x3'	\$18.10	LF	3,842	LF	\$34,770	50% Demolition 50% Buried in Place
Footer Disp.	Add for disposal, on site	\$6.20	CY	2,010	CY	\$6,231	50% Demolition 50% Buried in Place
Wall Demo	8" thick	\$1.70	SF	3,450	SF	\$5,865	NO SALVAGE VALUE
Wall Disp.	Add for disposal, on site	\$6.20	CY	115	CY	\$713	NO SALVAGE VALUE
Conveyer	Conveyor Removal	\$15.04	LF	1,230	LF	\$18,499	(\$4,625)
TOTALS - DEMOLITION AND ON-SITE BURIAL AND SALVAGE VALUES						\$2,180,308	(\$311,564)

TABLE 4 - CLOSURE OF MINE OPENINGS

The unit cost per mine opening assume an average cost per opening and is not specific to each individual opening for the purposes of determining bonding costs.

AREA	DESCRIPTION	MINE OPENINGS	COST PER OPENING	AMOUNT
1	Surface Facilities Area Portals	5	\$3,000	\$15,000
	16' dia shafts	1	\$12,750	\$12,750
2	Fan Canyon - No. 2 Mine Area Portals	3	\$500	\$1,500
3	Whitmore Fan Shaft Area Portals	0	\$500	\$0
	16' dia shafts	2	\$12,750	\$25,500
4	No. 2 Canyon Yard Area	3	\$500	\$1,500
	7-8' dia shafts	1	\$6,000	\$6,000
5	Water Canyon Portals - No. 2 Mine Area	8	\$500	\$4,000
6	Manshaft Substation Area	0	\$500	\$0
7	Rail Loop Area	3	\$500	\$1,500
8	Outcrop Fan Area	10	\$500	\$5,000
	7-8' dia shafts	1	\$6,000	\$6,000
9	Pole Canyon Area	1	\$500	\$500
	7-8' dia shafts	4	\$6,000	\$24,000
	TOTALS	42		\$103,250

TABLE 5 - RECLAMATION COSTS FOR BACKFILLING AND GRADING

AREA	DESCRIPTION	ACRES	BACKFILL AND REGRADING	
			YD3	AMOUNT
1	Surface Facilities Area	104.0	503,360	\$1,283,568
2	Fan Canyon - No. 2 Mine Area	9.0	43,560	\$111,078
3	Whitmore Fan Shaft Area	10.0	48,400	\$123,420
4	No. 2 Canyon Yard Area	33.0	159,720	\$407,286
5	Water Canyon Portals - No. 2 Mine Area	23.0	111,320	\$283,866
6	Manshaft Substation Area	17.0	82,280	\$209,814
7	Rail Loop Area	38.0	183,920	\$468,996
8	Outcrop Fan Area	23.0	111,320	\$283,866
9	Pole Canyon Area	28.0	135,520	\$345,576
TOTALS		285.0	1,379,400	\$3,517,470

Backfilling and regrading is based on an average regrading depth of 3.0 feet. The unit cost for regrading includes an average cost for mixed earthmoving and earthwork activities, including dozing, load-haul-dump of fill material, grading and ripping. This unit cost has been estimated at \$2.55 per cubic yard based on similar earthmoving and sitework costs. These costs do not allow for or include any costs associated with importing material from off-site. Generally, more specific equipment and productivity costs are used for earthwork calculations but due to the lack of specific and detailed reclamation designs treatments, this more generalized method has been used to evaluate costs for bonding purposes only.

TABLE 6 - CHANNEL RECONSTRUCTION AND SEDIMENT CONTROL COSTS

The unit cost per acre for sediment control includes costs for sediment pond construction and maintenance or other sediment control measures as necessary including but not limited to straw bales, silt fences and temporary surface diversion. Channel construction is for the installation of permanent surface diversion to restore drainage areas to pre-mining conditions.

AREA	DESCRIPTION	ACRES	COST PER ACRE/LF	AMOUNT
1	Surface Facilities Area	104.0	\$350	\$36,400
	Perennial Channel Reconstruction - lineal feet	3,000.0	\$95	\$285,000
	Ephemeral/Intermittent Channel Reconstruction - lineal feet	1,500.0	\$45	\$67,500
2	Fan Canyon - No. 2 Mine Area	9.0	\$350	\$3,150
	Ephemeral/Intermittent Channel Reconstruction - lineal feet	500.0	\$45	\$22,500
3	Whitmore Fan Shaft Area	10.0	\$350	\$3,500
	Ephemeral/Intermittent Channel Reconstruction - lineal feet	100.0	\$45	\$4,500
4	No. 2 Canyon Yard Area	33.0	\$350	\$11,550
	Ephemeral/Intermittent Channel Reconstruction - lineal feet	350.0	\$45	\$15,750
5	Water Canyon Portals - No. 2 Mine Area	23.0	\$350	\$8,050
	Ephemeral/Intermittent Channel Reconstruction - lineal feet	250.0	\$45	\$11,250
6	Manshaft Substation Area	17.0	\$350	\$5,950
	Ephemeral/Intermittent Channel Reconstruction - lineal feet	150.0	\$45	\$6,750
7	Rail Loop Area	38.0	\$350	\$13,300
	Ephemeral/Intermittent Channel Reconstruction - lineal feet	500.0	\$45	\$22,500
8	Outcrop Fan Area	23.0	\$350	\$8,050
	Ephemeral/Intermittent Channel Reconstruction - lineal feet	500.0	\$45	\$22,500
9	Pole Canyon Area	28.0	\$350	\$9,800
	Ephemeral/Intermittent Channel Reconstruction - lineal feet	500.0	\$45	\$22,500
	TOTALS			\$580,500

TABLE 7 - REVEGETATION COSTS

The unit cost per acre for revegetation includes topsoil preparation (not placement), soil sampling and soil amendments, seed, mulch and application.

AREA	DESCRIPTION	ACRES	COST PER ACRE	AMOUNT
1	Surface Facilities Area	104.0	\$500	\$52,000
2	Fan Canyon - No. 2 Mine Area	9.0	\$500	\$4,500
3	Whitmore Fan Shaft Area	10.0	\$500	\$5,000
4	No. 2 Canyon Yard Area	33.0	\$500	\$16,500
5	Water Canyon Portals - No. 2 Mine Area	23.0	\$500	\$11,500
6	Manshaft Substation Area	17.0	\$500	\$8,500
7	Rail Loop Area	38.0	\$500	\$19,000
8	Outcrop Fan Area	23.0	\$500	\$11,500
9	Pole Canyon Area	28.0	\$500	\$14,000
	TOTALS	285.0		\$142,500



State of Utah
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF OIL, GAS AND MINING

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April 20, 1994

TO: Reclamation Bond Estimators: Wayne Hedberg, Tony Gallegos, Travis Jones, Randy Harden, Jesse Kelley, and Wayne Western

FROM: Pamela Grubaugh-Littig, Permit Supervisor *pgl*

RE: Means Historical Cost Index - 1994 - 2.01%

Following are the index numbers and escalation factor from the Means Historical Cost Index.

YEAR	INDEX	ESCALATION (Actual)
1977	104.2	8.70%
1978	113.3	7.10%
1979	121.4	8.6%
1980	131.9	8.6%
1981	143.3	9.91%
1982	157.5	9.40%
1983	172.3	1.04%
1984	174.1	0.92%
1985	175.7	2.90%
1986	180.8	2.10%
1987	184.6	1.95%
1988	188.2	1.81%
1989	191.6	1.77%
1990	195.0	0.77%
1991	196.5	1.27%
1992	199.0	2.21%
1993	203.4	2.54%
1994	208.7	

The future escalation factor for 1994 bond estimating is 2.01 percent, average of the previous three years.

EXHIBIT B TO PROOF OF CLAIM

Deanne Owen
Office of Field Solicitor
U. S. Department of Interior
P.O. Box 25007 (D-105)
Denver, Colorado 80225-0007

Telephone: (303) 231-5350

EXHIBIT C

MOYE, GILES, O'KEEFE, VERMEIRE & GORRELL

A LAW PARTNERSHIP

INCLUDING PROFESSIONAL CORPORATIONS

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1225 SEVENTEENTH STREET

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JAMES T. BURGHARDT, PC

DIRECT DIAL (303) 292-7910

January 7, 1995

Jack L. Smith, Esq.
Holland and Hart
Suite 2900
555 Seventeenth Street
P.O. Box 8749
Denver, CO 80201

VIA HAND-DELIVERY

Re: Sunnyside Coal Company --
Letter of Intent for Purchase of Select Assets
and Assumption of Reclamation Liability

Dear Jack:

This will serve as a letter of intent between my clients, Clay and Dan Tucker and their various family and business interests (collectively, "Tucker"), and Sunnyside Coal Company ("Debtor"), setting forth the general terms of an intended agreement ("Agreement") under which Tucker and/or Tucker's reclamation contractor ("Contractor") would acquire certain assets from the bankruptcy estate of the Debtor and would assume the Debtor's liability for completing reclamation ("Reclamation Obligation") at the Sunnyside Mine in Utah.

A. Summary of Intended Agreement

In general terms, the Agreement would provide that Tucker will obtain a binding commitment from an acceptable bond company to provide an \$8.6 million reclamation bond to the Division of Oil, Gas, and Mining of the State of Utah ("DOGMA") to secure performance of the Reclamation Obligation, and that the Contractor will assume all responsibility for the Reclamation Obligation. In addition, Tucker will make a cash payment of \$140,000 to the Debtor's bankruptcy estate, subject to adjustment as set forth in this letter.

In consideration for the foregoing, the Debtor will sell and convey title to all real property and certain water rights owned by the bankruptcy estate (collectively, the "Property"), free and clear of all liens, claims, and interests, to Tucker and/or the

EXHIBIT

C

GOVERNMENT
EXHIBIT

ENGAD-Byronne, M. J.

✓

Jack L. Smith, Esq.
January 7, 1995
Page 2

Contractor (the "Sale"). Certain other assets of the bankruptcy estate would not be included in the Sale, and therefore would remain available to the bankruptcy estate for application to other obligations of the Debtor. Further details of the intended Agreement are set forth below.

B. Consideration from Tucker and Contractor to Debtor

The Agreement would provide that:

1. Tucker will obtain a binding written commitment ("Commitment") from a bond company, for consideration acceptable to Tucker in Tucker's sole discretion, to provide DOGM with a reclamation bond at Closing (as defined in paragraph B.2. below) in a form acceptable to DOGM and in the amount of \$8.6 million ("Bond"). If Tucker is not able to obtain the Commitment by 5:00 p.m. MST on January 30, 1995 (subject to further extension in accordance with paragraph E.1. below), the Agreement immediately will be null and void, and the earnest money provided pursuant to paragraph E.1. below will be returned to Tucker, and neither party will have any rights against the other under the Agreement.

2. Closing on the Sale ("Closing") will occur on or before fifteen business days after the last contingency under the Agreement has been satisfied. The contingencies are set forth in Section D below.

3. At Closing, the Contractor will assume personal responsibility and liability for the Reclamation Obligation and, if necessary for the complete release referred to in this paragraph, will accept transfer of the Debtor's mine and reclamation permit to the Contractor. Tucker will not have any personal liability for the Reclamation Obligation; Tucker's sole contractual responsibility with regard to reclamation will be to provide the consideration necessary to cause the substitution of the Contractor for the Debtor on the Reclamation Obligation. The Debtor will not be required to close the Sale unless concurrently (a) the Debtor and its officers, directors and employees are fully and effectively released from the Reclamation Obligation in a manner acceptable to DOGM and the United States Office of Surface Mining Reclamation and Enforcement ("OSM"), in accordance with all applicable state and federal laws and regulations, and (b) the Debtor's existing reclamation bond in favor of DOGM is cancelled and released.

4. At Closing, Tucker will pay the Debtor \$140,000 in cash as further consideration for the transfers and agreements set forth below. If the property underlying the SCA co-generation

Jack L. Smith, Esq.
January 7, 1995
Page 3

plant, referred to in paragraph C.2(c) is excluded from the Sale, however, this cash component shall be reduced to \$75,000.

5. At Closing, any cash amounts currently securing the Debtor's existing bond with DOGM will be released to the Debtor.

6. The parties recognize the possibility that, on or before Closing, DOGM may approve the posting of a reclamation bond in an amount less than \$8.6 million, and/or approve the posting of a bond which in whole or in part is a collateral bond (secured by property owned by Tucker and acceptable to DOGM and Tucker as collateral) rather than a surety bond issued by a bonding company. A reclamation bond having either or both of these characteristics is referred to in this paragraph B.6. as the "Substitute Bond." Tucker also recognizes the Debtor's position that some of the reclamation tasks on which DOGM based its calculation of the amount of the \$8.6 million bond have already been performed by the Debtor.

In the event: (a) the premiums payable on the Substitute Bond are lower than those on the Bond, and (b) the other terms of the Substitute Bond are not, in Tucker's sole opinion, more costly or economically onerous than those of the Bond, at Closing Tucker will provide the consideration necessary to acquire the Substitute Bond rather than the Bond. In the event the Substitute Bond is provided, at Closing Tucker also shall pay the Debtor cash in an amount equal to the difference between the premium that would have been due at Closing on the Bond and the premium that is due at Closing on the Substitute Bond.

In addition, to the extent not already included in a reduction in amount of the Substitute Bond, at Closing Tucker will pay the Debtor cash in an amount equal to the bond premium on that portion of DOGM's required bond amount attributable to tasks which have been completed by the Debtor prior to Closing. The Debtor will provide Tucker with a list of such items within five business days after execution of this letter of intent. Tucker will then have five business days after receipt of that list to object to any of the items listed. The parties will then confer in a good faith effort to resolve any disagreement. If any disagreement remains, the parties will seek to have it resolved by the Bankruptcy Court.

C. Consideration from Debtor to Tucker and Contractor

The Agreement also would provide that:

1. At Closing, the Debtor will convey to the Contractor or, at Tucker's option, to Tucker title to that portion of the Property which is the subject of the Reclamation Obligation,

Jack L. Smith, Esq.
January 7, 1995
Page 4

including all buildings, fixtures, and salvageable materials located thereon (the "Reclamation Site"); provided that the Debtor may complete salvage operations in accordance with paragraph E.2 and that any salvageable materials removed from buildings but remaining on the Property will remain the property of the Debtor and will be removed from the Reclamation Site on or before the later of February 28, 1995 or 10 days after Closing; and provided further that salvageable equipment currently located underground in the mine and above-ground transmission lines (to the extent not needed by Tucker or the Contractor) are excluded from the Sale, with the Debtor retaining the right to remove such equipment in accordance with paragraph E.3.

2. At Closing, the Debtor will convey to Tucker title to all of the Property except the Reclamation Site ("Non-Disturbed Property"), which generally may be described as:

(a) The so-called "Mountain Land", comprised of approximately 23,498 acres of surface land in Carbon County, Utah, together with all mineral rights and appurtenant water rights;

(b) The so-called "Grassy Trail Creek Water Rights";

(c) The real property located under the Sunnyside Cogeneration Associates ("SCA") plant, provided, however, that the Debtor may withdraw this property from the sale at any time before Closing, in which event the cash to be paid by Tucker at Closing will be adjusted as set forth in paragraph B.4 above;

(d) All other real property owned by the Debtor except the Reclamation Site, provided, however, water right no. 91-231 and the proceeds of the sale of that water right to SCA, which are currently in escrow, are excluded from the Property to be transferred by the Debtor in the Sale; and

(e) Any other property or rights appurtenant to or pertaining to the foregoing assets, but excluding the salvageable materials and equipment described in paragraph C.1. above and any other equipment or other unaffixed personal property located on, within, or under the Property, which is removed prior to Closing.

3. Each of the foregoing conveyances will be made by special warranty deed (or the equivalent in the case of water rights) containing all standard warranties. The Debtor will

Jack L. Smith, Esq.
January 7, 1995
Page 5

provide and pay for title insurance policies on all real property to be conveyed, in a form acceptable to Tucker, and in such amount as can be purchased for no more than \$3,500 in premiums.

D. Contingencies to Closing on the Sale

Closing of the Sale will be subject to satisfaction or waiver of the following contingencies:

1. Tucker's ability to obtain the Bond on the terms and in the time period set forth in paragraph B.1. above;
2. DOGM's written acknowledgment to Tucker, in a form acceptable to Tucker, that DOGM's acceptance of the Bond at Closing will release immediately any and all liens or encumbrances against any and all assets of the Debtor's bankruptcy estate (including but not limited to the Property) to secure the Reclamation Obligation, which contingency shall be deemed waived unless counsel for Tucker telecopies notification to the contrary to counsel for the Debtor at or before 5:00 p.m. MST on January 30, 1995.
3. Tucker's satisfaction with the status of all requirements of DOGM, or any other state or federal authority with jurisdiction over any portion of the Property, pertaining to the Reclamation Obligation, which contingency shall be deemed waived unless counsel for Tucker telecopies notification to the contrary to counsel for the Debtor at or before 5:00 p.m. MST on January 30, 1995;
4. Resolution of the adverse claims of two municipalities regarding the Grassy Trail Creek water rights on terms acceptable to Tucker in his sole discretion. This contingency shall be deemed waived unless counsel for Tucker telecopies notification to the contrary to counsel for the Debtor on or before 5:00 p.m. MST on January 30, 1995;
5. The contingencies customarily provided in purchase and sale agreements involving real property and water or water rights, for review and approval of title, boundaries, acreage, and other conditions, including but not limited to review and approval of all documents of record, title commitments or opinions, surveys, maps and aerial maps, engineering documents pertaining to the mine site, and related documents or conditions pertaining to or affecting all or any portion of the Property, which contingencies shall be deemed waived unless counsel for Tucker telecopies notification to the contrary to counsel for the Debtor at or before 5:00 p.m. MST on January 30, 1995; and

Jack L. Smith, Esq.
January 7, 1995
Page 6

6. The entry of a final, non-appealable order of the United States Bankruptcy Court for the District of Colorado approving the Agreement and the Sale, or confirming a Chapter 11 plan providing for the Debtor's performance of the Agreement and the Sale, which order shall expressly state that the Sale is free and clear of any and all liens, claims, or interests of any other person, including but not limited to DOGM, any taxing authority, any union with claims against the Debtor arising under contractual, statutory, or regulatory provisions, or any other creditor of the Debtor; if such order is not obtained by March 15, 1995, either party may terminate the Agreement.

In the event any of the foregoing contingencies (including any extensions) is not met or waived, the Agreement immediately will be null and void, the earnest money provided pursuant to paragraph E.1. below will be returned to Tucker (subject to the provisions of paragraph E.1.), and neither party will have any rights against the other under the Agreement.

E. Miscellaneous

1. Tucker agrees to put up earnest money of \$50,000 not later than 5:00 p.m. MST on January 9, 1995, in the form of a certificate of deposit of funds held in Tucker's name, that may be held by you on behalf of the Debtor to secure Tucker's obligations under this letter of intent, and to secure the Agreement once it is executed. The earnest money deposit (including all interest earned thereon) shall be fully refundable without court order upon the failure of any condition described hereinabove; provided, however, that if any of the contingencies set forth in paragraphs D.1 through D.5 are not satisfied on or before January 30, 1995 and Tucker wishes to extend the contingency deadline to not later than March 15, 1995 and continue the Agreement in force, the earnest money shall thereafter be refundable only in the event of a material breach of the Agreement by the Debtor or failure to obtain court approval as provided in paragraph D.6., and not for the failure of any of the contingencies in paragraphs D.1. through D.5.

2. Upon execution of this letter of intent, all salvage operations currently being undertaken by the Debtor or its contractors on the Property will be terminated, pending execution of the Agreement and (subsequently) closing of the Sale, except for the completion of demolition of the prep plant and associated structures (including the backfill plant; washer plant, silo, conveyor and tipple; and breaker building, hoist, storage bins, stack end tube and associated structures), the removal of scrap from the demolition of those structures, and any underground salvage of equipment as described in paragraph E.3.

Jack L. Smith, Esq.
January 7, 1995
Page 7

3. Through December 29, 1995, the Debtor will retain the right to recover equipment and other personal property located underground at the Reclamation Site. During that same period, the Debtor will also retain the right to remove and dispose of above-ground transmission lines on the Reclamation Site to the extent such lines are not needed to service the remaining buildings on the Reclamation Site or any ongoing operations of Tucker or the Contractor. Prior to Closing the parties will confer to identify those transmission lines not needed by Tucker or the Contractor. The Debtor may sell the rights to recover such equipment and personal property, and Tucker agrees that any purchaser of such rights will be permitted to enter the Site and conduct all operations reasonably necessary to remove such equipment and personal property, provided that such purchaser must provide a bond or other assurance reasonably acceptable to Tucker that no additional reclamation liability or expense will result from such operations, and further provided that such operations be confined within a reasonably limited surface area so as not to interfere with Tucker's operations.

4. The Debtor's MSHA mine identification numbers will be transferred to the Contractor or to any purchaser of underground equipment salvage rights, as appropriate, provided that no liability to any union, union member, union representative, or any other party shall attach to the Contractor or Tucker as a result of such transfer.

5. The parties will prepare and execute the Agreement, setting forth in detail the terms of this transaction, as soon as practicable.

6. This letter of intent may be signed in separate counterparts, and execution will be deemed complete upon receipt of facsimile signatures, to be followed by originals.

7. Once this letter of intent is fully executed, the Debtor will not solicit competing bids or offers for purchase of the Property or for reclamation of the Reclamation Site, but the Debtor may continue to receive, evaluate, and negotiate such proposals until the Agreement and the Sale are approved by the Bankruptcy Court. The Debtor also reserves the right to recommend to the Bankruptcy Court the approval of such a competing offer if the Debtor, in its discretion, determines that such approval is in the best interests of the bankruptcy estate. In order for such a competing offer to be accepted, however, the cash component of such offer must exceed the cash component of this letter of intent and the Agreement by at least \$100,000. In the event such a competing offer is ultimately accepted and approved by the Court, and Tucker has otherwise complied with all of his obligations under this

Jack L. Smith, Esq.
January 7, 1995
Page 8

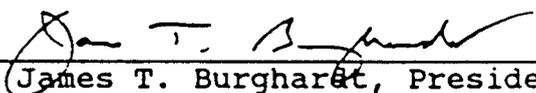
letter of intent and the Agreement, then the Debtor will immediately return Tucker's earnest money to Tucker, and in addition the Debtor will pay Tucker a breakup fee of \$50,000 from the cash proceeds of such sale on the day it closes. The foregoing breakup fee is subject to approval by the Bankruptcy Court, and the Debtor will promptly seek approval of the breakup fee following the execution of this letter of intent.

8. Once this letter of intent is executed, the Debtor will provide documents and/or maps showing the exact legal descriptions and boundaries of the various parcels of real property to be conveyed.

Please indicate your approval of the form of this letter and obtain your client's signature in acceptance of this proposal in the spaces provided at the bottom of the enclosed copy of this letter. We also are requesting the signature of Ms. Fuller, counsel to the Creditors' Committee, indicating their approval. Although Mr. Mitchell, counsel to DOGM, has indicated that he cannot execute an approval of this letter, I am providing him with a copy to assure that if he has any problems with its terms he can communicate them to us immediately.

MOYE, GILES, O'KEEFE,
VERMEIRE & GORRELL

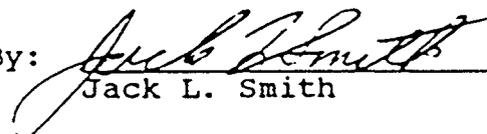
By: James T. Burghardt, P.C.

By: 
James T. Burghardt, President

JTB/meh
cc/FAX: Caroline Fuller, Esq.
Tom Mitchell, Esq.
Clay and Dan Tucker

APPROVED AS TO FORM:

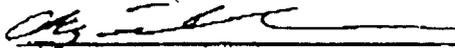
HOLLAND & HART

By: 
Jack L. Smith

MOYE, GILES, O'KEEFE, VUMMIGUS & CORRELL

Jack L. Smith, Esq.
January 7, 1995
Page 9

ACCEPTED:


Clay Tucker

Date: 1-9-95


Dan Tucker

ACCEPTED:

SUNNYSIDE COAL COMPANY

By: _____

Date: _____

Title: _____

APPROVED:

OFFICIAL UNSECURED CREDITORS'
COMMITTEE OF SUNNYSIDE COAL
COMPANY

Date: _____

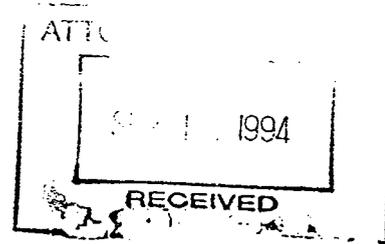
By: _____

Title: _____

EXHIBIT D

EXHIBIT D

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO



In re:)	
)	Case No. 94 12794 CEM
SUNNYSIDE COAL COMPANY,)	Chapter 11
)	
Debtor.)	MC No. JLS-17

**MOTION FOR AUTHORITY TO SELL PROPERTY
FREE AND CLEAR OF INTERESTS**

The Debtor, Sunnyside Coal Company, by and through its attorneys, moves the Court for an order approving the sale of certain personal property free and clear of any interest in such property of entities other than the estate, as follows:

1. The Debtor filed its Voluntary Petition under Chapter 11 on March 25, 1994, and has been operating as Debtor-in-Possession since that time.

2. The Debtor has filed a liquidating Chapter 11 plan which provides for the sale of the Debtor's property and distributions to creditors from the resulting sales proceeds.

3. The Debtor moves the Court for authority to sell approximately one-third acre of land to Sunnyside City for a purchase price of \$6,500.00. The property is located in a tract of land in Carbon County described as follows:

Township 14 S, Range 14 East, SLBM:
Section 32, NW 1/4 of the SE 1/4 of the SW 1/4.

4. The Debtor believes that the following parties have or may have interests in the property proposed to be sold:

a. BXG, Inc. has asserted a security interest in all of the Debtor's real and personal property.

b. Carbon County, Utah, may have a statutory lien to secure property taxes owing by the Debtor.

5. The Debtor should be permitted to sell the subject property free and clear of the interests of all other entities, including those set forth above, pursuant to 11 U.S.C. § 363(f), because those entities could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of their interests. In addition, any entity which asserts an interest in the property and does not object to this Motion should be deemed to have consented to the sale of property free of interests

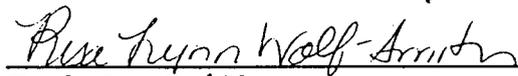


requested herein. The liens of BXG, Inc. and Carbon County, Utah will attach to the proceeds of sale.

WHEREFORE, the Debtor moves the Court for an order approving the sale of property as set forth herein free and clear of the interests of any entities other than the estate, with any such interests to attach to the proceeds of sale.

DATED: September 13, 1994.

Respectfully submitted,



Jack L. Smith
Risa Lynn Wolf-Smith
HOLLAND & HART
555 17th Street, Suite 2900
P.O. Box 8749
Denver, Colorado 80201
Telephone: (303) 295-8046

ATTORNEYS FOR SUNNYSIDE COAL
COMPANY

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of September, 1994, I mailed a true and correct copy of the foregoing MOTION FOR AUTHORITY TO SELL PROPERTY FREE AND CLEAR OF INTERESTS by placing a copy thereof in the United States mail, postage prepaid, addressed to the following:

Mark L. Fulford, Esq.
Sherman & Howard L.L. C.
First Interstate Tower North
633 Seventeenth Street, Suite 3000
Denver, Colorado 80202

Eugene Strate, Esq.
120 East Main Street
Price, Utah 84501

R. L. Knuth, Esq.
Parsons, Davies, Kinghorn & Peters
310 South Main, Suite 1100
Salt Lake City, Utah 84101

Christopher L. Richardson, Esq.
Sara A. Moon, Esq.
Davis, Graham & Stubbs
Suite 4700
370 Seventeenth Street
Denver, Colorado 80201

Robert B. Lochhead
Kimball, Parr, Waddoups, Brown & Gee
185 South State Street, Suite 1300
P. O. Box 11019
Salt Lake City, UT 84147

Kris E. Jukola, Esq.
Charles Greenhouse, Esq.
Hall & Evans, L.L.C.
1200 17th Street, Suite 1700
Denver, Colorado 80202

Minerals Management Service
Royalty Management Program
Office of Enforcement
Attn: Cherry M. Mallard
P.O. Box 25165, Mail Stop 3030
Denver, Colorado 80225

Craig D. Johnson, Esq.
Carpenter and Johnson, P.C.
8 Garden Center
Broomfield, CO 80020

Office of Surface Mining
Reclamation and Enforcement (OSM)
c/o DeAnn L. Owen
U.S. Department of the Interior
Office of the Solicitor
Division of Surface Mining
Denver Field Office
P.O. Box 25007 (D-105)
Denver, Colorado 80225-0007

Jacqueline S. Dailey, Esq.
Pillsbury Madison & Sutro
225 Bush Street
P.O. Box 7880
San Francisco, CA 94120

Michael R. Jensen, Esq.
Keller, Jensen, Harrison and Bunnell
90 West 100 North
Price, Utah 84501

Robert P. Hill, Esq.
Ray, Quinney & Nebeker
P.O. Box 45385
Salt Lake City, Utah 84145-0385

Range Creek Partners Limited
Liability Company
1800 East Memorial, Suite 106
Oklahoma City, OK 73131

Joan B. Burleson, Esq.
Rubner & Kutner, P.C.
303 East 17th Avenue, Suite 500
Denver, Colorado 80203

Susan J. Tyburski, Esq.
Richard Rosenblatt, Esq.
Boyle, Tyburski, Toll & Rosenblatt
3773 Cherry Creek Drive North
Suite 940
Denver, Colorado 80209

Caroline C. Fuller, Esq.
Fairfield & Woods
1700 Lincoln Street
Suite 2400
Denver, CO 80203-4524

Duane H. Gillman, Esq.
McDowell & Gillman
Twelfth Floor
50 West Broadway
Salt Lake City, UT 84101

Thomas A. Mitchell, Esq.
William R. Richards, Esq.
Utah Attorney General's Office
#3 Triad, Suite 475
355 West North Temple
Salt Lake City, UT 84180-1203

United States Trustee
721 19th Street
Denver, CO 80203

Forrest E. Cook, Esq.
Hutchinson Black & Cook
1215 Spruce
P. O. Box 1170
Boulder, CO 80306

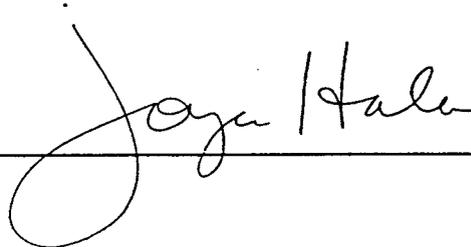
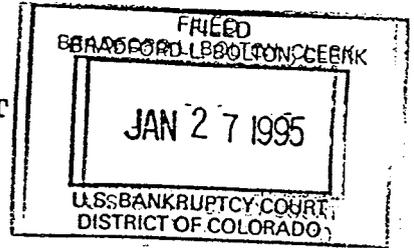

A handwritten signature in cursive script, reading "Jaya Hala", is written over a horizontal line.

EXHIBIT E

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO



In re)	
)	Case No. 94 12794 CEM
SUNNYSIDE COAL COMPANY,)	Chapter 11
)	MC No. JLS-18
Debtor.)	

**ORDER ESTABLISHING PROCEDURE FOR SALE OF ASSETS,
APPROVING FORM OF NOTICE,
AND SETTING HEARING ON SALE OF ASSETS**

This matter came before the Court on the Debtor's Motion for Orders (1) Setting Hearing on Notice and Procedure for Sale of Assets, (2) Establishing Notice and Procedure for Sale of Assets, (3) Approving Form of Notice, (4) Approving Breakup Fee, (5) Setting Hearing on Sale of Assets, (6) Authorizing Sale of Assets Outside the Ordinary Course of Business, Free and Clear of Liens, and (7) Shortening and Limiting Notice filed with the Court on January 13, 1995. A hearing on certain aspects of the Motion was held on January 26, 1995. The Court, being fully advised in the premises and having considered the Debtor's Motion and evidence thereon, orders the following:

1. The form of Notice attached hereto is hereby approved.
2. The assets which the Debtor seeks to sell pursuant to these procedures are all located in Carbon or Emery Counties, Utah, and are generally described as follows:
 - (a) The so-called "Mountain Land," comprised of approximately 23,498 acres of surface land in Carbon, County, Utah, together with all mineral rights and appurtenant water rights;
 - (b) The so-called "Grassy Trail Creek Water Rights" (consisting of water right numbers 91-362, 91-367, 91-368, 91-369, 9-28, 91-84, 91-114, 91-125, 91-144, 91-146, 91-178);
 - (c) The real property located under the Sunnyside Cogeneration Associates ("SCA") plant;
 - (d) all other real property owned by the Debtor, including the mine site and the buildings and fixtures located thereon (except the prep plant and assorted structures, which the Debtor retains

250



the right to salvage and certain above-ground transmission lines); and

- (e) Any other property rights appurtenant or pertaining to the foregoing assets, except equipment and other personal property located underground at the mine site, which the Debtor reserves the right to remove.

3. The following procedures for the sale of the assets are hereby approved:

a. The Debtor will provide a bid package to any party upon request. All competitive offers must be submitted to the Debtor's counsel in writing and under seal in the form contained in the bid package. Such offers should be submitted no later than 5:00 p.m. on February 28, 1995 and should be the **FINAL AND BEST** offers to be submitted for consideration by the Debtor. The Debtor will not consider any further offers, except pursuant to the procedure for limited further bidding set forth in paragraph (g) below.

b. All offers must be submitted with a refundable earnest money deposit of at least \$50,000, in the form of cash or cash equivalents, to be held by Debtor's counsel pending the results of the Court's hearing on approval of the sale.

c. As reflected in the bid form, all offers must provide, at a minimum, for the posting of a new reclamation bond in a form satisfactory to Division of Oil, Gas and Mining of the State of Utah ("DOGM") and the United States Office of Surface Mining Reclamation and Enforcement ("OSM") in the amount of \$8.6 million, the assumption of responsibility and liability for reclamation of the Debtor's mine site by the purchaser or the purchaser's designated contractor, performance of reclamation work by a contractor or other person or entity acceptable to DOGM and OSM, the release of all of the Debtor's property from the present reclamation bond, the release of the Debtor and its officers, directors and employees from all reclamation liability, closing conditions and contingencies no more burdensome to the Debtor than those contained in the Letter of Intent dated January 7, 1995 entered into by the Debtor with Clay and Dan Tucker ("Tucker") which is attached as Exhibit A to the Debtor's Motion (the "Tucker Letter"), reservation of the Debtor's right to complete the salvage of materials from the prep plant and associated structures and to retain the proceeds of such salvage, reservation of the Debtor's right to recover and retain all personal property and equipment now located underground at the mine site as well as surface transmission lines not reasonably necessary to the purchaser's operations and to retain access to remove such equipment and transmission lines until at least

December 29, 1995, and a cash payment to the Debtor at closing of no less than \$240,000.

d. All offers must be accompanied by evidence satisfactory to the Debtor and the Creditors Committee of the offeror's financial and legal ability to perform its obligations at closing, including at least a binding commitment for issuance of a bond acceptable to DOGM and OSM in the amount of \$8.6 million, binding financing commitments for all financing necessary for the offeror to perform its obligations at closing under the terms of the offer unless the offeror submits evidence such as written certification from a financial institution that the offeror itself already has the necessary funds to perform, evidence (in form of DOGM's acknowledgement in the standard form to be provided to interested purchasers by the Debtor on request) that the contractor or other entity proposed by the offeror to perform reclamation and assume reclamation responsibility is acceptable to DOGM and OSM, and certification of the offeror's willingness and ability to close the transaction within 35 days after entry of the Court's order approving the sale. Any offeror seeking to participate in the limited further bidding provided by paragraph (g) below must be prepared to supplement such evidence at the hearing to demonstrate its ability to perform any higher bid made at the hearing.

e. While the offer itself is to be submitted to Debtor's counsel under seal in accordance with paragraph (a) hereof, the earnest money deposit and evidence of ability to perform set forth in paragraphs (b) and (d) hereof shall be submitted with the offer but not under seal.

f. The Debtor will evaluate the sufficiency of the earnest money deposit and the evidence of ability to perform and be prepared to make recommendations to the Court regarding such evidence at the hearing on approval of the sale. Debtor's counsel may share the evidence of ability to perform with counsel for the Creditors Committee, and either counsel may advise any offeror whose evidence is deemed insufficient of what such counsel believes must be done prior to the hearing to remedy such deficiencies. Such offeror may then submit supplemental evidence of its ability to perform no later than 5:00 p.m. on the day before the hearing on approval of the sale, and such supplemental evidence may be considered by the Court as appropriate.

g. The sealed offers submitted to Debtor's counsel shall be opened jointly by counsel for the Debtor and the Creditors Committee on or before March 1, 1995, and such counsel shall inform each offeror of the terms of all other offers on March 1, 1995, but not earlier. At the hearing on approval of the sale Debtor's counsel shall present all of the offers to the Court, which shall disclose their terms in open court, hear statements from interested parties, including offerors, regarding

the relative merits of such offers, and determine which offer should be approved. In the event one or more offers have been received from qualified offerors proposing a cash payment of at least \$240,000, at the hearing the Court shall select the best offer submitted by a qualified offeror (the "selected bidder"). Tucker shall then have the opportunity to raise the cash component of his proposal to an amount equal to or greater than that of the selected bidder. If Tucker does so, Tucker and the selected bidder may participate in an auction to be conducted by the Court at the hearing, at which Tucker and the selected bidder will be permitted to continue to bid in minimum increments of \$25,000 over the last high bid (or in such other minimum increments as the Court may allow). No other offerors shall be permitted to participate in this auction. When bidding has ceased, the Court shall approve the most favorable offer. In determining the most favorable offer, the selected bidder shall prevail if its bid offers a cash component at least \$50,000 greater than Tucker's highest bid. Otherwise, Tucker shall prevail. If the Court finds that all requirements for approval of the sale have been met, the Court shall enter its order approving the sale to the prevailing bidder (or to Tucker under the terms of the Tucker Letter if no qualified sealed offer has been submitted) as promptly as possible at or after the hearing.

h. The successful offeror shall then proceed to close the transaction within 35 days after the Court's entry of its order approving the sale.

i. The Court will approve whichever offer the Court finds to be most beneficial to the estate, provided, however, that such offer must comply with the terms of the bid form and the procedures and requirements established by the Court and set forth in this Order.

j. Tucker will have the right (but not the obligation) to submit a sealed offer proposing to pay a cash component greater than that set forth in the Tucker Letter. In the event such offer is the best offer submitted and is approved by the Court, Tucker shall be bound by the terms of such offer; provided, however, that in the event Tucker submits such an offer and no other qualified offeror submits an offer containing a cash component greater than that set forth in the Tucker Letter plus \$50,000, the terms of the Tucker Letter shall control and Tucker will not be required to pay the higher cash component contained in its sealed offer.

k. In the event Tucker is not the successful purchaser, Tucker's earnest money will be immediately refunded, and Tucker will be paid a breakup fee of \$50,000 from the proceeds of closing.

4. A hearing on the sale of assets as proposed in the Debtor's Motion and to be conducted in accordance with the procedures set forth above shall be held on March 2, 1995, at 9:30 a.m. Courtroom C, United States Bankruptcy Court, 721 19th Street, Denver, Colorado, and the Debtor shall give notice of that hearing pursuant to Local Bankruptcy Rule 202 in the form attached.

Dated: January 27th, 1995.



Charles E. Matheson
Chief United States Bankruptcy Judge

EXHIBIT F

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

ATTORNEY
SEP 1 1994
RECEIVED

In re:)
SUNNYSIDE COAL COMPANY,) Case No. 94 12794-GEM
Debtor.) Chapter 11
) MC No. JLS-17

NOTICE PURSUANT TO LOCAL BANKRUPTCY RULE 202 OF
DEBTOR'S MOTION FOR AUTHORITY TO SELL PROPERTY

TO ALL PARTIES IN INTEREST:

NOTICE IS HEREBY GIVEN that the movant named below has applied to this Court or is intending to take action as follows: Sunnyside Coal Company has moved the Court for authority to sell approximately one-third acre of real property to the City of Sunnyside for a purchase price of \$6,500.00. The City has used the property as an ambulance garage for the past several years.

A copy of the Application is available for inspection in the Bankruptcy Court Clerk's Office, 721 19th Street, Denver, Colorado 80202 or upon request from the undersigned attorney.

Pursuant to Rule 202 of the Local Rules of Bankruptcy Procedure and Rule 2002 of the Federal Rules of Bankruptcy Procedure, if you desire to oppose this action, you must file a written objection and request for a hearing with the Court on or before October 6, 1994, and serve a copy thereof on the undersigned attorney. Objections and requests for hearing shall clearly specify the grounds upon which they are based, including the citation of supporting legal authority, if any. General objections will not be considered by the Court.

In the absence of a timely and substantiated objection and request for hearing by an interested party, the Court may approve or grant the aforementioned application without any further notice to creditors or other interested parties.

DATED: September 13, 1994.

Respectfully submitted,

Risa Lynn Wolf-Smith

Jack L. Smith
Risa Lynn Wolf-Smith
HOLLAND & HART
P.O. Box 8749
Denver, Colorado 80201
Telephone: (303) 295-8046

PERCIB-Bayonne, N. J.
GOVERNMENT
EXHIBIT
F

ATTORNEYS FOR SUNNYSIDE COAL COMPANY