

Document Information Form

Mine Number: C/007/007

File Name: Incoming

To: DOGM

From:

Person N/A

Company N/A

Date Sent: N/A

Explanation:

Correspondence

cc:

File in:
C/007, 007, Incoming

- Refer to:
- Confidential
 - Shelf
 - Expandable

Date _____ For additional information

Date	Pleading Title or Description	Party	Item
12/12/94	Letter from Gregory Sopkin with billing statement attached	Weller Friedrich	1
12/15/94	Billing for legal services from Nov. 1, 1994 through Nov. 30, 1994	Ray Quinney	2
12/16/94	Letter from Greg Sopkin with Minutes of Proceedings	Weller Friedrich	3
12/20/94	Letter to Tom Mitchell from Rick Knuth re water issues	Cities of East Carbon & Sunnyside	4
12/21/94	Letter to Rick Knuth from Tom Mitchell, response to 12/20 letter	AG	5
12/22/94	Faxed letter from Jack Smith to D. Gillman, R. Burnham, T. Mitchell, J. Burghardt, C. Fuller re Letter of Intent	Sunnyside	6
12/27/94	Faxed letter to Tom Mitchell from Jim Burghardt re interlineated version of Letter of Intent	Tucker	7
12/18/94	Letter to J. Smith, J. Burghardt, C. Fuller, D. Gillman, R. Burnham from Tom Mitchell with comments on content of Letter of Intent	AG	8
1/4/95	Faxed letter to Greg Taylor from Hersch Saperstein re Subpoena Duces Tecum	Ray Quinney	9
1/3/95	Fax to Tom Mitchell from Jim Burghardt - Interlineated version of Letter of Intent created 12/30	Tucker	10
1/11/95	Letter to Tor statement	Weller Friedrich	11
1/17/95	Letter to Tor Orders	Weller Friedrich	12

File in:
 Confidential
 Shelf
 Expandable
Refer to Record No. 0022 Date _____
In C/ 007, 007, Incoming
For additional information

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Date	Pleading Title or Description	Party	Item
1/18/95	Letter to Tom Mitchell from Greg Sopkin re corrected statement	Weller Friedrich	13
1/18/95	Statement from Ray Quinney	Ray Quinney	14
1/19/95	Fax to Tom Mitchell from Jim Burghardt re two letters sent to Tucker	Tucker	15
10/1/94 - 12/31/94	Statement of Account from Zions First National Bank	Zions	16
1/25/95	Telefaxed letter from Jack Smith to Caroline Fuller & Jim Burghardt re revised form of proposed notice	SCC	17
1/27/95	AVS report re Tucker	DOGM	18
	Summary of outside attorney fees		19
1/31/95	Letter to Tom Mitchell from Deanne Owen re sale of assets	OSM	20
1/31/95	Letter to Dennis Schlagel from Robert Burnham, re sale of stock to Peak to Peak	SCC	21
2/7/95	Memo to Tom Mitchell from Wayne Western including Description of Sunnyside Permit Area	DOGM	22
2/10/95	Letter from David Tundermann to Tom Mitchell re AVS query	Tucker	23
2/14/95	Billing from Ray, Quinney & Nebeker	Ray Quinney	24
2/23/95	Letter to Dallin Jensen & David Tundermann from Rick Knuth re Letter of Intent	Sunnyside City	25
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PARSONS, DAVIES, KINGHORN & PETERS
185 SOUTH STATE, SUITE 700
Salt Lake City, Utah 84111

Telephone: (801) 363-4300
Facsimile: (801) 363-4378

DATE: 3-1-95
FAX # 359-3940
CLIENT # 3807202

Hard Copy will follow. ()
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PAGES TRANSMITTED (INCLUDING COVER SHEET) 10

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TO: Tom Mitchell

FIRM: _____

FROM: Rick Knecht

ADDITIONAL COMMENTS:

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(801) 363-4300

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PARSONS BEHLE & LATIMER

A Professional Law Corporation

February 28, 1995

HAND DELIVERED

R. L. Knuth
Gerald H. Kinghorn
Parsons, Davies, Kinghorn & Peters
185 South State St., Suite 700
Salt Lake City, UT 84111

Re: Sunnyside Coal Company: Letter of Intent

Gentlemen:

This will serve as a letter of intent between Clay and Dan Tucker and associated family members ("Tuckers") and the cities of East Carbon ("East Carbon") and Sunnyside ("Sunnyside," collectively the "Cities") setting forth the general terms of an agreement ("Agreement") respecting certain of the land and water right assets which the Tuckers have agreed to acquire from the bankruptcy estate of the Sunnyside Coal Company ("Debtor"), subject to approval of the U.S. Bankruptcy Court for the District of Colorado ("Bankruptcy Court"). The Agreement is expressly subject to the Tuckers obtaining a final, non-appealable order from the Bankruptcy Court approving the sale of certain of the Debtor's assets ("Assets") to the Tuckers, free and clear of all liens, claims and interests; closing of such sale; and obtaining all necessary approvals by regulatory agencies, including without limitation approval by the Utah Division of Oil, Gas and Mining ("DOG M") and the U.S. Office of Surface Mining and Enforcement ("OSM") of the assumption by Tuckers of the Debtor's reclamation obligations with regard to the Assets.

Assuming this Letter of Intent is executed by Tuckers and the Cities prior to the Bankruptcy Court hearing scheduled for March 2, 1995, Tuckers understand that the Cities will not object to the Court's approval of Tuckers' acquisition of the Assets from the Debtor's estate.

1. Water Rights

- a. Tuckers will convey to Sunnyside WR 91-367, 91-368 and 91-369.
- b. The Cities will waive any legal or equitable rights or claims they may have respecting any water rights acquired by the Tuckers from the Debtor, including without

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limitation any rights or claims arising under that certain Memorandum Agreement between Geneva Steel Company and Kaiser Steel Corporation, made and effective as of September 17, 1951 ("1951 Agreement"). The Cities shall have the right to use Tuckers' water rights, including WR 91-362, during times of water emergency so long as these rights remain in the Grassy Trail Reservoir. Except as provided in this letter of intent, the parties do not intend to modify the 1951 Agreement.

c. The Tuckers will lease to Sunnyside WR 91-362 for an annual rent of \$10.00. The lease will have a five year term, automatically renewable by Sunnyside for additional five year terms. The lease is subject to termination by the Tuckers, upon notice to Sunnyside given no later than one year prior to the end of any such five-year term.

d. Tuckers will grant to Sunnyside an option to purchase up to 75% (0.75 cfs) of WR 91-362 upon termination by Tuckers of the lease. The price of the portion of the water right which Sunnyside elects to purchase will be equal to the corresponding fraction of its fair market value, to be determined by appraisal by a mutually acceptable appraiser when the option is exercised. The option will be effective upon notice by the Tuckers of termination of the lease. If Sunnyside elects to exercise the option, it will give notice to the Tuckers within 180 days after notice of termination. The final closing date will be within 360 days of the expiration of the 180-day period. If Sunnyside fails to give notice during the 180 day period, East Carbon may, within thirty days thereafter, give notice of intent to exercise the option on the same terms and conditions. If Sunnyside fails to renew the lease, the option will expire upon expiration of the lease.

e. Following the exercise and closing, or the expiration, of the option granted in subparagraph 1.d, Tuckers will pay a portion of the reasonable operating and maintenance costs of the Grassy Trail Dam and Reservoir, equal to that fraction of WR 91-362 which the Tuckers retain. The Cities will not protest change applications filed by any purchasers from Tuckers of any portion of WR 91-362 which the Tuckers retain, unless a change application seeks to enlarge WR 91-362 or move the place of use outside the Grassy Trail Creek drainage.

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2. Grassy Trail Dam and Reservoir/Municipal Water Supply

a. Tuckers will convey to Sunnyside the Tuckers' interest in the Grassy Trail Dam and Reservoir and appurtenant works, plus easements necessary for pipelines and other facilities used in connection with the Sunnyside municipal water system. Sunnyside will assume Tuckers' responsibility and liability for maintaining and operating the reservoir, including any reclamation obligations. Sunnyside will provide municipal water service to the Tuckers' property at its customary and ordinary rates.

b. Tuckers will convey to the Cities whatever interest Tuckers may acquire in the water well identified as "Well 90-1" and a protection zone surrounding the well, as required by the Utah Department of Environmental Quality, for use as a municipal water source. Tuckers will grant an easement for road access, water lines and power lines which are necessary for the operation and maintenance of the well. The Cities will assume any liability, including reclamation obligations, associated with these easements. The Cities are responsible for obtaining any water rights necessary to use the well.

3. Land Conveyance and Annexation

a. The Tuckers will donate to Sunnyside the real property underlying the rodeo grounds, corrals, park, picnic grounds, ball field, tennis courts and water storage tank, located in portions of SE1/4, S29, T14S, R14E; NW1/4, SE1/4 and SW1/4, S6, T15S, R14E; and NW1/4, SW1/4, S6, T15S, R14E. More definite descriptions will be provided by Tuckers when available.

b. Tuckers will petition for annexation, pursuant to the provisions of the Utah Code, of the land and buildings located in and at the mouth of Whitmore Canyon, located in portions of SE1/4 SW1/4 and NW1/4 SE1/4, S32, T14S, R14E. More definite descriptions will be provided by Tuckers when available. Upon annexation, Sunnyside will provide all ordinary and customary municipal services, including water, sewer, police and fire protection. Sunnyside will zone the area for commercial and light industrial use, and will cooperate with the Tuckers to facilitate such development, including issuance of necessary permits and other approvals. Sunnyside agrees to discuss, with Tuckers and Mountain Fuel Supply Company, participation in extending natural gas service to the land

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Page 4

and building at the mouth of Whitmore Canyon referred to herein as the mine main facility area.

4. Contingencies to Closing

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

a. Release by DOGM and OSM of the Tuckers from reclamation obligations which may apply to the dam, easements and related property to be conveyed under paragraphs 2.a and 2b above.

b. Any necessary approvals by other regulatory agencies (e.g., DEQ).

c. Contingencies customarily provided in purchase and sale agreements involving real property and water or water rights, including without limitation review and approval of documents of record, title commitments or policies, surveys, engineering documents and other related documents or conditions pertaining to the affected properties, water and water rights.

d. Execution of an operating agreement which provides for storage and delivery by the Cities to the Tuckers of any water, the rights to which are acquired by the Tuckers from the Debtor and not conveyed to the Cities pursuant to the Agreement.

e. Entry of a final, non-appealable order of the Bankruptcy Court approving Tuckers' acquisition of certain of the Debtor's assets, including all of the real and personal property and water rights which are the subject of this Agreement, free and clear of any and all liens, claims or interests of any other person or government agency, and the closing of such acquisition.

5. Miscellaneous

a. Closing of the transaction set forth in the Agreement will be as soon as practicable following the closing of the Tuckers' acquisition of the Assets.

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Page 5

b. The Cities waive and release any other claims or interests they may have in the Assets.

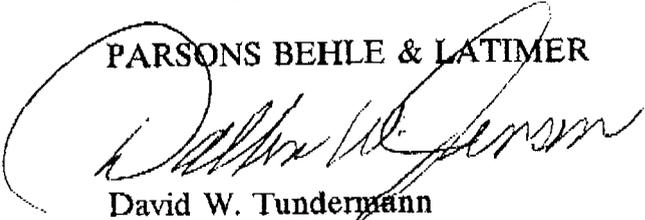
c. Rights under the Agreement are assignable. The Agreement is binding on successors and assigns.

This letter of intent may be executed in counterparts and by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same letter of intent.

Please indicate your approval of the form of this letter and obtain your client's signature in acceptance of this proposal as provided below. I am providing a copy of this letter to Tom Mitchell, counsel to DOGM, for his information.

Very truly yours,

PARSONS BEHLE & LATIMER

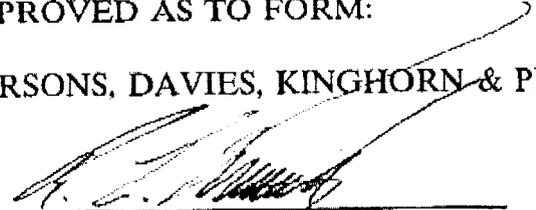


David W. Tundermann
Dallin W. Jensen

DWT:lr

APPROVED AS TO FORM:

PARSONS, DAVIES, KINGHORN & PETERS

By 

R. L. Knuth
Gerald H. Kinghorn
Parsons, Davies, Kinghorn & Peters
February 28, 1995
Page 6

ACCEPTED:

Date: _____

Clay Tucker

Dan Tucker

ACCEPTED:

Date: _____

CITY OF SUNNYSIDE

By _____
Title _____

ACCEPTED:

Date: _____

CITY OF EAST CARBON

By _____
Title _____

SENT BY:PB&L#4

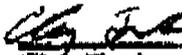
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R. L. Knuth
Gerald H. Kinghorn
Parsons, Davies, Kinghorn & Peters
February 28, 1995
Page 6

ACCEPTED:

Date: _____



Clay Tucker



Dan Tucker

ACCEPTED:

Date: _____

CITY OF SUNNYSIDE

By _____
Title _____

ACCEPTED:

Date: _____

CITY OF EAST CARBON

By _____
Title _____

02-28-95 05:42 PM FROM SUNNYSIDE CITY

TO PARSONS, DAV

P02

R. L. Knuth
Gerald H. Kinghorn
Parsons, Davies, Kinghorn & Peters
February 28, 1995
Page 6

ACCEPTED:

Date: _____

Clay Tucker

Dan Tucker

ACCEPTED:

Date: 2-28-95

CITY OF SUNNYSIDE

By Graut McDonald
Title Mayor

ACCEPTED:

Date: _____

CITY OF EAST CARBON

By _____
Title _____

02-28-95 04:24PM FROM PARSONS, DAVIES

TO 18018882146

P008/008

R. L. Knuth
Gerald H. Kinghorn
Parsons, Davies, Kinghorn & Peters
February 28, 1995
Page 6

ACCEPTED:

Date: _____

Clay Tucker

Dan Tucker

ACCEPTED:

Date: _____

CITY OF SUNNYSIDE

By _____
Title _____

ACCEPTED:

Date: _____

CITY OF EAST CARBON

By A. Paul Clark
Title Mayor

MOYE, GILES, O'KEEFE, VERMEIRE & GORRELL
A Law Partnership
Including Professional Corporations
29th Floor
1225 Seventeenth Street
Denver, Colorado 80202-5529
Telephone (303) 292-2900
Telecopier (303) 292-4510

COVER SHEET FOR TELECOPY TRANSMISSION

TO: Thomas A. Mitchell, Esq.
DOGM

FROM: James T. Burghardt, Esq.
[Direct Dial (303) 292-7910]

DATE: March 3, 1995

CLIENT: Tucker NUMBER: 03852.00001

TELECOPY NO. (801) 359-3940 CONFIRM NO. (801) 538-5243

NUMBER OF PAGES TO FOLLOW: 11

DOCUMENTS BEING SENT: Copy of transcript of 3/2/95 hearing

INSTRUCTIONS AND COMMENTS: Please (Review X) (Respond)

OTHER:

FOR ASSISTANCE, CALL (303) 292-2900, EXT. 8071

Send by: March 3, 1995 2:30 p.m.

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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

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In Re. :
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SUNNYSIDE COAL COMPANY : 94-12794 CEM
:
(1) Continued Hearing on Adequacy : (PARTIAL
of Debtor's 2nd Amended Disclosure : TRANSCRIPT)
Statement :
(2) Debtor's Motion for Sale of :
Assets Outside the Ordinary Course of :
Business, Free & Clear of Liens :
:
----- X

Courtroom C
721 - 19th Street
Denver, Colorado 80202
March 2, 1995

BEFORE THE HONORABLE CHARLES E. MATHESON, Judge.

APPEARANCES:

For the Debtor: Jack L. Smith, Esq.
555 Seventeenth
Denver, Colorado

For the Creditors'
Committee: Caroline Fuller, Esq.
Fairfield & Woods
1700 Lincoln
Denver, Colorado

For the Department of
Interior: Robert Clark, Esq.
Assistant U.S. Attorney
1961 Stout Street
Denver, Colorado

For the Tucker Group: James T. Burghardt, Esq.
1225 Seventeenth
Denver, Colorado

Proceedings recorded by electronic sound recording;
transcript produced by transcription service.

1 APPEARANCES: (Continued)

2 For the Cities of East
3 Carbon & Sunnyside:

Mark Fulford, Esq.
633 Seventeenth
Denver, Colorado

4 For the State of Utah:

Tom Mitchell, Esq.
Division of Oil & Gas & Mining

6 For Ranch Creek Partners,
7 LLC:

Randall J. Feuerstein, Esq.
1700 Broadway
Denver, Colorado

8 For BXG:

Bruce D. Dierking, Esq.
1215 Spruce
Boulder, Colorado

10 For the United Mine Workers
11 of America:

Sue Tyburski, Esq.

12 For the UMWA Health &
13 Retirement Funds:

Joan Burleson, Esq.
303 East Seventeenth Avenue
Denver, Colorado

14 For CIGLAR:

Thomas Wood, Esq.

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FORM CSR LASER REPORTERS PAPER & MFG. CO. 800-626-5312