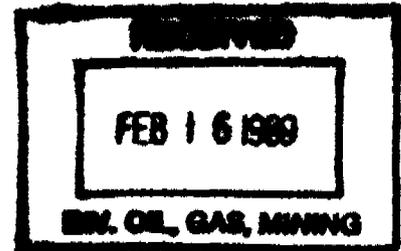


**FABIAN & CLENDENIN**A PROFESSIONAL CORPORATION  
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JATHAN W. JANOVENORMAN J. YOUNKER  
MICHELE MITCHELL  
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KATHLEEN H. SWITZERPETER W. BILLINGS  
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WILLIAM H. ADAMS  
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RAND M. ELISON  
RANDALL A. MACKAY  
DENISE A. DRAGOO  
JAY B. BELL  
DANIEL W. ANDERSON  
GARY E. JUBBER  
ROSEMARY J. BELESS  
W. CULLEN BATTLE

February 16, 1989

HAND DELIVEREDDr. Dianne R. Nielson  
Director  
DIVISION OF OIL, GAS & MINING  
355 West North Temple  
III Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203RE: Reclamation and Settlement Agreement  
with Kaiser Coal Corporation

Dear Dianne:

I understand from conversations with Louis Kuchinic that you are reluctant to execute the Reclamation and Settlement Agreement with Kaiser Coal Corporation ("Kaiser") until the State of Utah is apprised of the status of negotiations concerning the Wellington Preparation Plant and the Geneva (Horse Canyon) Mine. I am happy to report that Kaiser has made excellent progress in negotiations for the sale of both properties. On Wednesday, February 15, 1989, the law firm of Sherman & Howard came to terms with Nevada Power Company's subsidiary, Genwal Coal Company, Inc., for the purchase of the Wellington Preparation Plant. Enclosed is the draft Acquisition Agreement for the Wellington Preparation Plant between Genwal Coal Company, Inc., Buyer, and Kaiser, Seller. In addition, on Thursday, February 16, 1989, Judge Matheson issued an Order approving the sale of Geneva (Horse Canyon) Mine to Intermountain Power Agency.

Dr. Dianne R. Nielson  
February 16, 1989  
Page Two

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Please let me know if you have questions concerning this matter. It is our hope that you will execute the Reclamation and Settlement Agreement and forward the same with Barbara Roberts for our meeting in Denver on Monday, February 20, 1989.

Very truly yours,



Denise A. Dragoo

DAD:jmc

Enclosure

cc: Barbara Roberts, Esq. (with enclosure)  
Louis Kuchinic, Jr.  
Harold G. Morris, Esq.  
Harrie F. Lewis, Esq.  
Catherine J. Boggs, Esq.

ACQUISITION AGREEMENT  
FOR  
WELLINGTON PREPARATION PLANT

BETWEEN  
GENWAL COAL CO., INC.  
BUYER  
AND  
KAISER COAL CORPORATION,

SELLER

Dated \_\_\_\_\_

ACQUISITION AGREEMENT  
FOR  
WELLINGTON PREPARATION PLANT

THIS AGREEMENT, dated \_\_\_\_\_, is between GENWAL COAL CO., INC., a Virginia corporation ("Buyer"), and KAISER COAL CORPORATION, a Delaware corporation and debtor-in-possession ("Seller").

RECITALS

A. Seller and related entities filed Petitions in Bankruptcy pursuant to Chapter 11 of Title 11 of the United States Code (the Bankruptcy Code) on February 13, 1987. Seller is a debtor-in-possession of its estate and the Bankruptcy proceedings are currently being jointly administered in the United States Bankruptcy Court for the District of Colorado (the "Bankruptcy Court") and are identified as Case Nos. 87-B-01620 E, 87-B-01621 E and 87-B-01624 E.

B. Buyer submitted an offer to acquire certain assets of Seller and, after further negotiation, Seller now desires, subject to Bankruptcy Court approval, to accept Buyer's offer and sell such assets to Buyer pursuant to the terms of this Agreement.

C. Buyer desires to purchase from Seller the assets, properties and rights of Seller described in this Agreement, in the manner and upon the terms and conditions set forth in this Agreement.

AGREEMENT

In consideration of the mutual promises, representations, warranties, covenants, conditions and agreements contained in this Agreement, the parties, intending to be legally bound by the terms of this Agreement, covenant and agree as follows:

ARTICLE I  
SALE AND PURCHASE OF ASSETS; TITLE

1.1. Agreement to Purchase and Sell. Seller agrees to assign, convey and deliver to Buyer and Buyer agrees to purchase from Seller, in consideration of \$10.00 and for Buyer assuming all real and personal property tax, lease payment or water right payment, environmental, and reclamation obligations including without limitation, the removal of all PCBs, pertaining to the Assets (the "Consideration"), such obligations to be assumed at

the closing described in Section 1.3, the following properties, rights and assets:

(a) All of Seller's right, title and interest in the Wellington coal preparation plant consisting of fee lands, rights-of-way, water rights, gob, tailings, waste piles, railroad tracks (not owned by The Denver & Rio Grande Western Railroad), buildings and equipment, together with other properties, assets and rights directly related or appurtenant described in Exhibit A (collectively, the "Preparation Plant");

(b) All of Seller's right, title and interest, together with Seller's obligations pursuant to the permits, licenses, servitudes, easements, rights-of-way, surface leases, options, leases of equipment or facilities and other contracts included in the Document List pursuant to Section 2.2; and

(c) All books, files (including computer files and programs), maps and records in Seller's possession or under Seller's control, insofar as they relate to the Preparation Plant to be transferred pursuant to this Agreement, or the maintenance or operation of such assets.

All of the leases, lands, equipment, permits, contract rights and other assets described above are referred to collectively in this Agreement as the "Assets."

1.2. Time and Place of Closing. Unless postponed as provided elsewhere in this Agreement, the closing shall take place at the offices of Sherman & Howard, 633 17th Street, Suite 3000, Denver, Colorado (the "Closing") on the date thirty days following the latest of

(a) The date upon which orders of the Bankruptcy Court referred to in Sections 6.1 and 7.1 become final; or

(b) The Notice Date specified in Section 1.4; or

(c) The expiration of all applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"); or

(d) Any Cure Date determined under Section 2.6.

Subject to the terms and conditions of this Agreement, at the Closing Seller shall deliver to Buyer executed instruments transferring all its right, title and interest to the Assets, and any other appropriate instruments in support of such

transfer. The title of Seller shall be transferred to Buyer, free and clear of liens and encumbrances, except as specifically provided in Section 2.3. The transfer instruments shall not require Seller to warrant its title to any of the Assets, but shall provide for full subrogation of Buyer to the rights of Seller or Seller's related entities under all warranties of title previously made by others other than Seller's related entities.

1.3. Closing Adjustments. If the transactions contemplated hereby are consummated in accordance with the terms and provision of this Agreement, the Assets shall be transferred to Buyer effective on the Closing Date (the "Effective Time"). Subject to the provisions of this Agreement, Seller shall be entitled to all rights of ownership and possession of the Assets, and shall be subject to the duties and obligations of such ownership and possession, prior to the Effective Time; and Buyer shall be entitled to all of the rights of ownership and possession of the Assets, and shall be subject to and shall assume all of the duties and obligations of such ownership and possession including, but not limited to, all environmental and reclamation obligations, after the Effective Time. Buyer shall be solely responsible for any sales or use taxes levied as a result of the transactions contemplated by this Agreement. Except as provided in Section 2.3, the parties shall make appropriate adjustments and prorations at Closing to recognize the following items:

(a) unpaid or prepaid fees, rentals, royalties, bonuses, renewal payments, haulage charges, wheelage charges and other charges of any nature under any lease, deed or agreement pertaining to the Preparation Plant;

(b) unpaid or prepaid insurance on the Assets or for any liability insurance in connection with the operation of the Assets;

(c) any agreed adjustments based upon reduced values as provided in Section 1.4 or 9.1 hereof.

To the extent any adjustment or proration described above duplicates any other adjustment or proration, such adjustment or proration shall not be made. Payment of the adjustments shall be made at Closing by the appropriate party.

1.4. Title Matters. Buyer is acquiring the Assets from Seller on an "as is" basis, subject to defects. Such Assets will also be subject to the obligations that encumber the Assets to the extent shown on the Document List as encumbrances to be assumed by Buyer. Prior to the Closing, Buyer shall have a full and complete opportunity to evaluate Seller's title and

conduct its due diligence review of the Assets. Within 60 days following execution of this Agreement (the "Notice Date"), Buyer shall give Seller written notice of interests in the Assets which have significant title defects ("Defective Interests"). Buyer shall be deemed to have waived all title defects if such notice is not given prior to the Notice Date. If a Defective Interest notice is given prior to the Notice Date, Seller and Buyer shall mutually agree on the value of the Defective Interest and an adjustment shall be made pursuant to Section 1.3. If Seller and Buyer are unable to agree on the value of the Defective Interest then Seller or Buyer may elect not to close pursuant to Section 6.2(a) unless, prior to the Closing the basis for treating such interest as a Defective Interest has been removed or Buyer agrees to accept the Defective Interest notwithstanding the defect. For purposes of this Agreement, the term "significant title defect" shall mean a defect that results in, or could reasonably be expected to result in, a material reduction in Seller's ownership interest in the asset or that will extinguish or materially restrict Buyer's right to use the asset as owner, lessee, licensee or permittee. The term significant title defect shall not include Permitted Liens defined in Section 2.3 nor shall it include liens, interests, or encumbrances to be extinguished pursuant to any Bankruptcy Court order approving the transactions contemplated by this Agreement. Within forty-five (45) days from the date of this Agreement, Seller shall furnish Buyer with a list of the material liens, interests or encumbrances which it expects will be extinguished pursuant to the Bankruptcy Court Order.

1.5. Title Policies. Buyer intends to acquire title policy commitments covering the Preparation Plant and will furnish copies of the same to Seller upon receipt. Buyer and Seller shall cooperate to meet the requirements shown by such commitments. Buyer shall be deemed to have waived any right to object to liens, restrictions, encumbrances and other burdens on title reflected in Schedule B of such commitments, unless Buyer has declared the same to be Defective Interests pursuant to Section 1.4 above or the same shall have been listed by Seller as encumbrances to be extinguished pursuant to Bankruptcy Court order as provided in Section 1.4 above.

ARTICLE II  
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that:

2.1. Authority. Subject to the prior approval of the Bankruptcy Court:

(a) Seller has been duly incorporated in the State of Delaware, and has full corporate power and authority to enter into and carry out the transactions contemplated by this Agreement;

(b) This Agreement is the valid and binding agreement of Seller, enforceable in accordance with its terms; and

(c) Except as stated in the Document List, no consent or approval of any governmental entity is required for the performance by Seller of its obligations pursuant to this Agreement.

(d) Seller knows of no material facts or circumstances which have been disclosed herein or in the documents referred to in it, which if not disclosed to Buyer would make any of the representations in this Article II materially misleading.

(e) Seller has obtained all necessary permits or governmental authorizations and approvals required to conduct Seller's existing operations on the Assets.

2.2. Document List. Buyer has been furnished with a written list (the "Document List"), a copy of which is attached hereto, which correctly identifies the following:

(a) All leasehold, fee or other real property owned, leased or otherwise held by Seller that is included in the Preparation Plant as identified on Exhibit A;

(b) All items of equipment, machinery, inventory, vehicles or other personal property or fixtures (including, without limitation, coal piles, wash or processing plants and storage or loading facilities) owned or leased by Seller and included in the Assets; provided, however, that the Document List lists only such items which have, in any given case, a fair market value in excess of \$5,000;

(c) All contracts for the purchase or sale of real or personal property or of services pertaining to the Preparation Plant;

(d) All material governmental permits, licenses, authorizations or filings of Seller pertaining to the Preparation Plant;

(e) All reclamation bonds or similar instruments relating to the operations of Seller at the Preparation Plant;

(f) Liens against the Preparation Plant for taxes, assessments and other governmental charges.

(g) All consents and approvals of governmental entities other than the Bankruptcy Court which are required for the performance by Seller of its respective obligations pursuant to this Agreement; and

(h) All liens, encumbrances and liabilities to be assumed by Buyer after Closing.

2.3. Title. The title of Seller, to the Preparation Plant and the items of personal property owned by Seller which are referred to on Exhibit A and in Schedule 2.2(b) shall be transferred to Buyer, free and clear of liens and encumbrances, except for the following "Permitted Liens":

(a) Liens for general, real estate and personal property taxes, assessments and other governmental charges and included in 2.2(h) as items to be assumed by Buyer;

(b) Deposits, pledges or liens to secure the performance of bids, tenders, contracts, leases, public or statutory obligations, surety or appeal bonds or other deposits or pledges for similar purposes;

(c) Encumbrances consisting of zoning restrictions, easements, rights-of-way, and licenses and restrictions on the use of real property which Buyer has not declared to be Defective Interests or, if a Defective Interest, which Buyer has agreed to accept under the terms of Section 1.4 above;

(d) Liens created by landlords of leasehold estates owned by Seller and listed in the Document List, and liens on items of personal property which secure the unpaid balance of the purchase price of such items;

(e) Terms, provisions and limitations contained in the instruments creating Seller's fee interests, leases, easements, rights-of-way, permits and licenses, including the rights of the underlying owners or parties in possession which Buyer has not declared to be Defective Interests or, if a Defective

Interest, which Buyer has agreed to accept under the terms of Section 1.4 above;

(f) Boundary areas and other survey defects; and

(g) Such other encumbrances as are identified in the Document List to be assumed by Buyer, including payments to the Price Water Improvement District.

2.4. Information Accurate. Copies of the documents furnished by Seller to Buyer which are identified on the Document List are true and correct copies of such documents, including all material amendments or modifications to such documents.

2.5. Agents' Fees, Etc. No agent, broker, investment banker, person or firm acting on behalf of Seller, or under its authority, is or will be entitled to any broker's or finder's fee or any other commission or similar fee directly or indirectly from any of the parties to this Agreement in connection with any of the transactions contemplated in this Agreement, except for the fees and expenses of Morgan Guaranty, if any, which will not be required to be paid by Buyer.

2.6. General. Except for the representations and warranties of Seller expressly set forth in this Article, Seller makes no representations and warranties with respect to the transactions contemplated by this Agreement. If, prior to the Closing, Buyer determines or has reason to believe that any of Seller's representations and warranties is materially untrue, Buyer shall promptly give Seller written notice of such belief, identifying the representation or warranty in question and specifying the particulars. Seller shall have a period of 30 days from its receipt of such notice in which to cause any such representation or warranty to be materially true or Buyer will have the right to terminate this Agreement. The term "Cure Date" as used in this Agreement shall mean, with respect to any such notice from Buyer, the earlier of (i) the final day of such 30-day period, or (ii) the date, if any, on which Seller shall notify Buyer that, in Seller's good faith opinion, the representation or warranty specified in such notice from Buyer is materially true.

### ARTICLE III REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that:

3.1. Due Incorporation, Etc. Buyer is a duly organized and validly existing corporation of the State of Virginia, having all requisite power to carry on its business as

now being conducted, and Buyer is qualified to do business in each jurisdiction in which its failure to so qualify would materially adversely affect Buyer or its financial condition or business or ability to perform the transactions contemplated by this Agreement.

3.2. Authority, No Breach, Etc.

(a) Buyer has full power and authority to enter into and carry out the transactions contemplated by this Agreement.

(b) The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated in this Agreement will not: (i) violate any provision of Buyer's Articles of Incorporation or Bylaws, or (ii) violate any provision of, or result in the acceleration of any obligation under, any mortgage, lien, lease, indenture, other agreement, order, judgment or decree to which Buyer is a party or by which Buyer or any of Buyer's property is bound.

(c) The execution, delivery and performance of this Agreement by Buyer have been or will prior to the Closing have been duly and validly authorized and approved by all necessary action on Buyer's part.

(d) This Agreement is the valid and binding agreement of Buyer, enforceable in accordance with its terms.

(e) All consents or approvals of any third party or governmental entity other than Buyer, required for the performance by Buyer of its obligations pursuant to this Agreement have been obtained or will be obtained prior to Closing.

3.3. Agents' Fees, Etc. No agent, broker, investment banker, person or firm acting on behalf of Buyer or under its authority is or will be entitled to any broker's or finder's fee or any other commission or similar fee directly or indirectly from any of the parties to this Agreement in connection with any of the transactions contemplated by this Agreement.

3.4. Financial Capability. Buyer has and will have the full and sufficient funds and financial capability to perform its obligations under this Agreement.

3.5. General. Except for the representations and warranties of Buyer expressly set forth in this Article, Buyer makes no representations and warranties with respect to the

transactions contemplated by this Agreement. If, prior to the Closing, Seller determines or has reason to believe that any of Buyer's representations and warranties is materially untrue, Seller shall promptly give Buyer written notice of such belief, identifying the representation or warranty in question and specifying the particulars. Buyer shall have a period of 30 days from its receipt of such notice in which to cause any such representation or warranty to be materially true or Seller will have the right to terminate this Agreement. The term "Cure Date" as used in this Agreement shall mean, with respect to any such notice from Seller, the earlier of (i) the final day of such 30-day period, or (ii) the date, if any, on which Buyer shall notify Seller that, in Buyer's good faith opinion, the representation or warranty specified in such notice from Seller is materially true.

#### ARTICLE IV COVENANTS OF SELLER

Seller agrees that from and after the date of this Agreement to the Closing:

4.1. Access to Records. Seller will, but without unreasonable interference with its business, give Buyer and its accountants, counsel and other representatives full access (including the right to photocopy at Buyer's expense) during normal business hours to the Assets and Seller's files, title materials, books and records pertaining to the Assets. Seller will also make available on a reasonably convenient basis its officers, agents and employees to Buyer for consultation.

4.2. Cooperation. Seller will cooperate fully with Buyer in dealing with regulatory authorities requiring approval of the transfer of Permits and leases from Seller to Buyer. Seller will promptly file such applications as are necessary to seek Bankruptcy Court approval of the transactions contemplated by this Agreement.

4.3. Conduct of Business Until Closing.

(a) Seller's books, records and accounts will be maintained in a manner consistent with past practice.

(b) Seller will maintain, in full force and effect, insurance identical or substantially identical to all presently existing fire and extended coverage, workmen's compensation, liability and other property and casualty insurance insuring the Assets.

(c) Without the prior written consent of Buyer, Seller will not (i) dispose of any of the Assets

except pursuant to a transaction permitted by Section 9.1; (ii) materially amend or modify any existing coal sales agreements or enter into any new coal sales agreements; (iii) amend, modify or enter into any labor agreement; (iv) settle any labor dispute; or (v) commit itself to any of the foregoing.

(d) Seller will not begin any mining operations at the Preparation Plant prior to Closing.

#### 4.4. Obtaining of Consents, Etc.

(a) Seller will use its best efforts to obtain such third party consents, approvals and amendments of agreements, if any, as may be necessary to carry out the transactions contemplated in this Agreement.

(b) Seller will promptly file and diligently prosecute all notification and report forms and other requirements of the HSR Act, if applicable.

4.5. Updating of Document List. Seller will from time to time supplement the Document List so that it will be materially complete on a current basis at the Closing. Any additions thereto which add liens or encumbrances to be assumed by Buyer shall have the prior approval of Buyer or Buyer may declare the same Defective Interests at any time after receipt of such additions and prior to or at Closing.

### ARTICLE V COVENANTS OF BUYER

#### 5.1. Obtaining of Consents, Etc.

(a) Buyer will take all necessary corporate and other action and use its best efforts to obtain such third party consents, approvals and amendments of agreements, if any, as may be necessary for it to carry out the transactions contemplated in this Agreement.

(b) Buyer will promptly file and diligently prosecute all notification and report forms and other requirements of the HSR Act, if applicable.

5.2. Confidentiality. Until the Closing and, if for any reason the transactions contemplated by this Agreement are not consummated, at all times after the Closing, Buyer will, and will cause its employees, agents and representatives to, treat all information obtained regarding Seller, which is not otherwise lawfully known to Buyer or already in the public

domain, as confidential. If the Closing does not take place Buyer will return to Seller all copies of all documents or other materials belonging to Seller.

5.3. Executory Contracts. Within 30 days following execution of this Agreement, Buyer shall furnish Seller with a notice which identifies any and all executory contracts and nonexpired leases included in the Assets which Buyer desires not be assumed by Seller and assigned to Buyer pursuant to this Agreement. Upon Seller's receipt of such notice, the identified contracts and leases shall be excluded from the Assets, but there shall be no adjustment to the Consideration on account of such exclusion. As to the remaining executory contracts and unexpired leases to be assumed by Seller and assigned to Buyer, Seller shall be responsible for curing or obtaining waivers of prior defaults and it shall be Buyer's responsibility to present evidence sufficient for the Bankruptcy Court to determine that lessors or holders of executory contracts have adequate assurances of future performance. Upon closing of this transaction, Buyer agrees to assume and perform all obligations of Seller pursuant to such leases and executory contracts.

ARTICLE VI  
CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLER

The obligations of Seller pursuant to this Agreement are subject to the satisfaction of the following conditions at or before the Closing:

6.1. Court Approval.

(a) The transactions contemplated by this Agreement shall have been approved by an order of the Bankruptcy Court pursuant to §363 of the Bankruptcy Code or the terms of a Plan under Title 11 of the Bankruptcy Code, and such order shall have become final and non-appealable, authorizing the sale of the Assets free and clear of interests other than Permitted Liens, provided, however, that Buyer may waive at its sole option, the condition that such order be non-appealable.

(b) The Bankruptcy Court shall have entered an order authorizing Seller to assume and assign to Buyer pursuant to §365 of the Bankruptcy Code the executory contracts and unexpired leases described on the Document List that have not been excluded by Buyer pursuant to the procedures of Section 5.3.

6.2. Performance, Warranties, Etc.

(a) All of the terms and conditions of this Agreement to be complied with and performed by Buyer at or before the Closing shall have been complied with and performed in all material respects, and the representations and warranties made by Buyer in this Agreement shall be correct in all material respects at and as of the Closing with the same force and effect as though such representations and warranties had been made at and as of the Closing.

(b) Buyer shall have delivered to Seller a certificate, dated the Closing Date, signed by an authorized officer of Buyer, certifying to the matters set forth in subsection (a).

6.3. Consents Obtained. The consents referred to in Section 3.2(e) shall have been obtained.

ARTICLE VII  
CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER

The obligations of Buyer pursuant to this Agreement are subject to the satisfaction of the following conditions at or before the Closing:

7.1. Court Approval.

(a) The transactions contemplated by this Agreement shall have been approved by an order of the Bankruptcy Court pursuant to §363 of the Bankruptcy Code or the terms of a Plan under Title 11 of the Bankruptcy Code, authorizing the sale of the Assets free and clear of liens except for Permitted Liens, provided, however, that Buyer may waive at its sole option, the condition that such order be non-appealable.

(b) The Bankruptcy Court shall have entered an order authorizing Seller to assume and assign to Buyer pursuant to §365 of the Bankruptcy Code the executory contracts and unexpired leases referred to on the Document List that have not been excluded by Buyer pursuant to the procedures of Section 5.3.

7.2. Performance, Warranties, Etc.

(a) All of the terms and conditions of this Agreement to be complied with and performed by Seller at or before the Closing shall have been complied with

and performed in all material respects, and the representations and warranties made by Seller in this Agreement shall be correct in all material respects, at and as of the Closing, with the same force and effect as though such representations and warranties had been made at and as of the Closing.

(b) Seller shall have delivered to Buyer a certificate, dated the Closing Date, signed by an officer of Seller, certifying to the matters set forth in subsection (a).

7.3. Consents Obtained. The consents referred to in Section 2.1(c) shall have been obtained.

7.4. Post-Closing Approvals. With respect to the transfer to Buyer of those of Seller's Permits and leases which are customarily approved by governmental authorities after closing, Buyer shall have received no notification from such governmental authorities that such transfers will be disapproved.

7.5. No Material Adverse Change. No substantial changes to the Preparation Plant shall have occurred between the date of this Agreement and the Closing Date which are on the whole as to the Preparation Plant materially adverse to Buyer, other than changes resulting from the withholding by Buyer of consents requested by Seller pursuant to Section 4.3(c).

7.6. Title to Assets. Buyer shall have the title commitment to the Preparation Plant endorsed just prior to Closing. Such endorsements shall reflect no additional title matters except for those matters which the Buyer has declared not to be Defective Interests or, if a Defective Interest, which Buyer has agreed to accept under the terms of Section 1.4 above.

#### ARTICLE VIII GENERAL MATTERS

8.1. Binding Agreement. All terms, covenants, representations, warranties and conditions of this Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the parties to this Agreement and their respective successors and assigns. Neither Buyer nor Seller may assign any of its interest in this Agreement without the written consent of the other.

8.2. Notices. All notices, requests, waivers and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed to

have been duly given if delivered personally or by prepaid telex or telegram or by telecopier:

If to Seller, to:

Kaiser Coal Corporation  
201 South Second  
P.O. Box 1107  
Ration, New Mexico 87740

With a copy to:

Harold G. Morris, Jr.  
Sherman & Howard  
First Interstate Tower North  
633 Seventeenth Street, Suite 3000  
Denver, Colorado 80202  
Telephone: (303) 297-2900

If to Buyer, to:

Charlie F. Vaughn  
Genwal Coal Co., Inc.  
6226 West Sahara Avenue  
P.O. Box 230  
Las Vegas, Nevada 89151

8.3. Entire Understanding. This Agreement is the entire agreement, and supersedes all prior agreements and understandings, written or oral, among the parties to this Agreement, with respect to the subject matter of this Agreement. Any amendment or modification to this Agreement shall be in writing and shall be submitted to the Bankruptcy Court for approval at the request of either party.

8.4. Waivers. The failure of any party at any time to require performance of any provision of this Agreement shall not affect its right later to require such performance. No waiver in any one or more instances shall, except as otherwise stated in such waiver, be deemed to be a further or continuing waiver of such condition or breach in other instances or a waiver of any condition or breach of any other term, covenant, representation or warranty.

8.5. Liability. The representations, warranties and covenants set forth in this Agreement and the liabilities of the parties with respect to such representations, warranties and covenants will expire and terminate upon the consummation of the Closing, and after consummation of the Closing any action to enforce specific performance or recover any amounts with respect to such representations, warranties and covenants shall be

consequential, exemplary or punitive damages be recoverable with respect to this Agreement by any party to this Agreement.

8.6. Materiality. Materiality, and the meaning of such terms as "material" or "materially", in connection with Seller shall be in each case determined in the context of its financial condition, business, properties and Assets considered as a whole.

8.7. Time Period Calculation. All time periods in this Agreement shall be calculated on the basis of calendar days, except that if the Closing Date would then occur on a day that is not a business day in the location of the Closing, the Closing Date will be extended to the next following business day in such location.

8.8. Expenses. Each party will pay its own expenses incurred in connection with the authorization, preparation, execution and performance of this Agreement, including without limitation all fees and expenses of counsel and accountants.

8.9. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

8.10. Headings. The headings preceding the text or Articles and Sections of the Agreement are for convenience only and are not part of this Agreement.

8.11. Applicable Law; Process. This Agreement is governed by and shall be construed and enforced in accordance with the internal laws of the State of Colorado, except with respect to matters of title to the Preparation Plant, which shall be governed by the laws of the State of Utah. Buyer irrevocably submits to the jurisdiction of the United States Bankruptcy Court for the District of Colorado over any suit, action or proceeding arising out of or relating to this Agreement; and Buyer consents to process being served in any such suit, action, or proceeding by serving a copy of such process by United States Registered Mail addressed to Buyer at the address set forth in Section 8.2; and Buyer agrees that service made in such manner shall be deemed effective service of process upon Buyer in any such suit, action, or proceeding and shall, to the fullest extent permitted by law, be taken and held to be valid personal service upon and personal delivery to Buyer. Nothing in this Section shall affect any right which Seller may otherwise have to bring proceedings against Buyer in any court other than the Bankruptcy Court for the District of Colorado.

8.12. Further Assurance. From and after the Closing Date, at the request of Buyer, but without further consideration, Seller will execute and deliver or cause to be executed or delivered such other instruments of conveyance and transfer and take such other action as Buyer reasonably may require more effectively to vest in Buyer and to put Buyer in possession of any of the Assets required by this Agreement to be conveyed to Buyer.

ARTICLE IX  
CASUALTY LOSS

9.1. Casualty Loss. If prior to Closing any of the Assets are substantially damaged or destroyed by fire, accident, explosion or other casualty ("Casualty Loss"), Seller shall notify Buyer promptly after Seller learns of such event. Seller shall have the right, but not the obligation, to cure any Casualty Loss by repairing such damage or, in the case of personal property or fixtures, replacing the Assets affected by the Casualty Loss prior to the Closing. To the extent Seller anticipates that a Casualty Loss cannot or will not be cured prior to Closing, Seller shall notify Buyer promptly and the parties will promptly meet and attempt to agree upon the aggregate reduction in value of such Assets on account of such Casualty Loss. If the parties are unable to agree on such amount prior to Closing, then such determination shall be made by the Bankruptcy Court. If such value in aggregate is determined to be less than \$500,000.00, then Buyer shall proceed to purchase the Assets; if such value in aggregate equals or exceeds \$500,000.00, Buyer will have the right to terminate this Agreement. Notwithstanding anything to the contrary contained in this Agreement, Seller shall be entitled to retain all insurance proceeds and claims against other parties in respect of such Casualty Loss.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed it as of the date first above written.

BUYER:

GENWAL COAL CO., INC.

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

Title: \_\_\_\_\_

**SELLER:**

**KAISER COAL CORPORATION  
Debtor-in-Possession**

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

**Title:** \_\_\_\_\_

Exhibit A

Part I: Real Estate

Wellington Preparation Plant

A. Fee Lands.

Township 15 South, Range 11 East, S.L.M.

Section 8: Beginning at the SE corner of Section;  
thence North 3960 feet; West 1320 feet;  
South 2250 feet more or less to the  
Southern Boundary of the D&RG Railroad  
right of way; thence N 63°51' 11" West  
1470 feet more or less; thence South 2360  
feet more or less; thence East 2640 feet  
to the beginning;

LESS all oil, gas and minerals;

LESS the Denver and Rio Grande Western  
Railroad right-of-way.

Section 9: SE½NW¼; E½SW¼, SW½SE¼;

LESS all oil and gas.

SW¼NW¼; W½SW¼; N½SE¼; SE½SE¼;

LESS all oil, gas and minerals;

LESS the Denver and Rio Grande Western  
Railroad right-of-way.

Beginning 2640 feet South of the NW  
corner of the NE¼; thence East 2640 feet;  
North 997 feet; West 2640 feet; thence  
South 997 feet to beginning.

LESS all oil, gas and minerals;

LESS the Denver and Rio Grande Western  
Railroad right-of-way.

- Section 10: SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>;  
LESS all oil and gas.  
NW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>;  
LESS all oil, gas and minerals.
- Section 15: W<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub>;  
LESS all oil and gas.
- Section 16: N<sup>1</sup>/<sub>2</sub>NEX; SE<sup>1</sup>/<sub>2</sub>NEX; NE<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub>; SW<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub>; Lots 3 & 4;  
SW<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub>;  
LESS coal and other minerals;  
LESS the Denver and Rio Grande Western  
Railroad right-of-way.  
W<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub>; SE<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub>; SW<sup>1</sup>/<sub>2</sub>NEX; NW<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub>;  
LESS the Denver and Rio Grande Western  
Railroad right-of-way;  
LESS all oil, gas and minerals.
- Section 17: NE<sup>1</sup>/<sub>2</sub>; E<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub>;  
LESS all oil and gas.

B. Agreements.

1. Lease dated August 1, 1960 between The Denver and Rio Grande Western Railroad Company, lessor, and United States Steel Corporation, lessee, covering the following described parcel:

An irregular tract of land 160 feet in length and having an average width of 38 feet, being part of the right-of-way of the Lessor in Township 15 South, Range 11 East, Salt Lake Meridian at East Wellington, Utah, lying on the southerly side of said Lessor's tracks and westerly of a point opposite Mile Post 610 plus 438 feet.

2. Lease dated January 12, 1961 between The Denver and Rio Grande Western Railroad Company, lessor, and United States Steel Corporation, lessee, covering the following described parcel:

An irregular tract of land being part of the right-of-way of the Lessor in the SW/4NW/4 of Section 16, Township 15 South, Range 11 East, Salt Lake Meridian at East Wellington, Utah, lying southwesterly of said Lessor's tracks and northwesterly of a point opposite Mile Post 610 plus 4541-feet, as shown on Map No. E-52, containing about 5,245 square feet.

3. Pipeline Crossing Agreement dated June 5, 1973 from The Denver and Rio Grande Western Railroad Company to United States Steel Corporation described as follows:

A 3-inch diameter water pipe line encroachment on the right-of-way of the Railroad Company from Mile Post 612 + 100 feet to 612 + 1180 feet, Section 8, Township 15 South, Range 11 East, Salt Lake Meridian, at East Wellington, Utah shown on Map No. W-177 and installed with specifications shown thereon.

4. Pipeline Crossing Agreement dated September 23, 1957 from The Denver and Rio Grande Western Railroad Company to United States Steel Corporation described as follows:

A 3-inch diameter cast iron water pipe line and a 24-inch diameter concrete water pipe line extending northeasterly at right angles across the 200 foot wide right-of-way and under the main track and two side tracks of The Denver and Rio Grande Western Railroad Company at Mile Post 610 + 4848 feet, near Wellington, Carbon County, Utah, within the NW/4 of Section 16, Township 15 South, Range 11 East, Salt Lake Meridian; as shown on Drawing No. WR-38; said water pipe lines to be encased in 64 feet of pipe consisting of 40 feet of No. 10 gauge 48-inch diameter corrugated metal pipe and 24 feet of 48-inch diameter No. 10 gauge liner plate laid at a depth of not less than 5.5 feet below the base of the low rail where it crosses under said tracks as shown on Drawing No. WR-38A.

5. Private Way License dated September 13, 1957 from The Denver and Rio Grande Western Railroad Company to United States Steel Corporation described as follows:

A 16-foot wide private road crossing at grade extending southwesterly at right angles over and across the 200-foot wide right-of-way and the main track, passing

track and one lead track of the Licensor at Mile Post 610 + 4717 feet, near Wellington, Carbon County, Utah, within the Southeast quarter of the Northwest quarter of Section 16, Township 15 South, Range 11 East, Salt Lake Base and Meridian, as shown on Map No. W-54.

6. Private Way License dated May 27, 1959 from The Denver and Rio Grande Western Railroad Company to United States Steel Corporation described as follows:

A 16-foot wide private road crossing at grade extending southwesterly at right angles across the 200-foot wide right-of-way and the main track, a passing track and a yard lead track of The Denver and Rio Grande Western Railroad Company at Mile Post 611 + 3454 feet, at East Wellington, Carbon County, Utah, within the southwest quarter of Section 8, Township 15 South, Range 11 East, Salt Lake Base and Meridian, as shown on Map No. E-40.

7. Grant of Easement dated and recorded April 1, 1971, Entry 12158, Book 124 at page 59, from Ira and Crystal Tidwell to United States Steel Corporation to pond water on the following described lands:

Beginning at the Northwest corner of the Northeast quarter of Section 9, Township 15 South, Range 11 East, Salt Lake Meridian; thence South 2640 feet to the center of Section 9; thence East 720 ft.; thence North 16 degrees East, 2910 feet to North line of Section 9; thence West 1500 feet to point of beginning, excluding, however, the following:

Beginning 2640 ft. S. of NW corner of NE 1/4 Section 9, Township 15 S., Range 11 E., said point of beginning being the center of said Section 9; thence East along the South boundary of the NE 1/4 of Section 9, 720 feet thence North 16 degrees East 1037 feet; thence West 1005.5 feet to the West boundary of the NE 1/4 of Section 9; thence South 997 feet along the West boundary of the NE 1/4 of Section 9, to the point of beginning, containing 19.75 acres more or less.

8. Pipeline Crossing Agreement dated July 24, 1952, from the Denver & Rio Grande Western Railroad to United States Steel Corporation for a 3" diameter galvanized steel water pipeline.

9. Deed of Easement from Nick and Ileen Siaperas dated March 24, 1971, recorded April 14, 1971, Book 124 at page 190, to pond water on land located in the NE 1/4, Section 9,

Township 15 South, Range 11 East, Salt Lake Meridian, more particularly described as follows:

Parcel 1

Beginning at a point 1710 feet East and 430 feet South of the Northwest corner of the Northeast quarter of Section 9, Township 15 South, Range 11 East, Salt Lake Meridian, thence South 28 degrees West 580 feet; thence South 64 degrees East 150 feet; thence North 28 degrees East 580 feet; thence North 64 degrees West 150 feet to beginning.

Parcel 2

Beginning at a point 1880 feet East and 100 feet South of the Northwest corner of the Northeast quarter of Section 9, Township 15 South, Range 11 East, Salt Lake Meridian; thence South 28 degrees West 370 feet; thence South 64 degrees East 150 feet; thence North 28 degrees East 440 feet to Highway right-of-way; thence West along right-of-way 165 feet to beginning.

Parcel 3

Beginning 2640 feet South and 720 feet East of the Northwest corner of the Northeast quarter of Section 9, Township 15 South, Range 11 East, Salt Lake Meridian; thence East 1920 feet along the south boundary line of the NE 1/4 of Section 9 to the East quarter corner of said Section 9; thence North 1915 feet; thence West 165 feet; thence North 675 feet to highway right-of-way, thence Westerly along right-of-way 240 feet to the East boundary of the Willis A. Palmer property; thence South 28 degrees West 570 feet along East boundary of said Palmer property; thence North 64 degrees West 150 feet; thence South 28 degrees West 580 feet; thence North 64 degrees West 150 feet; thence South 28 degrees West 720 feet; thence Southwesterly 1150 feet to beginning.

Excluding from said Parcel 3, however, the following tract of land:

Beginning 2640 feet South and 720 feet East of the Northwest corner of the Northeast quarter of Section 9, Township 15 South, Range 11 East, Salt Lake Meridian; thence East 1920 feet along the South boundary line of the said NE 1/4 of the Section 9 to the East quarter corner of said Section; thence North along the East boundary line of the NE 1/4 of Section 9, a distance of 997 feet; thence due West for a distance of 1575.8 feet

to a point on the West Boundary of Grantor's land; thence Southwesterly a distance of 1058 feet to point of beginning, containing 40 acres, more or less.

10. Agreement dated February 5, 1958, as amended March 11, 1963 between Wellington City, Utah and Columbia-Geneva Steel Division of United States Steel Corporation.

11. Water Lease Agreement dated December 17, 1974 between Price River Water Improvement District, Lessor, and United States Steel Corporation, Lessee.

12. Electric Service Agreement dated March 2, 1967 between United States Steel Corporation and Utah Power & Light Company.

13. Main Extension Agreement dated September 13, 1983 between Mountain Fuel Supply Company and U.S. Steel Mining Company, Inc.

C. SUBJECT TO:

The Fee Lands and the Agreements are subject to the following exceptions, reservations, leases and agreements:

1. Reservation of rights-of-way reserved in patents from the United States of America for ditches or canals constructed by the authority of the United States.

2. Reservation in a Patent from the State of Utah to United States Steel Corporation dated March 1, 1957, recorded March 23, 1957, entry 80693, Book 2-8 of Patents at page 36, of rights-of-way for tunnels and telephone and transmission lines constructed by authority of the United States and rights-of-way for easements of the public to use such highways that may have been established according to law on the following described lands:

Township 15 South, Range 11 East, S.L.M.

Section 16: N/2NE/4, SE/4NE/4, NE/4NW/4, S/2SE/4,  
Lots 3 and 4, S/2SW/4, less, D&RGW  
right-of-way.

3. Exceptions in deeds from Nick and Ileen Siaperas both dated March 24, 1971, recorded, respectively, in Book 124 at pages 44 and 46, and deeds from Ira and Crystal Tidwell, both dated April 1, 1971 recorded, respectively, in Book 124 at pages 55 and 57, of all easements, rights-of-way

and other encumbrances of record or apparent from an examination on the lands located in Section 16.

4. Exception in Correction Warranty Deed from Paul E. and Lyla Thayne dated March 14, 1957, recorded in Book 53 at page 522, of that parcel of land commencing at the SW Corner of Section 10, Township 15 South, Range 11 East, Salt Lake Meridian; thence East a distance of 1320 feet; thence North a distance of 1931.17 to a point of beginning; thence North 81 degrees 25' West on a centerline through the middle of a strip of land 16.5 feet wide for a distance of 880 feet; thence North 68 degrees 30' West on a centerline through the middle of a strip of land 16.5 feet wide for a distance of 680 feet.
5. Surface Lease dated January 1, 1979 between United States Steel Corporation, lessor, and Consolidation Coal Company, lessee.
6. Easement from United States Steel Corporation to The Denver and Rio Grande Western Railroad Company, dated approximately April 4, 1957.
7. License Agreement between Utah Power and Light Company and United States Steel Corporation entered into in 1957.
8. License Agreement between United States Steel Corporation and Mariani Air Products Co. dated April 28, 1971.
9. Grazing License dated January 19, 1972 from United Steel Corporation to Jack D. Pressett.
10. Grazing Lease dated November 1, 1966 between United States Steel Corporation and Tain Clark.
11. Main Extension Agreement between Mountain Fuel Supply Company and U.S. Steel Mining Company dated September 13, 1983.
12. Lease Agreement between United States Steel Corporation and Utah Power and Light Company, dated June 1, 1972, amended as of June 1, 1982 (process of being reexecuted).
13. All matters set forth on Schedule B, Section 3, to that certain Commitment for Title Insurance, Order No. 20,600-c, from South Eastern Utah Title Company to Kaiser Coal Corporation, a copy of which is attached hereto and by reference incorporated herein.

14. All grants, exceptions or reservations relating to the county roads, if any, in Sections 9 and 16.

15. All rights of the State of Utah, its successors or assigns, if any, to the bed of the Price River or any changes in the boundaries of land contiguous to and attributable to flow of the Price River.

Entry No. 011294  
Indexed ✓✓  
Abstracted ✓  
Reg. Fee 2.00

QUIT CLAIM DEED  
(UTAH) •

S. E. Utah Title  
# 257  
# 670-673

THIS QUIT CLAIM DEED (this "Deed") dated as of December 30, 1985, is from UNITED STATES STEEL CORPORATION, a Delaware corporation, 600 Grant Street, Pittsburgh, Pennsylvania 15230 ("U.S. Steel"), to KAISER COAL CORPORATION, a Delaware corporation, 102 South Tejon, Suite 800, P.O. Box 2679, Colorado Springs, Colorado 80901-2679 ("Kaiser").

FOR AND IN CONSIDERATION of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, U.S. Steel as successor in interest by merger and consolidation to United States Steel Corporation, a New Jersey corporation, hereby quit claims to Kaiser, without representations or warranty of title whatsoever, all minerals, including but not limited to, coal, oil and gas and all mineral rights ("Mineral Estate") contained in the following described tract of land located in Section 16, Township 15 South, Range 11 East, Carbon County, State of Utah, to wit:

Beginning at the Northwest corner of Section 16, Township 15 South, Range 11 East, SLM; thence South 2640 feet; thence East to the Denver and Rio Grande Western Railroad right-of-way ("Right-of-Way"); thence Northwest along the Right-of-Way to beginning.

TO HAVE AND TO HOLD the Mineral Estate unto Kaiser and its successors and assigns forever.

EXECUTED this 12<sup>th</sup> day of February, 1986, to be effective for all purposes as of the date first above written.

UNITED STATES STEEL CORPORATION

ATTEST:  
J. H. Jones  
(Seal) Assistant Secretary

By [Signature]

STATE OF Pennsylvania )  
 : ss.  
CITY AND COUNTY OF Pittsburgh/ )  
 Allegheny

On the 12th day of February, 1986, personally appeared before me G. Colombari, who, being by me duly sworn did say that he is the Sr. Vice President-Steel & Related Resources STATES STEEL CORPORATION, and that said instrument was signed in behalf of said corporation by authority of its by-laws and said G. Colombari acknowledged to me that said corporation executed the same.

Lawrence H. Hott  
Notary Public  
Residing at Pittsburgh, Pa.  


My Commission Expires:

LOIS A. WITT, Notary Public  
Allegheny County, Pa.  
Commission Expires October 18, 1988

Exhibit A

Part II: Exceptions to Real Estate

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company.

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortages in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof, water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.
7. Defects, liens, encumbrances, adverse claims or other matters, if any, ~~existing or appearing~~ in the public records or attaching subsequent to the effective date hereof but prior to ~~the date the applicant~~ ~~incurred~~ ~~acquires~~ of record for value the estate or interest or mortgage thereon covered by ~~the commitment~~.

SECTION 8:

1. Excepting the Denver & Rio Grande Railroad Right of Way, which runs on a diagonal direction across Sec. 8.
2. A reservation of all oil, gas and minerals, as reserved in a Warranty Deed dated April 20, 1957, recorded May 8, 1957 in Book 46 at page 404, executed by George Milner, Jr. and Clara Milner in favor of United States Steel Corporation.
3. A Pole Line Easement granted by George Milner, Jr. and Clara Milner in favor of Utah Power & Light Co., recorded Oct. 14, 1949 in Book J-U at page 17, granting a perpetual easement and right of way for a power line plus essential maintenance necessary over the following described centerline:  
Beg. on the S r/w fence of the D&RGRR a point which is 2,645 feet N and 2,518 feet W of the SE Cor. of Sec. 8, T15S, R11E, thence S 44°42' E 1,702 feet.
4. An Assignment of Overriding royalty interest of U. S. Oil and Gas Lease recorded May 20, 1981 in Book 206 at page 798, wherein Assignors appear to be Lani Jean Wilson and David L. Patterson, and Assignee is Sonja V. McCormick, granting a 12-1/2% of 5% of 100% interest in the S 1/2 SW 1/4 and SW 1/2 of the SE 1/4 of Sec. 8 and all of Sec. 17.

5. An Assignment of Oil and Gas Lease recorded Dec. 8, 1981 in Book 213 at page 91, wherein Assignor appears to be Jean Oakason and Assignee is Hunt Oil Co. Includes the S 1/2 of the SW 1/4 of Sec. 8 and the SW 1/4 SE 1/4 of Sec. 9 and all of Sec. 17.

SECTION 9:

1. A reservation of all Oil, Gas and Minerals in a Warranty Deed recorded May 9, 1957 in book 46 at page 404, wherein George Milner, Jr. and Clara Milner appear as Grantors and United States Steel Corporation as Grantee. Applies to the W 1/2 SW 1/4 and the SW 1/4 NW 1/4 of Sec. 9.
2. A reservation of all oil, gas and minerals in a correction Warranty Deed dated Dec. 21, 1957, recorded in Book 353 at page 522, wherein Grantors appear to be Phil E. Thayne and Lyla Thayne and the Grantee is The United States Steel Corporation. Affects the N 1/2 SE 1/4 and the SE 1/4 SE 1/4 of Sec. 9.
3. Excepting therefrom the R/W of the D&RGRR in the S 1/2 of Sec. 9.
4. An exception in the correction Warranty Deed recorded in Book 53 at page 522, Grantors are Phil E. Thayne and Lyla Thayne and Grantee is United States Steel Corporation, providing that the Grantor's use of the surface of said premises shall not be deemed to constitute an interference with or deprivation of Grantor's reserved mineral rights. (See attached Exhibit No. 9-4)
5. A reservation of the right to drain irrigation waste waters over and across property in Sec. 9, as reserved in a Warranty Deed dated March 24, 1971, recorded April 1, 1971 in Book 124 at page 44, the Grantors are Nick Siaperas and Ileen Siaperas and the Grantee is The United States Steel Corporation. (See attached Exhibit 9-5)
6. An Oil and Gas Lease dated Jan. 15, 1964, recorded Feb. 26, 1964 in Book 89 at page 109, wherein Grantors are Nick Siaperas and Ileen Siaperas and Grantee is Humble Oil Company, for a period of 10 or more years, or as long thereafter as oil, gas or minerals are produced. (Applies to a portion of Sec. 9.)
7. A Grant of Easement Agreement dated April 1, 1971 between Ira Tidwell and Crystal Tidwell as Grantors, and United States Steel Corporation as Grantee, wherein Grantors grant, bargain, sell and convey to Grantee a perpetual easement with a right to pond water and coal refuse material on Grantee's property located South of the N 1/2 of Sec. 9. Grantee shall have a perpetual right and easement on property South of the N 1/2 of Sec. 9 to cause and affectuate such changes and results on the easement premises as may result from operation. (See Exhibit 9-7)
8. A Deed and Indenture Easement dated Mar. 24, 1971 between Nick Siaperas and Ileen Siaperas as Grantors and United States Steel Corporation as Grantee. Grantors grant, bargain and sell to the Grantee a perpetual easement over part of Sec. 9, with the perpetual use to pond water and coal refuse on Grantee's property located generally South of the N 1/2 of Sec. 9. Grantee shall have a perpetual right and easement on property South of the N 1/2 of Sec. 9 to cause and affectuate such changes and results on the easement premises as may result from said operations. (See Exhibit 9-8)

9. An Oil, Gas and Mineral Lease dated Oct. 25, 1984, recorded Jan. 9, 1985 in Book 245 at page 687, wherein Lessor is Phil E. Thayne and Lyla Thayne and Lessee is Meany & Johnson Energy Corporation, for a period of 5 years or as long thereafter as oil, gas and minerals are produced. NOTE: Applies to the N 1/2 SE 1/4 and the SE 1/4 SE 1/4 of Sec. 9.

ASSIGNED TO Texaco, Inc. by Assignment of Oil and Gas Lease recorded Jan. 22, 1985 in Book 246 at page 51.

10. An exception for a portion of Sec. 9 which is used as a County Road located in the S 1/2 NE 1/4 as disclosed by the recorded plat thereof.
11. A reservation of the right to drain irrigation waste waters over and across property in Sec. 9 as reserved in a Warranty Deed recorded April 1, 1971 in Book 124 at page executed by Nick Siaperas and Ileen Siaperas in favor of United States Steel Corp. (See Exhibit 9-5)

SECTION 10:

1. A reservation of all oil and gas to the United States in a Patent recorded Oct. 21, 1957 in Book 7 at page 5 in the SW 1/4 SW 1/4 of Sec. 10.
2. A reservation of all oil, gas and minerals in the NW 1/4 SW 1/4 of Sec. 10 in a correction Warranty Deed recorded in Book 53 at page 522, executed by Phil E. Thayne and Lyla Thayne in favor of United States Steel Corporation.

SECTION 15:

1. A reservation of all oil and gas to the United States in a Patent recorded Oct. 21, 1957 in Book 7 at page 5, including the W 1/2 NW 1/4 of Sec. 15.

SECTION 16:

1. Less that portion of the property in the DEAGRR right of way. (Said R/W runs diagonally from the NW 1/4 SE 1/4 across Sec. 16.)
2. A reservation of coal and other minerals to the State of Utah on the following property, all in Sec. 16:  
N 1/2 NE 1/4; SE 1/4 NE 1/4; NE 1/4 NW 1/4; S 1/2 SE 1/4; Lots 3 and 4;  
S 1/2 SW 1/4, recorded March 23, 1957 in Book 28 at page 36.
3. An Oil, Gas and Hydrocarbon Lease dated Nov. 5, 1984, recorded Feb. 11, 1985 in Book 246 at page 405, from the State of Utah to Texaco, Inc. as Minerals Lease No. 41879, on Lots 3, 4, the S 1/2 S 1/2; N 1/2 NE 1/4; NE 1/4 NW 1/4 and the SE 1/4 NE 1/4 of Sec. 16, for a period of 10 years or as long thereafter as oil, gas or hydrocarbons are produced.

SECTION 17:

1. A reservation of all oil and gas to the United States of America in a Patent recorded Oct. 21, 1957 in Book 7 at page 5 on the SE 1/4 SE 1/4 of Sec. 17.
2. A reservation of all oil and gas in a Patent recorded Dec. 12, 1956 in Book 6A at page 366 on Lot 4 and the NE 1/4 of Sec. 17.

MAR 1988

3. An Assignment of overriding royalty interest in a U. S. Oil and Gas Lease recorded May 20, 1981 in Book 206 at page 798, wherein Assignors appear to be Lani Jean Willis and David L. Patterson and Assignee is Sonja V. McCormick. Affects Sec. 17.
4. An Assignment of Oil and Gas Lease recorded Dec. 8, 1981 in Book 213 at page 91, wherein the Assignor appears to be Jean Oakason and Assignee is Hunt Oil Company. Affects land in Sec. 17.

An Indenture recorded October 4, 1960 in Book 69 at page 298-344 from Utah Power & Light Co. to Morgan Guarantee Trust Company of New York. Said Indenture would affect any easement, right of way or property owned by Utah Power & Light Company.

A judgment search was made in the names of United States Steel Corporation and Kaiser Coal Company and none were found of record.

. . .

AMENDMENT TO  
COMMITMENT FOR TITLE INSURANCE  
Order # 20,600-C

SECTION 10: Addition to;

3. Excepting a strip of land 16½ feet wide for a pipeline deeded to Carbon Dioxide and Chemical Company By Ernest Y. Milner and Mary E. Milner, recorded January 1, 1939 in Book 5-0 at Page 324, described as follows: Commencing at the Southwest Corner of Section 10, T15S, R11E, thence East a distance of 1320 feet; thence North a distance of 1931.17 feet to point of beginning; thence North 81deg. 25' West on a center line through the middle of a strip of land 15.5 feet wide a distance of 880 feet; Thence North 68deg. 30' West on a center line through the middle of a strip of land 16.5 feet wide a distance of 680 feet.

SECTION 17: Addition to;

3. A reservation of all minerals other than oil and gas in a Warranty Deed executed by George Milner Jr. and Clara Milner in favor of United States Steel Corporation, recorded May 8, 1957 in Book 46 at page 405.

Exhibit A

Part III: Water Rights

Wellington Preparation Plant

- A. Milner Diversion. Certificate of Appropriation of Water, State of Utah, No. 9042, Application No. 27718, a-4661, a-6519 (Water User's Claim No. 91-215), dated February 25, 1972, recorded in Book 130 at page 519 in the office of the Carbon County Recorder, Price, Utah, in the name of United States Steel Corporation, appropriating ten (10.0) c.f.s. of water from the Price River and underground sources for industrial and irrigation uses, from the following points of diversion:

Township 15 South, Range 11 East, SLM

No. 1: North 5 degrees 31' West, 2272 feet from Southeast corner of Section 16; No. 2: South 22 degrees 50' West, 2089 feet from Northeast corner of Section 16; No. 3: North 1410 feet and West, 535 feet from South quarter corner of Section 8; and No. 4: South 22 degrees 31' West, 1880 feet from Northeast corner of Section 16;

- B. Pumphouse Diversion. Certificate of Appropriation of Water, State of Utah, No. 9043, Application No. 27818, a-4662, a-6518 (Water User's Claim No. 91-216), dated February 25, 1972, recorded in Book 130 at page 520 in the office of the Carbon County Recorder, Price, Utah, in the name of United States Steel Corporation, appropriating five (5.0) c.f.s. of water from the Price River and underground well sources for irrigation and industrial uses, and from the following points of diversion:

Township 15 South, Range 11 East, SLM

No. 1: North 5 degrees 31' West, 2272 feet from Southeast corner of Section 16; No. 2: South 22 degrees 50' West, 2089 feet from Northeast corner of Section 16; No. 3: North 1410 feet and West, 535 feet from South quarter corner of Section 8; and No. 4: South 22 degrees 31' West, 1880 feet from Northeast corner of Section 16;

- C. Farnham Diversion. Certificate of Permanent Change of Point of Diversion, Place, Purpose or Period of Use of Water, State of Utah, No. a-713, Change Application No. a-3851, a-4244, a-6320 (Water User's Claim No. 91-371), dated February 25, 1972, recorded in Book 130 at page 518 in the office of the Carbon County Recorder, Price, Utah, in the name of United States Steel Corporation, changing rights to 5.197 c.f.s. of water (limited to 1247 acre feet per year) for irrigation and industrial uses, from the following points of diversion:

Township 15 South, Range 11 East, SLM

No. 1: North 5 degrees 31' West, 2272 feet from Southeast corner of Section 16; No. 2: South 22 degrees 50' West, 2089 feet from Northeast corner of Section 16; No. 3: North 1410 feet and West, 535 feet from South quarter corner of Section 8; and No. 4: South 22 degrees 31' West, 1880 feet from Northeast corner of Section 16;

D. Stockwatering Claims.

1. Water User's Claim No. 91-3882 by United States Steel Corporation to a diligence stockwatering use for 150 cattle from the Price River, from the following point of diversion:

Township 15 South, Range 11 East, SLM

Section 16: Point where stream SE $\times$ NW $\times$  of Section 16 to point where stream leaves NE $\times$ SE $\times$  of Section 16.

2. Water User's Claim No. 91-3883 by United States Steel Corporation to a diligence stockwatering use for 150 cattle from the Price River, from the following point of diversion:

Township 15 South, Range 11 East, SLM

Section 8: Point where stream enters NE $\times$ SW $\times$  of Section 8 to point where stream leaves NE $\times$ SW $\times$  of Section 8.

3. Water User's Claim No. 91-3759 by United States Steel Corporation to a diligence stockwatering use for 150 cattle from the Price River, from the following point of diversion:

Township 15 South, Range 11 East, SLM

Section 9: Point where stream enters SW $\frac{1}{4}$ NW $\frac{1}{4}$   
of Section 9 to point where stream leaves  
SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 9.

- E. Water Agreement. Rights to a maximum of ten (10.0)  
second feet of water under Application No. 35177  
for irrigation and industrial uses pursuant to an  
Agreement dated December 17, 1974, between Price  
River Water Improvement District and United States  
Steel Corporation.

Entry No. 011296  
Indexed ✓  
Abstracted ✓  
Recog. Fee 2.20

DEED OF WATER RIGHTS

(UTAH) •

S. E. Utah Title

1988 (2) 11 13 AM '88  
page 257  
page 674-676

THIS DEED OF WATER RIGHTS (this "Deed") dated as of December 30, 1985, is from UNITED STATES STEEL CORPORATION, a Delaware corporation, 600 Grant Street, Pittsburgh, Pennsylvania 15230 ("U.S. Steel") to KAISER COAL CORPORATION, a Delaware corporation, 102 South Tejon, Suite 800, P.O. Box 2679, Colorado Springs, Colorado 80901-2679 ("Kaiser").

FOR AND IN CONSIDERATION of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, U.S. Steel, as successor in interest by merger and consolidation to United States Steel Corporation, a New Jersey corporation, hereby grants, bargains, sells and conveys to Kaiser, without representations or warranty of title whatsoever, the water rights described on Schedule I attached hereto (the "Water Rights"); together with any and all water and water rights, ditch and ditch rights, reservoir and reservoir rights and wells and well rights appurtenant to or used upon the real property described in Special Warranty Deed of even date between the parties which rights are conveyed without any warranty of title, either express or implied.

TO HAVE AND TO HOLD the Water Rights unto Kaiser and its successors and assigns forever.

EXECUTED this 12<sup>th</sup> day of February, 1986, to be effective for all purposes as of the date first above written.

UNITED STATES STEEL CORPORATION

ATTEST:

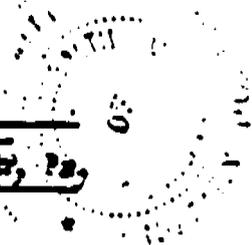
F. J. Jones  
(Seal) Assistant Secretary

By J. Holoway

STATE OF Pennsylvania )  
 )  
: ss.  
CITY AND COUNTY Pittsburgh/  
 )  
Allegheny

On the 12th day of February, 1986, personally appeared before me G. Colombari, who, being by me duly sworn did say that he is the SP. Vice President-Steel & Related Resources of UNITED STATES STEEL CORPORATION, and that said instrument was signed in behalf of said corporation by authority of its by-laws and said G. Colombari acknowledged to me that said corporation executed the same.

Leslie Hitt  
Notary Public  
Residing at Pittsburgh, Pa.



My Commission Expires:

LES A. WITT, Notary Public  
Pittsburgh, Allegheny County  
Commission expires 11/20/1990  
My Commission Expires October 14, 1988

SCHEDULE I

WATER RIGHTS

Statement of Water User's Claim No. 91-254. Certificate of Appropriation Application No. 10076, claiming priority date of July 19, 1958 for industrial use of 0.15 cfs from January 1 to December 31, for the Wellington Preparation Plant at the following point of diversion located in Carbon County, Utah:

Township 15 South, Range 11 East, S1M  
South 28 degrees 23' East, 1321.8 feet  
from the Northwest corner of Section 16;

Statement of Water User's Claim No. 91-255. Certificate of Appropriation Application No. 10080, claiming priority date of July 19, 1958 for industrial use of 0.21 cfs from January 1 to December 31, for the Wellington Preparation Plant at the following point of diversion located in Carbon County, Utah:

Township 15 South, Range 11 East, S1M  
South 22 degrees 42' West, 1919 feet  
from the Northeast corner of Section 16.

LEG88:22  
MAR 1988

2.2(b) All items of equipment, machinery, inventory, vehicles or other personal property or fixtures pertaining to the Preparation Plant:

Wellington Preparation Plant

<u>EQUIPMENT NUMBER</u>	<u>DESCRIPTION</u>	<u>MANUFACTURER</u>	<u>YEAR PROPERTY ACQUIRED</u>	<u>PROPERTY CODE</u>	<u>SERIAL NUMBER</u>
00-681	WET COAL CONVEYOR - NO. 1		1960	04114000	
00-682	WET COAL CONVEYOR - NO. 2		1960	04114000	
00-687	DRYER REACTOR AND FURNACE		1960	04114000	
00-617	DRY COAL BELT CONVEYOR		1960	04111000	
00-634	DUST COLLECTION CYCLONES (6)	DUCON	1985	04111000	
0611-1	DRYER PULVERIZER AND PAN		1960	94111000	
0613-1	MAIN FLUIDIZING BLOWER		1960	04111000	
0614	CYCLONE ROTARY VALVES		1960	04111000	
114-	FLOTATION CIRCUIT FOR FINE COAL		1968	04104000	
23-23-0	BOSTON WOVEN HOSE & RUBBER, CONV. BELT		1958	04104000	
23-28-0	BOSTON WOVEN HOSE & RUBBER, CONV. BELT		1958	04104000	
23-36-0	USS FABRICATION FOR CONVEYOR BELT*		1958	04104000	
23-55-1	LOWER TRACK HOPPER FOR CONV. BELT*		1958	04106000	
23-55-2	LOWER TRACK HOPPER FOR CONV. BELT*		1958	04106000	
23-55-3	LOWER TRACK HOPPER FOR CONV. BELT*		1958	04106000	
23-56-0	BOSTON WOVEN HOSE & RUBBER BYPASS CON		1958	04000100	
31-39-0	LOCOMOTIVE	ALCO DIESEL	1957	46001000	82303
31-39-1	LOCOMOTIVE (USED FROM MINTAC)	ALCO DIESEL	1983	46002000	81817
42-42-1	TRANSFORMER 500 KVA	(STORAGE BLDG.)	1958	04106000	C857304
42-42-2	TRANSFORMER 750 KVA	(LOAD CENTER)01	1958	04106000	C856862
42-42-3	TRANSFORMER 750 KVA	(LOAD CENTER)02	1958	04106000	C856864
42-42-4	TRANSFORMER 750 KVA	(LOAD CENTER)03	1958	04106000	C857074
42-42-5	TRANSFORMER 750 KVA	(LOAD CENTER)04	1958	04106000	C856863
42-42-6	TRANSFORMER 300 KVA	(RIVER P. HOUSE)	1958	04106000	858290
46-05-0	200 TON SHOP PRESS	RODGERS	1958	63002000	5-200A-1075

<u>EQUIPMENT NUMBER</u>	<u>DESCRIPTION</u>	<u>MANUFACTURER</u>	<u>YEAR PROPERTY ACQUIRED CODE</u>	<u>SERIAL NUMBER</u>
58-63-0	FREIGHT ELEVATOR	MONTGOMERY	1958 04104000	
65-00-0	FIRE PROTECTION, PIPE LINES ETC.		1960 60002000	
63-05-0	FIRE ENGINE		1958 60001000	
79-01-1	REFUSE PIPE LINE, SO. REFUSE LINE 1&2		1957 74001000	
79-01-2	REFUSE PIPE LINE, NO. REFUSE LINE 4&5		1957 74001000	
84-04-1	BELT SCALE MODEL 10-20-A-1042		1983 04104000	
86-03	VIBRATING FEEDERS AT TRCK HOPPER (6) *	RAMSEY	1958 04106000	
86-09	VIBRATING FEEDERS SAND HOPPER (2)	JEFFREY	1958 04104000	
86-12-1	VIBRATING FEEDERS - MAIN PLANT (6)	SYNTRON CO.	1958 04104000	
87-10-0	CONE CRUSHER	JEFFREY	1958 04104000	
87-26-0	CLEAN COAL CRUSHER	SYMONS	1963 01113000	40514
89-13	SCREENS - MAIN PLANT (4)	AM. PULVERIZER	0	4573
89-14	SCREENS	W. S. TYLER	1958 04104000	6124
89-20	SCREENS MAIN PLANT (3)	SIEVE BEND	1958 04104000	
89-21-0	REFUSE SCREEN	ALLIS-CHALMERS	1958 04104000	8939
89-54-0	SAND RECOVERY SCREEN	ALLIS-CHALMERS	1958 04104000	
90-15-0	CHANCE CONE	DORR-OLIVER	2958 04104000	406431
90-15-4	CHANCE CONE AGITATOR	UNITED ENG.&CON	1958	
93-30-0	TWIN PADDLE MIXER, LINK-BELT		1958	
95-37-1	CENTRIFUGAL FILTER		1960 04104000	
95-37-2	CENTRIFUGAL FILTER	BIRD MACHINE	1958 04104000	LB 1373
95-37-3	CENTRIFUGAL FILTER	BIRD MACHINE	1958 04104000	LB 1374
95-37-4	CENTRIFUGAL FILTER	BIRD MACHINE	1958 04104000	LB 1375
95-37-5	CENTRIFUGAL FILTER	BIRD MACHINE	1958 04104000	LB 1376
97-3-1	DEISTER TABLES, GROUP 1	BIRD MACHINE	1958 04104000	LB 1377
97-3-2	DEISTER TABLES, GROUP 2	DEISTER CON.CO.	1958 04104000	
99-41-2	BOWL DESILTOR, EAST, CIRCULAR	DEISTER CON.CO.	1958 04104000	
99-42-2	BOWL DESILTOR, WEST, CIRCULAR		1958 04104000	
C-856840				

Exhibit A-2

Part IV(B): Buildings & Structures

Wellington Preparation Plant

<u>EQUIPMENT NUMBER</u>	<u>DESCRIPTION</u>	<u>MANUFACTURER</u>	<u>YEAR ACQUIRED</u>	<u>PROPERTY CODE</u>	<u>SERIAL NUMBER</u>
401-00	FUEL OIL TANK**	COAL DRYER	1963	04111000	
409-01	RAILROAD TRACKS		1958	76001000	
42-42-0	MAIN SUBSTATION	GENERAL ELEC.	1957	01100000	
50-02-0	CULINARY WATER LINES, 7,500FT., 3"		1957	74002300	
52-02-1	PIPING-CLEAR WATER (INSIDE MAIN D.)		1958	74004000	
52-02-2	4,590' 24" CONCRETE PIPE	RIVER TO MAIN P	1958	74003000	
55-20-0	CARBONIZATION LABORATORY		1957	01001000	
55-21-0	STORAGE BUILDING		1957	01002000	
55-22-0	SHOP BUILDING		1957	01002000	
55-24-0	MAIN PLANT BUILDING		1957	01005000	
55-25-0	TRACK HOPPER & TRANSFER HOUSE*		1948	04006000	
55-27-0	OIL STORAGE BUILDING		1958	04007000	
55-28-0	OFFICE BUILDING		1958	04008000	
55-29-0	SAND LOADING HOPPER		1957	01004000	
55-30-0	RIVER PUMP HOUSE		1958	04009000	
55-31-0	PLANT PUMP HOUSE		1958	10900100	
55-60-0	DRYER BUILDING		1958	10900100	
60-03-0	YARD LIGHTING		1960	77005000	
60-04-0	POWER LINES		1958	77003000	
77-01-0	ACCESS ROAD 20' X 1 MILE LONG		1957	77006000	
78-01-0	ROAD BRIDGE 20 FT. X 140 FT. LONG		1957	77001000	
78-01-1	REFUSE PIPE BRIDGE		1957	74001000	
78-01-2	SUSPENSION FOOT BRIDGE		1958	77004000	
80-01-0	CLEAR WATER POND (ACROSS RIVER)		1957	01101000	
80-02-0	REFUSE POND (ACROSS RIVER)		1957	01101000	

\* - Track Hopper is Flooded.

\*\* - Probably Present - Not Specifically Identified.

2.2(c) All contracts for the purchase or sale of real or personal property or of services pertaining to the Preparation Plant:

LEG88:23  
APR 1988

**KAISER COAL CORPORATION  
GENEVA/COLUMBIA, WELLINGTON AND CARBON COUNTY RAILWAY  
CURRENT CONTRACTS/LEASES  
April 15, 1988**

<u>CONTRACT NO.</u>	<u>CONTRACTOR</u>	<u>DESCRIPTION</u>	<u>CONTRACT DATES</u>	
			<u>EFFECTIVE</u>	<u>TERMINATION</u>
* PA-1223	U.S. Steel Corp.	Somerset Mine/Wellington Prep Plant Purchase	12/30/85	12/31/95
* PA-1238	Denver & Rio Grande	Lease No. 18230 for Fence & Partial Encroachments	02/07/86	Upon Notice
** PA-1248	Kaiser Fuel Corp.	Deed and Bill of Sale to Gob	06/23/86	N/A
* PA-1274	Denver & Rio Grande Western Railroad Co.	Property Lease #1663 for Cyclone Fence	08/01/60	Upon Notice
* PA-1275	Denver & Rio Grande Western Railroad Co.	Property Lease #1669 For Cyclone Fence	01/12/61	Upon Notice
* PA-1276	Denver & Rio Grande Western Railroad Co.	Contract #26703 Pipeline Crossing Agreement	06/05/73	Abandonment for 1 Year
* PA-1277	Denver & Rio Grande Western Railroad Co.	Contract #22156 Pipeline Crossing Agreement	10/01/57	Abandonment for 1 Year
* PA-1278	Denver & Rio Grande Western Railroad Co.	Contract #22144 Private Way License	09/13/57	Abandonment for 1 Year
* PA-1279	Denver & Rio Grande Western Railroad Co.	Private Way License	05/27/59	Not Stated
* PA-1280	Ira & Crystal Tidwell	Grant of Easement	04/01/71	Not Stated

<u>CONTRACT NO.</u>	<u>CONTRACTOR</u>	<u>DESCRIPTION</u>	<u>CONTRACT DATES</u>	
			<u>EFFECTIVE</u>	<u>TERMINATION</u>
* PA-1281	Denver & Rio Grande Railroad Company	Contract #22138 Pipeline Crossing Agreement	07/24/57	Abandonment for one (1) year
* PA-1282	Nick & Ileen Slaperas	Deed of Easement	03/24/71	Perpetual
* PA-1283	Wellington City	Water Pipeline Agreement	02/05/58	Upon Notice
* PA-1284	Price River Water	Agreement	12/17/74	12/17/2014
* PA-1285	Consolidation Coal Company	Surface Lease Agreement	01/01/79	01/01/89
* PA-1286	Mariana Air Products	License Agreement	04/28/71	Upon Non-Use
* PA-1287	Tain Clark	Grazing Lease	11/01/66	Year to Year
* PA-1288	Jack Pressett	Grazing License	01/20/71	Year to Year
* PA-1311	State of Utah	Patent Reservation	03/01/57	N/A
* PA-1312	Nick Slaperas	Deed Exceptions	03/24/71	N/A
* PA-1313	Paul Thayne	Correction Deed	03/14/57	N/A
* PA-1314	Denver & Rio Grande Western Railroad Co.	Easement	04/04/57	Abandonment
* PA-1315	Utah Power & Light	License Agreement	1957	Upon Notice
** RD-G-165	Kaiser Coal Corporation	Contract Mining Agreement	03/28/85	03/28/2000
** RD-G-207	Chase Manhattan Bank N.A.	\$60M Loan	03/28/85	See Loan
** RD-G-208	Chase Manhattan Bank N.A.	\$6M Loan	01/15/86	See Loan

<u>CONTRACT NO.</u>	<u>CONTRACTOR</u>	<u>DESCRIPTION</u>	<u>CONTRACT DATES</u>	
			<u>EFFECTIVE</u>	<u>TERMINATION</u>
**RD-G-209	Chase Manhattan Bank N.A.	\$4M Loan	05/22/86	See Loan
**RD-G-219	Chase Manhattan Bank N.A.	\$8M Loan	09/15/85	See Loan
*RD-G-224	Mountain Fuel Supply Co.	Main Extension Agreement	09/13/83	09/13/88
*RD-G-225	Utah Power & Light	Electric Service Agreement	09/21/86	09/21/90

\* Applies only to Wellington

\*\* Applies to Wellington and Geneva/Columbia

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(1) Lease Adjustment Date

(d) All material governmental permits, licenses, authorizations or filings of Seller pertaining to the Preparation Plant.

<u>Agency</u>	<u>Permit/License</u>	<u>Issuance</u>
Utah Division of Oil, Gas and Mining 355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, UT 84180-1203	Permit No. ACT/007/012	12/30/85
Utah Dept. of Health	Air Quality Approval Order	12/31/81
U.S. Environmental Protection Agency, Region VIII 1860 Lincoln Street Denver, CO 80295	Application Number UT-0024376	
Mine Safety and Health Administration P.O. Box 25367 Denver, CO 80225	Plant Refuse Pile, ID #1211-UT-09-00099-01  Clear Water Pond, ID #1211-UT-09-00099-02  Lower Refuse Pond, ID #1211-UT-09-00099-03  Upper Refuse Pond, ID #1211-UT-09-00099-04  Pond Refuse Pile, ID #1211-UT-09-00099-05	

(e) All reclamation bonds or similar instruments relating to the operations of Seller at the Preparation Plant;

1. The Self Bonding and Indemnity Agreement between Kaiser Steel Corporation and Kaiser Coal Corporation and the State of Utah Department of Natural Resources, Division of Oil, Gas and Mining, and the U.S. Department of the Interior, Office of Surface Mining dated January 4, 1986 covering the Wellington Preparation Plant was terminated on March 26, 1987. Buyer will be required to provide its own reclamation bond acceptable to the State of Utah and Department of the Interior in the amount of \$4,360,775.00 (1989 dollars), or such other amount as required by the State.

(f) Liens against the Preparation Plant for taxes, assessments and other governmental charges.

Wellington Preparation Plant

1. Real and personal property tax claims for 1986 by Carbon County, Utah in the principal amount of \$128,971.03.

2. Real and personal property tax claims for 1987 by Carbon County, Utah in the principal amount of \$34,558.11.

3. Real and personal property tax claims for 1988 by Carbon County, Utah in the principal amount of \$34,723.08.

(g) All consents and approvals of governmental entities other than the Bankruptcy Court which are required for the performance by each Seller of its respective obligations pursuant to this Agreement; and

1. Consent of United States Steel Corporation "U.S. Steel" and U.S. Steel Mining Company "U.S. Mining," both Delaware corporations, in connection with the transfer to Buyer of the Wellington Preparation Plant.

2. Consent of all governmental agencies referred to in 2.2(d) which have jurisdiction to administer the transfer to Buyer of the permits and licenses.

3. Approval of the United States Department of Justice pursuant to the requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, if applicable.

(h) All liens, encumbrances and liabilities to be assumed by Buyer after Closing.

1. Reclamation liabilities under Wellington Preparation Plant Permit No. ACT/007/012.

2. Obligations under the permits and licenses described in 2.2(d).

3. Obligations under the contracts assumed by Seller and assigned to Buyer described in 5.3 Executory Contracts.