

GENWAL COAL COMPANY

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SEP 30 1992

DIVISION OF
OIL GAS & MINING

September 28, 1992

Mr. Daron Haddock
Division of Oil, Gas & Mining
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, UT 84180-1203

RE: Permit #ACT 015-012
Castle Valley Resources
Lease Agreement w/Denver & Rio Grande
Western Railroad Company

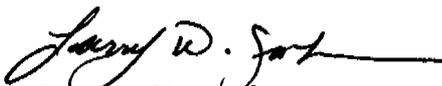
Dear Mr. Haddock:

Attached is a copy of the lease agreement made with the DRGW which includes the single spur and multi-track area to the south and east of the plant building. Sharon Falvey requested this document for verification to the right-of-way on this area.

This document is sent to you as general information upon request of Sharon Falvey.

Should you have any questions or need additional information, please contact me at 687-9813.

Sincerely,



Larry W. Johnson
Genwal Coal Company
Engineer

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DIVISION OF OIL GAS & MINING

STATE OF UTAH)
COUNTY OF CARBON) SS
FILED AND RECORDED FOR
Denver & Rio Grande
Oct 11 10 04 AM '88

Entry No. 021962

DEED NO. U- 4561

Indexed

Abstracted

BOOK 283 OF RECORDS

Redd. Fee 12.00
GRANT OF EASEMENT

PAGE 550-602

KAISER ^{AND O'BRIEN} COAL CORPORATION, a Delaware corporation qualified to do

business in the State of Utah, GRANTOR, hereby grants to THE DENVER & RIO GRANDE WESTERN RAILROAD COMPANY, a Delaware corporation, GRANTEE, the right, privilege and easement to construct, operate and maintain standard gauge railroad spur tracks with necessary roadbed and appurtenant structures over, upon and along an irregular tract of land near Wellington, Carbon County, Utah, within Section 16, Township 15 South, Range 11 East, Salt Lake Base and Meridian, more particularly described as follows:

Parcel No. 1

*th 28-1504-5
"Easement in
the south
- 51900"
in suff.*

Beginning at a point in the southwesterly right of way line of The Denver and Rio Grande Western Railroad Company located 100 feet southwesterly at right angles from the centerline of said Railroad Company's main track, as said track was originally constructed and operated opposite Engineer's Station 6692+83 feet (Mile Post 610+4279.2 feet), said point also being 20 feet southwesterly at right angles from the centerline of said Railroad Company's proposed "Pull-out Track"; thence South 10°44' East, parallel with said "Pull-out Track" about 175 feet; thence southeasterly parallel with said "Pull-out Track" on curve to left having a radius of 694.69 feet, a distance of about 349 feet; thence South 53°48' East about 195 feet; thence South 28°02' West 11 feet to a point 7 feet southwesterly at right angles from the centerline of said Railroad Company's "Coal Yard Main Track"; thence South 61°58' East parallel with said "Coal Yard Main Track" about 282 feet; thence South 28°02' West at right angles to the centerline of said "Coal Yard Main Track" 47 feet; thence South 61°58' East parallel with said "Coal Yard Main Track" about 2409 feet to a point about 140 feet southwesterly at right angles from the centerline of said Railroad Company's main track opposite Engineer's Station 6660 plus about 4 feet (Mile Post 610+1000.2 feet); thence North 34°51' East at right angles to said main track about 40 feet to a point in said Railroad Company's southwesterly right of way line located 100 feet southwesterly at right angles from the centerline of said main track; thence North 55°09' West along said right of way line parallel with said main track about 700 feet to a point 70 feet northeasterly at right angles from the centerline of said "Coal Yard Main Track"; thence North 61°58' West parallel with said "Coal Yard Main Track" about

2000 feet; thence South 28°02'West at right angles to said "Coal Yard Main Track" about 36 feet to a point 30 feet northeasterly at right angles from the centerline of said Railroad Company's "Pull-out Track"; thence northwesterly parallel with said "Pull-out Track"; thence northwesterly parallel with said "Pull-out Track" on curve to right having a radius of 644.69 feet, a distance of about 505 feet; thence North 10°44'West parallel with said "Pull-out Track" about 115 feet to a point in said Railroad Company's southwesterly right of way line; thence northwesterly along said right of way line about 80 feet to the point of beginning, and containing 7.519 acres more or less.

Reserving, however, in the Grantor the rights to go over, across, upon and under said properties with pipelines, roads, power lines and/or any other uses connected with the Wellington Coal Cleaning Operations of Grantor all with due regard for the rights of Grantee.

In the exercise of the rights granted to Grantee and reserved to Grantor hereunder, each party shall be responsible for any injuries, deaths, damage, loss or destruction occasioned by its fault or negligence; provided, however, that where it is established affirmatively that both parties have contributed to any such injury, death, damage, loss or destruction, Grantor and Grantee shall bear equally the damages resulting therefrom, including costs and expenses incurred in defending any suit to recover such damages. In the event of joint liability under the foregoing provisions of this paragraph, no settlement or compromise of any claim shall be made without the written consent of the other party.

The abandonment by Grantee of the trackage and related facilities hereinabove described shall constitute an automatic extinguishment of this easement and a termination of all rights of Grantee hereunder. In addition, the permanent removal by Grantee of any portion of the spur tracks or facilities shall terminate this easement with respect

DEED NO. U- 4561

to the portion so removed. This easement also may be terminated by Grantor within one year after the abandonment or cessation by Grantor of its Wellington Coal Cleaning Operations.

All trackage, structures, and equipment placed by Grantee on the premises of Grantor as hereinbefore described shall remain the property of Grantee. Within ninety (90) days after the termination of Grantee's rights for any reason whatsoever, Grantee shall remove its trackage, structures and other property from the premises and shall restore the same, as nearly as possible, to its original condition and if Grantee fails so to do, Grantor may do such work of removal and restoration at the cost and expense of Grantee.

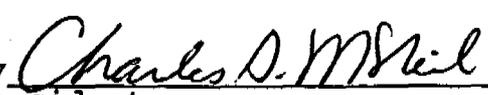
This instrument in all respects shall be binding upon and inure to the benefit of the successors and assigns of Grantor and Grantee.

WITNESS the hand of Grantor this 19 day of February, 1986.

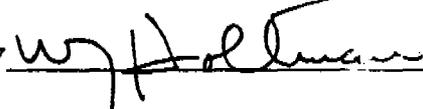
Attest: 
Assistant Secretary

Accepted:

KAISER COAL CORPORATION

By 
President

THE DENVER & RIO GRANDE
WESTERN RAILROAD COMPANY

By 

STATE OF Colorado)
COUNTY OF El Paso) ss.

On the 19th day of February, 1986, personally appeared before me Charles S. McNeil, who being by me duly sworn did say that he is the President of Kaiser Coal Corporation and that the above Grant of Easement was signed in behalf of said Corporation and acknowledged to me that said Corporation executed the same.

My Commission Expires 12/17/89

Pamela K. Simpson
Notary Public

My commission expires:

Residing at: P.O. Box 2679
Colorado Springs, CO
80901

LEG13:5

Approved as to Execution
KB 5/14/87
GENERAL ATTORNEY