

## FABIAN &amp; CLENDENIN

A PROFESSIONAL CORPORATION  
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SALT LAKE CITY, UTAH 84151  
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P. BRUCE BADGER  
JOHN (JACK) D. RAY  
KATHLEEN H. SWITZER  
CRAIG T. JACOBSEN  
ROBERT K. HEINEMAN  
SANDRA K. ALLEN  
BRUCE D. REEMSnyder  
LAURA L. MOSER  
GEOFFREY P. GRIFFINOF COUNSEL  
PETER W. BILLINGSHAND DELIVERED

March 25, 1992

Ms. Sharon Falvey  
Reclamation Hydrologist  
DIVISION OF OIL, GAS & MINING  
3 Triad Center, Suite 350  
355 West North Temple  
Salt Lake City, Utah 84180-1203

RECEIVED

MAR 25 1992

DIVISION OF  
OIL GAS & MININGRE: Wellington Preparation Plant Permit  
Transfer (ACT/007/012)

Dear Ms. Falvey:

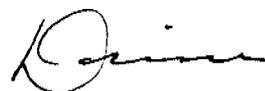
This letter is to clarify that the December 5, 1991 stipulations to the Wellington Preparation Plant Permit transfer regarding title have been complied with.

Stipulation R614-301-112.500 suggests that county plats should be updated to identify NEICO as owner and provide documentation showing exchange of surface property from Genwal Coal Company to NEICO. Enclosed is a copy of the July 11, 1991 Wellington Loadout Warranty Deed, which is of record with the Carbon County Recorder's Office. This Deed shows that ownership has been transferred out of Genwal.

In addition, Stipulation R614-301-121 requires that the permit area description except a portion north of the railroad tracks in the NW1/4SW1/4, Section 8, Township 15 South, Range 11 East. Our records show that the notice of publication reflects this description of the permit area. A copy of this notice is enclosed.

Please give me a call as soon as possible if the current status of title for the Wellington Preparation Plant does not meet your requirements.

Very truly yours,



Denise A. Dragoo

Wellington Loadout  
ACT/007/012  
Correspondance  
File

DAD:jmc  
Enclosures  
cc: Jon Passic  
Rick Collins

EXHIBIT L

TO  
CRANDALL CANYON PROJECT  
JOINT OWNERSHIP AND OPERATING AGREEMENT

RECEIVED

MAR 25 1992

DIVISION OF  
OIL GAS & MINING

Recorded at the request of:  
Ronald L. Rencher  
LeBoeuf, Lamb, Leiby & MacRae  
1000 Kearns Building  
136 South Main Street  
Salt Lake City, Utah 84101  
Telephone: (801) 355-6900

Mail tax notices to:  
Crandall Canyon Project  
2835 South Jones Boulevard, Suite 5  
Las Vegas, Nevada 89102

WELLINGTON LOADOUT WARRANTY DEED

GENWAL COAL CO., INC., a Virginia corporation, whose principal office is located at 195 North 100 West, P.O. Box 1201, Huntington, Utah 84528 ("Grantor"), hereby CONVEYS AND WARRANTS to the INTERMOUNTAIN POWER AGENCY, a political subdivision of the State of Utah, whose principal office is located at 480 East 6400 South, Suite 200, Murray, Utah 84107, and NEVADA ELECTRIC INVESTMENT COMPANY, a Nevada corporation, whose principal office is located at 2835 South Jones Boulevard, Las Vegas, Nevada 89102 (the "Grantees"), for the sum of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATION the receipt and sufficiency of which are hereby acknowledged, EACH AN UNDIVIDED FIFTY PERCENT (50%) INTEREST AS TENANTS IN COMMON in the following described tract of real property located in Carbon County, State of Utah, to wit:

BEGINNING at a point 369.5 feet South of the North Quarter Corner of Section 17, Township 15 South, Range 11 East, Salt Lake Base and Meridian; thence South 115 feet, thence South 66°20' East 700 feet, thence South 23°40' West 150 feet, thence South 62°40' East 1200 feet, thence South 16°00' East 560 feet, thence South 64°00' East 1220 feet, thence South 55°00' East 2165 feet, thence South 84°00' East 2160 feet, thence North 36°30' East 148.1 feet, thence North 61°30' West 3140 feet, thence North 38°12'43" West 2197.29 feet, thence South 54°00' West 170 feet, thence South 970 feet, thence North 67°20' West 280 feet, thence North 56°44'12" West 1968.34 feet, thence South 23°40' West 150 feet, thence North 66°20' West 750 feet, more or less, to the point of beginning. Containing 120.4 acres.

In witness whereof, the Grantor has caused its corporate name to be hereunto affixed by its duly authorized President this 11th day of July, 1991.

GENWAL COAL CO., INC.

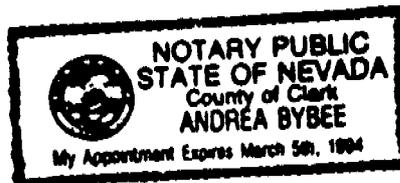
by: *Charlie F. Vaughn*  
Charlie F. Vaughn,  
President

STATE OF Nevada )  
                                  ) :ss.  
COUNTY OF Clark )

The foregoing instrument was acknowledged before me this 11th day of July, 1991 by Charlie F. Vaughn, President of Genwal Coal Co., Inc., a Virginia corporation.

*Andrea Bybee*  
Notary Public  
Residing in Las Vegas, Nevada

My Commission Expires:  
March 5, 1994



**ATTACHMENT A**

**TO  
WELLINGTON LOADOUT WARRANTY DEED**

1. Delinquent property taxes for the years 1986, 1987, 1988, 1989 and 1990, with tax sales to Carbon County.
2. Less that portion of the property in the Denver & Rio Grande Western Railroad Company right-of-way.
3. A reservation of coal and other minerals to the State of Utah, recorded March 23, 1957 in Book 28, Page 36, Official Records of Carbon County, Utah.
4. Reservation in a Patent from the State of Utah to U.S. Steel Corporation dated March 1, 1957, recorded March 23, 1957, entry #80693, Book 2-B of Patents, Page 36, Official Records of Carbon County, Utah, 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.
5. An Oil, Gas and Hydrocarbon Lease, dated November 5, 1984, recorded February 11, 1985 in Book 246, Page 405, Official Records of Carbon County, Utah, from the State of Utah to Texaco, Inc. as Minerals Lease No. 41875.
6. A Grant of Easement, recorded October 11, 1988 in Book 283, Page 599, Official Records of Carbon County, Utah, executed by Kaiser Coal Corporation in favor of the Denver & Rio Grande Western Railroad Company, granting the right, privilege and easement to construct, operate and maintain standard gauge railroad spur tracks with necessary roadbed and appurtenant structures.
7. A reservation of all oil and gas to the United States of America covering Lot 4 and the NE  $\frac{1}{4}$  of Section 17 in a Patent recorded December 12, 1956 in Book 6A, Page 366, Official Records of Carbon County, Utah.
8. A reservation of all minerals other than oil and gas to George Milner, Jr. and Clara Milner in a Warranty Deed in favor of U.S. Steel Corporation recorded May 8, 1957 in Book 46, Page 405, Official Records of Carbon County, Utah.
9. An Assignment of overriding royalty interest in a U.S. Oil and Gas Lease in favor of Sonja V. McCormick, recorded May 20, 1981 in Book 206, Page 798, Official Records of Carbon County, Utah.

NOTICE

Notice is hereby given that Castle Valley Resources, Inc., P.O. Box 766, Wellington, Utah 84542, has submitted an application to the State of Utah, Department of Natural Resources, Division of Oil, Gas & Mining, for transfer of an undivided one-half ownership interest in that portion Permit No. ACT/007/012, Wellington Preparation Plant, Carbon County, Utah, described at Exhibit "A" below from the existing owner Nevada Electric Investment Company, 2835 South Jones Boulevard, Las Vegas, Nevada 89102, to Intermountain Power Agency, c/o Los Angeles Department of Water & Power, P.O. Box 111, Room 1165E, Los Angeles, California 90012. In addition, this application transfers all operating rights under the entire permit area of Permit No. ACT/007/012 as described at Exhibit "B" from Genwal Coal Company, Inc., the existing permittee, to Castle Valley Resources, Inc. This application is submitted in compliance with Utah State Coal Program Regulations R614-303-300 and affects the following lands located in Carbon County, Utah:

EXHIBIT "A"

BEGINNING at a point 369.5 feet South of the North Quarter Corner of Section 17, Township 15 South, Range 11 East, Salt Lake Base and Meridian; thence South 115 feet, thence South 66'20" East 700 feet, thence South 23'40" West 150 feet, thence South 62'40" East 1200 feet, thence South 16'00" East 560 feet, thence South 64'00" East 1220 feet, thence South 55'00" East 2165 feet, thence South 84'00" East 2160 feet, thence North 36'30" East 148.1 feet, thence North 61'30" West 3140 feet, thence North 38° 12'43" West 2197.29 feet, thence South 54'00" West 170 feet, thence South 970 feet, thence North 67'20" West 280 feet, thence North 56° 44'12" West 1968.34 feet, thence South 23'40" West 150 feet, thence North 66'20" West 750 feet, more or less, to the point of beginning. Containing 120.4 acres.

LESS all oil and gas from that portion within said Section 17, and less all coal and other minerals from that portion within Section 16 of the same Township and Range.

EXHIBIT "B"

Township 15 South, Range 11 East, SLBM

Section 8: SE1/4 NE1/4, SE1/4 except portion N of the railroad tracks  
Section 9: S1/2, portions of S1/2 N1/2  
Section 15: W1/2 NW1/4  
Section 16: All  
Section 17: E1/2 SE1/4, NE1/4

Pertinent comments are solicited from anyone affected by this proposal. Such comments should be filed within the next thirty (30) days with:

State of Utah, Department of Natural Resources  
Division of Oil, Gas & Mining  
355 West North Temple  
III Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203