

W C P DEVELOPMENT, LLC
APPLICATION FOR PERMIT TRANSFER
WELLINGTON PREPARATION PLANT
ACT 007/012

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10 March 1999

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LIST OF APPENDICES

Amended and Reinstated Acquisition Agreement for the Wellington Preparation Plant

Newspaper Advertisement and Proof of Publication

Receipt for \$5 filing fee

**APPLICATION FOR PERMIT TRANSFER FOR
WELLINGTON PREPARATION PLANT
PERMIT NO. ACT 007/012**

Chapter 1

111 INTRODUCTION

WCP Development, LLC (WCP) submits this Application for Permit Transfer seeking transfer of Permit No. ACT 007/012 (the "permit"), pursuant to Utah Admin. R645-303-320. The Application sets forth information regarding (1) the nature of the transaction giving rise to this request; (2) the identity of the principal interests involved in the transfer; (3) the legal, financial and compliance status and history of the Wellington Preparation Plant; and (4) the status of the mine area.

The permit was issued to and is presently held by Nevada Investment Electric Company (NEICO). Earthco (Earthco), a Nevada corporation, is presently the Operator of the Wellington Preparation Plant located in Carbon County, Utah.

An Amended and Reinstated Acquisition Agreement for the Wellington Preparation Plant was executed on October 12, 1998, between NEICO as "Seller" and Earthco as "Buyer". A copy of such Agreement is attached to this Application and is made a part hereof.

Thereafter, Earthco and Clearwater Mineral, Inc. (CWM), an Alaska corporation, formed W C P Development, LLC, a Limited Liability Company organized under the laws of Nevada. Earthco, a Nevada corporation with offices at 3637 North Meridian Street, Suite 100, Indianapolis IN 46208-4233, owns eighty percent (80%) and CWM, an Alaska corporation with offices at 1760 Abbott Road, Anchorage AK 99507, owns twenty percent (20%) of WCP.

By this Application, WCP is applying to become the Permittee of Permit No. ACT 007/012, with Clearwater Environmental, Inc. (CWE), an Alaska corporation, providing the bond in an amount, form and issuer sufficient to relieve NEICO of any further obligations as Permittee and to satisfy the requirements of R645-301-800 and R645-303-300. CWM is a subsidiary of CWE. CWE proposes to obtain appropriate performance bond coverage in an amount sufficient to cover the proposed operations and to submit a performance bond or other guarantee, or obtain the bond coverage of the original Permittee. Reliance Surety Company of Wilmington, DE, an affiliate of Reliance Insurance Group, will issue such bonds. CWE will become the Operator and WCP will become the Permittee.

The foregoing transactions and the proposed results thereof are made subject to the approval of the Utah Division of Oil, Gas & Mining (the "Division").

As a result of these transactions, this Application for Permit Transfer documents anticipated changes in Chapter 1 of the Mining and Reclamation Plan for the Wellington Preparation Plant -- "Legal, Compliance & Related Information." Other portions of the Mining

and Reclamation Plan remain unmodified. Any charts, maps, drawings, diagrams, exhibits, tables and so forth in the unmodified portions of the Mining and Reclamation Plan bearing the name of NEICO should be read with the name W C P Development, LLC substituting for NEICO.

The Plant was originally established in 1958 by United States Steel Corporation as a coal cleaning, preparation and loading facility. The plant was in continuous operation until 1985 and was subsequently sold to Kaiser Coal Corporation in 1986. After the latter declared bankruptcy, Genwal Coal Company, a subsidiary of Nevada Electric Investment Company (NEICO) purchased the Plant through the court in August 1989. Castle Valley Resources (CVR) was the operator for Genwal.

Pursuant to a Joint Ownership & Operation Agreement dated July 1, 1991, and executed July 11, 1991, Intermountain Power Agency (IPA) and NEICO jointly owned certain coal and loadout properties including portions of the Wellington Preparation Plant's permit area. By a Coal Sales and Loading Services Agreement dated July 1, 1991 and executed July 11, 1991, CVR agreed with IPA and NEICO to operate and maintain loadout properties including the Wellington Preparation Plant.

Genwal later became the operator of the Joint Ownership land co-owned by NEICO and IPA. In other words, NEICO and IPA owned a portion of the area called "Joint Ownership Area" (approximately 120.2 acres). The operator at that time was Genwal. NEICO, however, was sole owner and operator of the remainder of the property (approximately 387.98 acres).

Pursuant to a Special Warranty Deed (dated January 11, 1995), IPA deeded to NEICO their interest in the Joint Ownership Area. A "Termination Agreement" between IPA and NEICO was signed simultaneously to sell NEICO's interest in the Crandall Canyon Project to Andalex Resources, Inc. (Genwal). Therefore, NEICO has been sole owner and operator of the entire Wellington Preparation Plant property (ACT/007/012) since January 1995.

Elevation at the Wellington Plant is approximately 5,300 - 5,500 feet above sea level, with mean annual precipitation of six to eight inches. The site lies primarily on gently rolling slopes of Mancos Shale and valleys of alluvial deposits and is characterized by salt desert shrub vegetation communities. The Denver and Rio Grande Western Railroad, *which is now a Union Pacific/Southern Pacific railroad*, passed through the site. The Price River also dissects the property. Historic land use of the area has been dominated by grazing of domestic livestock, wildlife habitat and limited crop production. Coal cleaning and preparation operations since 1958 have disturbed about 400 acres within the property boundaries.

Operations at Wellington

History

From 1958 until 1985, the operation history of the property was that of receiving coal by rail, preparation of coal (coal cleaning), and shipping a blended product by rail.

Recent Past

When Genwal Coal Company purchased the area in 1989, that operation was terminated. The railroad loadout facility at Wellington then consisted of a much-simplified flow of product. Coal was crushed at the mine site, transported by truck to the Wellington facility, temporarily stored on the ground, screened and then loaded into waiting railcars. The actual loading operation was part of a new system installed by Genwal Coal Company in September and October of 1989 and made operational during November of 1989. The new loading system used only the one conveyor belt system of the old Kaiser/U.S. Steel preparation plant.

Present

WCP is evaluating the economic value of this project as an industrial park but has no plans at this time for the system as described in previous permitting efforts by U.S. Steel, Kaiser Coal Corporation, or Genwal. Hence, the present and proposed owners are reclaiming this entire site for development. Many of the engineering evaluations done in the past on embankments, slurry ponds and ditches will be re-submitted and prefaced with an updated condition of the structure and its relationships to the current operation.

The Wellington Loadout Facility had previously at times been used to store and load coal. All transportation of coal and screening has been discontinued.

Future

The Wellington site is presently being developed as an industrial park. The site is zoned "heavy industrial" and current negotiations are being conducted to sell specific parcels to industrial users. General (and some specific) plans have been outlined and submitted previously to the State of Utah, Division of Oil, Gas & Mining (the "Division").

Unless otherwise noted in the Table of Contents, all drawings referred to in the text will be found in the Drawing Appendix, Volume III-A and Volume III-B of NEICO's original application.

112 IDENTIFICATION OF INTERESTS

112.100 Identification of Applicant

The applicant, W C P Development, LLC ("WCP") is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Nevada. Earthco, a Nevada corporation with offices at 3637 North Meridian Street, Suite 100, Indianapolis IN 46208-4233, owns eighty percent (80%) and Clearwater Mineral, Inc., an Alaska corporation with offices at 1760 Abbott Road, Anchorage AK 99507 owns twenty percent (20%) of WCP.

112.200 Name, Address & Telephone Number of Applicant & Resident Agent

Applicant:

James W. Scott, Managing Member
W C P Development, LLC
320 East Charleston Boulevard
Suite 204-119
Las Vegas NV 89104-1008
Telephone: (702) 383-6646
EIN: pending

Resident Agent

Caroline Thomas, President
National Business Consultants
320 East Charleston Boulevard
Suite 204-119
Las Vegas NV 89104-1008
EIN: 88-0253697

The Designated Person Whom the Division
Will Send Correspondence To:

Patrick D. Collins, Ph.D.
Mt. Nebo Scientific, Inc.
330 East 400 South, Suite 6
PO Box 337
Springville UT 84663
Tel: 801-489-6937
Fax: 801-489-6779
SS/EIN: 87-0512774

112.230 Person Who Will Pay the Abandoned Mine Land Reclamation Fee

W C P Development, LLC
320 East Charleston Blvd.
Suite 204-119
Las Vegas NV 89104-1008
Telephone: (702) 383-6646
EIN: pending

112.300 - 112.350 Control Persons

W C P is a Nevada limited liability company with two members. Earthco holds an 80% interest, and CWM holds a 20% interest. A three member Management Committee consisting of two members appointed by Earthco and one member appointed by CWM manages WCP. The first Managing Member is:

James W. Scott
3637 North Meridian Street
Suite 100
Indianapolis IN 46208-4233
EIN/SS: 571-82-1594

The other two members of the WCP Management Committee are:

James W. Kemp
3637 North Meridian Street
Suite 100
Indianapolis IN 46208-4233
EIN/SS: 430-92-6396

Edward Cronick
1760 Abbott Rd.
Anchorage, AK 99507
SS/EIN: 003-38-1609

CWE, the new Operator of the Wellington Preparation Plant, is an Alaska corporation with offices located at:

1760 Abbott Rd.
Anchorage, AK 99507
EIN: 92-0150728

CWE's Officers and Directors are:

Edward Cronick, President & CEO
1760 Abbott Road
Anchorage, AK 99507
SS/EIN: 003-38-1609
Date he took office: 06-13-94

Darryl Jordan, Secretary & Treasurer
1760 Abbott Road
Anchorage, AK 99507
SS/EIN: 574-28-7428
Date took office: 06-13-94

Clearwater Mineral, Inc., is an Alaskan native-owned, small, disadvantaged business established in December 9, 1997 to provide turnkey construction and environmental services, with offices located at:

1760 Abbott Rd.
Anchorage, AK 99507
EIN: 92-0150728

CWM's Officers and Directors are:

Edward Cronick, President & Treasurer
1760 Abbott Road
Anchorage, AK 99507
SS/EIN: 003-38-1609
Date he took office: 04-27-98

Darryl Jordan, CEO & Secretary
1760 Abbott Road
Anchorage, AK 99507
SS/EIN: 574-28-7428
Date took office: 04-27-98

**112.400 - 112.420 Coal Mining And Reclamation Operation Permit Applications:
Previous, Current Or Pending**

Permit
ACT 007/012

Issuing Authority
State of Utah

Approval Status/ID No.
ACT 007/012

Department of Natural Resources
Division of Oil, Gas and Mining

There are no other coal mining or reclamation or operation owned or controlled by the Applicant or any party to this Application. Neither NEICO, Earthco, CWM, CWE nor WCP owns or controls any other coal mining or reclamation operation. None of their executive officers and directors are directors and officers of any other entity that owns or controls and interest -- direct or indirect -- having coal mining operations in the United States.

112.500 Legal Or Equitable Owners Of Record

The legal or equitable owner of the areas to be affected by the surface operator and facilities of the permit applicant are:

Legal Title:

NEVADA ELECTRIC INVESTMENT
COMPANY
6226 West Sahara Avenue
Las Vegas, Nevada 89102

Equitable Title:

EARTHCO
3637 North Meridian Street
Suite 100
Indianapolis, Indiana 46208-4233

112.600 Owners Of Record Of Surface Areas Contiguous To The Permit Area

State of Utah
School & Institutional Trust
Lands Administration
675 East 500 South
Salt Lake City, Utah 84102-
2816

Benjamin L. and Nyrna Mead
Wellington, Utah 84501
Willard & N.M.
Van Wagoner
Wellington, Utah 84501

United States of America
Bureau of Land Management
Moab District Office
P. O. Box 970
Moab, Utah 84532

Oscar and Veta Archer
Wellington, Utah 84501

Genwal Coal Company
P. O. Box 1420
Huntington, Utah 84528

Mont Blackburn
Wellington, Utah 84501

Price River Water
Improvement District
61 North 200 East
Price, Utah 84501

Merlynn Foster
Wellington, Utah 84501

Merrill and Ellen Mead
Wellington, Utah 84501

Perry and Carol Timothy
Wellington, Utah 84501

Scott Lee and Eileen L. Davis
Wellington, Utah 84501

Lou Ann Gomez
Wellington, Utah 84501

Wellington Mountaineers
Wellington, Utah 84501

Danette Richardson
Wellington, Utah 84501

Ileen Siaperas
Wellington, Utah 84501

Wellington Associates
Wellington, Utah 84501

112.700 Mine Structures That Require MSHA Numbers

Plant Refuse Pile	1211-UT-09-00099-01
Clean Water Pond	1211-UT-09-00099-02
Lower Refuse Pond	1211-UT-09-00099-03
Upper Refuse Pond	1211-UT-09-00099-04
Pond Refuse Pile	1211-UT-09-0009-05

112.800 Statement of All Lands and Interests in Lands

There are no outstanding interests in lands, options or pending bids on interests held or made by Applicant for lands which are contiguous to the areas to be covered by the permit.

113 VIOLATION INFORMATION

W C P Development, LLC is a new entity that has no past history of violations. Neither WCP, its principal shareholders nor affiliates or persons controlled by or under common control with WCP or its principal shareholders have had a mining permit suspended or revoked within the last five years.

Neither WCP, its principal shareholders nor affiliates or persons controlled by or under common control with WCP or its principal shareholders have forfeited a mining bond or similar security in lieu of bond.

Neither WCP, its principal shareholders nor affiliated companies have received any violations under the surface mining laws within the last three years prior to the date of this application.

114 RIGHT OF ENTRY INFORMATION

114.100 Right of Entry and Operations Information

The Applicant has obtained the legal right to enter and begin activities on the property. Pursuant to a Joint Ownership and Operation Agreement dated July 1, 1991 and executed on July 11, 1991, Intermountain Power Agency (IPA) and NEICO jointly owned certain coal and loadout properties including portions of the Wellington Preparation Plant's permit area. By a Coal Sales

and Loading Services Agreement dated July 1, 1991 and executed July 11, 1991, CVR agreed with IPA and NEICO to operate and maintain loadout properties including the Wellington Preparation Plant.

Genwal later became the operator of the Joint Ownership land co-owned by NEICO and IPA. In other words, NEICO and IPA owned a portion of the area called "Joint Ownership Area" (approximately 120.2 acres). The operator at that time was Genwal. NEICO was sole owner and operator of the remainder of the property (approximately 1579.6 acres).

Pursuant to a Special Warranty Deed (dated January 11, 1995), IPA deeded to NEICO their interest in the Joint Ownership Area. A "Termination Agreement" between IPA and NEICO was signed simultaneously to sell NEICO's interest in the Crandall Canyon Project to Andalex Resources, Inc. (Genwal). Therefore, NEICO has been sole owner and operator of the entire Wellington Preparation Plant property (ACT/007/012) since January 1995.

NEICO, as the permit holder, continues to honor the agreements entered into by CVR and Genwal that allow access and is transferring those obligations and rights to WCP.

115 STATUS OF UNSUITABILITY CLAIMS

115.100 Unsuitability Claims

To the best knowledge of WCP, the permit area is not within an area designated as unsuitable or under study as an area designated as unsuitable under R645-103-300, R645-103-400, or 30 CFR 769. WCP does not propose to conduct coal mining or reclamation operations within 300 feet of any occupied dwelling. Coal reclamation operations have been or will be conducted within 100 feet of a public road.

115.200 Not applicable.

115.300 Distances from Dwellings and Public Road

The plans include operations that have been done previously within 100 ft. of a county road. Current operations in the area are minimal. A letter from the county acknowledging the proximity to this road was included in the Appendix following Chapter 1 of NEICO's original application.

WCP does not propose to mine or perform any other operations within 300 feet of an occupied building.

116 PERMIT TERM

Applicant requests a permit term consistent with the remaining term of Permit No. ACT/007/012. The permit renewal date is December 10, 1994. The original permit area included approximately 1,700 acres of fee land. After modification of the MRP and bond release, the balance of the permit will be for approximately 900 acres.

Castle Valley Resources (Genwal) began operations as a coal loadout in 1989 upon permit transfer. Since that time, approval for a study of fines removal has also been attained. NEICO anticipated using the site for a loadout for a 30-year period (unless the coal market changed substantially). Other operations are anticipated in the future, but feasibility plans are still being conducted. Originally, it was intended that reclamation would begin at the end of the 30-year period (unless the coal fines removal proves economically feasible, of which would be considered preliminary reclamation procedures). However, a new, more expeditious plan has accelerated the reclamation and development process.

117 CERTIFICATE OF INSURANCE & PROOF OF PUBLICATION

Certificates of Insurance issued to WCP will be added prior to closing and to approval of the permit transfer.

The newspaper advertisement appears in the Appendix. Verification of the advertisement appearing in the appropriate newspapers will be added to the Appendix and submitted to the Division no later than 4 weeks after publication.

The newspaper advertisement appears in the Appendix. Verification of the advertisement appearing in the appropriate newspapers will be added to the Appendix and submitted to the Division no later than 4 weeks after publication.

118 FILING FEE

A copy of the receipt is attached in the Appendix as proof of payment of the permit filing fee.

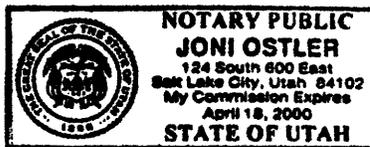
The undersigned parties hereby attest that the information contained in this Application for Permit Transfer is true and correct to the best of the undersigned's information and belief.

W C P DEVELOPMENT, LLC.

By James W. Scott
James W. Scott, Managing Member

Subscribed and sworn before me this 5 day of March, 1999.

(SEAL)



Joni Ostler
Notary Public

Residing at: Salt Lake City, Utah

My commission expires: 4/18/2000

