

GRANT OF EASEMENT

This Grant of Easement mad this _____ day of _____, by Steve Stamatakis and Pete Stamatakis, brothers, of 2676 West Gordon Creek Road, Price, Utah 84501 and 1111 South 450 West, Price, Utah 84501 ("collectively Stamatakis'") to Lodestar Energy, Inc., a Delaware corporation, with address of HC35 Box 370, Helper, Utah 84526 ("Lodestar"), is to witness:

That in consideration of the sum of One Thousand Five Hundred dollars (\$1,500.00) annually, cash in hand in two checks of Seven Hundred Fifty dollars (\$750.00) paid Stamatakis' by Lodestar, receipt of which is acknowledged, Stamatakis' do hereby grant, bargain, sell, and convey to Lodestar an easement and right-of-way, together with the right of ingress and egress, for conducting studies, surveys, and evaluations necessary for maintaining a mining permit, along with locating, drilling, installing, maintaining, studying, and monitoring all water monitoring wells and locations for the express purpose of completing water monitoring and studies as required pursuant to Lodestar's permit or permits with the Utah Department of Oil, Gas, and Mining, and to conduct any and all operations or activities deemed necessary or desirable by Lodestar as a consequence of, or incidental to the enjoyment of the rights hereby granted to Lodestar.

The easement hereby granted affects certain property located in Carbon County, Utah:

Township 13 South. Range 8 East. SLM

- Section 4: $W^{1/2}, W^{1/2} NE^{1/4}, NW^{1/4} SE^{1/4}$
- Section 5: $NW^{1/4}, W^{1/2} SE^{1/4}, SW^{1/4} SE^{1/4}, SE^{1/4} SW^{1/4}$
- Section 6: $NE^{1/4}, SE^{1/4}, SW^{1/4}, SE^{1/4} NW^{1/4}$
- Section 7: $NW^{1/4}, SE^{1/4}, SE^{1/4} NE^{1/4}, SE^{1/4} SW^{1/4}, N^{1/2} SW^{1/4}$
- Section 8: $N^{1/2} S^{1/2}, S^{1/2} NW^{1/4}, NE^{1/4} NW^{1/4}, NE^{1/4}$
- Section 9: $NW^{1/4}$
- Section 18: $N^{1/2} NW^{1/4}, NE^{1/4} NE^{1/4}$

This grant is made subject to the following terms and conditions:

1. The term of this easement shall be ten (10) years from the date hereof; provided, however that Lodestar may abandon this easement without liability to the Stamatakis' after the fifth year with ninety (90) days notice. Lodestar may extend the lease on a year to year basis thereafter by giving a ninety (90) day notice prior to the end of the original term or any extended term, on the same terms of the easement.
2. Lodestar shall at all times conduct its operation and activities on the easement and the property affected thereby in a good and workmanlike manner and in compliance with all local, state, and federal laws and regulations, but nothing herein shall prevent Lodestar from contesting in good faith any such laws, rules, and regulations.

3. An additional consideration of the sum of Two Thousand Five Hundred dollars (\$2,500.00),(in two checks of \$1,250 each) shall be paid Stamatakis' by Lodestar for each water monitoring hole installed on this easement and will be paid prior to the start of each hole.
4. Any reclamation completed on this easement requiring seeding and fencing after the drilling process is finished will be completed with a seed mix reasonably recommended by the Stamatakis'. The Stamatakis' will be allowed to bid on the fencing and the reseeding, but Lodestar shall have no obligation to accept such bid. Any repairs to the roadways will be commenced upon the completion of the drilling and installation of the water monitoring holes in any area of the easement.
5. Use of the Stamatakis' water rights on this easement are included for a consideration of Sixty Five dollars (\$65.00) per load, cash in hand paid upon the completion of each hole and is subject to the use of said water rights.
6. Upon the expiration or termination of this easement, Lodestar shall reclaim the water monitoring holes and any other sites on the property affected by Lodestar within a reasonable time in accordance with all applicable governmental laws, rules, and regulations.
7. This easement shall run with the land and shall bind and benefit the parties, their heirs, successors, and assigns.
8. Access to the premises shall be coordinated through either Stamatakis(s) or Stamatakis' representative so as to accomplish the access in a safe and non-disruptive manner considering the livestock, or other activities that are ongoing on the premises. In the event of vandalism, access may be delayed no more than a five (5) day period. In case of emergencies, Lodestar will be allowed to install its own lock to maintain access. Notification for access will be given to either Stamatakis or Stamatakis' representative no less than two days prior to access.

IN TESTIMONY WHEREOF, the parties have executed this document effective the date first above written.

STAMATAKIS'

Steve Stamatakis

Pete Stamatakis

LODESTAR ENERGY, INC.

Mark D. Wayment
General Manager

State of Utah)

Doc # 412310

County of Carbon)

The foregoing instrument was acknowledged before me this _____ day of _____, _____, by Steve Stamatakis and Pete Stamatakis.

Notary Public

(SEAL)

My Commission Expires: _____

State of Utah)

County of Carbon)

The foregoing instrument was acknowledged before me this _____ day of _____, _____, by Mark D. Wayment – General Manager, of Lodestar, Energy, Inc., a Delaware corporation, on behalf of the corporation.

Notary Public

(SEAL)

My Commission Expires: _____

Prepared By:

R. Eberley Davis
General Counsel
Lodestar Energy, Inc.
333 West Vine Street
Suite 1700
Lexington, KY 40507