

**CANYON FUEL COMPANY, LLC**

**BANNING LOAD OUT**

**C/007/034**

**June 1, 1998**

**August 2003 September 2003**

File in:

Confidential

Shelf

Expandable

Refer to Record No. 0016 Date 09262003

In C 0070034 2003 incoming

For additional information

0016



Canyon Fuel Company, LLC  
Soldier/Dugout Canyon Mines  
P.O. Box 1029  
Wellington, Utah 84542

INCOMING  
C0070034 OK

**COPY**

September 26, 2003

Ms. Pamela Grubaugh-Littig  
Coal Program  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

RE: Revisions to Chapter 1 of the Banning Permit, Banning Loadout, Canyon Fuel Company, LLC, C/007/034, Carbon County, Utah

Dear Ms. Grubaugh-Littig:

Attached please find four copies of revisions to Chapter 1 of the Banning Loadout permit. This submittal will entirely replace the text, tables and figures of Chapter 1. The appendices will remain as they are currently approved. The information provided in this submitted will be added to the back of the existing Appendix 1-5.

A copy of this submittal has been delivered to the Price Field Office.

Should you have any questions please contact either Vicky Miller (435) 636-2869 or David Spillman at (435) 637-6360.

Sincerely yours,

Vicky S. Miller

cc: David Spillman

File in: C0070034 2003, Incoming

Refer to:

Confidential

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Date: 09/26/03 For additional information

RECEIVED

SEP 26 2003

DIV. OF OIL, GAS & MINING





Canyon Fuel Company, LLC  
Banning Loadout

Mining and Reclamation Plan  
~~September August June~~-2003

ITOCHU Coal International Inc. is a wholly owned subsidiary of ITOCHU Corporation, a Japanese corporation.

**ADDRESS:**

ITOCHU Coal International Inc.  
555 17th Street, Suite 845  
Denver, Colorado 80202

**EMPLOYER IDENTIFICATION:** 52-2003963

**ADDRESS:**

ITOCHU Corporation, 5-1  
Kita-Aoyama 2-Chome  
Minato-ku, Tokyo 107-77, Japan

**EMPLOYER IDENTIFICATION:** 98-0053818

The following lists describe the officers and directors of Canyon Fuel Company, LLC, Arch Western Resources, LLC, Arch Acquisition Corporation, Arch Coal, Inc., ITOCHU Corporation, and ITOCHU Coal International Inc. The addresses for the officers, directors, representatives to the management board listed are the same as those of the respective business entities as listed above, for which the individuals are officers, directors or representatives.

**CANYON FUEL COMPANY, LLC:**

9/12/03

**Directors:**

Robert W. Shanks  
Effective : 06/01/1998

Chairman

Masayoshi Araya  
Effective : 06/01/2001

Yuzo Hirono  
Effective : 12/14/1999

Steven F. Leer  
Effective : 06/01/1998

Kenneth G. Woodring  
Effective : 12/01/2000

John W. Eaves  
Effective : 12/01/2000

Alternative Representative

Joe Y. Nakazawa  
Effective : 06/01/2001

Alternative Representative

Tsutomu Niwa  
Effective : 10/09/2001

Alternative Representative

**Officers**

Richard D. Pick  
Effective : 06/01/1998

President, Chief Executive Officer, and General Manager

Robert G. Messey  
Effective : 10/09/2001

Chief Financial Officer

James E. Florczak  
Effective : 05/25/1999

Vice President, Finance

John W. Eaves  
Effective : 06/23/1998

Vice President, Marketing

Robert G. Jones  
Effective : 03/08/2000

Vice President, General Counsel, and Assistant Secretary

Janet L. ~~Horgan~~  
Effective : 10/11/2000

Secretary

William H. Rose  
Effective : 06/01/1998

Assistant Secretary

**ARCH COAL, INC.:**

9/12/03

**Directors:**

James R. Boyd  
Effective : 07/01/1997

Chairman



Robert W. Shanks Vice President - Operations  
Effective : 07/01/1997

~~William H. Rose Vice President - Tax Planning  
Effective : 04/22/1998 Retired: May 20, 2003~~

Robert J. Messey Senior Vice President, Chief Financial Officer  
Effective : 12/1/2000

Robert G. Jones Vice President, General Counsel and Secretary  
Effective : 10/16/2000 and 03/01/2000

James E. Florczak Treasurer  
Effective : 08/17/1998

Deck S. Slone Vice President, Investor and Public Relations  
Effective : 04/26/2001

Bradley M. Allbritten Vice President, Marketing  
Effective : 03/1/2000

Sheila B. Feldman Vice President, Human Resources  
Effective : 02/03/2003

Janet L. Horgan Assistant Secretary and Counsel  
Effective : 10/16/2000

John W. Lorson Comptroller  
Effective : 04/9/1999

~~Charles David Steele Internal Audit  
Effective : 06/22/1998 Ending Date: May 20, 2003~~

Charles David Steele Vice President - Tax Planning  
Effective : 04/24/2003

~~John A. Ziegler Internal Audit ERROR, should not be listed as officer  
Effective : 05/20/2003~~

~~Doug Downing Vice President, Land ERROR, should not be listed, ARK  
Land Position  
Effective : 05/2/2003~~

Bennett K Hatfield Vice President  
Effective: 4/24/03

**Arch Western Resources, LLC, Representatives to the Management Board:**

Name: Steven F. Leer  
Effective : 06/01/98

Name: Robert W. Shanks  
Effective : 06/01/98

**Alternate:**

Name: Kenneth G. Woodring  
Effective : 06/01/98

**ITOCHU Coal International, Inc. Representatives to the Management Board:**

**Board:**

Akio Shigetomi  
Effective : 11/30/1996

Masayoshi Araya  
Effective : 11/30/1996

Yuzo Hirono  
Effective : 12/31/1999

**Alternates:**

Yutaka Nakazawa  
Effective : 12/20/1996

Tsutomu Niwa  
Effective : 6/01/2001

**ARCH WESTERN RESOURCES, LLC**

9/12/03

**Directors:**

Patrick A. Kriegshauser  
Effective : 05/07/98

David B. Peugh  
Effective : 05/07/98

Canyon Fuel Company, LLC  
Banning Loadout

Mining and Reclamation Plan  
~~September August June~~ 2003

Jeffry N. Quinn  
Effective : 05/07/98

Thomas A. Lockhart  
Effective : 02/24/2003

**Officers:**

Robert W. Shanks                      President - Operations  
Effective : 06/28/98

David B. Peugh                      Vice President  
Effective : 05/17/98

William H. Rose                      Assistant Secretary  
Effective : 05/07/98

Robert G. Jones                      Vice President and Assistant Secretary  
Effective : 03/01/00 and 6/2/98

Janet L. Horgan                      Secretary  
Effective : 03/17/98

James E. Florczak                      Vice President, Finance, Treasurer  
Effective : 05/15/98 and 9/15/98

**ITOCHU CORPORATION**

<u>Name</u>	<u>Title</u>	<u>Date of Appointment</u>
Minoru Murofushi	Chairman	April 1998
Masahisa Naitoh	Vice Chairman	April 2000
Uichiro Niwa	President, CEO	April 1998
Hiroshi Sumie	Executive Vice President	April 2000
Makoto Kato	Executive Vice President	April 2001
Yushin Okazaki	Executive Vice President	April 2001
Sumitaka Fujita	Executive Vice President	April 2001

Canyon Fuel Company, LLC  
Banning Loadout

Mining and Reclamation Plan  
~~September August June~~ 2003

Mitsuaki Fukuda	Sr. Managing Director	April 2000
Akira Yokota	Sr. Managing Director	April 2001
<del>Masaya Takei</del>	<del>Managing Director</del>	<del>April 2000</del>
Kiyomi Yamada	Managing Director	April 2001
Motonori Toyota	Managing Director	June 2001
Kouhei Wantanabe	Managing Director	April 2002
Hiroshi Ueda	Managing Director	April 2002

**ITOCHU COAL INTERNATIONAL INC.**

Masayoshi Araya	Chairman of the Board	Dec. 1999
Yuzo Hirono	President and Chief Executive Officer	Dec. 1999
Tsutomu Niwa	Chief Financial Officer	June 1996
Dietz Fry	Vice President, Finance and Administration	March 1997
Yutaka Nakazawa	Vice President Commercial and Secretary	Dec. 1996
Hiroshi Akiba	Assistant Secretary	Feb. 2000

**112.400 Coal Mining and Reclamation Operation Permit Applications Previous, Current, or Pending**

The following list describes permits held by Canyon Fuel Company, LLC, pending applications for permits, and any permit recognized as necessary in the future for which no application has been filed. Identification numbers of applications or permits are contained in the following list. Many of the agencies listed, however, have review responsibility only and may not have submitted a numbered permit.

<u>Permit</u>	<u>Issuing Authority</u>	<u>Approval Status</u>
---------------	--------------------------	------------------------

**112.500 Legal or Equitable Owner of the Surface and Mineral Properties  
to be Mined**

The legal or equitable owners of the areas to be affected by the surface operations and facilities are:

United States of America  
BLM right-of-way Leases U-33855 and U-49763

State of Utah  
State Lease 435

Denver and Rio Grande Railroad  
Lease 16663

~~Canyon Fuel Company, LLC~~ East Carbonics Inc

No area within the land to be affected by surface operations and facilities or within the area is under a real estate contract.

No coal is to be mined on or within the permit area.

The holders of record of any leasehold interest in areas to be affected by surface operations or facilities:

~~Canyon Fuel Company, LLC~~ East Carbonics Inc.  
~~6955 Union Park Center #540~~ P.O. Box 87  
~~Midvale, UT 84047~~ Manti, UT 84642

Denver and Rio Grande Western Railroad Company  
Post Office Box 5482  
Denver, CO 80217

United States of America  
Department of Interior  
Bureau of Land Management  
Price Coal Office  
125 South 600 West  
Price, Utah 84501

Canyon Fuel Company, LLC  
Banning Loadout

Mining and Reclamation Plan  
~~September August June~~ 2003

State of Utah  
School and Institutional Trust Lands Administration  
675 East 500 South, Suite 500  
Salt Lake City, Utah 84102-2818

The holders of record of leasehold interests in the area to be affected by surface coal handling operations are ~~Canyon Fuel Company, LLC~~ **East Carbonics Inc.**, the United States of America, the State of Utah, and the Denver and Rio Grande Western Railroad Company.

**112.600 Owners of Record of Property Contiguous to Proposed Permit Area**

Owners of record of surface and subsurface areas contiguous to the proposed permit area are shown on Exhibits 1.12-1 and 1.12-2 of the Mining and Reclamation Plan. Names and addresses of the owners are:

Surface: ~~Canyon Fuel Company, LLC~~ **East Carbonics Inc.**  
~~6955 Union Park Center #540 P.O. Box 87~~  
~~Midvale, UT 84047~~ **Manti, UT 84642**

United States of America  
Department of Interior  
Bureau of Land Management  
Price Coal Office  
125 South 600 West  
Price, Utah 84501

State of Utah  
School and Institutional Trust Lands Administration  
675 East 500 South, Suite 500  
Salt Lake City, Utah 84102-2818

Subsurface: United States of America  
Department of Interior  
Bureau of Land Management  
Price Coal Office  
125 South 600 West  
Price, Utah 84501

Lands Covered: T15S, R12#, SLB&M  
Secs. 15 and 22  
Strip of Land 91.5 ft. wide,  
8.5 ft. westerly of the  
centerline of the main Sunny  
Side Branch track  
Containing: 155.6 ac, more or less

Supporting Documents:

1. Assignment of Lease Agreement 16663 from California Portland Cement Company to Soldier Creek Coal Company on November 26, 1985.

Surface Owner: ~~Canyon Fuel Company, LLC~~ East Carbonics Inc

Lands Covered: T15S, R12E, SLB&M  
Sec. 16: SE1/4 SE1/4  
Sec. 21: E1/2 NE1/4  
Containing: 120 ac, more or less

Supporting Documents:

1. Deed for the purchase of property by and between Kaiser Coal Corporation ("Grantor") and Soldier Creek Coal Company ("Grantee").
2. Purchase and sale agreement between Canyon Fuel Company, LLC and East Carbonics Inc.

### 115 Status of Unsuitability Claims

The permit area is not within an area designated as unsuitable for coal mining and reclamation operations, or within an area under study for designation in an administrative proceeding under R645-103-300, R645-103-400 or 30 CFR Part 769.

Canyon Fuel Company, LLC does not propose to conduct coal mining and reclamation operations within 300 feet of an occupied dwelling.

Operations conducted at the loadout facility tramroad are within 100 ft. of a public road. U.S. Highway 6-50 is the public road and the affected portion is a stretch within T15S, R12E, Sec. 15,

**CANYON FUEL COMPANY, LLC**

**BANNING LOAD OUT**

**C/007/034**

**June 1, 1998**  
**September 2003**

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**CHAPTER 1**  
**GENERAL CONTENTS**

**110 Minimum Requirements for Legal, Financial, Compliance and Related Information**

**111 Introduction**

Canyon Fuel Company, LLC is authorized, as applicant and operator, to operate the Banning Loadout in Carbon County, Utah under Permit Number C/007/034 issued by the State of Utah, Division of Oil, Gas, and Mining.

**112 Identification of Interests**

The Banning Rail Loadout facilities are within sections 15, 16 and 22, Township 15 South, Range 12 East, SLBM, Carbon County, Utah. These locations are approximately eight miles east of Wellington, Utah.

**112.100 Business Entity**

Canyon Fuel Company, LLC is a Limited Liability Company organized under the laws of Delaware in December 1996 and now owned 65% by Arch Western Resources, LLC, a Delaware limited liability company, and 35% by Itochu Coal International Inc., a Delaware Corporation. Itochu Coal International Inc. is a wholly owned subsidiary of Itochu Corporation, a Japanese Corporation. Arch Western Resources, LLC, is owned 99% by Arch Western Acquisition corporation, a Delaware corporation wholly owned by Arch Coal, Inc., a Delaware corporation, and 1% by Delta Housing, Inc., a Delaware corporation wholly owned by Atlantic Richfield Company, a Delaware corporation.

**112.200 Applicant and Operator**

APPLICANT : Operations, Administration, Permit Revisions, and Amendments

Canyon Fuel Company, LLC  
6955 South Union Park Center, Suite 540  
Midvale, UT 84047  
Telephone: (801) 569-4700  
EMPLOYER ID: 87-0567183

OPERATOR: Canyon Fuel Company, LLC  
6955 South Union Park Center, Suite 540  
Midvale, UT 84047  
Telephone: (801) 569-4700

RESIDENT AGENT: C.T. Corporation Systems  
50 West Broadway  
Salt Lake City, UT 84104  
Telephone: (801) 531-7090

CONTACT PERSON: Richard D. Pick  
Canyon Fuel Company, LLC  
6955 South Union Park Center, Suite 540  
Midvale, UT 84047  
Telephone: (801) 569-4700

PERSON WHO WILL PAY ABANDONED MINE RECLAMATION FEES:

Richard D. Pick  
Canyon Fuel Company, LLC  
6955 South Union Park Center, Suite 540  
Midvale Utah 84047

**112.300 Officers of the Applicant**

This section identifies those persons who own or control Canyon Fuel Company, LLC. Canyon Fuel Company, LLC, is a Delaware limited liability company with two members; Arch Western Resources, LLC holding 65% interest, and ITOCHU Coal International Inc. holding 35% interest.

Canyon Fuel Company, LLC  
Banning Loadout

Mining and Reclamation Plan  
September 2003

Arch Western Resources, LLC, is owned 99% by Arch Western Acquisition Corporation, a wholly owned subsidiary of Arch Coal, Inc., and 1% by Delta Housing, Inc., a wholly owned subsidiary of Atlantic Richfield Company.

**ADDRESS:**

Arch Western Resources, LLC  
ONE City Place Drive, Suite 300  
St. Louis, MO 63141-7056

**EMPLOYER IDENTIFICATION:** 43-1811130

**ADDRESS:**

Arch Western Acquisition Corporation  
ONE City Place Drive, Suite 300  
St. Louis, MO 63141-7056

**EMPLOYER IDENTIFICATION:** 43-1811084

**ADDRESS:**

Arch Coal, Inc.  
ONE City Place Drive, Suite 300  
St. Louis, MO 63141-7056

**EMPLOYER IDENTIFICATION:** 43-0921172

**ADDRESS:**

Delta Housing, Inc.  
515 South Flower Street  
Los Angeles, CA 90071

**EMPLOYER IDENTIFICATION:** 94-2314688

**ADDRESS:**

Atlantic Richfield Company  
515 South Flower Street  
Los Angeles, CA 90071

**EMPLOYER IDENTIFICATION:** 23-0371610

ITOCHU Coal International Inc. is a wholly owned subsidiary of ITOCHU Corporation, a Japanese corporation.

**ADDRESS:**

ITOCHU Coal International Inc.  
555 17th Street, Suite 845  
Denver, Colorado 80202

**EMPLOYER IDENTIFICATION:** 52-2003963

**ADDRESS:**

ITOCHU Corporation, 5-1  
Kita-Aoyama 2-Chome  
Minato-ku, Tokyo 107-77, Japan

**EMPLOYER IDENTIFICATION:** 98-0053818

The following lists describe the officers and directors of Canyon Fuel Company, LLC, Arch Western Resources, LLC, Arch Acquisition Corporation, Arch Coal, Inc., ITOCHU Corporation, and ITOCHU Coal International Inc. The addresses for the officers, directors, representatives to the management board listed are the same as those of the respective business entities as listed above, for which the individuals are officers, directors or representatives.

**CANYON FUEL COMPANY, LLC:**

9/12/03

**Directors:**

Robert W. Shanks                      Chairman  
Effective : 06/01/1998

Masayoshi Araya  
Effective : 06/01/2001

Yuzo Hirono  
Effective : 12/14/1999

Steven F. Leer  
Effective : 06/01/1998

Kenneth G. Woodring  
Effective : 12/01/2000

John W. Eaves  
Effective : 12/01/2000

Alternative Representative

Joe Y. Nakazawa  
Effective : 06/01/2001

Alternative Representative

Tsutomu Niwa  
Effective : 10/09/2001

Alternative Representative

**Officers**

Richard D. Pick  
Effective : 06/01/1998

President, Chief Executive Officer, and General Manager

Robert G. Messey  
Effective : 10/09/2001

Chief Financial Officer

James E. Florczak  
Effective : 05/25/1999

Vice President, Finance

John W. Eaves  
Effective : 06/23/1998

Vice President, Marketing

Robert G. Jones  
Effective : 03/08/2000

Vice President, General Counsel, and Assistant Secretary

Janet L. Horgan  
Effective : 10/11/2000

Secretary

William H. Rose  
Effective : 06/01/1998

Assistant Secretary

**ARCH COAL, INC.:**

9/12/03

**Directors:**

James R. Boyd  
Effective : 07/01/1997

Chairman

Frank M. Burke  
Effective : 09/07/2000

Robert G. Potter  
Effective : 04/26/2001

Theodore D. Sands  
Effective : 02/25/1999

Michael Perry  
Effective : 09/28/1998

Douglas H. Hunt  
Effective : 07/01/97

Steven F. Leer  
Effective : 07/1/1997

James L. Parker  
Effective : 07/01/1997

Thomas A. Lockhart  
Effective : 02/21/2003

**Officers:**

Steven F. Leer  
Effective : 07/1/1997

President and Chief Executive Officer

Kenneth G. Woodring  
Effective : 07/01/1997

Executive Vice President-Mining Operations

C. Henry Besten, Jr.  
Effective : 07/01/1997

Vice President - Strategic Marketing

Larry R. Brown  
Effective : 07/01/1997

Vice President & Chief Information Officer

John W. Eaves  
Effective : 12/11/02

Executive Vice President, Chief Operating Officer

David B. Peugh  
Effective : 07/01/1997

Vice President - Business Development

Robert W. Shanks  
Effective : 07/01/1997

Vice President - Operations

Robert J. Messey  
Effective : 12/1/2000

Senior Vice President, Chief Financial Officer

Robert G. Jones  
Effective : 10/16/2000 and 03/01/2000

Vice President, General Counsel and Secretary

James E. Florczak  
Effective : 08/17/1998

Treasurer

Deck S. Slone  
Effective : 04/26/2001

Vice President, Investor and Public Relations

Bradley M. Allbritten  
Effective : 03/1/2000

Vice President, Marketing

Sheila B. Feldman  
Effective : 02/03/2003

Vice President, Human Resources

Janet L. Horgan  
Effective : 10/16/2000

Assistant Secretary and Counsel

John W. Lorson  
Effective : 04/9/1999

Comptroller

Charles David Steele  
Effective : 04/24/2003

Vice President - Tax Planning

Bennett K Hatfield  
Effective: 4/24/03

Vice President

**Arch Western Resources, LLC, Representatives to the Management Board:**

Name: Steven F. Leer  
Effective : 06/01/98

Name: Robert W. Shanks  
Effective : 06/01/98

**Alternate:**

Name: Kenneth G. Woodring  
Effective : 06/01/98

**ITOCHU Coal International, Inc. Representatives to the Management Board:**

**Board:**

Akio Shigetomi  
Effective : 11/30/1996

Masayoshi Araya  
Effective : 11/30/1996

Yuzo Hirono  
Effective : 12/31/1999

**Alternates:**

Yutaka Nakazawa  
Effective : 12/20/1996

Tsutomu Niwa  
Effective : 6/01/2001

**ARCH WESTERN RESOURCES, LLC**

9/12/03

**Directors:**

Patrick A. Kriegshauser  
Effective : 05/07/98

David B. Peugh  
Effective : 05/07/98

Jeffry N. Quinn  
Effective : 05/07/98

Thomas A. Lockhart  
Effective : 02/24/2003

**Officers:**

Robert W. Shanks                      President - Operations  
Effective : 06/28/98

David B. Peugh                      Vice President  
Effective : 05/17/98

William H. Rose                      Assistant Secretary  
Effective : 05/07/98

Robert G. Jones                      Vice President and Assistant Secretary  
Effective : 03/01/00 and 6/2/98

Janet L. Horgan                      Secretary  
Effective : 03/17/98

James E. Florczak                      Vice President, Finance, Treasurer  
Effective : 05/15/98 and 9/15/98

**ITOCHU CORPORATION**

<u>Name</u>	<u>Title</u>	<u>Date of Appointment</u>
Minoru Murofushi	Chairman	April 1998
Masahisa Naitoh	Vice Chairman	April 2000
Uichiro Niwa	President, CEO	April 1998
Hiroshi Sumie	Executive Vice President	April 2000
Makoto Kato	Executive Vice President	April 2001
Yushin Okazaki	Executive Vice President	April 2001
Sumitaka Fujita	Executive Vice President	April 2001
Mitsuaki Fukuda	Sr. Managing Director	April 2000
Akira Yokota	Sr. Managing Director	April 2001
Kiyomi Yamada	Managing Director	April 2001
Motonori Toyota	Managing Director	June 2001
Kouhei Wantanabe	Managing Director	April 2002
Hiroshi Ueda	Managing Director	April 2002

**ITOCHU COAL INTERNATIONAL INC.**

Masayoshi Araya	Chairman of the Board	Dec. 1999
Yuzo Hirono	President and Chief Executive Officer	Dec. 1999
Tsutomu Niwa	Chief Financial Officer	June 1996
Dietz Fry	Vice President, Finance and Administration	March 1997
Yutaka Nakazawa	Vice President Commercial and Secretary	Dec. 1996
Hiroshi Akiba	Assistant Secretary	Feb. 2000

**112.400 Coal Mining and Reclamation Operation Permit Applications Previous, Current, or Pending**

The following list describes permits held by Canyon Fuel Company, LLC, pending applications for permits, and any permit recognized as necessary in the future for which no application has been filed. Identification numbers of applications or permits are contained in the following list. Many of the agencies listed, however, have review responsibility only and may not have submitted a numbered permit.

<u>Permit</u>	<u>Issuing Authority</u>	<u>Approval Status</u>
Mining and Reclamation Permit C/007/034 Banning Rail Loadout	State of Utah Department of Natural Resources Division of Oil, Gas and mining	Approved
U.P.D.E.S. Permit UT-0040000 Banning Loadout	Environmental Protection Agency and Utah D.E.Q.	Approved
Business License	Carbon County	Approved
Mine Health and Safety Permits 42-00077	Mine Safety and Health Administration - Utah	All Approved
Radio Permits	Federal Communications Commission	Approved
Certificate of Insurance and	State Industrial Development Commission	Approved

Authorization to do Business in State

Air Quality Approval Order	State of Utah, Utah Air Conservation Committee, Department of Health Division of Environmental Health	Approved
Water Rights	State Engineer	Approved

The Canyon Coal Company, LLC mining permits and operations are:

Banning Loadout	C/007/034
Dugout Canyon Mine	C/007/039
SUFCO Mine	C/041/002
Skyline Mine	C/007/005
Soldier Canyon Mine	C/007/018

The issuing authority for the Canyon Fuel Company permits is the UDOGM.

Neither Arch Coal, Inc. nor any of its subsidiaries owns or controls any other coal mining or reclamation operation. ITOCHU Corporation does not own or control any interest, direct or indirect, in any other entity having coal mining operations in the United States. None of the executive officers of ITOCHU Corporation are directors or officers of any other entity that owns or controls an interest, direct or indirect, in any entity having coal mining operations in the United States.

The corporate structure is presented on Figure 1-1.

**112.500 Legal or Equitable Owner of the Surface and Mineral Properties  
to be Mined**

The legal or equitable owners of the areas to be affected by the surface operations and facilities are:

United States of America  
BLM right-of-way Leases U-33855 and U-49763

State of Utah  
State Lease 435

Denver and Rio Grande Railroad  
Lease 16663

East Carbonics Inc

No area within the land to be affected by surface operations and facilities or within the area is under a real estate contract.

No coal is to be mined on or within the permit area.

The holders of record of any leasehold interest in areas to be affected by surface operations or facilities:

East Carbonics Inc.  
P.O. Box 87  
Manti, UT 84642

Denver and Rio Grande Western Railroad Company  
Post Office Box 5482  
Denver, CO 80217

United States of America  
Department of Interior  
Bureau of Land Management  
Price Coal Office  
125 South 600 West  
Price, Utah 84501

State of Utah  
School and Institutional Trust Lands Administration  
675 East 500 South, Suite 500  
Salt Lake City, Utah 84102-2818

The holders of record of leasehold interests in the area to be affected by surface coal handling operations are East Carbonics Inc, the United States of America, the State of Utah, and the Denver and Rio Grande Western Railroad Company.

**112.600 Owners of Record of Property Contiguous to Proposed Permit Area**

Owners of record of surface and subsurface areas contiguous to the proposed permit area are shown on Exhibits 1.12-1 and 1.12-2 of the Mining and Reclamation Plan. Names and addresses of the owners are:

Surface: East Carbonics Inc.  
P.O. Box 87  
Manti, UT 84642

United States of America  
Department of Interior  
Bureau of Land Management  
Price Coal Office  
125 South 600 West  
Price, Utah 84501

State of Utah  
School and Institutional Trust Lands Administration  
675 East 500 South, Suite 500  
Salt Lake City, Utah 84102-2818

Subsurface: United States of America  
Department of Interior  
Bureau of Land Management  
Price Coal Office  
125 South 600 West  
Price, Utah 84501

State of Utah  
School and Institutional Trust Lands Administration  
675 East 500 South, Suite 500  
Salt Lake City, Utah 84102-2818

#### **112.700 MSHA Numbers**

Banning Rail Loadout Mine ID No. 42-01756.

#### **112.800 Interest in Contiguous Lands**

Canyon Fuel Company, LLC does not own or control, directly or indirectly, any legal or equitable interest in any lands contiguous to the permit area.

### **112.900 Certification of Submitted Information**

Canyon Fuel Company, LLC hereby attests that the information contained in this permit document is true and correct to the best of their knowledge.

### **113 Violation Information**

Neither Canyon Fuel Company, LLC nor any major stockholder of the company having any interest, either legal or equitable, in Canyon Fuel Company, LLC have had a State or Federal mining permit suspended or revoked or a security deposited in lieu of a bond revoked. Neither Canyon Fuel Company, LLC, any of its mining operations, nor any person who owns or controls Canyon Fuel Company has any unabated cessation orders or unabated air or water quality violation notices.

Past violations for the Canyon Fuel Company, LLC operations, including the SUFCO Mine, ACT/041/002; Skyline Mine, ACT/007/005; Soldier Canyon Mine, ACT/007/018; Banning Loadout, ACT/007/034 and Dugout Canyon Mine, ACT007/039 are set forth in Table 1-1.

### **114 Right-of-Entry Information**

Canyon Fuel Company, LLC bases its right to enter and continue loadout activities on a number of documents pertaining to right-of-ways, lease agreements, and surface ownership within the permit area. The documents are summarized below and copies of all documents can be found in Appendix 1-5 of the unmodified Mining and Reclamation Plan. Canyon Fuel Company, LLC has acquired all the rights of entry previously held by Soldier Creek Coal Company, which are set forth in the following:

RIGHT-OF-WAYS

Federal Right-of-Way U-33855 - (Tramroad)

Dated: October 18, 1976  
Grantee: Soldier Creek Coal Company

Lands Covered: T15S. R12E. SLB&M  
Secs: 15 and 22

Land within described tramroad Containing: 8.7 ac, more or less  
Expiration: October 17, 2001

Supporting Documents:

1. Assignment of Right-of-Way from California Portland Cement Company to Sunedco Coal Co. on September 19, 1985, approved by the BLM.
2. Working agreement established between applicant and Sunedco Coal Co.

Federal Right-Of-Way U49763  
(Operation and Maintenance of a Coal Loadout Facility)

Dated: January 17, 1984  
Grantee: Soldier Creek Coal Company

Lands Covered: T15S. R12E. SLB&M  
Sec 15: W1/2 SW1/4

Land within described facility Containing: 15.4 ac, more or less  
Expiration: January 16, 2014

Supporting Documents:

1. Assignment of Right-of-Way from California Portland Cement Company to Sunedco Coal Co. on September 19, 1985, approved by the BLM.
2. Working agreement established between applicant and Sunedco Coal Co.

LEASE AGREEMENTS

State of Utah Special Use Lease Agreement 435

(Road and Coal Storage Facility)

Dated: November 1, 1978  
Grantee: Savage Coal Service Corporation

Lands Covered: T15S. R12E. SLB&M  
Sec 16; E1/2 E1/2 NE1/4 SE1/4  
Containing: 10.0 ac, more or less

Expiration: October 31, 1998

Supporting Document:

1. Working agreement established between applicant and Savage Coal Service Corporation.

Denver and Rio Grande Western Railroad Company Lease Agreement 16663

(Railroad Spur)

Dated: May 24, 1976  
Grantee: California Portland Cement Company  
Lands Covered: T15S. R12#. SLB&M  
Secs. 15 and 22  
Strip of Land 91.5 ft. wide,  
8.5 ft. westerly of the  
centerline of the main Sunny  
Side Branch track  
Containing: 155.6 ac, more or less

Supporting Documents:

1. Assignment of Lease Agreement 16663 from California Portland Cement Company to Soldier Creek Coal Company on November 26, 1985.

Surface Owner: East Carbonics Inc  
Lands Covered: T15S, R12E, SLB&M  
Sec. 16: SE1/4 SE1/4  
Sec. 21: E1/2 NE1/4  
Containing: 120 ac, more or less

Supporting Documents:

1. Deed for the purchase of property by and between Kaiser Coal Corporation ("Grantor") and Soldier Creek Coal Company ("Grantee").
2. Purchase and sale agreement between Canyon Fuel Company, LLC and East Carbonics Inc.

### **115 Status of Unsuitability Claims**

The permit area is not within an area designated as unsuitable for coal mining and reclamation operations, or within an area under study for designation in an administrative proceeding under R645-103-300, R645-103-400 or 30 CFR Part 769.

Canyon Fuel Company, LLC does not propose to conduct coal mining and reclamation operations within 300 feet of an occupied dwelling.

Operations conducted at the loadout facility tramroad are within 100 ft. of a public road. U.S. Highway 6-50 is the public road and the affected portion is a stretch within T15S, R12E, Sec. 15, Carbon County, Utah.

### **116 Permit Term**

Operations at Banning Loadout began in 1976, when the Bureau of Land Management granted permission to receive, stockpile, and load coal at the facility. Construction of the site was initiated in 1977 and completed in 1979. Exhibit 5-2 shows the surface facilities and area affected by the operations.

The extent of surface disturbance at the loadout is confined to a portion of the proposed permit area shown on Exhibit 5-1. The operational plans presented in the permit application package represent the life-of-operation plans for Banning Loadout.

### **117 Insurance and Proof of Publication**

A copy of Certificates of Liability Insurance are attached as Appendix 1-4.

The proof of publication and newspaper advertisements required in connection with the permit application are on file with the Utah Division of Oil Gas and Mining and in Appendices 1-1 and 1-3.

### **118 Filing Fee**

Evidence of payment of the filing fee required in connection with the permit application is on file with the Utah Division of Oil Gas and Mining.

### **120 Permit Application Format and Contents**

This permit application will be clear and concise, and will be filed in the format required by the Division. Referenced materials in this application will be readily available to the Division, or will be provided and presented briefly and concisely in the application by photocopying or abstracting and with explicit citations.

### **130 Reporting of Technical Data**

Technical analyses will be planned by or under the direction of a qualified professional in the subject to be analyzed. Technical data submitted herein is accompanied by the names of companies, individuals and/or publications, with dates of the collection and analysis of the data, and descriptions of the methodology used to collect and analyze the data (when available).

**140 Maps and Plans**

To the best of the applicants knowledge the maps and plans in the Mining and Reclamation Plan correspond with the requirements in R645-301-140.

**150 Completeness**

CFC believes the information in the permit application to be complete and correct.

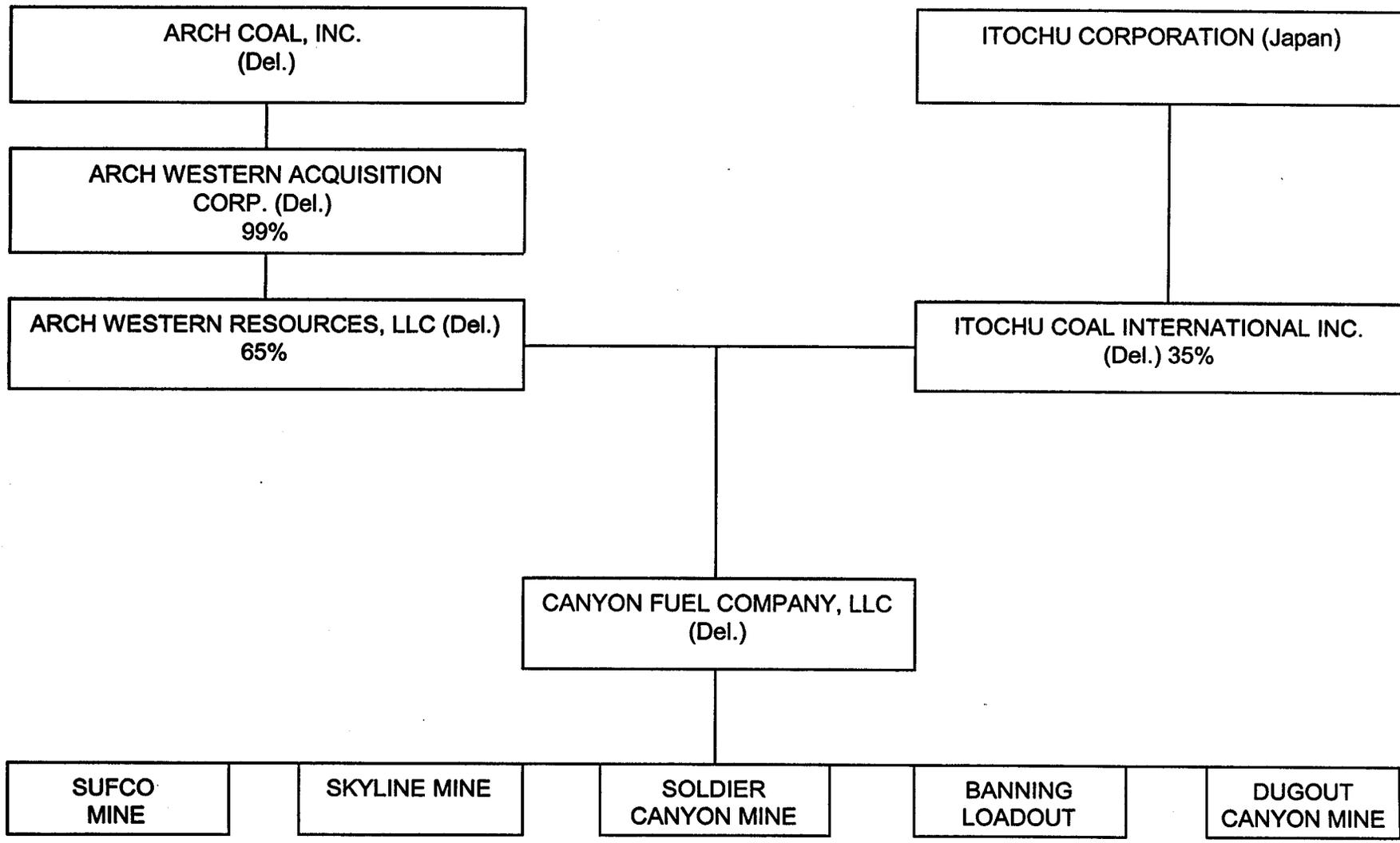


FIGURE 1-1. CORPORATE STRUCTURE.

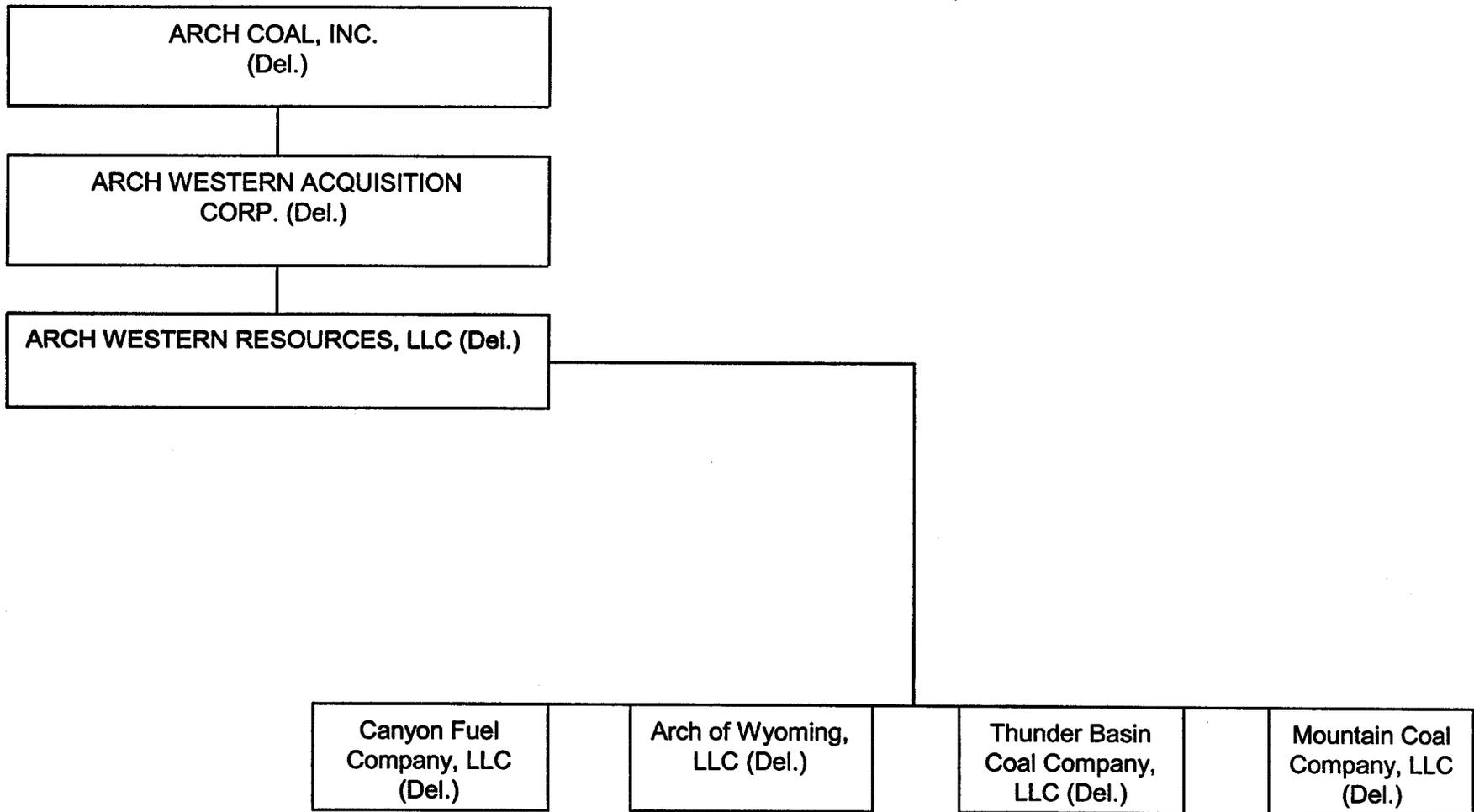


FIGURE 1-1. CORPORATE STRUCTURE (Continued).

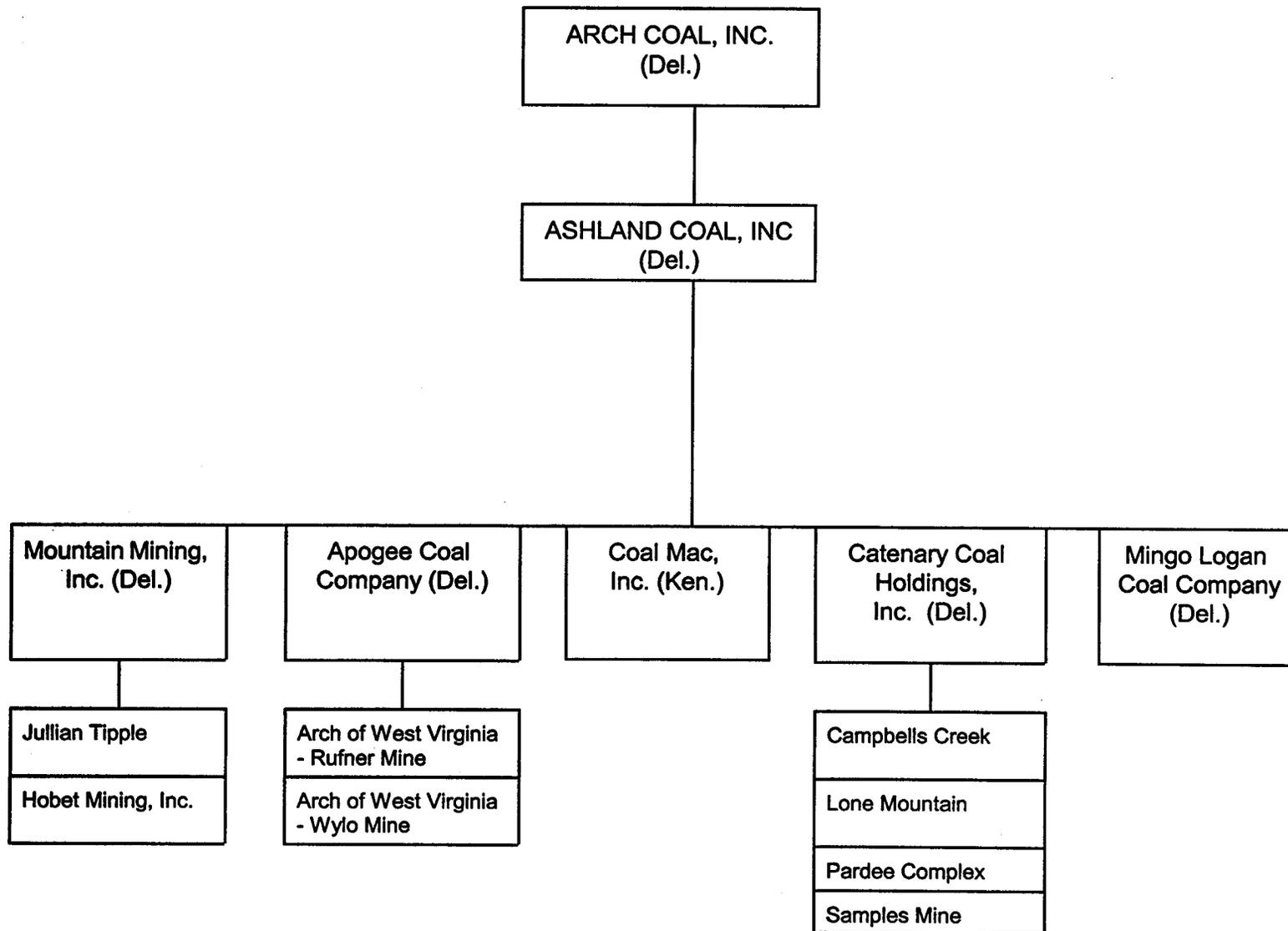


FIGURE 1-1. CORPORATE STRUCTURE (Continued).

**TABLE 1-1**  
**THREE YEAR VIOLATION HISTORY June 2000 - 2003**  
**MINING AND RECLAMATION OPERATIONS**

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Dugout Canyon Mine	Canyon Fuel Company, LLC 6955 South Union Park Center, Suite 540 Midvale, UT 84047	ACT/007/039	7/1/03	N03-46-3-1 Failure to minimize contributions of sediment to runoff outside the permit area.	Terminated 7/30/03, Assessment Paid
Skyline Mine		ACT/007/005	9/06/01	N01-39-1-1 Release of coal fines to Eccles Creek.	Terminated 12/10/01, Assessment Paid
Soldier Canyon Mine		ACT/007/018	None		
Banning Loadout		ACT/007/034	None		
SUFCO Mine		ACT/041/002	None		
Black Thunder Mine	Thunder Basin Coal Company, LLC P.O. Box 406 Wright, Wyoming 82732	233-T5 00977	7/11/01	100163 Flyrock on topsoil.	Abated 8/16/01
			4/25/02	100164 Ground vibration at a pipeline.	Abated 5/20/02
			5/7/03	100172 Location of TC diversion 3 and sediment control for diversion.	Abated 7/16/03
			6/20/03	100147 Removal of dragline crossing culverts and low pH soils in diversion.	Abated 7/22/03
Coal Creek Mine		483-T3	None		

TABLE 1-1 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
West Elk Mine	Mountain Coal Company West Elk Mine P.O. Box 591 Somerset, CO 81434	C-80-007	None		
Gordon Creek No. 2, 7, 8		ACT/007/016	None		
Gordon Creek No. 3, 6		ACT/007/017	<b>BOND RELEASED</b>		
Huntington Canyon No. 4 Mine		ACT/015/004	<b>BOND RELEASED</b>		
Medicine Bow Mine	Arch of Wyoming P.O. Box 460 Hanna, WY 82327	377-T5	5/03/02	MV 400028 Failure to mark a topsoil stockpile with a sign.	Terminated 6/5/02
		378-T3	8/8/00	100541 Erosion of designated drainage.	Terminated 9/8/00

TABLE 1-1 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
Apogee Coal Company	Arch of West Virginia HC 61, Box 156 Yolyn, WV 25654	S-75-85	7/23/02	29 - Failed to minimize air pollution.	Terminated 8/8/02
		S-5006-91	7/11/00	24 - Failure to clean out sediment structure.	Terminated 9/8/00
		S-5005-93	10/5/00	22 - Exceeded airblast level.	Terminated 10/5/00
			3/7/01	23 - Failure to protect off site areas.	Terminated 6/1/01
			5/23/01	24 - Material placed downslope.	Terminated 6/22/01
			8/9/01	25 - Failure to protect off site areas.	Terminated 10/18/01
			11/29/01	26 - Failure to record information in blast record.	Terminated 11/29/01
			1/17/02	27 - Failure to protect off site areas.	Terminated 3/14/02
			1/23/02	28 - Failure to protect off site areas.	Terminated 5/30/02
			3/12/02	29 - Exceeded airblast level.	Terminated 3/21/02
			8/1/02	30 - Failed to maintain drainage system.	Terminated 10/3/02
3/13/03	31 - Failure to protect off site areas.	Terminated 5/7/03			

TABLE 1-1 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
Apogee Coal Company	Arch of West Virginia HC 61, Box 156 Yolyn, WV 25654	S-5079-86	12/14/00	39 - Placed debris on downslope.	Terminated 1/10/01
			8/02/01	40 - Failure to protect off site areas.	Terminated 8/9/01
			4/11/02	41 - Failure to protect off site areas.	Terminated 5/2/02
			11/2/02	42 - Failure to protect off site areas.	Terminated 11/20/02
			1/29/03	43 - Failure to protect off site areas.	Terminated 2/27/03
			3/6/03	44 - Failure to protect off site areas.	Terminated 3/13/03
			3/25/03	45 - Exceeded airblast level.	Terminated 4/17/03
			6/17/03	46 - Failed to maintain haul road.	Terminated 7/10/03
		O-163-83	8/2/02	15 - Disturbance to hydrologic balance.	Terminated 11/20/02
		S-5007-001	4/10/03	1 - Failed to follow ground water plan.	Terminated 4/24/03
			4/10/03	2 - Failed to follow permit conditions.	Terminated 4/24/03
			4/22/03	3 - Failed to follow permit conditions.	Terminated 5/6/03

TABLE 1-1 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
Coal Mac Inc	P.O. Box 436 Williamson, WV 25661	S-5019-94	2/23/01	9 - Failure to maintain sediment control.	Terminated 3/27/01
			2/27/01	10 - Failed to monitor NPDES outfalls.	Terminated 4/16/01
			6/6/02	11 - Access road damaged.	Terminated 8/23/02
			6/6/02	12 - Spillway washed out.	Terminated 11/7/02
			6/6/02	13 - Failed to clean pond.	Terminated 11/7/02
			12/17/02	14 - Off site slide damage.	Terminated 3/27/01
		S-5016-93	2/27/01	9 - Failed to monitor NPDES outfall.	Terminated 4/16/01
			3/1/01	10 - Fly rock damage.	Terminated 4/23/01
			5/23/01	11 - Failure to maintain diversions.	Terminated 5/23/01
			5/23/01	12 - Failure to maintain diversions.	Terminated 6/4/01
			9/28/01	13 - Filled ditch with debris.	Terminated 10/29/01

TABLE 1-1 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
Coal Mac Inc	P.O. Box 436 Williamson, WV 25661	S-5016-93	9/28/01	14 - Failed to guard shot.	Terminated 9/28/01
			11/16/01	15 - Fly rock damage.	Terminated 1/31/02
			1/30/02	16 - Sediment control failure.	Terminated 1/31/02
			3/18/02	17 - Sediment pond repair.	Terminated 4/2/02
			5/29/02	18 - Off site erosion.	Terminated 8/21/02
			10/01/02	19 - Off site erosion.	Terminated 10/16/02
			11/19/02	20 - Failure to record static groundwater levels.	Terminated 11/21/02
			11/19/02	21 - Incorrect blasting logs.	Terminated 2/26/03
11/20/02	22 - Erosion.	Vacated			

TABLE 1-1 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
Coal Mac Inc	P.O. Box 436 Williamson, WV 25661	S-5066-92	2/27/01	7 - Failed to monitor NPDES outfall.	Terminated 4/16/01
			2/27/01	8 - Failed to maintain pond.	Terminated 5/22/01
			11/27/01	9 - Debris downslope.	Terminated 11/27/01
			3/26/02	10 - Groundwater static levels not recorded.	Terminated 5/22/02
			3/26/02	11 - Iron staining below pond.	Terminated 7/24/02
			6/03/02	12 - Sediment Pond damage.	Terminated 8/23/02
			7/8/02	13 - Pond spillway damaged.	Terminated 8/23/02
		S-5019-98	12/11/01	1 - Cast fly rock off permit area.	Terminated 1/23/02
			12/17/02	2 - Failed to do pre-blast survey.	Terminated 1/14/03
			4/28/03	3 -Debris downslope.	Terminated 6/9/03
		P-609	11/04/02	54 - Groundwater static levels not recorded.	Terminated 12/4/02
			6/16/03	55 - Failed to submit permit renewal.	Terminated 6/16/03

TABLE 1-1 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
Coal Mac Inc.	P.O. Box 436 Williamson, WV 25661	S-5074-92	2/21/03	8 - Erosion on hollow fills.	Terminated 3/11/03
		S-5015-98	7/21/03	1 - Failed to protect off site areas.	Pending
			7/21/03	2 - Disturbed hydrologic balance.	Pending
			4/13/02	3 - Failed to protect hydrologic balance.	Terminated 8/1/02
			6/12/03	4 - Failed to protect hydrologic balance.	Terminated 6/12/03
			7/28/03	3 - Discharge to stream	Pending
Mingo Logan Coal Company	1000 Mingo Logan Avenue Wharcliffe, WV 25651	O-5013-91	9/6/01	40 - Disturbed to off site hydrologic balance.	Terminated 9/28/01
			9/6/01	41 - Failure to notify landowners.	Terminated 9/6/01
			10/9/02	42 - Disturbed to off site hydrologic balance.	Terminated 1/15/03
		U - 5073-88	8/7/02	6 - Failure to protect off site areas.	Pending
			8/13/02	7 - Failed to protect hydrologic balance.	Terminated 12/31/02

TABLE 1-1 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
Mingo Logan Coal Company	1000 Mingo Logan Avenue Whamcliffe, WV 25651	U-5038-97	12/1/00	1 - Drill cuttings flowed into channel.	Terminated 12/5/00
			6/12/03	4 - Failed to protect hydrologic balance.	Terminated 6/12/03
		U-5044-91	5/7/03	2 - Material discarded outside designated area.	Terminated 6/11/03
		U-5038-97	7/28/03	3 - Untreated water discharged to stream.	Pending
		S-4013-95	8/22/00	6 - Failure to clean sediment pond.	Terminated 8/29/00
		S-5019-94	2/27/01	10 - Failed to monitor and report NPDES outfalls.	Terminated 9/28/01
		S-5066-92	2/27/01	8 - Outfall bypassed spillway.	Terminated 5/22/01
		S-5016-93	9/8/00	7 - Failure to clean sediment pond.	Terminated 10/10/00
Lone Mountain Processing	Catenary Coal Holding, Inc P.O. Box 109 Appalachia, VA 24216	1201390	3/21/02	CDB0002723 Failed to do water monitoring.	Terminated 3/21/02
Catenary Coal Company		S-3035-93	06/26/00	18 - Failure to clean sediment structure.	Terminated
			06/26/00	19 - Failure to provide pre-blast survey.	Withdrawn

TABLE 1-1 (Continued)

Facility	Mailing Address	Permit Number	Date	Violation Description	Status
Catenary Coal Company	Catenary Coal Holding, Inc P.O. Box 109 Appalachia, VA 24216	S-3035-93	7/9/01	20 - Failure to protect off site areas.	Abated 7/10/01
			7/9/01	21 - Failure to protect off site areas.	Abated 7/10/01
		S-5007-90	9/27/00	9 - Failed to submit NPDES renewal.	Abated
			9/27/00	10 - Failed to submit drainage certificates.	Abated
		S-3004-95	10/13/00	8 - Failed to provide pre-blast survey.	Abated
		U-3001-98	10/27/00	1 - Placed spoil on downslope.	Abated
		S-6012-87	3/30/01	17-Failure to maintain drainage.	Abated
			3/30/01	18 - Failure to place refuse in a controlled manner.	Abated
		S-3023-90	4/11/01	1 - Failure to provide sediment control.	Abated
		U -3001-98	3/30/01	2 - Failure to construct and maintain drainage.	Abated

TABLE 1-1 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Catenary Coal Company	Catenary Coal Holding, Inc P.O. Box 109 Appalachia, VA 24216	O-3012-98	5/7/01	1 - Air pollution control failure.	Abated
		S- 3023-90	5/17/01	2 - Failure to maintain sediment controls.	Abated
		O-3017-93	5/17/01	6 - Failure to meet effluent limits.	Abated
		S-3004-95	6/11/01	9 - Failure to comply with approved plan.	Abated
			7/10/01	10 - Placed spoil on downslopes.	Abated
			9/19/01	11 - Failure to protect off site areas.	Abated
			5/9/03	12 - Failed to maintain drainage system.	Pending
			5/29/03	13 - Placed spoil on downslopes.	Pending
		P-574	7/26/01	16 - Discharged water disturbed hydrologic balance.	Abated
		O-6009-86	12/7/01	10 - Failure to protect off site areas.	Abated

TABLE 1-1 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Catenary Coal Company	Catenary Coal Holding, Inc P.O. Box 109 Appalachia, VA 24216	S-3020-90	8/10/01	3 - Failure to properly construct valley fill.	Withdrawn
			3/5/02	3 - Failure to protect off site areas.	Withdrawn
			2/21/03	5 - Placed spoil on downslopes.	Pending
		S -6012-87	1/28/02	19 - Failed to follow approved permit.	Abated
		O-3012-98	2/21/02	2 - Failed to maintain effluent limits.	Abated
			1/13/03	3 - Failed to maintain effluent limits.	Abated
		S-3010-00	3/25/02	1 - Failed to follow approved permit.	Abated
			8/14/02	2 - Failure to construct to approved plan.	Abated
			2/21/03	3 - Placed spoil on downslopes.	Pending
			5/29/03	4 - Placed spoil on downslopes.	Pending
			5/29/03	5 - Water Quality cessation order.	Pending

TABLE 1-1 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Catenary Coal Company	Catenary Coal Holding, Inc P.O. Box 109 Appalachia, VA 24216	S-3024-90	4/1/02	32 - Failure to protect off site areas.	Abated
			3/19/03	33 - Placed spoil on downslope.	Pending
1601486		11/27/00	RDS1953 - Placed spoil on downslope	Abated 3/16/01	
		2/21/01	RDS2114 - Disturbance outside permitted area.	Abated 3/9/01	
		4/25/01	RDS2242 - Placed spoil on downslope.	Abated 5/30/01	
		8/21/01	RDS2468 - Placed spoil on downslope.	Abated 1/29/02	
1301533		3/21/02	RDS2800 - Exceeded water quality limits.	Abated 3/21/02	
1301561		12/06/00	RDS2002 - Exceeded slurry solids level.	Abated 3/23/01	
		2/25/01	RDS2112 - Sediment pond not certified.	Abated 5/25/01	
1301623		7/24/01	RDS2436 - Under drain not functioning properly.	Abated 9/25/01	
867-0382	7/21/03	001 - Pond reached capacity.	Pending		
Cumberland River Coal Company					

TABLE 1-1 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Jullian Tipple (IDLE)	Mountain Mining, Inc P.O. Box 305 Madison, WV 25130	None			
Hobet Mining, Inc		S-5003-96	10/17/00	12 - Violated air blast regulation.	Abated
			10/17/00	13 - Violated air blast regulation.	Abated
			6/29/01	14 - Failure to comply with reclamation plan.	Abated
			6/29/01	15 - Failure to construct according to plan.	Abated
			9/14/01	16 - Failure to maintain sediment control.	Abated
			1/31/02	17 - Violated air blast regulation.	Abated

TABLE 1-1 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Hobet Mining, Inc	Mountain Mining, Inc P.O. Box 305 Madison, WV 25130	S-5003-96	3/27/02	18 - Failure to meet effluent standards.	Abated
			7/12/02	19 - Blasting poundage in excess.	Abated
			8/21/02	20 - Failed to protect off site areas.	Abated
			1/3/03	21 - Spoil material outside permit area.	Abated
			2/18/03	22 - Spoil material slide.	Abated
			2/24/03	23 -Placed spoil downslope.	Abated
			3/26/03	24 -Placed spoil downslope.	Abated
			3/26/03	25 - Overshot permit area.	Abated
			3/26/03	26 - Erosion.	Abated
			3/26/03	27 - Failure to report groundwater standards.	Abated
5/22/03	28 - Failure to meet effluent standards.	Abated			

TABLE 1-1 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Hobet Mining, Inc	Mountain Mining, Inc P.O. Box 305 Madison, WV 25130	S-5003-96	6/26/03	29 -Failure to inform occupants of blasting.	Abated
			7/9/03	30 - Untreated discharge to stream.	Pending
			7/9/03	31 -Untreated discharge to stream.	Pending
			7/31/03	32 - Air blast accedence.	Pending
		S-5020-95	11/9/00	13 - Failure to establish a permanent vegetation.	Abated
			11/9/00	14 - Failure to clean pond.	Withdrawn
			6/29/01	15 - Placed spoil on downslope.	Abated
			9/18/01	16 - Failed to protect off site areas.	Abated
			6/13/02	17 - Failed to protect off site areas.	Abated
			6/16/02	18 - Failure to maintain drainage system.	Abated
			7/10/02	19 - Placed spoil on downslope.	Vacated
10/21/02	20 - Failure to certify sediment structures.	Abated			

TABLE 1-1 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Hobet Mining, Inc	Mountain Mining, Inc P.O. Box 305 Madison, WV 25130	S-5020-95	10/21/02	21 - Failed to construct or maintain drainage.	Abated
			11/6/02	22 - Failure to follow permit conditions.	Abated
			3/13/03	23 - Sediment Pond structure not certified.	Abated
		S-5062-86	10/25/00	26 - Failed to minimize disturbance to hydrologic balance.	Abated
		O-5056-92	6/23/00	12 - Failed to protect off site areas.	Abated
			3/12/03	13 - Failed to protect off site areas.	Abated
		S-5024-86	10/31/00	58 - Failed to construct or maintain pond.	Withdrawn
			10/31/00	59 - Ceased reclamation activities for more than 30 days.	Abated
		O-13-81	6/21/01	30 - Failed to follow permit conditions.	Abated
		S-5063-91	7/31/01	46 - Failed to minimize impact to hydrologic balance.	Abated
			5/13/03	47 - Failed to compact and stabilize fill.	Abated

TABLE 1-1 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Hobet Mining, Inc	Mountain Mining, Inc P.O. Box 305 Madison, WV 25130	S-5070-91	5/21/01	8 - Failure to treat discharge water.	Abated
		128-78	11/26/01	26 - Failed to perform water monitoring.	Abated
		U-5007-98	11/14/01	1 - Caused off site damage.	Abated
		S-5052-86	11/2/01	9 - Failure to eliminate highwall.	Abated
		O-5010-97	11/28/01	1 - Stockpiled coal outside permit area.	Abated
			8/8/02	2 - Dust suppression.	Abated
			8/19/02	3 - Failed diversion ditch.	Withdrawn
			8/19/02	4 - Contributed suspended solids to stream.	Abated
		P-495	6/15/02	10 - Slurry line break.	Terminated
			6/11/02	11 - Failure to clean sediment structure.	Abated
			6/11/02	12 - Failed to maintain sediment system.	Abated

TABLE 1-1 (Continued)

Facility	Parent Mailing Address	Permit Number	Date	Violation Description	Status
Hobet Mining, Inc	Mountain Mining, Inc P.O. Box 305 Madison, WV 25130	S-5016-92	10/21/02	11 - Failed to control or prevent erosion.	Withdrawn
		U-5088-86	9/10/02	11 - Failed to manage opening.	Abated
		O-6-81	12/19/02	15 - Failed to protect slopes.	Abated
		R-405	3/13/03	1 - Failure to compact refuse material.	Withdrawn
		S-5052-86	5/9/03	10 - Failure to give notice.	Abated
		O-5105-86	7/30/01	4 - Failed to reclaim road.	Abated
		S-5011-01	7/3/03	1 - Failed to construct approved drainage system.	Pending
		H-695	6/26/03	13 - Failed to protect off site areas.	Pending

Canyon Fuel Company, LLC  
Banning Loadout

Mining and Reclamation Plan  
September 2003

Add the attached information to the back of :

Appendix 1-5

## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement"), dated effective as of MAY 7, 2003 ("Effective Date") is made between Canyon Fuel Company, L.L.C., a Delaware limited liability company, whose address is 6955 South Union Park Center, Suite 540, Midvale, Utah 84047 ("Seller") and East Carbonics Inc., a Utah corporation, whose address is 97 North Main, P.O. Box 87, Manti, Utah 84642 ("Buyer").

### Recitals

A. Seller operates a coal loadout facility, known as the Banning Loadout Surface Facility, located in Carbon County, Utah, adjacent to Highway 191, composed of a coal stacker and loader, storage area, sediment pond, railroad spur, electric substation, and access and service roads ("Loadout Facility").

B. The Loadout Facility is located on the following lands: (i) fee lands ("Fee Lands") owned by Seller; (ii) State of Utah lands ("State Lands") managed by the State School Institutional Trust Lands Administration and subject to Special Use Lease Agreement No. 435 ("State Lease") held by Seller; and (iii) Federal lands ("BLM Lands") managed by the Bureau of Land Management and subject to Federal Right of Way U-33855 for a tramroad and Federal Right of Way U-49763 for the Loadout Facility (collectively "BLM ROWs") held by Seller. Seller is required by law and its mine permit to reclaim the Loadout Facility, and in conjunction with the reclamation activities, Seller may terminate the State Lease and the BLM ROWs.

C. Buyer desires to purchase from Seller and Seller agrees to sell to Buyer the Fee Lands subject to the terms and conditions of this Agreement.

### Agreement

In consideration of this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

#### 1. Sale and Purchase of Real Property.

1.1 Real Property. Seller shall sell to Buyer and Buyer shall purchase from Seller the Fee Lands more particularly described on the attached Exhibit A hereto, together with all buildings and improvements constructed or located on the Fee Lands and owned by Seller (collectively, "Real Property") subject to the Condition Precedent set forth in Section 1.2 and the reservations set forth in Section 2.

1.2 Condition Precedent. Buyer's obligation to purchase the Real Property is conditioned upon ("Condition Precedent") receipt of written approval by the Utah Division of Oil, Gas and Mining amending Seller's mine permit to retain the electric power substation located on the Fee Lands ("Substation") as an approved post-mining industrial land use ("Substation Use Approval"). Buyer hereby concurs with, and shall provide, as needed, additional written approval of, retention of the Substation on the Fee Lands as a post-mining industrial land use. Seller shall give Buyer written notice upon

receipt of the Substation Use Approval. In the event the Substation Use Approval is not obtained, or Buyer does not waive this Condition Precedent, within 180 days from the Effective Date, this Agreement shall automatically terminate and Seller shall return \$9,000 of the Initial Payment to Buyer. Buyer acknowledges that Seller's retention of \$9,000 of the Initial Payment represents fair and reasonable consideration for Seller's efforts to secure the Substation Use Approval.

2. Reservation.

2.1 Water Right. Seller reserves from the sale of the Real Property water right 91-4226, Claim No. A54809 ("Water Right"). Provided that Closing occurs, Seller grants to Buyer an option for a period of two (2) years from and after the Effective Date ("Option") to purchase the Water Right for the sum of ten dollars (\$10.00) exercisable upon written notice to Seller by Buyer. Upon receipt of Buyer's election to purchase the Water Right, Seller shall convey and assign the Water Right to Buyer by quitclaim deed without warranty of title whatsoever, express or implied. The Option shall expire automatically, without further notice from or action by Seller or Buyer, at either (i) 180 days after the Effective Date if Closing does not occur or the parties do not extend this Agreement, or (ii) if Closing occurs, two (2) years from the Effective Date. Seller shall have no obligation to maintain or use the Water Right prior to exercise of the Option.

2.2 Reclamation Tract. Seller reserves from the sale of the Real Property a tract of land more particularly described on Exhibit B hereto ("Reclamation Tract") for purposes of conducting reclamation activities as required by Seller's mine permit and applicable law. Provided Closing occurs and upon completion of all required reclamation activities on or affecting the Reclamation Tract and full release of Seller's obligations under its mine permit and related bonds and sureties, Seller shall transfer the Reclamation Tract to Buyer by quitclaim deed without warranty of title whatsoever, implied or express, and subject to all conditions and restrictions required by applicable law. Seller's covenant to convey the Reclamation Tract to Buyer shall survive the Closing of the transaction contemplated in this Agreement for a period of 20 years from the Effective Date.

3. Purchase Price and Manner of Payment. The total purchase price ("Purchase Price") to be paid for the Real Property shall be ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000.00). Buyer shall pay the Purchase Price as follows:

3.1 Initial Payment. An initial payment, in the amount of EIGHTEEN THOUSAND DOLLARS (\$18,000.00), shall be paid by Buyer to Seller as of the Effective Date ("Initial Payment"), which Initial Payment shall be nonrefundable once paid to Seller except as otherwise provided herein and shall represent consideration to Seller to undertake activities to secure the Substation Use Approval.

3.2 Purchase Price Balance. The balance of the Purchase Price, in the amount of ONE HUNDRED AND TWO THOUSAND DOLLARS (\$102,000.00), as adjusted pursuant to Section 6, shall be paid by Buyer to Seller, payable in cash or by cashier's check, certified check or wire transfer, as selected by Seller, on the Closing Date.

4. Covenants and Representations. The parties covenant and represent as follows:

4.1 Approval of Agreement by Two Corporate Boards of Directors. This Agreement shall not be binding upon Buyer or Seller until it has been ratified and confirmed by the Boards of Directors or equivalent governing bodies of both Buyer and Seller.

4.2 Survey. Neither Seller nor Buyer has obtained a survey of the Fee Lands. Buyer hereby acknowledges that it is purchasing the Fee Lands subject to all of the discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts that would be disclosed by a survey of the Fee Lands.

4.3 Access and Inspection. Buyer and its agents, from the Effective Date to the Closing Date, shall have the right to access and inspect the Real Property at such times as are reasonable and convenient for Seller. Buyer acknowledges that it is entering into the transactions contemplated by this Agreement based on its own inspection, investigation and evaluation of the Real Property and Buyer hereby releases Seller from, and waives all claims against Seller for, liabilities arising out of or relating to the condition of the Real Property. Seller makes no, and expressly disclaims, representation or warranty, express or implied, concerning the condition of the Real Property and Buyer shall take the Real Property "AS IS WHERE IS."

4.4 Disclaimer of Warranty. Seller makes no representations, warranties, and Buyer shall have no right or recourse, of any kind whatsoever, express, implied or otherwise, regarding the Real Property including, without limitation, any representation, warranty or right or recourse with respect to: (i) zoning of the Real Property by the appropriate governmental agency for the intended use of Buyer; (ii) compliance with applicable environmental laws related to the Real Property (including without limitation, the existence or absence or effect of any hazardous substances or any environmental, health and safety liability or conditions or the compliance or noncompliance with any environmental law or any occupational safety and health law); (iii) the condition of the Real Property; (iv) rights of way across, easements upon, or access to the Real Property; (v) suitability of the Real Property for building or fitness for a particular purpose; (vi) merchantability, habitability, freedom from defects, quality, or value, or (vii) title to the Real Property. Seller hereby negates and disclaims, and Buyer hereby waives, any such representations, warranties, rights or recourse. Seller shall have no obligation to provide a title policy, or other title evidence, to Buyer.

4.5 Reclamation Activities. Seller, at its sole discretion and at Seller's cost and expense, shall use its commercially reasonable efforts to conduct reclamation activities on or affecting the Reclamation Tract as required by Seller's mine permit, bonds or sureties and applicable law ("Reclamation Activities"), including, without limitation, securing the Substation Use Approval. Buyer shall cooperate with Seller and shall take, or cause to be taken, such actions as are reasonably necessary to facilitate, but shall not interfere with, Seller's reclamation activities. Buyer shall not conduct any activity on or affecting the Reclamation Tract without the prior written consent of Seller,

which consent may be unreasonably withheld and which consent may be conditioned upon and subject to the requirements of Seller's reclamation activities.

4.6 Other Properties Not Subject to this Agreement. This Agreement does not include rights to, and Buyer acknowledges that it will not acquire any interest in, the State Lands, the State Lease, the BLM Lands or the BLM ROWs. Seller shall retain all rights and title to the State Lease and the BLM ROWs and may, at its sole discretion, terminate, abandon, amend, modify or forfeit the State Lease or the BLM ROWs. Nothing in this Agreement shall, nor shall it be interpreted to, require Seller to grant or assign to Buyer an interest in or right to the State Lease or the BLM ROWs or to replace or amend the State Lease or the BLM ROWs.

4.7 Buyer's Right of Way. Seller consents to, and shall cooperate with Buyer to acquire, an access right of way across the BLM Lands.

4.8 Operations Prior to Closing. During the period from the date of this Agreement to the Closing Date ("Executory Period"), Seller shall operate and maintain the Real Property in the ordinary course of business in accordance with prudent and reasonable business standards. Seller shall not execute any contracts, leases or other agreements affecting the Real Property during the Executory Period which are not terminable on or before the Closing Date, without the prior written consent of Buyer, which consent shall not be unreasonably withheld. Nothing in this Section shall restrict Seller's activities to secure the Substation Use Approval.

4.9 Title. No later than thirty (30) days prior to Closing, Buyer shall notify Seller in writing of any exceptions to title which were created by, through or under Seller disclosed by a preliminary title report or title insurance commitment prepared for Buyer ("Title Exceptions"). Seller shall have the right, in its sole discretion (but not the obligation) prior to the Closing to cure or remove the Title Exceptions. If Seller is unable or fails (or elects in its sole discretion not ) to cure or remove the Title Exceptions, Buyer shall have the following exclusive remedies: (i) the right to terminate this Agreement and receive back from Seller \$9,000 of the Initial Payment, or (ii) the right to waive the Title Defects. Buyer acknowledges that Seller's retention of \$9,000 of the Initial Payment represents fair and reasonable consideration for Seller's efforts to secure the Substation Use Approval. Buyer shall be deemed to have elected to waive the Title Exceptions unless it provides Seller written notice of its election to terminate this Agreement within five (5) days from the Closing Date. If Buyer waives or is deemed to have waived Title Exceptions, this Agreement will remain in full force and effect and the Initial Payment shall be retained by Seller. Failure of Buyer to notify Seller of any Title Exceptions prior to 30-days before Closing shall be deemed a waiver of all such Title Exceptions and acceptance of the Real Property as suitable for purchase.

5. Closing. The closing of the purchase and sale contemplated by this Agreement ("Closing") shall occur no later than 90 days from satisfaction (evidenced by Seller's notice to Buyer) or waiver by Buyer of the Condition Precedent ("Closing Date"), provided, however, that this Agreement shall automatically terminate 180 days from the Effective Date unless otherwise agreed by the parties in writing. Except for termination resulting under Section 1.2 or Section

4.9, or terminate resulting directly from Seller's breach, as determined by a court of competent jurisdiction, upon automatic termination under this Section 5, Seller shall retain the Initial Payment. In the absence of an agreement between Seller and Buyer to close elsewhere, the Closing shall occur at the offices of Seller, 6955 South Union Park Center, Suite 540, Midvale, Utah. Seller agrees to deliver possession of the Real Property to Buyer on the Closing Date.

5.1 Seller's Closing Documents. On the Closing Date, Seller shall execute and deliver to Buyer the following (collectively, "Seller's Closing Documents"), all in form and content as provided herein:

a. Quitclaim Deed. A Quitclaim Deed for the purpose of conveying the Real Property in the form of the attached Exhibit C; and

b. Other Documents. All other documents reasonably determined by Seller and Buyer to be necessary to transfer the Real Property to Buyer.

5.2 Buyer's Closing Obligations. On the Closing Date, Buyer shall:

a. Buyer's Closing Documents. Execute and deliver to Seller such other documents as Seller shall reasonably request (collectively, the "Buyer's Closing Documents" and together with the Seller's Closing Documents, the "Closing Documents"); and

b. Purchase Price. Deliver to Seller funds representing the balance of the Purchase Price, as adjusted pursuant to Section 6, by cash, cashier's check, certified check or wire transfer, as selected by Seller.

6. Responsibility for Costs. Seller and Buyer agree to the following allocation of costs regarding this Agreement:

6.1 Real Estate Taxes and Special Assessments. Real estate taxes and installments of special assessments payable in the year in which closing occurs shall be prorated as of the Closing Date on a calendar year basis.

6.2 Attorney's Fees. Each party shall pay its own attorney's and broker's fees, except that a party defaulting under this Agreement or any of the Closing Documents shall pay the reasonable attorney's fees and court costs incurred by the non-defaulting party to enforce its rights hereunder.

6.3 Broker's Fees. Seller represents that it has not engaged the services of any broker in connection with this transaction, and Seller shall not be responsible for the payment of any broker's commissions or finder's fees in connection with this transaction.

6.4 Recording Costs. Buyer shall pay all recording costs in connection with the transactions contemplated by this Agreement.

6.5 Title Insurance. Buyer shall pay for all title insurance.

7. **Notices.** All notices, payments and other communications to the parties under this Agreement must be in writing and shall be addressed respectively as follows:

**SELLER**

Canyon Fuel Company, L.L.C.  
6955 South Union Park Center, Suite 540,  
Midvale, Utah 84047

**BUYER**

East Carbonics Inc.  
P.O.Box 87  
Manti, Utah 84642

and

Ark Land Company  
Suite 300 CityPlace One  
St. Louis, Missouri 63141  
Attention: Steven E. McCurdy

8. **Miscellaneous.**

8.1 **Special Taxing Districts.** Special taxing districts may be subject to general obligation indebtedness that is paid by revenues produced from annual tax levies on the taxable property within such districts. Property owners in such districts may be placed at risk for increased mill levies and excessive tax burdens to support the servicing of such debt where circumstances arise resulting in the inability of such a district to discharge such indebtedness without such an increase in mill levies. Buyer should investigate the debt financing requirements of the authorized general obligation indebtedness of such districts, existing mill levies of such district servicing such indebtedness, and the potential for an increase in such mill levies.

8.2 **Binding Effect.** This Agreement shall be binding upon the parties hereto and their respective heirs, successors and assigns.

8.3 **Choice of Law.** This Agreement shall be governed by the law of the State of Utah, without giving effect to choice of law principles.

8.4 **Further Assurances.** Each party agrees to take any action reasonably necessary to effect the transactions contemplated by this Agreement.

8.5 **Counterparts and Facsimile Transmissions.** This Agreement may be executed by one or more counterpart signatures. Signatures submitted by facsimile shall be effective to bind the parties to this Agreement.

8.6 **Entire Agreement.** This Agreement and the exhibits to this Agreement constitute the entire agreement between the parties and supersedes any understandings or agreements between the parties not specifically included in this Agreement.

8.7 **Rule Against Perpetuities.** The parties do not intend that there shall be any violation of the Rule Against Perpetuities, the Rule Against Unreasonable Restraint on the Alienation of Property, or any similar rule. Accordingly, if any right or option to acquire any interest in any real properties exists in this Agreement, such right or option

must be exercised, if at all, so as to vest such interest within time periods permitted by applicable rules. If, however, any such violation should inadvertently occur, the parties hereby agree that a court or arbitrator shall reform that provision in such a way as to approximate most closely the intent of the parties within the limits permissible under such rules.

Seller and Buyer have executed this Agreement as of the Effective Date.

**SELLER:**

**BUYER:**

CANYON FUEL COMPANY, L.L.C.

EAST CARBONICS INC.

By: *Richard D. Pick*

By: *Troy Shelley*

Name: *RICHARD D. PICK*  
Title: *PRESIDENT*

Name: *Troy Shelley*  
Title: *President*

**LIST OF EXHIBITS:**

- Exhibit A - Fee Lands
- Exhibit B - Reclamation Tract
- Exhibit C - Quitclaim Deed

**Exhibit A**  
**to**  
**Purchase and Sale Agreement**

**FEE LANDS**

**Township 15 South, Range 12 East**  
**Carbon County, Utah**

**Section 16: SE/4SE/4;**  
**Section 21: E/2NE/4.**

**Exhibit B**  
to  
**Purchase and Sale Agreement**

**RECLAMATION TRACT**

The following described parcel of land is located in the SE/4SE/4 Section 16, T15S, R12E, SLB&M, more specifically described as follows:

Beginning at a point S00°37'09"W 1321.3', more or less, along the Section line From the East Quarter Corner of Section 16, T15S, R12E, SLB&M, said corner being a rock corner with a rebar placed along side, which appears to be consistent with GLO notes; thence N89°22'46"W 346.0' along the 40 acre line; thence S00°37'09"W 326.0', more or less, to an existing Northeast and Southwest trending fence line; Thence N58°50'57"E 232.0' along the existing fence line; thence S67°46'39"E 160.0', more or less, to a point on the east section line of Section 16, said last call being approximately 7.4' south of an existing ditch line; thence N00°37'09"E 262.8', more or less, along the section line to the point of beginning, containing 1.99 acres, more or less.

Basis of Bearing is S00°37'09"W between the Northeast Section Corner and East Quarter Corner of Section 16, T15S, R12E, SLB&M.

**Exhibit C**  
to  
**Purchase and Sale Agreement**

**QUITCLAIM DEED**

**MAIL TAX NOTICE TO:**

East Carbonics Inc.  
97 North Main  
P.O. Box 87  
Manti, Utah 84642

**QUITCLAIM DEED**

THIS QUITCLAIM DEED, dated effective as of \_\_\_\_\_, 2003 ("Effective Date"), is by and between Canyon Fuel Company, LLC, a Delaware Limited Liability Company, as successor in interest to Coastal States Energy Company, with its principal office at 6955 South Union Park Center, Suite 540, Midvale, Utah 84047 ("Grantor") and East Carbonics Inc., a Utah corporation, with its office at 97 North Main, P.O. Box 87, Manti, Utah 84642 ("Grantee").

For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Grantor QUITCLAIMS to Grantee the tract of land more particularly described on Exhibit A attached hereto and made a part hereof, located in Carbon County, State of Utah, ("Property"), EXCLUDING from the Property a parcel more particularly described on Exhibit A, and SUBJECT TO all burdens, easements, restrictions, rights of way and all other matters appearing of record or enforceable in law and equity and to the terms and conditions of this instrument.

THIS QUITCLAIM DEED IS MADE WITHOUT REPRESENTATION, WARRANTY OR RIGHT OR RECOURSE OF ANY KIND WHATSOEVER, EXPRESS, IMPLIED OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION, WARRANTY OR RIGHT OR RECOURSE WITH RESPECT TO TITLE, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, FREEDOM FROM DEFECTS, QUALITY, VALUE, RESERVES AND ENVIRONMENTAL CONDITION (INCLUDING WITHOUT LIMITATION THE EXISTENCE OR ABSENCE OR EFFECT OF ANY HAZARDOUS SUBSTANCES OR ANY ENVIRONMENTAL, HEALTH AND SAFETY LIABILITIES OR CONDITIONS, OR THE COMPLIANCE OR NONCOMPLIANCE WITH ANY ENVIRONMENTAL LAW OR ANY OCCUPATIONAL SAFETY AND HEALTH LAW), AND GRANTOR NEGATES AND DISCLAIMS, AND GRANTEE WAIVES, ANY SUCH REPRESENTATIONS, WARRANTIES, RIGHTS OR RECOURSE.

Grantee acknowledges that the Property has historically been used for coal mining operations and Grantee is purchasing and accepts the Property "AS IS AND WHERE IS" as of



**Exhibit A  
to  
QuitClaim Deed**

**Property**

Township 15 South, Range 12 East, Carbon County, Utah

Section 16: SE/4SE/4;

Section 21: E/2NE/4.

**EXCLUDING** from the Property and **RESERVING** to Grantor a parcel of land located in the SE/4SE/4 Section 16, T15S, R12E, SLB&M, more specifically described as follows:

Beginning at a point S00°37'09"W 1321.3', more or less, along the Section line From the East Quarter Corner of Section 16, T15S, R12E, SLB&M, said corner being a rock corner with a rebar placed along side, which appears to be consistent with GLO notes; thence N89°22'46"W 346.0' along the 40 acre line; thence S00°37'09"W 326.0', more or less, to an existing Northeast and Southwest trending fence line; Thence N58°50'57"E 232.0' along the existing fence line; thence S67°46'39"E 160.0', more or less, to a point on the east section line of Section 16, said last call being approximately 7.4' south of an existing ditch line; thence N00°37'09"E 262.8', more or less, along the section line to the point of beginning, containing 1.99 acres, more or less.

Basis of Bearing is S00°37'09"W between the Northeast Section Corner and East Quarter Corner of Section 16, T15S, R12E, SLB&M.