

# CALLISTER NEBEKER & McCULLOUGH

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**COURTESY COPY**

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LUCY KNIGHT ANDRE  
T. RICHARD DAVIS

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(1904-1983)  
FRED L. FINLINSON  
(1906-1995)  
RICHARD H. NEBEKER  
(1924-1998)

TO CALL WRITER DIRECT  
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GEORGE R. SUTTON	ZACHARY T. SHIELDS
RANDALL D BENSON	JEANENE F. PATTERSON <sup>5</sup>
GEORGE E. HARRIS, JR. <sup>1</sup>	JAMES E. MERRELL
PAUL H. SHAPHREN	DAVID R. YORK
DAMON E. COOMBS	LEE S. McCULLOUGH, III
CYNTHIA J. CRASS	JENNIFER WARD
BRIAN W. BURNETT	CHRISTIAN W. CLINGER <sup>6</sup>
CASS C. BUTLER	

January 14, 2002

<sup>1</sup> ALSO MEMBER MISSOURI BAR  
<sup>2</sup> ALSO MEMBER CALIFORNIA BAR  
<sup>3</sup> ALSO MEMBER ILLINOIS BAR  
<sup>4</sup> ALSO MEMBER COLORADO AND WASHINGTON D.C. BARS  
<sup>5</sup> ALSO MEMBER NEW YORK AND DELAWARE BARS  
<sup>6</sup> ALSO MEMBER NEBRASKA BAR

RECEIVED

DIVISION OF OIL, GAS AND MINING

*Lucy Knight Andre*  
*1/10/02*  
*Copy Mary Lynn (letter)*  
*and Pam (letter)*

## HAND DELIVERED

Laurel R. Bailey  
Wells Fargo Bank Northwest, N.A.  
79 South Main Street  
Salt Lake City, UT 84111

Re: Pledge and Escrow Agreement - Sunnyside Cogeneration Associates, Utah Division of Oil, Gas & Mining and Wells Fargo

Dear Laurel:

Enclosed please find a fully executed Pledge and Escrow Agreement dated January 4, 2002 ("Agreement") between Sunnyside Cogeneration Associates ("SCA"), the Utah Division of Oil, Gas & Mining ("DOGM") and Wells Fargo Bank Northwest, N.A. ("Wells Fargo"). In addition, I have also enclosed the Affidavit of Qualification - Permittee - SCA, the Affidavit of Qualification - Institution - Wells Fargo, the Affidavit of Qualification - Director - DOGM, and Exhibit A - Bonded Area.

These documents finalize the Agreement and establish the basis to fund this transaction. As set forth in Section 4 of the Agreement, SCA will move \$1,747,000 into a Wells Fargo account to be invested into federally guaranteed Treasury Notes with a maturity of five (5) years or less. A representative from SCA will contact you regarding this transfer of funds. Please provide SCA and DOGM notification of receipt of the Escrowed Funds as set forth in Section 4 of the Agreement.

Laurel R. Bailey  
January 14, 2002  
Page 2

Thank you for your cooperation in this regard. If you have any questions, please feel free to contact me.

Sincerely,

CALLISTER NEBEKER & McCULLOUGH

A handwritten signature in black ink that reads "Brian W. Burnett". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Brian W. Burnett

BWB:ias  
Enclosures

cc: Pam Grubaugh-Littig  
Kurt Seel  
Jim Willey  
Jeff McCormack  
Rob McLeese  
Greg Lawyer  
Kendall Reed  
Randy Scott

RECEIVED

JAN 14 2002

DIVISION OF  
OIL, GAS AND MINING

**PLEDGE AND ESCROW AGREEMENT**

This Pledge and Escrow Agreement ("Agreement"), dated as of January 4, 2002, is made and entered into by and among Wells Fargo Bank Northwest, National Association, as escrow agent (the "Escrow Agent"), Sunnyside Cogeneration Associates, a joint venture between Sunnyside Holdings I, Inc., A Delaware Corporation, and Sunnyside II, L.P., A Delaware Limited Partnership, ("SCA"), and the State of Utah, Division of Oil, Gas & Mining ("DOGM").

**WHEREAS**, SCA must provide DOGM with a Reclamation Surety in the amount of \$1,747,000 to ensure that funds are available to reclaim the waste coal pile associated with its project in Sunnyside, Utah, pursuant to its Permit No. C/007/035; and

**WHEREAS**, SCA and DOGM have agreed that the obligations of SCA under the Permit No. C/007/035 shall be secured by a first-lien security interest in Escrowed Funds (as defined below) as provided herein; and

**WHEREAS**, in connection with the grant of the security interest in all of SCA's interests in the Escrowed Funds as provided herein, SCA and DOGM have agreed that the Escrow Agent will hold the Escrowed Funds in escrow in accordance with the terms and subject to the conditions hereinafter set forth;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Grant of Security Interest. As security for SCA's obligation to reclaim the waste coal pile associated with its project in Sunnyside, Utah, pursuant to its Permit No. C/007/035, SCA hereby pledges, grants, assigns, transfers and sets over to DOGM, and there is hereby created in favor of DOGM, a first-lien security interest in and to all of SCA's right, title and interest in and to the Escrowed Funds and the proceeds thereof as provided herein. DOGM's first lien security interest shall apply to the Escrowed Funds and any investment earnings thereon to the extent provided in and subject to this Agreement.

2. Representations of SCA. In making the foregoing pledge and assignment, SCA hereby represents and warrants to the DOGM, that as of the date hereof:

- a. SCA is the owner of the Escrowed Funds, free and clear of all encumbrances, security interests and charges of any kind.
- b. SCA has the right and authority to enter into this Agreement and perform its obligations hereunder.
- c. The execution and delivery of this Agreement by SCA and the consummation by it of the transactions contemplated hereby have been duly and validly authorized by all necessary action and no other proceedings on the part of SCA is

necessary to authorize this Agreement or to consummate the transactions so contemplated hereby. This Agreement has been duly executed and delivered by, and constitutes a valid and binding obligation of SCA and, assuming due authorization, execution and delivery by DOGM, is enforceable against SCA in accordance with its terms, except as enforcement may be limited by general principles of equity whether applied in a court of law or a court of equity and by bankruptcy, insolvency and similar laws affecting creditors' rights and remedies generally.

3. Appointment of Escrow Agent. SCA and DOGM hereby appoint the Escrow Agent as escrow agent for the purposes set forth in this Agreement, and the Escrow Agent hereby accepts such appointment and agrees to perform the duties of the Escrow Agent set forth in this Agreement.

4. Deposit of Funds. Upon execution of this Agreement, SCA will deposit with the Escrow Agent \$1,747,000 (the "Escrowed Funds") to be used primarily to purchase 100% federally guaranteed Treasury Notes with a maturity of five (5) years or less in approximately that amount for SCA, and any residual funds will be invested in the Wells Fargo 100% Treasury Money Market Fund which is invested in direct obligations of the government of the United States. The Escrow Agent shall hold the Escrowed Funds for the benefit of DOGM and shall invest the Escrowed Funds upon the written direction of SCA within the guidelines set forth in this Agreement. Upon the initial receipt of the Escrowed Funds and the investment of such funds as provided herein, the Escrow Agent will deliver to SCA and DOGM written notice of its receipt of the Escrowed Funds and the investment thereof. All further investments of the Escrowed Funds, including investments made upon the maturity or sale of previous investments of the Escrowed Funds or the investment earnings thereon, shall be made upon the written direction of SCA within the guidelines set forth in this Agreement. In the absence of such written directions, the Escrow Agent shall invest the Escrowed Funds in the Wells Fargo 100% Treasury Money Market Fund.

5. Disbursement of Funds.

a. Upon the written instruction and demand of the Director of DOGM, the Escrow Agent shall liquidate or sell all or such portion of the investments of the Escrowed Funds as the Director of DOGM shall designate without any further consent of SCA and shall disburse the proceeds of such sale to DOGM. The Escrow Agent shall not be responsible or liable for any investment losses on investments or sales of investments of Escrowed Funds made in accordance with this Agreement. SCA agrees and irrevocably instructs the Escrow Agent that neither SCA, nor any person claiming an ownership interest in the Escrowed Funds, shall have the authority to prevent the Escrow Agent from carrying out the Director of DOGM's instruction to transfer the Escrowed Funds to DOGM. DOGM agrees that any disbursement of the Escrowed Funds shall be made pursuant to SCA's obligations set forth in Permit No. C/007/035 and DOGM shall return or release any Escrowed Funds which are more than the amount necessary to

complete reclamation pursuant to the regulations in effect at the time, which regulations are currently set forth in Utah Admin. Code R645-301-800.

b. The Escrow Agent shall, except as provided in Section 6 below, disburse the Escrowed Funds and the investment earnings thereon, if any, to SCA only upon written instruction of the Director of DOGM. Upon disbursement of all of the Escrowed Funds and the investment earnings thereon, if any, to SCA, this Agreement shall be deemed to have been terminated.

6. Interest and Other Distributions. All interest and investment earnings, if any, on the investment of the Escrowed funds shall be disbursed to SCA on each January 15 and July 15 during the term of this Agreement. If DOGM notifies the Escrow Agent in writing that SCA is in default of its obligations under Permit No. C/007/035, SCA shall no longer be entitled to the distribution of interest and investment earnings on the investment of Escrowed Funds and any such interest and investment earnings shall be retained by the Escrow Agent and held as part of the Escrowed Funds for the purposes stated herein until such time as DOGM notifies the Escrow Agent in writing that SCA is no longer in default of its obligations.

7. Agent's Duties. All parties hereto understand and agree that the Escrow Agent is not a principal, participant, or beneficiary of the underlying transaction which necessitates this Agreement. The Escrow Agent shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in acting or refraining from acting on any instrument believed by it to be genuine and to have been signed or presented by the proper party or parties, their officers, representatives, or agents. The Escrow Agent shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized hereby or for action taken or omitted by it in accordance with the advice of its counsel, unless such action or omission constitutes willful misconduct or gross negligence.

8. Concerning Escrow Agent. The following provisions shall control with respect to the rights, duties, liabilities, privileges, and immunities of Escrow Agent:

a. Escrow Agent is not a party to, is not bound by, and has no duty to inquire into any agreement other than this Escrow Agreement. All references in this Escrow Agreement to other agreements or permits, including the Permit No. C/007/035 are for the convenience of the parties hereto other than Escrow Agent, and Escrow Agent shall have no duties or obligations with respect thereto. Escrow Agent shall have no implied duties beyond the express duties set forth herein.

b. Escrow Agent, in acting hereunder, may assume the genuineness of any written notice, request, waiver, consent, certificate, receipt, authorization, power of attorney, or other paper or document which Escrow Agent in good faith believes to be genuine and what it purports to be.

c. It is the intention of the parties to this Escrow Agreement that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

d. In the event of any disagreement between any of the parties (other than Escrow Agent) to this Escrow Agreement, or between them or any of them and any other person or entity resulting in conflicting or adverse claims or demands being made in connection with the escrowed property, or in the event that Escrow Agent, in good faith, shall be in doubt as to what action it should take hereunder, Escrow Agent at its option may refuse to comply with any claims or demands on it, or refuse to take any other action hereunder, so long as such disagreement continues or such doubt exists, and, in any such event, Escrow Agent shall not be or become liable in any way or to any person or entity for its failure or refusal to act, and Escrow Agent shall be entitled to either;

i. continue so to refrain from acting until (A) the rights of all parties shall have been determined by a final and unappealable order of a court of competent jurisdiction or by a final and unappealable award of arbitrators, or (B) all differences shall have been resolved by agreement among all of the interested persons or entities, and Escrow Agent shall have been notified thereof in writing signed by all such persons or entities, or

ii. file an interpleader action in any court of competent jurisdiction.

9. Standard of Care. The Escrow Agent shall have no liability under, or duty to inquire beyond the terms and provisions of this Agreement, and it is agreed that the Escrow Agent's duties are purely ministerial in nature, and that the Escrow Agent shall incur no liability whatsoever, except for willful misconduct or gross negligence. The Escrow Agent shall not be bound by any modification, amendment, termination, cancellation, rescission, or supersession of this Agreement unless the same shall be in writing and signed by all of the other parties hereto and, if the Escrow Agent's duties as escrow agent hereunder are affected thereby, unless the Escrow Agent shall have given prior written consent thereto.

10. Resignation. The Escrow Agent may at any time resign hereunder by giving written notice of its resignation to the other parties hereto, at their addresses set forth herein, at least thirty days prior to the date specified for such resignation to take effect. Upon the effective date of such resignation, the escrowed property hereunder shall be delivered to such person as may be designated in joint written instructions to the Escrow Agent from SCA and DOGM, whereupon all the Escrow Agent's obligations hereunder shall cease and terminate. The Escrow Agent's sole responsibility during the period after written notice of resignation is given and before the effective date of resignation shall be to keep safely all escrowed property and to deliver the same to such persons designated in such joint written instructions or in accordance with the directions of a final order or judgment of a court of competent jurisdiction.

11. Indemnification. SCA agrees to defend, indemnify and hold the Escrow Agent harmless from and against any and all loss, damage, liability, and expense that may be incurred by the Escrow Agent arising out of or in connection with its acceptance or appointment as Escrow Agent hereunder, including the legal costs and expenses of defending itself against any claim or liability in connection with its performance hereunder, except to the extent any such loss, damage, liability, or expense is incurred in connection with any breach by the Escrow Agent of its obligations under this Agreement. DOGM agrees to hold Escrow Agent harmless from and against any and all loss, damage, liability, and expense that may be incurred by the Escrow Agent arising out of or in connection with its acceptance or appointment as Escrow Agent hereunder, except to the extent any such loss, damage, liability, or expense is incurred in connection with any breach by the Escrow Agent of its obligations under this Agreement.

12. Fees. The fee of the Escrow Agent to serve as escrow agent hereunder will be \$2,250 for the first year payable in advance and due upon execution of this Escrow Agreement and \$1,250 for each twelve month period thereafter in which this Agreement is in effect, payable at the beginning of each such period. SCA shall pay such fees and all reasonable expenses of the Escrow Agent incurred hereunder, including reasonable attorney's fees incurred in connection with this Agreement and the performance of the Escrow Agent's duties hereunder. Except as otherwise noted, such fee covers account acceptance, set up, and termination expenses plus usual and customary related administrative services such as safekeeping and distribution of securities specified herein or in the exhibits attached. Activities requiring excessive administrator time or out-of-pocket expenses such as optional substitution of collateral or securities shall be deemed extraordinary expenses for which related costs, transaction charges, and additional fees will be billed (after delivery of prior notice of such charges to SCA) at the Escrow Agent's standard charges for such items. In the event SCA fails to pay such fees, DOGM shall be provided notice in writing and a reasonable opportunity to pay the fees, either directly or from Escrowed Funds to keep this Pledge and Escrow Agreement in full effect.

13. Merger or Consolidation. Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which the Escrow Agent is a party, shall be and become the successor Escrow Agent under this Escrow Agreement and shall have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance any further act.

14. Force Majeure. The Escrow Agent shall have no liability for loss arising from any cause beyond its control, including, but not limited to, the following: (a) the act, failure to act, or neglect of any agent or correspondent selected by the Escrow Agent or the parties hereto (unless such selection constitutes willful misconduct or gross negligence on the part of the Escrow Agent); (b) any delay, error, omission, or default connected with the remittance of funds; (c) any delay, error, omission, or default of any mail, telegraph, cable, or wireless agency or operator; or

(d) the acts or edicts of any government or governmental agency or other group or entity exercising governmental powers.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah (without regard to the principles of conflicts of law embodied therein).

16. Notices. Any notice, communication, or other delivery given under this Agreement must be in writing and (a) delivered personally, (b) delivered by overnight express, or (c) sent by registered or certified mail, postage prepaid, as follows:

a. If to the SCA, to:

Plant Manager  
Sunnyside Cogeneration Associates  
P.O. Box 10  
East Carbon, UT 84520

One Power Plant Road  
Sunnyside, UT 84539

Telephone: 435-888-4476  
Facsimile: 435-888-2538

b. If to DOGM to:

Division Director  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

Telephone: 801-538-5326  
Facsimile: 801-359-3940

c. If to the Escrow Agent, to:

Wells Fargo Bank Northwest, National Association  
Corporate Trust Services Department  
61 South Main Street, 3<sup>rd</sup> Floor  
Salt Lake City, Utah 84111  
Attention: Laurel Bailey

Telephone: 801-246-5930  
Facsimile: 801-246-5053

d. With copies to:

Brian W. Burnett  
Callister Nebeker & McCullough  
Gateway Tower East, Suite 900  
10 East South Temple  
Salt Lake City, UT 84133

Telephone: 801-530-7428  
Facsimile: 801-364-9127

Utah Attorney General's Office  
Department Natural Resources  
160 East 300 South, 5<sup>th</sup> Floor  
P. O. BOX 140815  
Salt Lake City, UT 84114-0815  
Attn: Kurt E. Seel

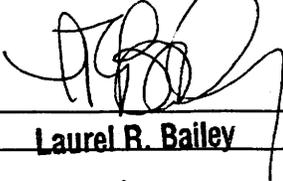
Telephone: 801-366-0508  
Facsimile: 801-366-0352

Each notice or other communication required or permitted under this Agreement that is addressed as provided in this Section will (i) if delivered personally or by overnight express, be deemed given upon delivery; and (ii) if delivered by mail in the manner described above, be deemed given on the third business day after the day it is deposited in a regular depository of the United States mail. Any party from time to time may change its address for the purpose of notices to that party by giving a similar notice specifying a new address, but no such notice will be deemed to have been given until it is actually received by the party sought to be charged with the contents thereof.

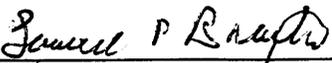
17. Taxpayer Identification. SCA's Employer Identification Number is 52-2318424.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the parties hereto as of the date first written above.

WELLS FARGO BANK NORTHWEST,  
NATIONAL ASSOCIATION, as Escrow Agent

By:   
Name: Laurel R. Bailey  
Title: Vice President

UTAH DIVISION OF OIL, GAS & MINING, a  
Division of the Department of Natural Resources,

By:   
Name: Lowell P. Brantley  
Title: Director DOG M

SUNNYSIDE COGENERATION ASSOCIATES, a Utah  
joint venture, composed of:

By: SUNNYSIDE HOLDINGS I, INC., a Delaware  
corporation, a joint venture partner

By:   
Name: G. B. Lawyer  
Title: President

By: SUNNYSIDE II, L.P., a Delaware limited  
partnership, a joint venture partner

By: SUNNYSIDE II, INC., a Delaware  
corporation, the general partner of  
Sunnyside II, L.P.

By:   
Name: JAMES NEIL WILLEY  
Title: VICE PRESIDENT

**AFFIDAVIT OF QUALIFICATION  
PERMITTEE**

--ooOOoo--

We, Greg B. Lawyer and James N. Willey, being first duly sworn under oath, depose and say that we are the authorized agents of Sunnyside Cogeneration Associates; and that we are duly authorized to execute and deliver the foregoing obligations; and that said PERMITTEE is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.

SUNNYSIDE COGENERATION ASSOCIATES,  
a Utah joint venture

By: SUNNYSIDE HOLDINGS I, INC.,  
a Delaware corporation, a joint venture partner

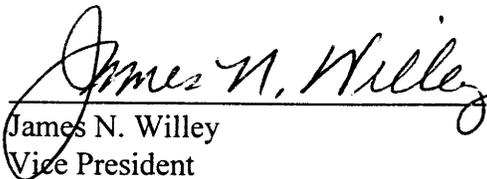
By: \_\_\_\_\_  
Name: Greg B. Lawyer  
Title: President



By: SUNNYSIDE II, L.P.,  
a Delaware limited partnership, a joint venture partner

By: SUNNYSIDE II, INC.,  
a Delaware corporation, its general partner

By: \_\_\_\_\_  
Name: James N. Willey  
Title: Vice President

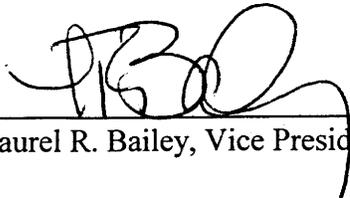




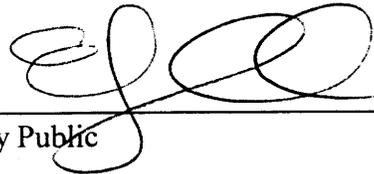
**AFFIDAVIT OF QUALIFICATION  
INSTITUTION (Bank)**

--ooOOoo--

I, Laurel R. Bailey, being first duly sworn under oath, deposes and says that she is a Vice President of Wells Fargo Bank Northwest, National Association; and that she is duly authorized to execute and deliver the foregoing obligations; and that said INSTITUTION (Bank) is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.

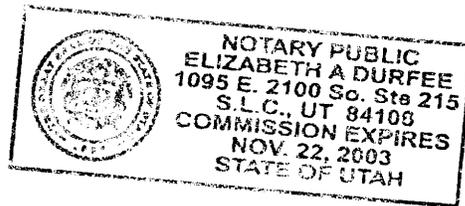
(Signed)   
\_\_\_\_\_  
Laurel R. Bailey, Vice President

Subscribed and sworn to before me this 8<sup>th</sup> day of JANUARY, 2002.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:  
Nov. 22, 2003.

Attest:  
STATE OF Utah )  
COUNTY OF Salt Lake ) ss:



**AFFIDAVIT OF QUALIFICATION  
DIRECTOR**

--ooOOoo--

Lowell Braxton, being first duly sworn under oath, deposes and says that he is the Director for the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah; and that he is duly authorized to execute and deliver the foregoing obligations; and that said Director is authorized to execute the same by authority of laws on behalf of the State of Utah.

Lowell Braxton

Lowell Braxton, Director  
Division of Oil, Gas and Mining

Subscribed and sworn to before me this 7<sup>th</sup> day of January, 2002.

Victoria A. Bailey  
Notary Public

My Commission Expires:

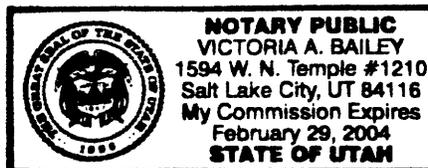
February 29, 2004.

Attest:

STATE OF Utah )

COUNTY OF Salt Lake )

) SS:



**EXHIBIT "A"**  
**BONDED AREA**

The RECLAMATION COST ESTIMATE represents the amount to reclaim the Disturbed Area. The legal description of this surface disturbance is:

Total acres of PERMIT AREA: 304.85  
Total acres of DISTURBED AREA: 304.85  
Legal Description of DISTURBED AREA:

See attached Legal Description

**NOTE: IN THE EVENT OF FORFEITURE, BOND LIABILITY WILL EXTEND TO THE ENTIRE PERMIT AREA (R645-301-880.930)**

IN WITNESS WHEREOF Sunnyside Cogeneration Associates has hereunto set its signature this 4<sup>th</sup> day of January, 2002.

SUNNYSIDE COGENERATION ASSOCIATES,  
a Utah joint venture

By: SUNNYSIDE HOLDINGS I, INC.,  
a Delaware corporation, a joint venture partner

By:   
Name: Greg B. Lawyer  
Title: President

By: SUNNYSIDE II, L.P.,  
a Delaware limited partnership, a joint venture partner

By: SUNNYSIDE II, INC.,  
a Delaware corporation, its general partner

By:   
Name: James N. Willey  
Title: Vice President

The permit is located in Carbon County, Utah as follows:

Beginning at a point which is North 2810.58 feet and East 11.15 feet from the Southeast Corner of Section 6, Township 15 South, Range 14 East of the Salt Lake Base and Meridian and running thence South 00°13'04" West, 174.18 feet along the east line of Section 6, to the East 1/4 Sec 6; thence South 00°13'39" West, 514.28 feet; thence running South 43°56'13" East, 237.61 Feet; thence running South 37°48'02" West, 271.53 feet to a metal fence post; thence South 00°13'39" West, 918.48 feet along the east section line of Section 6; thence South 00°13'27" West 817.99 feet to the Southeast Corner of Section 6 which is a brass cap; thence South 00°15'54" West, 1322.37 feet along the east line of said Section 7 to the southeast corner of the NE1/4 NE1/4 of said Section 7; thence South 89°52'59" West, 2656.89 feet along the south line of the N1/2 NE1/4 of the said Section 7 to the NW1/4 NE1/4 of said Section 7; thence South 00°41'30" West, 664.69 feet along the east line of the SE1/4 NW1/4 of said Section 7 to the southeast corner of the NE1/4 SE1/4 NW1/4 of said Section 7; thence South 89°40'06" West, 2560.98 feet along the south line of the N1/2 S1/2 NW1/4 of said Section 7 to the southwest corner of the NW1/4 SW1/4 NW1/4 of said Section 7; thence North 00°17'17" East, 1984.79 feet along the west section line to the Northwest Corner of Section 7 which is a brass cap; thence North 89°27'59" East, 1253.28 feet along the north line of said Section 7 to the northeast corner of the NW1/4 NW1/4 of said Section 7; thence North 59°40'32" East, 666.58 feet to a metal fence post; thence North 44°13'50" East, 430.53 feet to a roof bolt ; thence North 59°09'24" East 167.86 feet to a metal fence post; thence North 63°51'14" East, 188.19 feet, to a metal fence post; thence North 60°15'06" East, 335.61 feet to a metal fence post; thence North 21°00'31" West, 34.15 feet to a brass post in a barbed wire fence; thence North 14°02'19" East, 166.70 feet; thence North 86°06'57" East 78.29 feet; thence North 39°40'10" East, 186.10 feet; thence North 85°06'24" East, 289.77 feet; thence running easterly along a curve to the right with a radius of 112.84 feet, through an angle of 189°39'41" for a distance of 373.53 feet having a chord that bears South 54°40'23" East, 224.88 feet; thence South 39°50'38" West, 144.16 feet; thence North 81°18'59" East, 646.66 feet along an existing fence line to a roof bolt; thence North 36°41'30" East, 152.85 feet along a fence line to a roof bolt; thence North 10°54'49" West, 189.49 feet to a metal fence post; thence North 00°39'10" West, 254.39 feet to a metal fence post; thence North 10°09'48" West, 315.48 feet to a metal fence post; thence North 06°32'57" West, 232.70 feet to a roof bolt in an existing fence line; thence North 06°32'59" West, 65.24 feet to the south right of way line of a Denver and Rio Grande Railroad as described in a certain deed dated July 29, 1912; thence North 71°27'00" East, 1209.07 feet along the south line of a 50 foot wide right of way for the Denver and Rio Grande Railroad; thence northeasterly along a curve to the left with a radius of 980.07 feet, through an angle of 9°19'41", for a distance of 159.56 feet, having a chord that bears North 66°45'34" East, 159.38 feet to the east line of Section 6, to the point of beginning.

Containing 323.95 Acres more or less.

Less 12.9 Acres for Carbon County Railway Right of Way (located in the Western half of the permit area).  
Less 6.2 Acres for Railroad Right of Way (located in the Northeast corner of the permit area).

For a total area of 304.85 Acres more or less.