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CEntry
CONSTRUCTORS & ENGINEERS

11/29/95
EJ

Orig file
cc: JWC
LPB

November 27, 1995

Mr. James W. Carter
Director
Division of Oil Gas Mining
3 Triad Center
355 West North Temple
Salt Lake City, Utah 84180

Dear Jim:

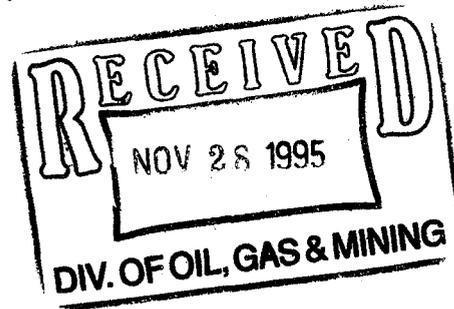
Attached please find a copy of the "Partnering Report" on the Willow Creek Mine held at the University Park Hotel in Salt Lake City on November 13, 1995.

Would you please copy your employees in attendance?

Thank you.

Sincerely,

J. Kurt Jardine/ps
J. Kurt Jardine
Project Manager



JKJ/ps

Attachment



Partnering Report

WILLOW CREEK MINE

Principal Partners:

**Cyprus Plateau Mining Corporation
CEntry Constructors & Engineers
Utah Division of Oil, Gas & Mining**

Productivity Through People

November 13, 1995

University Park Hotel, Salt Lake City, Utah

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I. PARTICIPANT ROSTER

	NAME	ORGANIZATION	PHONE #
1.	Larry Rake	Wasatch Electric	487-4511
2.	Dick Bertoch	Wasatch Electric	487-4511
3.	Daron Haddock	Utah DOGM	538-5340
4.	Lowell Braxton	Utah DOGM	538-5340
5.	Pamela Grubaugh-Littig	Utah DOGM	538-5340
6.	Ron Skow	Centennial Dev. Co.	254-2001
7.	Blaine Bovee	Centennial Dev. Co.	254-2001
8.	Randy Harmsen	Centry	569-0504
9.	Louis Ringger	Centry	584-1355
10.	Keith Sieber	Cyprus	637-2875
11.	John Borla	Cyprus	636-2229
12.	Bob Chiocca	Consultant	412-942-4177
13.	Ben Grimes	Cyprus	801-636-2227
14.	Jim Carter	DOGM	538-5340
15.	Kurt Jardine	Centry	569-0504
16.	Harley Toone	Nielson Constr Co.	687-2494
17.	Art Harms	Centry	801-637-8880
18.	Wendell Stoddart	Centry	569-0504
19.	Larry Miller Facilitator	PTP	602-996-6054

II. FINAL PROJECT CHARTER: WILLOW CREEK MINE

MISSION STATEMENT: As partners in the Willow Creek Mine project, we commit to utilize the concepts of partnering in a manner that adds value to all partners to safely produce a quality project, on time, within budget, at a fair profit and in compliance with all environmental regulations. We agree to develop and maintain a spirit of cooperation, open communication and mutual respect in achieving the following objectives:

OBJECTIVES:

QUALITY: Complete an aesthetically pleasing, functional project that meets or exceeds owner requirements in as few iterations as possible through mutual agreement of quality standards for the total project and maintaining the integrity of equipment, manpower, materials and workmanship.

SCHEDULE: Complete the project on or ahead of schedule so that mining can begin two months after permit approval and preparational plant is operational by the start of mining through mutual agreement on a realistic schedule and start date, closely evaluating potential cost, quality and safety issues when accelerating the schedule and good coordination of construction activities.

SAFETY: Make safety a top priority on and off the site resulting in no public, lost-time site related or travel related accidents, and no equipment or property damage.

PUBLIC RELATIONS: Be aware of the owner's need to maintain good public relations by initiating all required public notices, consideration of public comments, maintaining a clean jobsite, utilizing local personnel when possible and no imminent harm citations or project impact outside the permit area.

BUDGET/PROFIT/VALUE ENGINEERING: Make fiscal responsibility a total team commitment by maintaining the budget, returning a fair profit and committing to pursue all value engineering and time saving opportunities throughout the project.

ENVIRONMENTAL/REGULATORY: Seek the timely review and approval of MRP requirements and all other applicable regulations that might result in project delays, damage awards or violations by close partner communication, coordination and sharing of information.

COMMUNICATION: Maintain close communication, utilize proper channels and conduct regular site and partnering meetings.

ISSUE RESOLUTION: Resolve all differences in a timely respectful manner and in accordance with designated procedures.

TEAMWORK: Pursue mutual gain objectives in a spirit of cooperation, compromise, mutual respect and open communication.

CONTINUOUS IMPROVEMENT: Make continuous improvement a key project initiative by regular partnering evaluations and a commitment to continuously seek ways to increase the value of all project partners, reduce costs, improve margins and reduce the schedule.

III. SUMMARY OF RELEVANT WORKSHOP TOPICS

A. Participant Introductions:

Participants paired off and introduced each other to the group giving organization, project role and win objective.

B. Participant Project Win Objectives:

Each participant was asked to state their personal objective(s) for a successful project. The following represent the objectives listed.

- o DARON HADDOCK: Would like to see a "complete and accurate" mining and reclamation plan which satisfies all of the regulatory requirements.
- o LOWELL BRAXTON: Mining and reclamation permit issued as early as possible.
- o DICK BERTOCH: Weekly meetings to resolve any problems that may occur. There should be people in the meeting with authority to give answers that become part of the contract too.
- o HARLEY E. TOONE: Safe job and ahead of schedule and below budget. Environmentally sound.
- o LOUIS E. RINGGER: Provide a facility that meets the clients requirements on time and on budget. Meet the requirements of the state for a safe and environmentally sound project.
- o BLAINE BOVEE: Safe. Economically feasible.
- o PAM GRUBAUGH-LITTIG: The Willow Creek project be permitted in a timely manner within the framework of the Utah Coal Regulatory Program.
- o JOHN BORLA: Completed 15% under budget. Completed before schedule (first mining 7/96). All facilities are first class. No safety problems (no LTA's).
- o KEITH SIEBER: Project to be completed 3 months early and under budget. Permit approved by May 1, 1996. Full production by January 1998.
- o WENDELL STODDART: Meet Cyprus requirements, on time and within budget.
- o JIM CARTER: Reach conclusion of permitting process within time agreed upon.
- o ART HARMS: Complete construction with a perfect safety record. Meet the needs and expectations of Cyprus Plateau Mining. Meet the needs and expectations of Centry.
- o KURT JARDINE: Start on time and finish early and meet standard of quality set by Cyprus.
- o RANDY HARMSSEN: Develop framework that encourages project completion on time and within budget. Positive experience that stimulated more business with Cyprus.

- o BEN GRIMES: Successful startup of Willow Creek Mine. Start up - construction and mining start by August 1, 1996. Project cost - construction and start up below GNP.
- o RON SKOW: Cooperation. Workable scheduling.
- o LARRY RAKE: To develop a good working relationship between the client and Centry in order to achieve a successful implementation of the Willow Creek Project.

C. Partnering Concepts

Participants were introduced to four concepts of partnering.

1. Conscious-Competency: Several potential areas of incompetency exist prior to a project. These include, but are not limited to lack of mutual goals, unresolved conflicts, no performance checks, guarded communication, no mutual commitment, lack of respect, pessimism, no team commitment, mistrust, ego driven people, and a reactive approach to planning. Partnering, consciously addresses these areas to correct them prior to the project.
2. Trust: In order to be trusted one must first be trustworthy. The group was asked to define trust in terms of actions and behaviors. Owner/agents were asked to state contractor/subcontractor actions that signify trust on a project and contractors/subs were asked to relate actions on behalf of the owner/agent that communicated trust.
3. Synergism: Participants were introduced to the concept of synergism and how differences add value to the team's performance.
4. Win-Win: Participants were introduced to the win-win continuum, absolute thinking as a source of conflicts, source reduction of conflicts and the importance of optimism in maintaining a win-win relationship.

D. Partnering Objectives:

In this segment of the workshop, an acronym of the word "Partners," was used to explain the benefits of the partnering strategy.

- P: Planning (Proactive steps for working together)
- A: Alliance (Charter: Mission statement and objectives)
- R: Resolution (Anticipated conflicts/issues/problems)
- T: Teamwork (Essential elements of a high performance team)
- N: Negotiation (Proactive approach to conflict)
- E: Evaluation (Procedure for tracking/monitoring progress)
- R: Respect (For differences in roles, styles, etc)
- S: Spirit (Maintaining the spirit of cooperation)

E. Barriers To A Cooperative Alliance

Participants were introduced to a force field analysis of the positive and negative forces that interact in attempting to develop a spirit of cooperation as opposed to one of separate, adversarial concerns. Participants were informed that the goals of partnering were to increase cooperative forces and reduce the status quo forces.

F. Why Partner Exercise: Three teams were selected. Each team was given one minute to plan their strategy for a game called "tag team tic tac toe." Thirty six squares were developed on a flipchart. The goal was to optimize their team's score. Points were given for runs of 4, 5, and 6 and also for occupying the four corners of the chart. When played normally, strategy is directed towards blocking the other two opponents. This results in low scores or zero points for all three teams. The group was informed that by allowing each team to occupy two entire columns each team would score the maximum possible 120 points. Partnering is an attempt to maximize everyone's success.

IV. BREAKOUT SESSION #1: CLARIFYING EXPECTATIONS

The team was divided into two separate groups - private sector partners and public sector partners. Each group was asked to clarify their project expectations in the areas of quality, schedule, safety, public relations, budget/profit/value engineering, environmental/regulatory, communication, issue resolution, teamwork and continuous improvement. This input was consolidated in narrative to form the charter found on page 2 of the report.

VI. BREAKOUT SESSION #2: ISSUE IDENTIFICATION

At this point, participants were again divided into separate groups - the owner/agency and contractor/subcontractors. Each group was instructed to develop potential problems in various project construction phases. These issues were recorded on post-it notes in various aspects of construction and used as a basis for the issue resolution breakout session.

VII. BREAKOUT SESSION #3: ISSUE RESOLUTION

In general session, issues were differentiated between those requiring future action steps and those not requiring action and those that were "quality reminders" for future awareness and consideration. The following represents the results of this discussion. Quality reminders are listed in their respective construction categories.

+-----+
| PROJECT CONSTRUCTION |
+-----+

+-----+
| PREPERMITS |
+-----+

ISSUE #1: TIMING OF CHANGES TO MINING AND RECLAMATION PERMIT APPLICATION

Recommended Action:

1. DOGM will discuss internally how to handle revisions to the mining and reclamation permit application as far as timing so that no construction delays occur.
2. DOGM will discuss internally what construction can be done before as built drawings or permit change applications are required.

3. Centry will finalize grading plan and drainage plan changes by:
Grading Plan - Dec 8, 1995
Runoff Controls (Culverts & Ditches) - Dec 25, 1995.

ISSUE #2: PERMIT REQUIRED FROM PRICE RIVER FOR GROUTING. WATER IMPROVEMENT DISTRICT. WATER QUALITY ISSUE WITH GROUT.

Recommended Action:

- o This issue should be covered by the DOGM permit process and review by other agencies.

ISSUE #3: APPROVAL FOR INSTALLATION OF CULVERT

Recommended Action:

- o CPMC and DOGM will explore possibility of adding stream relocation and culvert construction under permit amendment/permit revision to the Castle Gate permit.

ISSUE #4: PRIMARY AND SECONDARY POWER LINES: ADDRESS PERMITTING ISSUES. POWER LINES LOCATIONS IN PERMIT BOUNDARY AND OWNERSHIP.

Recommended Action:

1. Centry needs to provide Ben Grimes with location of all powerlines which are owned by Cyprus and which will be owned by PacifiCorp. Need to include substations also owned by PacifiCorp and Cyprus.
2. Centry will request PacifiCorp to provide a letter verifying their ownership of powerlines and substations.

ISSUE #5: TIMELY APPROVAL PROCESS FOR PREP PLANT DESIGN AND/OR REPAIR

Recommended Action:

- o John Borla needs to leave someone with authority to approve design and/or repair decisions when he is out of town.

ISSUE #6: CAN WE START UTILITIES INCLUDING SUBSTATION. PLANS, SPECIFICATION & SCOPE TIE-IN. OWNERSHIP & CONSTRUCTION OF UTILITIES. TIMING OF UTILITIES CONSTRUCTION.

Recommended Action:

1. CPMC will request letters from utility companies showing that the utility companies own utility lines and access to same. The utilities will require CPMC to do construction since utilities have not appropriated funds ahead of time to meet project timing.
2. Review possibility of deeding 46 KV sub @ portal area to PacifiCorp to allow construction early.

**ISSUE #7: R2P2 = RESOURCE RECOVERY AND PROTECTION PLAN APPROVAL
TIMING**

Recommended Action:

- o Cyprus will submit to BCM the R2P2 plan 11-17-95.

PREPERMITS QUALITY REMINDERS:

1. Coordination with other construction agencies.
2. Can we excavate tunnel? NO.
3. UDOT permit/approval for water under highway.

+-----+
| POTABLE WATER SYSTEM |
+-----+

ISSUE #1: CROSSING OF PRIVATE PROPERTY NEAR CARBON POWER PLANT

Recommended Action:

- o Ben Grimes and Louis Ringger will meet with PacifiCorp, UDOT and utility companies to identify issues regarding crossing their utilities and within proximity to UDOT right-of-way and carbon power plant. Schedule: ASAP.

POTABLE WATER SYSTEM QUALITY REMINDERS:
NO QUALITY REMINDERS

+-----+
| PROCESS WATER SYSTEM |
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION OR QUALITY REMINDERS
WERE IDENTIFIED IN THIS CONSTRUCTION CATEGORY

+-----+
| SANITARY SEWER SYSTEM |
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION OR QUALITY REMINDERS
WERE IDENTIFIED IN THIS CONSTRUCTION CATEGORY

+-----+
| PRIMARY & SECONDARY POWER DISTRIBUTION |
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION WERE IDENTIFIED
IN THIS CONSTRUCTION CATEGORY

PRIMARY & SECONDARY POWER DISTRIBUTION QUALITY REMINDERS:

- o Support shaft construction also mine entry.

+-----+
! ADMINISTRATION/CHANGE HOUSE BUILDINGS !
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION WERE IDENTIFIED
IN THIS CONSTRUCTION CATEGORY

ADMINISTRATION/CHANGE HOUSE BUILDINGS QUALITY REMINDERS:
o Code compliance.

+-----+
! WAREHOUSE BUILDING !
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION OR QUALITY REMINDERS
WERE IDENTIFIED IN THIS CONSTRUCTION CATEGORY

+-----+
! TRUCK STOP/WASH BAY BUILDINGS !
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION WERE IDENTIFIED
IN THIS CONSTRUCTION CATEGORY

TRUCK STOP/WASH BAY BUILDINGS QUALITY REMINDERS:
o Interference with coal haul (season).

+-----+
! FIRE PROTECTION SYSTEM !
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION OR QUALITY REMINDERS
WERE IDENTIFIED IN THIS CONSTRUCTION CATEGORY

+-----+
! HIGHWAY MODIFICATIONS !
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION WERE IDENTIFIED
IN THIS CONSTRUCTION CATEGORY

HIGHWAY MODIFICATIONS QUALITY REMINDERS:
o Coordination of Willow Creek culvert. Blocks access to
site.

+-----+
| MINE SHAFT AND FANS |
+-----+

ISSUE #1: MSHA PLAN ON MINE SHAFT & FAN. PORTAL FACE-UP MSHA PLAN.

Recommended Action:

- o CPMC will determine if a highwall plan is required by MSHA and who is required to obtain plan approval, CPMC or Centry. Schedule: immediate action since this coal waste haulage has been shut down by Centry's safety representative.

ISSUE #2: MINE FAN & EAGLE NESTS IN ADJACENT AREAS. MINE CONSTRUCTION DURING EAGLE NESTING SEASON.

Recommended Action:

1. CPMC/DOGM will start discussions with Utah division of Wildlife Resources regarding the eagle issues.
2. CPMC will initiate eagle nesting activity in 1996 nesting season and 1997 nesting season.

MINE SHAFT AND FANS QUALITY REMINDERS:

1. Identification of shop for refurb.
2. Storing of ductwork on site.
3. Construction power.
4. Coordination of start date.

+-----+
| TUNNELS AND PORTAL HIGH WALL PROTECTIVE |
| COVERS & VENTILATION FANS |
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION WERE IDENTIFIED IN THIS CONSTRUCTION CATEGORY

TUNNELS AND PORTAL HIGH WALL PROTECTIVE COVERS & VENTILATION FANS QUALITY REMINDERS:

1. What preliminary site work to support tunneling operation?
2. Tunnels - early start date?

+-----+
| SITE WORK |
+-----+

ISSUE #1: MSHA PERMIT REQUIREMENTS

Recommended Action:

- o Centry will contact MSHA 11-15-95.

ISSUE #2: PERMIT MOD'S REQUIRED BY FINAL DESIGN. PROJECT MODIFICATION DURING CONSTRUCTION OR DURING CURRENT PERMIT REVIEW PROCESS

Recommended Action:

- o DOGM will make determination as to which changes must be incorporated in permit and which can be made after issuance 12-15-95.

SITE WORK QUALITY REMINDERS:

1. Removal of additional coal refuse? Location.
2. Embankment storage (excess).
3. Finalize site plan.

+-----+
! REFUSE REMOVAL AT PORTAL FACE UP AREA !
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION OR QUALITY REMINDERS WERE IDENTIFIED IN THIS CONSTRUCTION CATEGORY

+-----+
! DESIGN AND DETAIL ENGINEERING !
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION WERE IDENTIFIED IN THIS CONSTRUCTION CATEGORY

DESIGN AND DETAIL ENGINEERING QUALITY REMINDERS:

- o Permit modification support.

+-----+
! PERMITTING !
+-----+

ISSUE #1: START DATE?

Recommended Action:

- o CPMC will: 1) work with Centry to firm up date for permit changes; 2) work with Terra Matrix to firm up date for permit changes to MRP to submit to DOGM; 3) work with DOGM to determine estimate permit approval date. Timing: ASAP.

ISSUE #2: UNDERGROUND MINE PLAN

Recommended Action:

- o Cyprus will submit to Centry by 1-15-96.

PERMITTING QUALITY REMINDERS:

1. Timing of stream relocation.
2. Barn Canyon PacifiCorp 138KV power line.
3. Discharge into Price River and Willow Creek.

+-----+
| CONVEYOR UG 1 |
+-----+

ISSUE #1: DEFINE TRANSFER FROM SLOPED CONVEYOR TO UG 1

Recommended Action:

- o Cyprus will prepare scope for transfer by 12-15-95.

CONVEYOR UG 1 QUALITY REMINDERS:

NO QUALITY REMINDERS

+-----+
| RECLAIM TUNNEL & STACKER TUBE |
+-----+

ISSUE #1: COORDINATION OF MINING, COAL HAUL AND CONSTRUCTION

Recommended Action:

- o Coordinate 1) Who: between Centry and Cyprus; 2) When: commencement of mining activity.

RECLAIM TUNNEL & STACKER TUBE QUALITY REMINDERS:

NO QUALITY REMINDERS

+-----+
| CONVEYOR SC-1 |
+-----+

ISSUE #1: DELIVERY OF CONTINENTAL COMPONENTS

Recommended Action:

- o Centry will provide schedule for components by Continental lead time requirement.

CONVEYOR SC-1 QUALITY REMINDERS:

NO QUALITY REMINDERS

+-----+
| CONVEYOR SC-2 |
+-----+

ISSUE #1: REMOVAL OF POWER LINES NEAR SC-2

Recommended Action:

- o Determination of when removal can be removed. DOGM by 11-30-95.

ISSUE #2: DESIGN OF ROOF HUNG CONVEYOR

Recommended Action:

- o Review of Continental design with Centry by Continental and Centry schedule discussion date: 11-15-95.

CONVEYOR SC-2 QUALITY REMINDERS:

NO QUALITY REMINDERS

+-----+
| CONVEYOR SC-3 |
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION OR QUALITY REMINDERS
WERE IDENTIFIED IN THIS CONSTRUCTION CATEGORY

+-----+
| CONVEYOR SC-4 |
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION OR QUALITY REMINDERS
WERE IDENTIFIED IN THIS CONSTRUCTION CATEGORY

+-----+
| CONVEYOR SC-5 |
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION OR QUALITY REMINDERS
WERE IDENTIFIED IN THIS CONSTRUCTION CATEGORY

+-----+
| PRIMARY CRUSHER BUILDING |
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION OR QUALITY REMINDERS
WERE IDENTIFIED IN THIS CONSTRUCTION CATEGORY

+-----+
| CONVEYOR SC-6 |
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION OR QUALITY REMINDERS
WERE IDENTIFIED IN THIS CONSTRUCTION CATEGORY

+-----+
| COAL PROCESSING SYSTEM |
+-----+

ISSUE #1: FINALIZATION OF DRAINAGE PLAN

Recommended Action:

- o Cyprus will provide plan by 11-16-95.

COAL PROCESSING SYSTEM QUALITY REMINDERS:

1. Finalize recommendations for re-commissioning.
2. Option to dispose of refuse fines UG.
3. Finalization of flow sheet.

+-----+
! CLEAN COAL LANDOUT SYSTEM !
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION OR QUALITY REMINDERS WERE IDENTIFIED IN THIS CONSTRUCTION CATEGORY

+-----+
! COMMUNICATION SYSTEMS !
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION WERE IDENTIFIED IN THIS CONSTRUCTION CATEGORY

COMMUNICATION SYSTEMS QUALITY REMINDERS:

1. Finalize comm. design.
2. Concern about US West supporting schedule.

+-----+
! TIRE AND OIL STORAGE BUILDING !
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION WERE IDENTIFIED IN THIS CONSTRUCTION CATEGORY

TIRE AND OIL STORAGE BUILDINGS QUALITY REMINDERS:

- o Finalize location of tire oil storage building.

+-----+
! MINE AND SURFACE MONITORING CONTROL SYSTEMS !
+-----+

ISSUE #1: EARLY DEFINITION OF AUTOMATION SYSTEM

Recommended Action:

- o Cyprus - develop scope of work by 12-15-95.

MINE AND SURFACE MONITORING CONTROL SYSTEMS QUALITY REMINDERS:
NO QUALITY REMINDERS

+-----+
! DEMOLITION !
+-----+

ISSUE #1: WHERE CAN/WILL EXPLOSIVES MAGAZINES BE LOCATED?

Recommended Action:

1. Cenntennial will evaluate what requirements apply to explosives magazine.
2. CPMC will determine if blasting magazines are included in Castle Gate permit area in the preparation plant area.
3. CPMC will include permit amendment to include blasting magazines.

ISSUE #2: PERMIT REQUIREMENTS PRIOR TO DOGM. RECLAIM PERMIT?

Recommended Action:

- o DOGM to make determination 11-30-95.

DEMOLITION QUALITY REMINDERS:

NO QUALITY REMINDERS

+-----+
! MOBILIZATION & DEMOBILIZATION !
+-----+

NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION OR QUALITY REMINDERS WERE IDENTIFIED IN THIS CONSTRUCTION CATEGORY

+-----+
! COAL HAULING DURING INITIAL DEVELOPMENT !
+-----+

ISSUE #1: COAL HAULING NOT PART OF LUMP SUM

Recommended Action:

- o Centry to determine unit price by 11-30-95.

ISSUE #2: PERMIT REQUIRED FOR ROAD CHANGE

Recommended Action:

- o DOGM will make determination for field approval of minor changes 1-15-96.

COAL HAULING DURING INITIAL DEVELOPMENT QUALITY REMINDERS:

- o Coordination with construction activities.

+-----+
! PROJECT IMPACT/COORDINATION/CONTROL !
+-----+

+-----+
! PROJECT SCHEDULE !
+-----+

ISSUE #1: IDENTIFY PERMIT DATE. SOLIDIFY SCHEDULE DATES.

Recommended Action:

- o DOGM & Cyprus will meet to update schedule 12-15-95.

PROJECT SCHEDULE QUALITY REMINDERS:

- o Weather issue.

+-----+
: ENVIRONMENTAL/REGULATORY :
+-----+

ISSUE #1: MULE DEER & ELK CLEARANCE UNDER CONVEYOR

Recommended Action:

- o Cyprus (Ben G) will submit argument to DWR 11-30-95!

ENVIRONMENTAL/REGULATORY QUALITY REMINDERS:

- o Subsidence/escarpments

+-----+
: COMMUNICATION :
+-----+

ISSUE #1: TIMELY APPROVAL OF CHANGE ORDERS. AUTHORIZATION LEVEL OF CHANGE ORDERS. NOTIFICATION OF APPROVED CHANGE ORDERS.

Recommended Action:

- o Cyprus - make internal procedure 11-30-95.

COMMUNICATION QUALITY REMINDERS:

- o Format for good communication.

+-----+
: QUALITY CONTROL/QUALITY ASSURANCE :
+-----+

ISSUE #1: SPECIFIC REQUIREMENTS STATED BY CYPRUS

Recommended Action:

1. Centry will submit plan to Cyprus 12-15-95.
2. Cyprus will review and approve or ????? or plan two weeks after receipt. 1-1-96.

QUALITY CONTROL/QUALITY ASSURANCE QUALITY REMINDERS:
NO QUALITY REMINDERS

+-----+
: CONSTRUCTION SAFETY :
+-----+

ISSUE #1: ISSUE OF COMPREHENSIVE SITE SAFETY PLAN

Recommended Action:

1. Centry will issue draft to Cyprus by 12-15-95.
2. Cyprus will review and comment on plan by 1-1-96.

CONSTRUCTION SAFETY QUALITY REMINDERS:
NO QUALITY REMINDERS

+-----+
| BUDGET/PROFIT/VALUE ENGINEERING |
+-----+

ISSUE #1: DEFINITION OF ACCOUNTS

Recommended Action:

- o Centry to issue code of accounts to subs 11-30-95.

ISSUE #2: DEFINITION OF INVOICE SUBMITTAL AND TIMELY PAYMENT OF INVOICES

Recommended Action:

- o Centry to issue procedure to subs 11-30-95.

BUDGET/PROFIT/VALUE ENGINEERING QUALITY REMINDERS:

- o Cyprus budget vs. lump sum bid.

+-----+
| UTILITIES |
+-----+

ISSUE #1: TELEPHONE (US WEST)

Recommended Action:

1. Notify US West requirements and schedule. Cyprus 1-30-96.
2. Centry formulate specification for Cyprus submittal 1-20-96.

ISSUE #2: START DATE FOR OFF SITES. SCHEDULE OF CONSTRUCTION POWER

Recommended Action:

1. Centry communicate to Cyprus desired schedule 1-15-96.
2. Cyprus will make determination of utility service provided.

UTILITIES QUALITY REMINDERS:
NO QUALITY REMINDERS

+-----+
| SUBCONTRACTOR CONCERNS |
+-----+

ISSUE #1: SUBCONTRACT DOCUMENTS

Recommended Action:

- o Centry will issue subcontracts 11-25-95.

ISSUE #2: DEFINE PRIORITIES

Recommended Action:

- o Centry will develop detailed schedule 11-30-95.

SUBCONTRACTOR CONCERNS QUALITY REMINDERS:

- o Coordination of all subs with GC & Owner.

+-----+
! BUDGET/PROFIT/VALUE ENGINEERING !
+-----+

ISSUE #1: DEFINITION OF ACCOUNTS

Recommended Action:

- o Centry to issue code of accounts to subs 11-30-95.

ISSUE #2: DEFINITION OF INVOICE SUBMITTAL AND TIMELY PAYMENT OF INVOICES

Recommended Action:

- o Centry to issue procedure to subs 11-30-95.

BUDGET/PROFIT/VALUE ENGINEERING QUALITY REMINDERS:

- o Cyprus budget vs. lump sum bid.

+-----+
! UTILITIES !
+-----+

ISSUE #1: TELEPHONE (US WEST)

Recommended Action:

1. Notify US West requirements and schedule. Cyprus 1-30-96.
2. Centry formulate specification for Cyprus submittal 1-20-96.

ISSUE #2: START DATE FOR OFF SITES. SCHEDULE OF CONSTRUCTION POWER

Recommended Action:

1. Centry communicate to Cyprus desired schedule 1-15-96.
2. Cyprus will make determination of utility service provided.

UTILITIES QUALITY REMINDERS:

NO QUALITY REMINDERS

+-----+
! SUBCONTRACTOR CONCERNS !
+-----+

ISSUE #1: SUBCONTRACT DOCUMENTS

Recommended Action:

- o Centry will issue subcontracts 11-25-95.

ISSUE #2: DEFINE PRIORITIES

Recommended Action:

- o Centry will develop detailed schedule 11-30-95.

SUBCONTRACTOR CONCERNS QUALITY REMINDERS:

- o Coordination of all subs with GC & Owner.

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! GENERAL MATERIALS AND SERVICES BY COMPANY !
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NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION WERE IDENTIFIED
IN THIS CONSTRUCTION CATEGORY

GENERAL MATERIALS AND SERVICES BY COMPANY QUALITY REMINDERS:
o Committed to schedule.

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! GENERAL MATERIALS AND SERVICES BY CONTRACTOR !
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NOTE: NO ISSUES REQUIRING FOLLOWUP ACTION WERE IDENTIFIED
IN THIS CONSTRUCTION CATEGORY

GENERAL MATERIALS AND SERVICES BY CONTRACTOR QUALITY REMINDERS:
o Location of waste oil tank.

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! GENERAL ISSUES !
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ISSUE #1: OBTAIN OFFICIAL ADDRESS

Recommended Action:

- o Cyprus will request 11-30-95.

GENERAL ISSUES QUALITY REMINDERS:
NO QUALITY REMINDERS

VIII. CONFLICT ESCALATION PROCEDURE

LEVEL	CENTRY	CYPRUS
4	Wendell Stoddart	Keith Sieber
3	Kurt Jardine	John Borla
2	Art Harms	John Borla
1	Ed Steinke	Ben Grimes

PROCEDURE:

1. Attempts to resolve all conflicts begin at Level 1. If not resolved within 8 hours, respective Level 1 personnel escalate issue to Level 2 for resolution.
2. If conflict is not resolved at Level 2 within 8 hours, Level 2 personnel move up to Level 3.
3. If conflict is not resolved at Level 3 within 24 hours, Level 3 personnel move up to Level 4.
4. A designated level may be skipped if conflict involves critical path schedule and normal escalation level personnel are not available for immediate resolution.
5. Subcontractors enter escalation hierarchy at level 1 and escalate through prime contractor.

A. PERFORMANCE EVALUATION PROCEDURE

1. Once a month at a regularly scheduled construction meetings, Level 1 personnel will conduct a partnering evaluation meeting based on charter objectives. Specific reasons should be cited for any objective receiving a rating of poor, fair or excellent. Any group or individual low ratings shall be discussed and recommendations made for improvement.
2. A summary of ratings shall be sent to ascending level persons on the conflict escalation hierarchy by the project manager.
3. Team performance evaluation meetings shall be conducted at regular intervals throughout the project.

B. OBJECTIVES:

QUALITY: Complete an aesthetically pleasing, functional project that meets or exceeds owner requirements in as few iterations as possible through mutual agreement of quality standards for the total project and maintaining the integrity of equipment, manpower, materials and workmanship.

SCHEDULE: Complete the project on or ahead of schedule so that mining can begin two months after permit approval and preparational plant is operational by the start of mining through mutual agreement on a realistic schedule and start date, closely evaluating potential cost, quality and safety issues when accelerating the schedule and good coordination of construction activities.

SAFETY: Make safety a top priority on and off the site resulting in no public, lost-time site related or travel related accidents, and no equipment or property damage.

PUBLIC RELATIONS: Be aware of the owner's need to maintain good public relations by initiating all required public notices, consideration of public comments, maintaining a clean jobsite, utilizing local personnel when possible and no imminent harm citations or project impact outside the permit area.

BUDGET/PROFIT/VALUE ENGINEERING: Make fiscal responsibility a total team commitment by maintaining the budget, returning a fair profit and committing to pursue all value engineering and time saving opportunities throughout the project.

ENVIRONMENTAL/REGULATORY: Seek the timely review and approval of MRP requirements and all other applicable regulations that might result in project delays, damage awards or violations by close partner communication, coordination and sharing of information.

COMMUNICATION: Maintain close communication, utilize proper channels and conduct regular site and partnering meetings.

ISSUE RESOLUTION: Resolve all differences in a timely respectful manner and in accordance with designated procedures.

TEAMWORK: Pursue mutual gain objectives in a spirit of cooperation, compromise, mutual respect and open communication.

CONTINUOUS IMPROVEMENT: Make continuous improvement a key project initiative by regular partnering evaluations and a commitment to continuously seek ways to increase the value of all project partners, reduce costs, improve margins and reduce the schedule.