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# State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)


June 27, 1997

Ben Grimes
Cyprus Plateau Mining Corporation
P.O. Drawer PMC
Price, Utah 84501

Re: State Permit (Including Federal Lease UTU-73975), Willow Creek Mine, Cyprus Plateau Mining, ACT/007/038, Folder #3, Carbon County, Utah

Dear Mr. Grimes:

I am enclosing the permit for the Willow Creek Mine with the condition that coal under federal jurisdiction cannot be mined until the mining plan approval is obtained from the Secretary of the Interior. This permit supersedes the April 23, 1996 permit and includes Federal Lease UTU-73975, which Cyprus Plateau Mining Corporation obtained on December 18, 1996.

Please have both permits signed and return one to the Division. If you have any questions please call me or Pamela Grubaugh-Littig.

Yours very truly,

James W. Carter
Director

Enclosure
cc: Ranvir Singh, OSM
O:\007038.WIL\FINAL\APPROV.LET

UTAH DIVISION OF OIL, GAS, AND MINING
STATE DECISION DOCUMENT

Cyprus Plateau Mining Corporation
Willow Creek Mine
ACT/007/038
Carbon County, Utah

June 26, 1997

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ADMINISTRATIVE OVERVIEW

Cyprus Plateau Mining Corporation
Willow Creek Mine
ACT/007/038
Carbon County, Utah

June 26, 1997

## PROPOSAL

Cyprus Plateau Mining Corporation submitted an application for the proposed Willow Creek Mine, an underground mine complex, on May 3, 1995. This permit area encompasses a block of approximately 14, 750 acres consisting of federal lands (BLM), county lands, and private lands. All of the permit area except federal coal lease UTU-73975 was approved on April 23, 1996. Federal Coal Lease UTU-73975 was obtained by Cyprus Plateau Mining Corporation on December 18, 1996. The R2P2 recommendation for approval was signed on June 2, 1997 by the Bureau of Land Management.

## BACKGROUND

The Willow Creek Mine area is located approximately 10 miles north of the town of Price, Utah in Carbon County, with the mine surface facilities located adjacent to and north of Willow Creek and State Highway 191 in Willow Creek Canyon approximately one mile northeast of the junction of Highway 191 with U.S. Highway 6 and 50. The Willow Creek Mine permit area covers an area of approximately 23 sections extending north and south approximately 2.5 miles from the junction of the two highway and six miles to the east for a total of 14, 750 acres.

This area is part of the Book Cliffs of Central Utah and is characterized by high plateaus to the north; steep narrow ridgelines cut by deep erosional drainages in the permit and adjacent areas to the east, west, and south; and the relatively flat, dry semi-desert areas of the Colorado Plateau to the south of the town of Price. Within the permit area, topographic relief ranges from 6200 feet, near the confluence of Willow Creek with the Price River, to over 8,600 feet along the ridgelines to the southeast.

There has been mining in this area since the late 1800's. Following initial settlement of this area, further settlement and development of the area occurred fairly rapidly with the discovery of extensive coal reserves in the late 1870's and construction of the railroad in the late 1870's and easily 1880's. Active underground mining operations continued from the 1870's through the 1940's, when coal demand

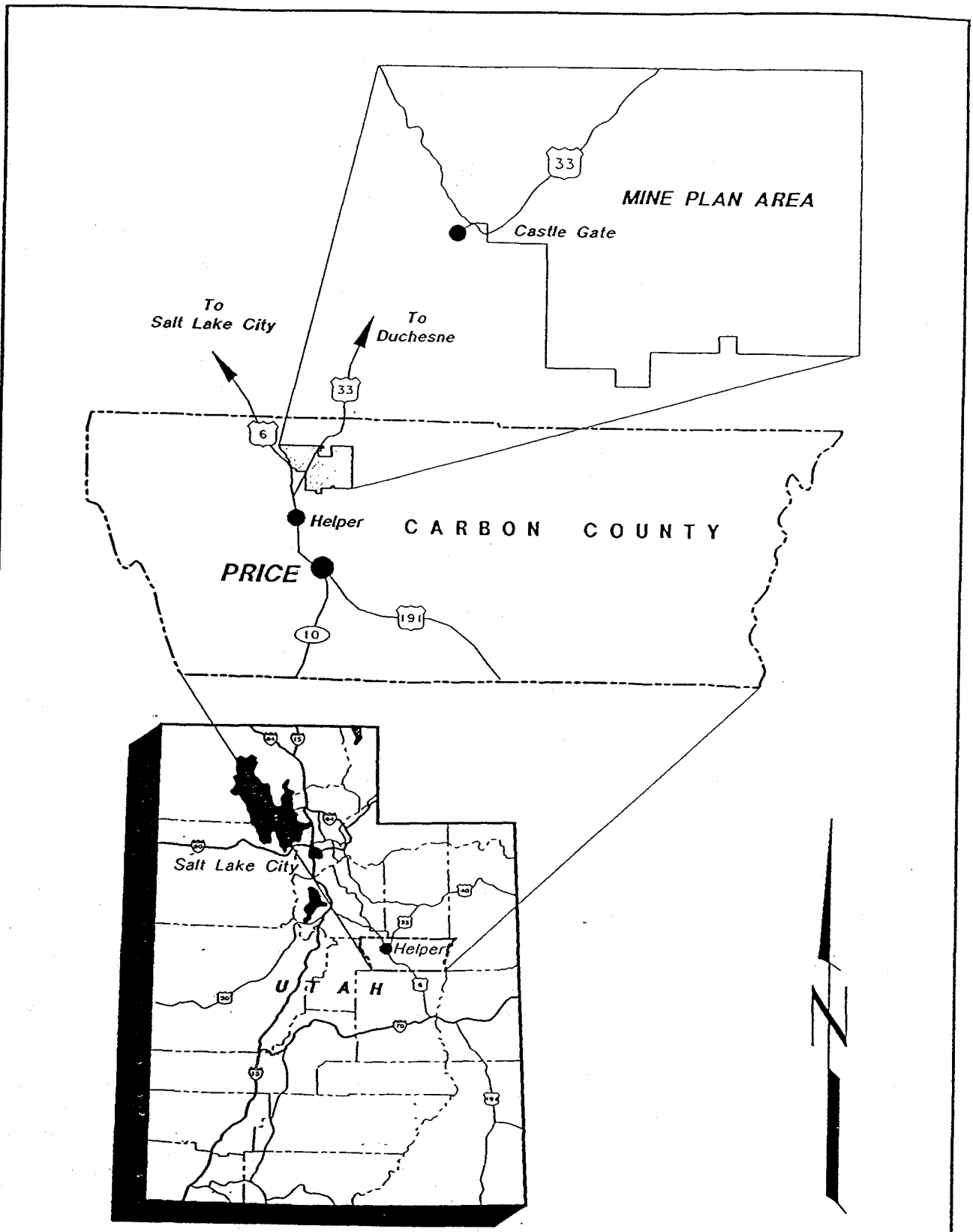
and production began to decline due to reduced postwar industrial production and the shift to diesel railroad engines. The Castle Gate Mines Nos. 1,2, and 4, which were encompassed by the Willow Creek Mine permit boundary, were developed and operated from 1888 through 1972, when the last of the mines closed. Although extensive underground mine development and production occurred throughout the proposed permit area, associated surface disturbance was generally limited to mine portal and surface facility areas in the valley bottoms and on natural bench areas adjacent to drainages.

The underground mining operation will target recovery of remaining recoverable coal reserves contained in the "A"., "C:, "D",. and "K" coal seams. This permit application includes mining of recoverable reserves in areas with less than approximately 2,500 feet of overburden cover. There are extensive reserves under areas with greater than 2,500 feet of overburden, however, recovery of these reserves is not included in this permit application.

Most of the initial and future mine development work will involve continuous underground methods using continuous miners and electric shuttle cars. The application plans to utilize high productivity longwall mining systems for actual coal production, with coal haulage from the mine using a high speed main conveyor fed by several face conveyors from each of the active development areas, continuous minor sections, or longwall panels. The mine is being designed for a nominal annual production rate of 5.0 millions tons of coal.

## RECOMMENDATION

The Division, along with federal and state agencies, have reviewed and analyzed the permit application for the Willow Creek Mine. The Division approved mining to begin in the fee areas on April 23, 1996. This recommendation for approval conditions the permit for mining into the federal leases when the mining plan approval from the Secretary of the Interior is obtained. A surety bond in the amount of $11,949,205 (year 2001 dollars) has been posted with United Pacific Insurance Company for this project.




| | | | |
|---|---|---|---|
| Project No.: 500-5000 | Design By: J.NETTLETON | Scale: NOT TO SCALE | CYPRUS Plateau Mining |
| File: PLATGLOC.DWG | Drawn By: K.CONRATH | Date: MARCH 1994 | |
| TerraMatrix Engineering & Environmental Services 1475 Pine Grove Road, P.O. Box 774018 Steamboat Springs, Colorado 80477 | FIGURE 1.0-1 | | GENERAL LOCATION MAP |

Applicant Evaluation  Applicant Violator System  27-Jun-1997 10:51:07

State : UT  Permit No : ACT007038  Appl No : ACT007038
Applicant : 060102( CYPRUS PLATEAU MINING CORP )  Seqno : 0

SYSTEM RECOMMENDATION IS BASED ON ENTITY OFT

SYSTEM RECOMMENDATION : COND ISSUE 06/27/97
PREVIOUS SYSTEM RECOMMENDATION :

Records retrieved : 16

| ST | PERMIT | RP ID | SEQ | VTYPE | VIOLNO | VIOLDATE |
|---|---|---|---|---|---|---|
| KY | 151643301U | 075602 | 0 | AUD | 930243005 | 04/01/87 |
| KY | 8970316 | 100434 | 0 | STCO | 061083 | 10/15/96 |
| KY | 8985318 | 075602 | 0 | AUD | 930243005 | 10/01/91 |
| KY | KY081 | 099819 | 0 | CMIS | C97-083-068-002 | 03/17/97 |
| VA | 1200551 | 065862 | 0 | FORF | | 07/13/93 |

RCM_MNT(F7)  PERMIT/APPL(F8)  REPORTS(F9)
PRV_SCR(F3)  VIOL(F4)  EVOFT(F5)  VOFT(F6)  CHOICES(F10)
avsdg  10 53

Applicant Evaluation  Applicant Violator System  27-Jun-1997 10:51:07

State : UT  Permit No : ACT007038  Appl No : ACT007038
Applicant : 060102( CYPRUS PLATEAU MINING CORP )  Seqno : 0

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PRV_SCR(F3)  VIOL(F4)  EVOFT(F5)  VOFT(F6)  CHOICES(F10)
avsdg  10 53

AVS Recom Maint  Applicant Violator System  27-Jun-1997 10:54:44

State : UT Permit No : ACT007038  Appl No : ACT007038
Permittee : 060102( CYPRUS PLATEAU MINING CORP )  Seqno : 0
Applicant : 060102( CYPRUS PLATEAU MINING CORP )

SYSTEM : C (COND ISSUE) Date : 27-Jun-1997 Mode : VIEW
Reason: 0 AML, 2 AUD, 5 CMIS, 8 FORF, 1 STATE, 0 NRSP VIOLATION(S)

OSMRE : Date : Mode : VIEW
Reason:

SRA : Date : 27-Jun-1997 Mode : UPDATE
Reason:

SAVE(F5) DELETE(F8)
PRV_SCR(F3) QUIT(F4) CHOICES(F10)
avsdg

Capture Offsing 10 56

Michael O. Leavitt
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# State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

June 26, 1997

To: File

From: Pamela Grubaugh-Littig, Permit Supervisor

Re: Compliance Review for Section 510 (c) Findings, Cyprus Plateau Mining Corporation, Willow Creek Mine, ACT/007/038, Folder #3, Carbon County, Utah

As of the writing of this memo, there are no NOVs or COs which are not corrected or in the process of being corrected. There are also no finalized Civil Penalties which are outstanding and overdue in the name of Cyprus Plateau Mining Corporation. However, there is a conditional issue recommendation from the aplicant Violator System. Per a telephone conversation with Colelene Carlson, OSM-AVSO in Lexington, Kentucky, I verified that the "conditional issue" recommendation is for the Pittson Settlement Agreement and a pending hearing for Kyber Coal Company.

Cyprus Plateau Mining Corporation does not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

PERMITTING CHRONOLOGY

Cyprus Plateau Mining Corporation
Willow Creek Mine
Carbon County, Utah

June 26, 1997

| | |
|---|---|
| May 3, 1995 | Cyprus Plateau Mining corporation submits the permit application package for the proposed Willow Creek Mine. |
| May 11, 1995 | Public Hearing held about proposal to conduct mining operations within 100 feet of the outside right-of-way line of Highway 191 in Willow Creek Canyon. No comments were received and a finding was made on May 12, 1995. |
| June 6 and June 27, 1995 | The Division sent letters to the applicant Cyprus Plateau Mining Corporation, documenting that the application was not complete. |
| June 8 and June 12, August 8 and August 18 and September 12, 1995 | Cyprus Plateau Mining Corporation responds to the administrative completeness concerns. |
| September 1, 1995 | Division responds to GRAMA request from the United Mine Workers of America. |
| September 14, 1995 | The application was determined complete. Published in the Sun Advocate September 21, 28 and October 5, and October 12, 1995. |
| October 6, 1995 | Cyprus Plateau transmits ten (10) sets of the permit application package. |
| October 17, 1995 | Division request for agencies to review. |
| November 6, 1995 | Technical review of the Willow Creek Mine permit application sent to Cyprus Plateau Mining Corporation with a response date of December 22, 1995. |

| | |
|---|---|
| November 9, 1995 | DWR submits concerns about the proposed PAP. |
| November 10, 1995 | United Mine Workers of America object to the proposed Willow Creek Mine and request an Informal Conference. |
| November 13, 1995 | Partnering session with Cyprus Plateau Mining corporation, Centennial Development Corporation, Wasatch Electric, CEntry and the Division. |
| November 15, 1996 | Division of Water Rights submits concerns to the Division about the PAP. |
| November 21, 1995 | Director notified the United Mine Workers of America that the information conference is scheduled for December 6, 1995 in Price, Utah. |
| December 6, 1995 | Informal Conference held in Price, Utah. |
| December 12, 1995 | Director, James Carter, extends supplementing the record of the informal conference of the United Mine Workers of America until the close of business on December 22, 1995. |
| December 20, 1995 | Director, James Carter, extends time to supplement the record from December 22 to December 29, 1995. |
| January 23, 1996 | Division staff visited proposed mine site. |
| February 5, 1996 | OSM-WRCC notifies the applicant that prior to conducting any operation to extract Federal leased coal, a Mining Plan would need to be approved by the Assistant Secretary, Land and Minerals management in the U.S. Department of Interior. |
| February 9, 1996 | The Division received responses to the November 6, 1995 technical review. |
| February 12, 1996 | Division send OSM-WRCC copies of the environmental assessments for the federal coal leases. |

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| February 26, 1996 | Updated PAP information is transmitted to other agencies. |
| March 18, 1996 | Partnering meeting at the Division. |
| April 2, 1996 | Division receives Willow Creek Mine cost estimate. |
| April 4, 1996 | Division transmits Technical Analysis review to Cyprus Plateau Mining Corporation. |
| April 9, 1996 | Cyprus Plateau Mining corporation submitted a response to the March 28, 1996 Division Technical Adequacy Document. |
| April 12, 1996 | Request for Consultation from Division to State History |
| April 16, 1996 | Cyprus Plateau Mining Corporation faxed the Division copies of the Reclamation Agreement including the surety bond in the amount of $11,949,205. |
| April 19, 1996 | Army Corps Engineers issue 404 permit. |
| April 22, 1996 | State Preservation Office sent conditional concurrence letter. |
| April 23, 1996 | Division issues permit with three conditions. Mining can begin in the fee coal areas. |
| October 24, 1996 | Notice is sent of proposed coal sale for the Willow Creek North Tract on December 18, 1996. |
| November 5, 1996 | Environmental Assessment is completed for lease number UTU-73975 with a finding of no significant impact. |
| December 18, 1996 | Cyprus Plateau Mining Corporation is the successful bidder of federal lease UTU-73975. |
| April 28, 1997 | National Fish and Wildlife Foundation acknowledges receipt of $511.00 for the Colorado River Fish Recovery Fund , effective April 8, 1997. |

| | |
|---|---|
| June 2, 1997 | Resource Recovery and Protection Plan is approved by the Bureau of Land Management. |
| June 26, 1997 | Division issues permit with the condition that mining into the federal leases is conditioned upon obtaining mining plan approval by the Secretary. |

MINE PLAN INFORMATION

Mine Name: Willow Creek Mine

State ID: ACT/007/038

Permittee: Cyprus Plateau Mining Corporation

County: Carbon

Contact Person(s): Ben Grimes

Telephone: (801) 636-2227

Position: Sr. Staff Project Engineer

New/Existing: Both

Mining Method: Longwall

*Fee Surface - Cyprus Western Coal Company (CWCC)*

Township 12 South, Range 9 East, SLM

**Section 35: E/2 east of the Price River ***

**Less and Except:**

1. **A tract in the NE/4 SE/4 containing 1.37 acres, more or less, described by metes and bounds; as conveyed to Castle Gate, a body politic, by Deed of Correction dated April 10, 1973, and recorded in Book 138 at page 156 of the official records of Carbon County;**

2. **A tract in the NW/4 NE/4 containing 5.25 acres, more or less, conveyed to The Utah Power and Light Company, as referenced and described by metes and bounds in Quitclaim Deed recorded on February 3, 1956, in Book 38 at page 158 of the official records of Carbon County;**

3. **A tract in the NW/4 NE/4 containing 2.61 acres, more or less, described by metes and bounds; as conveyed to the City of Price, a body politic, by Warranty Deed dated December 19, 1960, and recorded in Book 70 at page 416 of the official records of Carbon County.**

**Section 36: Lots 1 and 2 (E/2 NE/4); W/2 NE/4; SE/4; NW/4; SW/4 east of Price River ***

**Less and Except:**
**A tract in the SE/4 SW/4 containing 0.057 acres, more or less, described by metes and bounds; as conveyed to Castle Gate, a body politic, by Deed of Correction dated April 10, 1973, and recorded in Book 138 at page 156 of the official records of Carbon County.**

Township 13 South, Range 9 East, SLM

**Section 1: Lots 1 and 2 (N/2 NE/4); Lots 3 and 4 (N/2 NW/4) east of the Price River; SE/4 NE/4; E/2 SW/4 NE/4;**

Less and Except:

1. A tract in Lot 3 containing 1.43 acres total , more or less, and a tract in the NE/4 SW/4 containing 9.48 acres, more or less, described by metes and bounds; as conveyed to The Utah Power and Light Company by Special Warranty Deed dated July 10, 1986, and recorded in Book 262 at page 309 of the official records of Carbon County;

2. A tract in the E/2 SW/4 containing 2.88 acres, more or less, as conveyed to The Utah Power and Light Company; as referenced and described by metes and bounds in Quitclaim Deed recorded on February 3, 1956, on Book 38 at page 158 of the official records of Carbon County;

3. A tract in Lot 3 containing 1.02 acres, more or less, described by metes and bounds; as conveyed to The Utah Power and Light Company by Quitclaim Deed dated May 28, 1953, and recorded in Book 20 at page 492 of the official records of Carbon County;

4. A roadway 30 feet wide in the NW/4 described by metes and bounds; as conveyed to Castle Gate Town, a municipal corporation, by Quitclaim Deed dated September 26, 1969, and recorded in Book 122 at page 400 of the official records of Carbon County.

Township 12 South, Range 10 East, SLM

Section 29: S/2 NE/4; W/2 SE/4; E/2 SW/4; SW/4 SW/4
Section 30: SE/4 SE/4
Section 31: All

Less and Except:

1. A tract in Section 31: SW/4 SW/4, and also in T. 13 S., R. 10 E., Section 6: Lot 4, containing 6.496 acres, more or less, as described by metes and bounds; as conveyed to Carbon County by Quitclaim Deed dated September 18, 1990, and recorded in Book 300 at page 134 of the official records of Carbon County (Castle Gate Cemetery).

2. A tract in Section 31: SE/4 SW/4, containing 0.92 acres, more or less, as described by metes and bounds; as conveyed to PacifiCorp by Quitclaim Deed dated November 21, 1995, and recorded in Book 364 at page 756 of the official records of Carbon County.

Township 13 South, Range 10 East, SLM

Section 2: All
Section 4: Lots 1 and 2 (N/2 NE/4); S/2 NE/4; N/2 SE/4; SW/4 SE/4; S/2 SW/4
Section 5: All

**Section 6:** Lots 1, 2, 3, 4 (N/2 N/2); Lot 5 (SW/4 NW/4); S/2 NE/4; SE/4; SE/4 NW/4
**Section 8:** Lot 1 (NE/NE/4); SE/4 NE/4; NE/4 SE/4; S/2 S/2
**Section 9:** E/2; SW/4; N/2 NW/4; SE/4 NW/4
**Section 10:** SE/4; E/2 SW/4
**Section 11:** SW/4
**Section 17:** NE/4; N/2 NW/4
**Section 18:** N/2 NE/4

*** Subject to the surface rights only of AMAX Coal Company, as successor to Castle Gate Coal Company, under the Preparation Plant Facility Lease between Blackhawk Coal Company, Lessor, and Castle Gate Coal Company, Lessee, dated May 30, 1986, and affecting:**

**Township 12 South, Range 9 East, SLM**

**Section 35:** SE/4 NE/4; E/2 SE/4
**Section 36:** SW/4; SW/4 NE/4; NW/4 SE/4; SE/4 NW/4

**Township 13 South, Range 9 East, SLM**

**Section 1:** Lots 3 and 4 (N/2 NW/4) excluding Utah Power and Light Company coal stockpile.

*Fee Coal - CWCC*

**Township 12 South, Range 9 East, SLM**

**Section 35:** E/2 East of the Price River

**Less and Except:**
**A tract in the NW/4 NE/4 containing 2.61 acres, more or less, described by metes and bounds; as conveyed to the City of Price, a body politic, by Warranty Deed dated December 19, 1960, and recorded in Book 70 at page 416 of the official records of Carbon County.**

**Section 36:** SW/4 SW/4 east of Price River; E/2 NW/4; NW/4 NW/4; NW/4 SW/4; S/2 SW/4

**Township 13 South, Range 9 East, SLM**

**Section 1:** Lots 1 and 2 (N/2 NE/4); Lots 3 and 4 (N/2 NW/4) east of the Price River; SE/4 NE/4; E/2 SW/4 NE/4;

**Less and Except:**
1. **A tract in Lot 3 containing 1.02 acres, more or less, described by metes and bounds; as conveyed to The Utah Power and Light Company by**

**Quitclaim Deed dated May 28, 1953, and recorded in Book 20 at page 492 of the official records of Carbon County;**

**2. A roadway 30 feet wide in the NW/4 described by metes and bounds; as conveyed to Castle Gate Town, a municipal corporation, by Quitclaim Deed dated September 26, 1969, and recorded in Book 122 at page 400 of the official records of Carbon County.**

**Township 12 South, Range 10 East, SLM**

**Section 31: All**

**Township 13 South, Range 10 East, SLM**

**Section 2: All**
**Section 4: S/2 S/2**
**Section 5: Lots 1, 2, 3, and 4 (N/2 N/2)**
**Section 6: Lots 1, 2, 3, and 4 (N/2 N/2); Lot 5 (SW/4 NW/4); S/2 SE/4; SE/4 NW/4**
**Section 8: S/2 S/2**
**Section 9: E/2; SW/4; N/2 NW/4; SE/4 NW/4**
**Section 10: SE/4; E/2 SW/4**
**Section 11: SW/4**
**Section 17: NE/4; N/2 NW/4**
**Section 18: N/2 NE/4**

*CWCC Surface and Leased Coal*

*Federal Coal Leases:*

**1. Federal Consolidated Coal Lease No. SL-048442-050115 dated November 2, 1930; covering the following lands:**

**Township 13 South, Range 10 East, SLM**

**Section 1: SW/4**
**Section 3: S/2 N/2; S/2**
**Section 4: Lots 1, 2, 3, and 4 (N/2 N/2); S/2 N/2; N/2 S/2**
**Section 10: N/2; NW/4 SW/4**
**Section 11: E/2; NW/4**

**Less and Except:**
**A Partial Assignment dated September 17, 1991, effective May 1, 1992, to AMCA Coal Leasing, Inc., in:**

**Township 13 South, Range 10 East, SLM**

**Section 1: SW/4**

2. Federal Modified Coal Lease No. SL-046652 dated December 1, 1962, effective August 3, 1921, as amended effective September 23, 1964, by a partial transfer to the State of Utah; covering the following lands:

Township 12 South, Range 10 East, SLM

Section 33: S/2
Section 34: S/2

Township 13 South, Range 10 East, SLM

Section 3: Lots 1, 2, 3, and 4 (N/2 N/2)
containing 802.36 acres, more or less

3. Federal Coal Lease No. U-0146345 dated November 1, 1965; covering the following lands:

Township 12 South, Range 10 East, SLM

Section 33: N/2
Section 34: NW/4 NE/4; S/2 NE/4; NW/4
Section 35: NE/4; S/2 NW/4; S/2
containing 1,160.00 acres, more or less

4. Federal Coal Lease No. U-0148779 dated August 1, 1966; covering the following lands:

Township 12 South, Range 10 East, SLM

Section 26: N/2; N/2 S/2; SE/4 SW/4; S/2 SE/4
Section 27: All
containing 1,240.00 acres, more or less

5. Federal Coal Lease No. UTU-73975 dated December 18, 1997; covering the folowing lands:

Township 12 South, Range 9 East, SLM

Section 25: Lots 1-4, W/2E2, W2;
Section 26: E/2E2.

Township 12 South, Range 10 East, SLM

Section 28: E/2,E/2W/2,SW/4NW/4,W/2SW/4;
Section 29: N/2N/2,S/2NW/4,NW/4SW/4,E/2SE/4;
Section 30: Lots 1-4, NE/4,E/2W/2,N/2SE/4,SW/4SE/4.
containing 2,299.4 acres more or less

*State Coal Leases:*

1. **State of Utah Coal Lease No. ML-1892 dated June 5, 1947, as amended effective January 1, 1988; covering the following lands:**

**Township 12 South, Range 9 East, SLM**

**Section 36: Lots 1 and 2 (E/2 NE/4); W/2 NE/4; SE/4; NE/4 SW/4; SW/4 NW/4 containing 389.84 acres, more or less**

2. **State of Utah Modified Coal Lease No. SL-046652-ST dated December 1, 1962, effective August 3, 1921; as transferred from the United States of America to the State of Utah under the Dawson Act of April 22, 1954, (68 Stat 7) on April 7, 1965, effective September 23, 1964, (Patent No. 43-65-0072); as amended September 19, 1968; covering the following lands:**

**Township 12 South, Range 10 East, SLM**

**Section 32: All**
**containing 640.00 acres, more or less**

*County Coal Lease:*

1. **Carbon County, Utah, Consolidated Coal Lease dated April 22, 1985; covering the following lands:**

**Township 12 South, Range 10 East, SLM**

**Section 28: NW/4 NW/4**
**Section 29: S/2 NE/4; W/2 SE/4; E/2 SW/4; SW/4 SW/4**
**Section 30: SE/4 SE/4**

**Township 13 South, Range 10 East, SLM**

**Section 5: S/2; S/2 N/2**
**Section 6: S/2 NE/4; N/2 SE/4**
**Section 8: Lot 1 (NE/4 NE/4); SE/4 NE/4; NE/4 SE/4**
**containing 1,119.97 acres, more or less**

*Fee Surface - AMAX Coal Company/AMAX Land Company*

*Crandall Canyon Facility Surface Area:*

**That part of the surface rights in the following described land located in Carbon County, Utah, conveyed by Franklin Real Estate Company to Blackhawk Coal Company by Quitclaim Deed dated November 3, 1981, of record in Record Book 219, pages 691-692, in the Office of the Recorder of Carbon County, Utah, to**

**wit:**

**Township 12 South, Range 9 East, SLBM**

**Section 22: SW/4 SE/4; SE/4 SW/4 - excluding public highways and the D&RGW right-of-way**
**Section 27: S/2 NW/4; NE/4 NW/4; NW/4 SW/4 - excluding public highways and the D&RGW right-of-way**
**Section 28: S/2**

***Preparation Plant Facility Surface Area:***

**That part of the surface rights in the following described land located in Carbon County, Utah, conveyed by Franklin Real Estate Company to Blackhawk Company by Quitclaim Deed dated November 3, 1981, of record in Record Book 219, page 690 in the Office of the Recorder of Carbon County, Utah, to wit:**

**Township 12 South, Range 9 East, SLBM**

**Section 36: NE/4 SW/4; SW/4 NE/4; NW/4 SE/4**

**And, also, that part of the surface rights in the following described land located in Carbon County, Utah, conveyed by Franklin Real Estate Company to Blackhawk Coal Company by Warranty Deed dated November 3, 1981, of record in Record Book 215, pages 474-487, to wit:**

**Township 12 South, Range 9 East, SLBM**

**Section 35: SE/4 NE/4; E/2 SE/4**
**Section 36: SE/4 NW/4; W/2 SW/4; SE/4 SW/4**

**Township 13 South, Range 9 East, SLBM**

**Section 1: N/2 NW/4 - excluding Utah Power and Light coal stockpile**

**All of the Surface Rights described in Parts I, II, and III above, including without limitation, the "Preparation Plant Facility Area" and the "Crandall Canyon Facility Surface Area" are SUBJECT TO all liens, mortgages, encumbrances, covenants, restrictions, prior rights, claims, reservations, leases, royalties, easements, agreements and all matters legally existing, and all rights or claims of any kind affecting such property disclosed in those Warranty Deeds and Quitclaim Deeds forming a part of this Exhibit A, and in Chicago Title Insurance Company Commitment No. 1268, dated May 22, 1975, and in South Eastern Utah Title Company Preliminary Title Report No. 6408-C, dated May 15, 1975, and all exceptions set forth therein.**

***Fee Surface - Cyprus Western Coal Company:***

**Surface rights only in the following described lands located in Carbon County Utah conveyed by Warranty Deed dated June 29, 1994 from AMCA Coal Leasing Company, Grantor, to Cyprus Western Coal Company, Grantee, to wit:**

**Township 13 South, Range 10 East, SLM**

**Section 7: Lots 8, 9, 12, and 13**
**containing 160.54 acres, more or less**

**Note: The Warranty Deed was provided to the county for recordation on July 26, 1995.**

***Fee Coal - Cyprus Western Coal Company:***

**Coal rights only in the following described lands located in Carbon County, Utah conveyed by Warranty Deed dated June 29, 1994 from AMCA Coal Leasing Company, Grantor, to Cyprus Western Coal Company, Grantee, to wit:**

**Township 13 South, Range 10 East, SLM**

**Section 7: Lots 1, 2, 6-9, 12, and 13**
**Section 8: SW/4 NW/4; NW/4 SW/4**
**containing 401.77 acres, more or less**

**Note: The Warranty Deed was provided to the county for recordation on July 26, 1995.**

***Carbon County Coal - Cyprus Western Coal Company:***

**All those certain rights in the following described lands located in Carbon County, Utah and associated with Coal Mining Lease dated April 6, 1971 between Carbon County, a body corporate and politic of the State of Utah, Lessor, and AMCA Coal Leasing, Inc., Lessee; as extended by Notice of Extension of Coal Mining Lease dated December 28, 1992 from AMCA Coal Leasing, Inc., to the Carbon County Commission; and as assigned by Assignment and Assumption of Carbon County, Utah Coal Mining Lease dated effective June 29, 1994 from AMCA Coal Leasing, Inc., Assignor, to Cyprus Western Coal Company, Assignee, which assignment was consented to by the Carbon County Board of Commissioners by Consent to Assignment dated November 16, 1994, to wit:**

**Township 13 South, Range 10 East, SLM**

**Section 8: Lots 2 and 3; SW/4 NE/4, NW/4 SE/4; SE/4 NW/4; NE/4 SW/4**
**containing 239.74 acres, more or less.**

Other Leases (identify): None

Description(s): _____

**Ownership Data:**

| Surface Resources (Acres): | Proposed Permit Area | Total Life of Mine Area |
|---|---|---|
| Federal | | 5088 |
| State | | |
| Private | | 9582 |
| Other - County | | 80 |
| TOTAL | | 14750 |

**Coal Ownership (acres):**

| Surface Resources (Acres): | Proposed Permit Area | Total Life of Mine Area |
|---|---|---|
| Federal | | 8347 |
| State | | 430 |
| Private | | 4613 |
| Other - County | | 1360 |
| TOTAL | | 14750 |

| Coal Resource Data (Millions Tons) | Total Reserves (Tons) | Total Recoverable Reserves (Tons) |
|---|---|---|
| Federal | 318,050,412 | 79,150,000 |
| State | 10,769,609 | 500,000 |
| Private | 42,712,182 | 10,060,000 |
| Other - County | 30,774,168 | 5,680,000 |
| TOTAL (Life of Mine) | 402,306,371 | 95,390,000 |
| Total Percent Recoverable | | 24% |

| Recoverable Reserve Data | Name | Thickness | Map | Depth |
|---|---|---|---|---|
| Seam | A | 6' - 14' | | 250' - 3000' |
| Seam | D | 5' - 24' | | 250' - 3000' |
| Seam | K | 6' - 14' | | 250' - 3000' |
| Seam | C | 6' - 10' | | 250' - 3000' |
| Seam | | | | |

Mine Life: 1996 - 2016
Average Annual Production: 5,000,000 Percent Recovery: 24%
Date Projected Annual Rate Reached: 1999 - 2010
Date Production Begins: 1996 Date Production Ends: 2016
Reserves Recoverable By: (1) Surface Mining: None
(2) Underground Mining: 95,390,000
Reserves Lost Through Management Decisions: Unknown
Coal Market: Domestic and Export

FINDINGS

Cyprus Plateau Mining Corporation
Willow Creek Mine
ACT/007/038
Carbon County, Utah

June 26, 1997

1. The permit application for the proposed Willow Creek Mine is accurate and complete and all requirements of the Surface Mining Control and Reclamation Act, and the approved Utah State Program (the "Act") are in compliance. Refer to April 22, 1996 Technical Analysis (TA). This TA includes all of the federal leases. (R645-300-133.100)

2. An assessment of the probable cumulative impacts of all anticipated coal mining and reclamation activities in the general area on the hydrologic balance has been conducted by the Division and no significant impacts were identified. The Mining and Reclamation Plan (MRP) proposed under the revised application has been designed to prevent damage to the hydrologic balance in the permit area and in associated off-site areas. See CHIA dated April 1996 (R645-300-133.400 and UCA 40-10-11 (2)(c)).

3. The proposed lands to be included within the permit area are:

    a. Not included within an area designated unsuitable for underground coal mining operation (R645-300-133.220);

    b. not within an area under study for designated land unsuitable for underground coal mining operations (R645-300-133.210);

    c. not on any lands subject to the prohibitions or limitation of 30 CFR 761.11 {a} (national parks, etc), 761.11{f} (public buildings, etc.) and 761.11 {g} (cemeteries);

    d. within 100 feet of a public road (R645-300-133.220) (A public hearing was held on May 11, 1995); and

    e. not within 300 feet of any occupied dwelling (R645-300-133.220).

4. The operation would not affect the continued existence of any threatened or endangered species or result in the destruction or adverse modification of their critical habitats as determined under the Endangered Species Act of 1973 (16 USC 1531 et seq.) See TA dated April 22, 1996 (R645-300-133.500)

5. The Division's issuance of a permit is in compliance with the National Historic Preservation Act and implementing regulations (36 CFR 800). See permit condition and letter from State Historic Preservation Office, dated April 22, 1996. (R645-300-133.600)

6. The applicant has the legal right to enter and conduct mining activities in the Willow Creek Mine area. (R645-300-133.300)

7. A 510 (c) report has been run on the Applicant Violator System (AVS), which shows that: prior violations of applicable laws and regulations have been corrected; neither Cyprus Plateau Mining Corporation or any affiliated company, are delinquent in payment of fees for the Abandoned Mine Reclamation Fund; and the applicant does not control and has not controlled mining operations with demonstrated pattern of wilful violations of the Act of such nature, duration, and with such resulting irreparable damage to the damage to the environment as to indicate an intent not to comply with the provisions of the Act. A 510 (c) report and memo to file on June 26, 1997, (R645-300-133.730)

8. Underground mining operations to be performed under the permit will not be inconsistent with other operations anticipated to be performed in areas adjacent to the proposed permit area.

9. The applicant has posted a surety bond for the Willow Creek Mine by United Pacific Surety Company (#U2644-518) in the amount of $11,949,205 (Year 2001dollars). (R645-300-134)

10. No lands designated as prime farmlands or alluvial valley floors occur on the permit area. See TA (R645-302-313.100 and R645-302-321.100)

11. The proposed postmining land-use of the permit area is the same as the pre-mining land use and has been approved by the Division.

12. The Division has made all specific approvals required by the Act, the Cooperative Agreement, and the Federal Lands Program. (See Stipulation for Mining Plan Approval.)

13. All procedures for public participation required by the Act, and the approved Utah State Program are in compliance. See Affidavit of Publication, dated October 12, 1995, which includes all of the federal leases. (R645-300-120)

14. Existing structures used in conjunction with this mining operation will be in compliance with the performance standards of R645-301 and R645-301. See TA (R645-300-133.720)

Permit Supervisor

Permit Supervisor

Associate Director, Mining

Director

**STATE OF UTAH**
**DEPARTMENT OF NATURAL RESOURCES**
**DIVISION OF OIL, GAS AND MINING**
**1594 West North Temple, Suite 1210**
**Salt Lake City, Utah 84114-5801**
**(801) 538-5340**

This permit, ACT/007/038, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

**Cyprus Plateau Mining Corporation**
**P.O. Box PMC**
**Price, Utah 84501**
**(801-637-2875)**

for the Willow Creek Mine. A Surety Bond is filed with the Division in the amount of $11,949,205 payable to the State of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSM). Underground coal mining will be conducted in Federal Leases: SL-048442-050115, SL-046652, U-0148779, U-0146345, UTU-73975, and U-0148779; State Leases: ML-1892 and SL-046652-ST (transferred from the federal to the state on April 22, 1954); a county lease and fee coal.

**Sec. 1 STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

**Sec. 2 PERMIT AREA** - The permittee is authorized to conduct underground coal mining activities on the following described lands within the permit area at the Willow Creek Mine, situated in the state of Utah, Carbon County. The area to be mined is contained on the USGS 7.5-minute quadrangle maps (Helper, Kyune, Standardville, Matts Summit.) The areas contained in the permit area, approximately 14,670 acres are:

Township 12 South, Range 9 East

Section 22: Portions of SW/4 SE/4; SE/4 SW/4;
Section 25: All;
Section 26: *East of the Price River;*
Section 27: *East of the Price River;*
Portions of S/2 NW/4; NE/4 NW/4; NW/4 SW/4;
Section 28: Portions of S/2;
Section 35: Portions of SE/4 NE/4 and E/2 SE/4 west of the Price River
E/2 east of the Price River;

Less and Except:

A tract in the NW/4 NE/4 containing 2.61 acres, more or less, described by metes and bounds; as conveyed to the City of Price, a body politic, by Warranty Deed dated December 19, 1960, and recorded in Book 70 at page 416 of the official records of Carbon County; and

Section 36: All east of the Price River.

Township 13 South, Range 9 East

Section 1: Lots 1, 2, 3 and 4 (N/2 N/2) east of the Price River; SE/4 NE/4; E/2 SW/4 NE/4;

Less and Except:

1. The Utah Power and Light Company coal stockpile.
2. A tract in Lot 3 containing 1.43 acres total , more or less, and a tract in the NE/4 SW/4 containing 9.48 acres, more or less, described by metes and bounds; as conveyed to The Utah Power and Light Company by Special Warranty Deed dated July 10, 1986, and recorded in Book 262 at page 309 of the official records of Carbon County;
3. A tract in Lot 3 containing 1.02 acres, more or less, described by metes and bounds; as conveyed to The Utah Power and Light Company by Quitclaim Deed dated May 28, 1953, and recorded in Book 20 at page 492 of the official records of Carbon County;
4. A roadway 30 feet wide in the NW/4 described by metes and bounds; as conveyed to Castle Gate Town, a municipal corporation, by Quitclaim Deed dated September 26, 1969, and recorded in Book 122 at page 400 of the official records of Carbon County.

Township 12 South, Range 10 East

Section 26: N/2; SE/4; N/2 SW/4; SE/4 SW/4;
Section 27: All;
Section 28: All;
Section 29: All;
Section 30: All;
Section 31: All;
Section 32: All;
Section 33: All;
Section 34: S/2; NW/4; S/2 NE/4; NW/4 NE/4; and
Section 35: E/2; SW/4; S/2 NW/4.

Township 13 South, Range 10 East

Section 2: All;
Section 3: All;
Section 4: All;
Section 5: All;
Section 6: Lots 1, 2, 3, 4 (N/2 N/2); Lot 5 (SW/4 NW/4); SE/4 NW/4; S/2 NE/4; SE/4;
Section 7: Lots 1, 2, 6-9, 12, and 13 (E/2);
Section 8: Lot 1, 2 and 3 (N/2 NE/4 and NE/4 NW/4); S/2 N/2; S/2;
Section 9: E/2; SW/4; E/2 NW/4; NW/4 NW/4;
Section 10: E/2; NW/4; E/2 SW/4; NW/4 SW/4;
Section 11: All;
Section 17: NE/4; N/2 NW/4; and
Section 18: N/2 NE/4.

This legal description is for the permit area of the Willow Creek Mine. The permittee is authorized to conduct underground coal mining activities and related surface activities on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

**Sec. 3** **COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

**Sec. 4** **PERMIT TERM** - This permit expires on April 24, 2001.

**Sec. 5** **ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Director, Division. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13{e} and R645-303-300.

**Sec. 6** **RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

**(a)** have the rights of entry provided for in 30 CFR 840.12, R645-400-220, 30 CFR 842.13 and R645-400-110;

**(b)** be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by the private person.

**Sec. 7** **SCOPE OF OPERATIONS** - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.

**Sec. 8** **ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

**(a)** Any accelerated or additional monitoring necessary to determine the nature and extent of noncompliance and the results of the noncompliance;

**(b)** immediate implementation of measures necessary to comply; and

**(c)** warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

**Sec. 9** **DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

**Sec. 10** **CONDUCT OF OPERATIONS** - The permittee shall conduct its operations:

**(a)** in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and

**(b)** utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

**Sec. 11 EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

**Sec. 12 RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.

**Sec. 13 AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

**Sec. 14 COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

**Sec. 15 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

**Sec. 16 CULTURAL RESOURCES** - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.

**Sec. 17 APPEALS** - The permittee shall have the right to appeal as provided for under R645-300-200.

**Sec. 18 SPECIAL CONDITIONS** - There are special conditions associated with this permitting action as described in attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them.

These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

**THE STATE OF UTAH**

By: Lowell P Braxton for J. W. Carter

Date: 6/27/97

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

**Authorized Representative of Permittee**

Date: _____

Attachment A

## SPECIAL CONDITIONS

1. Cyprus Plateau Mining Corporation (CPMC) is not authorized to conduct mining operations within the permit area on lands under federal jurisdiction until federal mine approval has been granted by the Secretary.

1120 CONNECTICUT AVENUE, NW
SUITE 900
WASHINGTON, D.C. 20036
(202) 857-0166 FAX (202) 857-0162

April 28, 1997

Cyprus Plateau Mining Corporation
Price, UT 84501

Dear Friend,

I am pleased to acknowledge receipt of your gift of $511.00 to the National Fish and Wildlife Foundation (NFWF). Your contribution will match federal funds committed by NFWF to help support the Colorado River Fish Recovery Fund project.

For the past ten years NFWF has been matching private gifts to selected conservation projects with federal matching funds. During this period, NFWF has committed more than $62 million in federal matching funds to 1,834 grants that leveraged $236 million for on-the-ground conservation projects.

This letter will serve as your receipt for tax purposes. As required by federal law we note that this gift, received 04/08/97, is fully tax deductible, and that no goods or services were provided in consideration for your donation.

On behalf of everyone associated with NFWF, thank you for your generous support of this project.

Sincerely,

Whitney Tilt

Whitney Tilt
Director, Conservation Programs

*printed on recycled paper*

# LETTERS OF CONCURRENCE

Moab District
Price River/San Rafael Resource Area
125 South 600 West
P.O. Box 7004
Price, Utah 84501

3425
UTU-73975
(UT-066 )

Memorandum

NOV - 5 1996

To: State Director, Utah (UT-923)

From: Area Manager

ACT/007/035 #3
Copy PAM:
Aaron

Subject: Coal Lease Application UTU-73975, Willow Creek North Tract, Cyprus Plateau Mining Corporation

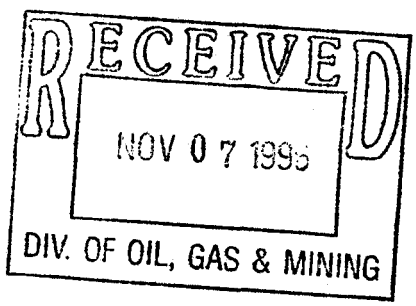
Attached is a copy of the completed environmental assessment (EA) for the subject coal lease tract, along with the signed decision record and finding of no significant impact (DR/FONSI). Please note an additional lease stipulation was recommended. Along with the DR/FONSI, we have determined that leasing the tract would be in conformance with the current land use plan. Also, please note that the correct lease number is UTU-73975, and any previous or current reference to any other lease number in any documents is incorrect.

If you have any questions, please contact Stephen Falk of my staff at 636-3600.

**MARK E. BAILEY**

Attachment
EA

RECEIVED
NOV 07 1996
DIV. OF OIL, GAS & MINING



cc: Office of Surface Mining (w/attach.)
Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, Colorado 80202-5733
✓Utah Division of Oil Gas and Mining (w/attach.)
1594 West North Temple, Suite 1210
Box 14801
Salt Lake City, Utah 84114-5801

SFalk:ks:11/4/96
willoweacovr.mem

RECEIVED
NOV 07 1996
DIV. OF OIL, GAS & MINING

3425
UTU-73975
UT-066

DECISION RECORD/FINDING OF NO SIGNIFICANT IMPACT

EA Log No.: UT-066-95-28

Project Name: Willow Creek North Coal Lease Tract

EA Preparation Date: August 23, 1996

BLM Office: Price River Resource Area

County: Carbon

BLM Office Location: Price, Utah

Phone No.: (801) 636-3600

Applicant: Cyprus Plateau Mining Corp.

Phone No.: (801) 637-2875

Address: P. O. Drawer PMC
Price, Utah 84501

EA Preparer: TerraMatrix Inc.

Phone No.: (970) 879-6260

Address: P. O. Box 774018
Steamboat Springs, CO 80477

---

RECORD OF DECISION

Decision:

My decision is to recommend holding a lease sale of the Federal coal lease application with the existing standard lease stipulations plus on additional stipulation listed below. The authority for the lease sale is under the Mineral Leasing Act of 1920, as amended.

Rationale:

1. The action is not adverse to local, state or Federal land use plans for the area.

2. The proposed action is in conformance with the Price River Planning Area Management Framework Plan.

3. The proposed action would not cause any significant environmental impacts.

4. The proposed lease tract would provide access to significant coal reserves adjacent to existing Federal coal leases where mining applications are pending and would avoid potential coal bypass.

Finding of No Significant Impact: Based on the analysis of potential environmental impacts contained in the attached environmental assessment, I have determined that impacts are not expected to be significant and an environmental impact statement is not required.

Mark E. Bailey
Area Manager

28 Oct 96
Date

ADDITIONAL REQUIRED LEASE STIPULATION

Before any mine related subsidence occurs on the lease, the lessee shall conduct additional cultural resource inventories of the tract with consultation from the Bureau of Land Management.

# ADDENDUM TO ENVIRONMENTAL ASSESSMENT

## WILLOW CREEK NORTH COAL LEASE TRACT

In analyzing the impacts of mining to historic and cultural resources, it became clear that the full impacts were largely unknown. Cultural resource inventories of the lease tract area are notable sparse and deemed insufficient to make a determination of impacts. Also, it is unknown the extent of mine subsidence on this new tract, as former operations in the area observed little subsidence from mining but comprehensive monitoring was not done. Mitigating this deficiency in data could be accomplished by additional inventories of the lease tract area. It is recommended to add a stipulation to the lease terms to require additional cultural inventories before mining subsidence occurs.

# Certificate of Insurance

TO: State of Utah
Address: Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Date: June 26, 1996
Re: Permit No. ACT/007/038
Willow Creek Mine
Fax to:
Ben Grimes
801-637-2247

This is to certify that the policies designated below are in force on the date borne by this Certificate.

NAME OF INSURED: Cyprus Amax Minerals Company et al including Cyprus Plateau Mining Corp.
9100 East Mineral Circle
Englewood, CO 80112

Address:

| | TYPE OF INSURANCE | POLICY # | POLICY PERIOD | POLICY LIMITS / VALUES |
|---|---|---|---|---|
| A) | Commercial General Liability -Claims Made Retro Date 4/1/94 | RMGL1437605 | 07/01/96 - 07/01/97 | $ 6,000,000 General Aggregate<br>$ 6,000,000 Products/Completed Operations Aggregate<br>$ 1,000,000 Personal and Advertising Injury<br>$ 1,000,000 Each Occurrence<br>$ 1,000,000 Fire Damage (Any One Fire)<br>$ 10,000 Medical Expense (Any One Person) |
| | Auto Liability | RMCA1438600 | 07/01/96 - 07/01/97 | $ 2,000,000 CSL Each Occurrence |
| C) | Workers' Compensation Employers' Liability Other States | OC-01611903 | 09/01/96 - 09/01/97 | WC: Statutory<br>EL: $1,000,000 Each Accident<br>$1,000,000 Disease - Policy Limit<br>$1,000,000 Disease - Each Employee |
| D) | Workers' Compensation Employers' Liability (Amax Gold) CA/SC | OC-01611603 | 09/01/96 - 09/01/97 | WC: Statutory<br>EL: $1,000,000 Each Accident<br>$1,000,000 Disease - Policy Limit<br>$1,000,000 Disease - Each Employee |
| E) | Workers' Compensation Employers' Liability (Amax Gold) Alaska | OC-01690602 | 09/01/96 - 09/01/97 | WC: Statutory<br>EL: $1,000,000 Each Accident<br>$1,000,000 Disease - Policy Limit<br>$1,000,000 Disease - Each Employee |
| F) | Excess Workers' Compensation | EX342 | 09/01/96 - 09/01/97 | Statutory Excess of a Self Insured Retention: $1,000,000 any one occurrence |

Commercial General Liability includes X, C, U Coverage.

This certificate of insurance neither affirmatively nor negatively amends, extends or alters the coverage afforded by those policy(ies) numbered above and issued by companies listed below.

Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 45 days written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

SEVERAL LIABILITY NOTICE (LSW 1001)

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

INSURANCE COMPANY(IES) ISSUING COVERAGE:

A)B) National Union Fire Insurance Company of Pittsburgh, PA
C)D)E)F) Old Republic Insurance Co.

AON NATURAL RESOURCES WORLDWIDE
2000 Bering Dr., Suite 900
Houston, Texas 77057
P.O. Box 36429
Houston, Texas 77236-6429
Phone: 713/783-6640
Telecopier: 713/783-7241

By Stephen D McKenna

ANR-023 (Rev. 6/95)
148-79.CLG-171

# United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Moab District
Price River/San Rafael Resource Area
125 South 600 West
Price, Utah 84501

RECEIVED
JUN 05 1997
DIV. OF OIL, GAS & MINING

3482
UTU-73975
(UT-066 )
JUN - 2 1997

Memorandum

To: Senior Project Manager Utah, Western Regional Coordinating Center, Office of Surface Mining, 1999 Broadway, Suite 3320, Denver, Colorado 80202-5733

From: Acting Area Manager

ACT/007/038 #3

Subject: Resource Recovery and Protection Plan (R2P2), Willow Creek Mine, Cyprus Plateau Mining Corporation

The Bureau of Land Management has received and reviewed the subject R2P2 as part of the permit application package for adding Federal coal lease UTU-73975 to the approved Willow Creek Mine permit. This letter documents the Bureau's findings for the R2P2 as required by the laws governing the Federal coal lease.

Cyprus has recently permitted the Willow Creek Mine for a large area covered by an approved R2P2 in conjuction with the Blackhawk Logical Mining Unit (LMU). Having been the successful bidder for the new Willow Creek Tract Coal Lease, Cyprus has submitted an R2P2 that covers the whole of the permit area, including the new lease tract. Our recommendation on this R2P2 will supersede any previous approvals for this property.

Our review of the mining plan finds some of the following items. Cyprus plans to mine all areas of minable coal or has justified areas of no mining. The property is complex, with multiple seams, geologic contraints, old mine works, etc., which were fully addressed in the plan. The area in the northeast portion has potential mining, but is speculative based on the depth of mining (+2500 feet). Also, some of areas were not to be mined based on protection of cliffs. In both cases, these areas may or may not be mined based on limited information and the BLM will further address these issues as new information and mining experiance is obtained.

The submitted R2P2 is in compliance with the Mineral Leasing Act of 1920, as amended, the lease terms and conditions, the regulations at 43 CFR 3480, and will achieve maximum economic recovery of the Federal coal. We recommend the R2P2 be approved as part of the permit application. If you have any questions, please contact Stephen Falk or George Tetreault of my staff at (801) 636-3600.

MARK E. BAILEY

cc: UT-921, Utah State Office
Utah Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801
Cyprus Plateau Mining Corporation
P. O. Drawer PMC
Price, Utah 84501

# State of Utah

Department of Community & Economic Development
Division of State History
Utah State Historical Society

Michael O. Leavitt
Governor
Max J. Evans
Director

300 Rio Grande
Salt Lake City, Utah 84101-1182
(801) 533-3500 • FAX: 533-3503 • TDD: 533-3502
cehistry.ushs@email.state.ut.us


June 12, 1996


RECEIVED
JUN 14 1996
DIV. OF OIL, GAS & MINING


Ms. Pamela Grubaugh-Littig
Permit Supervisor
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210P. O. Box 145801
Salt Lake City, UT 84114-5801

RE: Data Recovery of Portions of Site 42Cb1000 for The Willow Creek Mine Project, Carbon County, Utah

ACT/007/038 #2
Copy Pam : Daron

In Reply Please Refer to Case No. 95-0817

Dear Ms. Grubaugh-Littig:

The Utah State Historic Preservation Office received the above referenced report on June 10, 1996. I have not had a chance to finish a technical review of the report, however, I do recommend acceptance of the report for mitigation as **completion of mitigation for purposes of section UCA 9-8-404**. It looks good, and I wanted to discuss with you and Mike Polk the possibility of publishing this in some format, please give me a call.

This information is provided on request to assist DOGM with its Section 106 responsibilities as specified in 36CFR800. If you have questions, please contact me at (801) 533-3555, or Barbara L. Murphy at (801) 533-3563. My computer address on internet is: cehistry.jdykman@email.state.ut.us

As ever,

James L. Dykmann
Compliance Archaeologist

JLD:95-0817

c: Sagebrush Archaeological Consultants, 3670 Quincy Avenue, Suite 203, Ogden, Utah 84403

c: Cyprus Plateau Mining Corporation, P. O. Box PMC, Price, Utah 84501

# State of Utah

Department of Community & Economic Development
Division of State History
Utah State Historical Society

Michael O. Leavitt
Governor
Max J. Evans
Director

300 Rio Grande
Salt Lake City, Utah 84101-1182
(801) 533-3500
FAX: (801) 533-3503


April 22, 1996


RECEIVED
APR 24 1996
DIV. OF OIL, GAS & MINING


Ms. Pamela Grubaugh-Littig
Permit Supervisor
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

RE: Willow Creek Mine Project/Castle Gate Mine Site (42CB1000)

ACT/007/038 #2

In Reply Please Refer to Case No. 95-0817

Dear Ms. Grubaugh-Littig:

The Utah State Historic Preservation Office received the above referenced report. After consideration of the Sagebrush report, the Utah Preservation Office makes the following recommendation to DOGM.

1. As a state mine case the consultation is being completed under UCA 9-8, and our office advises that it appears that five features of the 42CB 1000 cannot be avoided by the project, therefore there will be an Adverse Effect.

2. Our office therefore recommends that data recovery be carried out to mitigate the effects expected to occur to the five features on the mine property. For features 5, 10, 61, and 65, our office recommends that large format photographs be taken of the structures for state level documentation to the Historic American Engineering Record standards. Second, it is recommended that efforts be made to locate and reproduce historic photographs of the features. Third, for all of the features, including Feature 20, it is recommended that historic research be undertaken and a historical narrative be completed. Lastly it recommended that feature 20, a dugout structure of unknown origin or function be excavated to archaeological standards in order to establish its relationship to the Castle Gate Mine and mitigate effect.

3. If the mitigation standards are acceptable to all parties, then a letter of agreement or permit stipulation should be issued for the project as part of the permit. Our office will review the report when it is completed and make recommendations to DOGM as to the acceptability of the mitigation. No work on these features should be undertaken until the report has been accepted.

4. If the mine is later permitted under federal law, these state mitigation measures may or may not be acceptable to OSM, and additional mitigation and legal review for historic features would need to be carried out under federal law as outlined by 36CFR 800 and appropriate OSM regulation.


Board of State History: Marilyn C. Barker • Dale L. Berge • Boyd A. Blackner • Peter L. Goss
David D. Hansen • Carol C. Madsen • Dean L. May • Christie Needham • Thomas E. Sawyer • Penny Sampinos • Jerry Wylie

This information is provided on request to assist DOGM with its Section 106 responsibilities as specified in 36CFR800. If you have questions, please contact me at (801) 533-3555, or Barbara L. Murphy at (801) 533-3563. My computer address on internet is: jdykman@email.state.ut.us

As ever,

James L. Dykmann
Compliance Archaeologist

JLD:95-0817

c: Sagebrush Archaeological Consultants, 3670 Quincy Avenue, Suite 203, Ogden, Utah 84403
c: Cyprus Plateau Mining Corporation, PO Box PMC, Price, Utah 84501

SL permit Binder

**FEDERAL** **Permit Number ACT/007/038** **April 23, 1996**

**STATE OF UTAH**
**DEPARTMENT OF NATURAL RESOURCES**
**DIVISION OF OIL, GAS AND MINING**
**355 West North Temple**
**3 Triad Center, Suite 350**
**Salt Lake City, Utah 84180-1203**
**(801) 538-5340**

RECEIVED
JUN 21 1996
DIV. OF OIL, GAS & MINING

This permit, ACT/007/038, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

**Cyprus Plateau Mining Corporation**
**P.O. Box PMC**
**Price, Utah 84501**
**(801-637-2875)**

for the Willow Creek Mine. A Surety Bond is filed with the Division in the amount of $11,949,205 payable to the State of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSM).

**Sec. 1 STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

**Sec. 2 PERMIT AREA** - The permittee is authorized to conduct underground coal mining activities on the following described lands within the permit area at the Willow Creek Mine, situated in the state of Utah, Carbon County:

The area to be mined is contained on the USGS 7.5-minute quadrangle maps (Helper, Kyune, Standardville, Matts Summit.) The areas contained in the permit area, approximately 14,670 acres, involve all or part of the following federal, state, county, and fee coal leases:

***Fee Surface - Cyprus Western Coal Company (CWCC)***

**Township 12 South, Range 9 East, SLM**

**Section 35: E/2 east of the Price River ***

**Less and Except:**
1. **A tract in the NE/4 SE/4 containing 1.37 acres, more or less, described by metes and bounds; as conveyed to Castle Gate, a body politic, by Deed of Correction dated April 10, 1973, and recorded in Book 138 at page 156 of the official records of Carbon County;**

2. **A tract in the NW/4 NE/4 containing 5.25 acres, more or less, conveyed to The Utah Power and Light Company, as referenced and described by metes and bounds in Quitclaim Deed recorded on February 3, 1956, in Book 38 at page 158 of the official records of Carbon County;**

3. **A tract in the NW/4 NE/4 containing 2.61 acres, more or less, described by metes and bounds; as conveyed to the City of Price, a body politic, by Warranty Deed dated December 19, 1960, and recorded in Book 70 at page 416 of the official records of Carbon County.**

**Section 36: Lots 1 and 2 (E/2 NE/4); W/2 NE/4; SE/4; NW/4; SW/4 east of Price River ***

**Less and Except:**
**A tract in the SE/4 SW/4 containing 0.057 acres, more or less, described by metes and bounds; as conveyed to Castle Gate, a body politic, by Deed of Correction dated April 10, 1973, and recorded in Book 138 at page 156 of the official records of Carbon County.**

**Township 13 South, Range 9 East, SLM**

**Section 1: Lots 1 and 2 (N/2 NE/4); Lots 3 and 4 (N/2 NW/4) east of the Price River; SE/4 NE/4; E/2 SW/4 NE/4;**

**Less and Except:**
1. **A tract in Lot 3 containing 1.43 acres total , more or less, and a tract in the NE/4 SW/4 containing 9.48 acres, more or less, described by metes and bounds; as conveyed to The Utah Power and Light Company by Special Warranty Deed dated July 10, 1986, and recorded in Book 262 at page 309 of the official records of Carbon County;**

2. **A tract in the E/2 SW/4 containing 2.88 acres, more or less, as conveyed to The Utah Power and Light Company; as referenced and described by metes and bounds in Quitclaim Deed recorded on February 3, 1956, on Book 38 at page 158 of the official records of Carbon County;**

3. **A tract in Lot 3 containing 1.02 acres, more or less, described by metes and bounds; as conveyed to The Utah Power and Light Company by Quitclaim Deed dated May 28, 1953, and recorded in Book 20 at page 492 of the official records of Carbon County;**

4. **A roadway 30 feet wide in the NW/4 described by metes and bounds; as conveyed to Castle Gate Town, a municipal corporation, by Quitclaim Deed dated September 26, 1969, and recorded in Book 122 at page 400 of the official records of Carbon County.**

**Township 12 South, Range 10 East, SLM**

**Section 29: S/2 NE/4; W/2 SE/4; E/2 SW/4; SW/4 SW/4**
**Section 30: SE/4 SE/4**
**Section 31: All**

**Less and Except:**
1. **A tract in Section 31: SW/4 SW/4, and also in T. 13 S., R. 10 E., Section 6: Lot 4, containing 6.496 acres, more or less, as described by metes and bounds; as conveyed to Carbon County by Quitclaim Deed dated September 18, 1990, and recorded in Book 300 at page 134 of the official records of Carbon County (Castle Gate Cemetery).**

2. **A tract in Section 31: SE/4 SW/4, containing 0.92 acres, more or less, as described by metes and bounds; as conveyed to PacifiCorp by Quitclaim Deed dated November 21, 1995, and recorded in Book 364 at page 756 of the official records of Carbon County.**

**Township 13 South, Range 10 East, SLM**

**Section 2: All**
**Section 4: Lots 1 and 2 (N/2 NE/4); S/2 NE/4; N/2 SE/4; SW/4 SE/4; S/2 SW/4**
**Section 5: All**
**Section 6: Lots 1, 2, 3, 4 (N/2 N/2); Lot 5 (SW/4 NW/4); S/2 NE/4; SE/4; SE/4 NW/4**
**Section 8: Lot 1 (NE/NE/4); SE/4 NE/4; NE/4 SE/4; S/2 S/2**
**Section 9: E/2; SW/4; N/2 NW/4; SE/4 NW/4**

**Section 10: SE/4; E/2 SW/4**
**Section 11: SW/4**
**Section 17: NE/4; N/2 NW/4**
**Section 18: N/2 NE/4**

*** Subject to the surface rights only of AMAX Coal Company, as successor to Castle Gate Coal Company, under the Preparation Plant Facility Lease between Blackhawk Coal Company, Lessor, and Castle Gate Coal Company, Lessee, dated May 30, 1986, and affecting:**

**Township 12 South, Range 9 East, SLM**

**Section 35: SE/4 NE/4; E/2 SE/4**
**Section 36: SW/4; SW/4 NE/4; NW/4 SE/4; SE/4 NW/4**

**Township 13 South, Range 9 East, SLM**

**Section 1: Lots 3 and 4 (N/2 NW/4) excluding Utah Power and Light Company coal stockpile.**

***Fee Coal - CWCC***

**Township 12 South, Range 9 East, SLM**

**Section 35: E/2 East of the Price River**

**Less and Except:**
**A tract in the NW/4 NE/4 containing 2.61 acres, more or less, described by metes and bounds; as conveyed to the City of Price, a body politic, by Warranty Deed dated December 19, 1960, and recorded in Book 70 at page 416 of the official records of Carbon County.**

**Section 36: SW/4 SW/4 east of Price River; E/2 NW/4; NW/4 NW/4; NW/4 SW/4; S/2 SW/4**

**Township 13 South, Range 9 East, SLM**

**Section 1: Lots 1 and 2 (N/2 NE/4); Lots 3 and 4 (N/2 NW/4) east of the Price River; SE/4 NE/4; E/2 SW/4 NE/4;**

**Less and Except:**

1. **A tract in Lot 3 containing 1.02 acres, more or less, described by metes and bounds; as conveyed to The Utah Power and Light Company by Quitclaim Deed dated May 28, 1953, and recorded in Book 20 at page 492 of the official records of Carbon County;**

2. **A roadway 30 feet wide in the NW/4 described by metes and bounds; as conveyed to Castle Gate Town, a municipal corporation, by Quitclaim Deed dated September 26, 1969, and recorded in Book 122 at page 400 of the official records of Carbon County.**

**Township 12 South, Range 10 East, SLM**

**Section 31: All**

**Township 13 South, Range 10 East, SLM**

**Section 2: All**
**Section 4: S/2 S/2**
**Section 5: Lots 1, 2, 3, and 4 (N/2 N/2)**
**Section 6: Lots 1, 2, 3, and 4 (N/2 N/2); Lot 5 (SW/4 NW/4); S/2 SE/4; SE/4 NW/4**
**Section 8: S/2 S/2**
**Section 9: E/2; SW/4; N/2 NW/4; SE/4 NW/4**
**Section 10: SE/4; E/2 SW/4**
**Section 11: SW/4**
**Section 17: NE/4; N/2 NW/4**
**Section 18: N/2 NE/4**

***CWCC Surface and Leased Coal***

***Federal Coal Leases:***

1. **Federal Consolidated Coal Lease No. SL-048442-050115 dated November 2, 1930; covering the following lands:**

Township 13 South, Range 10 East, SLM

**Section 1: SW/4**
**Section 3: S/2 N/2; S/2**
**Section 4: Lots 1, 2, 3, and 4 (N/2 N/2); S/2 N/2; N/2 S/2**
**Section 10: N/2; NW/4 SW/4**
**Section 11: E/2; NW/4**

**Less and Except:**
**A Partial Assignment dated September 17, 1991, effective May 1, 1992, to AMCA Coal Leasing, Inc., in:**

Township 13 South, Range 10 East, SLM

**Section 1: SW/4**

2. **Federal Modified Coal Lease No. SL-046652 dated December 1, 1962, effective August 3, 1921, as amended effective September 23, 1964, by a partial transfer to the State of Utah; covering the following lands:**

Township 12 South, Range 10 East, SLM

**Section 33: S/2**
**Section 34: S/2**

Township 13 South, Range 10 East, SLM

**Section 3: Lots 1, 2, 3, and 4 (N/2 N/2)**
**containing 802.36 acres, more or less**

3. **Federal Coal Lease No. U-0146345 dated November 1, 1965; covering the following lands:**

Township 12 South, Range 10 East, SLM

**Section 33: N/2**
**Section 34: NW/4 NE/4; S/2 NE/4; NW/4**
**Section 35: NE/4; S/2 NW/4; S/2**
**containing 1,160.00 acres, more or less**

4. **Federal Coal Lease No. U-0148779 dated August 1, 1966; covering the following lands:**

**Township 12 South, Range 10 East, SLM**

**Section 26: N/2; N/2 S/2; SE/4 SW/4; S/2 SE/4**
**Section 27: All**
**containing 1,240.00 acres, more or less**

***State Coal Leases:***

1. **State of Utah Coal Lease No. ML-1892 dated June 5, 1947, as amended effective January 1, 1988; covering the following lands:**

**Township 12 South, Range 9 East, SLM**

**Section 36: Lots 1 and 2 (E/2 NE/4); W/2 NE/4; SE/4; NE/4 SW/4; SW/4 NW/4**
**containing 389.84 acres, more or less**

2. **State of Utah Modified Coal Lease No. SL-046652-ST dated December 1, 1962, effective August 3, 1921; as transferred from the United States of America to the State of Utah under the Dawson Act of April 22, 1954, (68 Stat 7) on April 7, 1965, effective September 23, 1964, (Patent No. 43-65-0072); as amended September 19, 1968; covering the following lands:**

**Township 12 South, Range 10 East, SLM**

**Section 32: All**
**containing 640.00 acres, more or less**

***County Coal Lease:***

1. **Carbon County, Utah, Consolidated Coal Lease dated April 22, 1985; covering the following lands:**

**Township 12 South, Range 10 East, SLM**

**Section 28: NW/4 NW/4**
**Section 29: S/2 NE/4; W/2 SE/4; E/2 SW/4; SW/4 SW/4**
**Section 30: SE/4 SE/4**

**Township 13 South, Range 10 East, SLM**

**Section 5: S/2; S/2 N/2**
**Section 6: S/2 NE/4; N/2 SE/4**
**Section 8: Lot 1 (NE/4 NE/4); SE/4 NE/4; NE/4 SE/4**
**containing 1,119.97 acres, more or less**

***Fee Surface - AMAX Coal Company/AMAX Land Company***

***Crandall Canyon Facility Surface Area:***

**That part of the surface rights in the following described land located in Carbon County, Utah, conveyed by Franklin Real Estate Company to Blackhawk Coal Company by Quitclaim Deed dated November 3, 1981, of record in Record Book 219, pages 691-692, in the Office of the Recorder of Carbon County, Utah, to wit:**

**Township 12 South, Range 9 East, SLBM**

**Section 22: SW/4 SE/4; SE/4 SW/4 - excluding public highways and the D&RGW right-of-way**
**Section 27: S/2 NW/4; NE/4 NW/4; NW/4 SW/4 - excluding public highways and the D&RGW right-of-way**
**Section 28: S/2**

***Preparation Plant Facility Surface Area:***

**That part of the surface rights in the following described land located in Carbon County, Utah, conveyed by Franklin Real Estate Company to Blackhawk Company by Quitclaim Deed dated November 3, 1981, of record in Record Book 219, page 690 in the Office of the Recorder of Carbon County, Utah, to wit:**

**Township 12 South, Range 9 East, SLBM**

**Section 36: NE/4 SW/4; SW/4 NE/4; NW/4 SE/4**

**And, also, that part of the surface rights in the following described land located in Carbon County, Utah, conveyed by Franklin Real Estate Company to Blackhawk Coal Company by Warranty Deed dated November 3, 1981, of record in Record Book 215, pages 474-487, to wit:**

**Township 12 South, Range 9 East, SLBM**

**Section 35: SE/4 NE/4; E/2 SE/4**
**Section 36: SE/4 NW/4; W/2 SW/4; SE/4 SW/4**

**Township 13 South, Range 9 East, SLBM**

**Section 1: N/2 NW/4 - excluding Utah Power and Light coal stockpile**

**All of the Surface Rights described in Parts I, II, and III above, including without limitation, the "Preparation Plant Facility Area" and the "Crandall Canyon Facility Surface Area" are SUBJECT TO all liens, mortgages, encumbrances, covenants, restrictions, prior rights, claims, reservations, leases, royalties, easements, agreements and all matters legally existing, and all rights or claims of any kind affecting such property disclosed in those Warranty Deeds and Quitclaim Deeds forming a part of this Exhibit A, and in Chicago Title Insurance Company Commitment No. 1268, dated May 22, 1975, and in South Eastern Utah Title Company Preliminary Title Report No. 6408-C, dated May 15, 1975, and all exceptions set forth therein.**

***Fee Surface - Cyprus Western Coal Company:***

**Surface rights only in the following described lands located in Carbon County Utah conveyed by Warranty Deed dated June 29, 1994 from AMCA Coal Leasing Company, Grantor, to Cyprus Western Coal Company, Grantee, to wit:**

**Township 13 South, Range 10 East, SLM**

**Section 7: Lots 8, 9, 12, and 13**
**containing 160.54 acres, more or less**

**Note: The Warranty Deed was provided to the county for recordation on July 26, 1995.**

***Fee Coal - Cyprus Western Coal Company:***

**Coal rights only in the following described lands located in Carbon County, Utah conveyed by Warranty Deed dated June 29, 1994 from AMCA Coal Leasing Company, Grantor, to Cyprus Western Coal Company, Grantee, to wit:**

**Township 13 South, Range 10 East, SLM**

**Section 7: Lots 1, 2, 6-9, 12, and 13**
**Section 8: SW/4 NW/4; NW/4 SW/4**
**containing 401.77 acres, more or less**

**Note: The Warranty Deed was provided to the county for recordation on July 26, 1995.**

***Carbon County Coal - Cyprus Western Coal Company:***

**All those certain rights in the following described lands located in Carbon County, Utah and associated with Coal Mining Lease dated April 6, 1971 between Carbon County, a body corporate and politic of the State of Utah, Lessor, and AMCA Coal Leasing, Inc., Lessee; as extended by Notice of Extension of Coal Mining Lease dated December 28, 1992 from AMCA Coal Leasing, Inc., to the Carbon County Commission; and as assigned by Assignment and Assumption of Carbon County, Utah Coal Mining Lease dated effective June 29, 1994 from AMCA Coal Leasing, Inc., Assignor, to Cyprus Western Coal Company, Assignee, which assignment was consented to by the Carbon County Board of Commissioners by Consent to Assignment dated November 16, 1994, to wit:**

**Township 13 South, Range 10 East, SLM**

**Section 8: Lots 2 and 3; SW/4 NE/4, NW/4 SE/4; SE/4 NW/4; NE/4 SW/4 containing 239.74 acres, more or less.**

ADDITIONAL LANDS TO BE AFFECTED BY MINING

This legal description is for the permit area of the Willow Creek Mine. The permittee is authorized to conduct underground coal mining activities and related surface activities on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

**Sec. 3** **COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

**Sec. 4** **PERMIT TERM** - This permit becomes effective on April 23, 1996 and expires on April 24, 2001.

**Sec. 5** **ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Director, Division. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13{e} and R645-303-300.

**Sec. 6** **RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

**(a)** have the rights of entry provided for in 30 CFR 840.12, R645-400-220, 30 CFR 842.13 and R645-400-110;

**(b)** be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by the private person.

**Sec. 7** **SCOPE OF OPERATIONS** - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.

**Sec. 8** **ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

**(a)** Any accelerated or additional monitoring necessary to determine the nature and extent of noncompliance and the results of the noncompliance;

**(b)** immediate implementation of measures necessary to comply; and

**(c)** warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

**Sec. 9** **DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

**Sec. 10** **CONDUCT OF OPERATIONS** - The permittee shall conduct its operations:

**(a)** in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and

**(b)** utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

**Sec. 11** **EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

**Sec. 12 RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.

**Sec. 13 AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

**Sec. 14 COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

**Sec. 15 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

**Sec. 16 CULTURAL RESOURCES** - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.

**Sec. 17 APPEALS** - The permittee shall have the right to appeal as provided for under R645-300-200.

**Sec. 18 SPECIAL CONDITIONS** - There are special conditions associated with this permitting action as described in attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

**THE STATE OF UTAH**

By: _____

Date: April 23, 1996

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

_____

**Authorized Representative of the**

**Permittee**

Date: 4-30-96

Attachment A

**SPECIAL CONDITIONS**

1. Cyprus Plateau Mining Corporation (CPMC) is not authorized to conduct mining operations within the permit area on lands under federal jurisdiction until receiving the federal coal leases and obtaining federal mine approval.

2. Features 5, 10, 20, 61, and 65 of Cultural Resource Site 42 Cb 1000 must not be disturbed until the applicant has completed mitigation required by the Division of State History and until the Division and State History have accepted the results.

3. CPMC must amend the Mining and Reclamation Plan (MRP) within 14 days of receiving the 1996 Order-I soil survey laboratory data; both Section 3.1 SOILS INFORMATION and Exhibit 5 SOILS INFORMATION, must be amended with the 1996 Order -I soil survey data-resource discussion and chemical and physical analyses results, respectively. If analysis results indicate any departure from acceptance criteria as outlined in the Division Topsoil/Overburden Guidelines, CPMC must immediately cease soil salvage operations, consult Division for development and implementation of appropriate operation and remediation plans, and correct and update the MRP.

UTAH DIVISION OF OIL, GAS, AND MINING
STATE DECISION DOCUMENT

Cyprus Plateau Mining Corporation
Willow Creek Mine
ACT/007/038
Carbon County, Utah

April 23, 1996

#3

CONTENTS


* Administrative Overview
* Location Map
* Permitting Chronology
* Mine Plan Information
* Findings
* Permit
* Technical Analysis
* Cumulative Hydrologic Assessment
* Environmental Assessments
* Letters of Concurrence
  - Bureau of Land Management, R2P2 (See Permit Stipulation)
  - Division of State History, April 16, 1996 and April 22, 1996
  - Section 510 (c), Memo to File, April 16,1996
* Public Hearing (Notice and Decision - Conducting Operation within 100 Feet of the Outside Right-of-Way of Highway 191)
* Informal Conference (Notice and Decision)
* Determination of Completeness
* Affidavit of Publication
* Reclamation Agreement

# PERMITTING CHRONOLOGY

Cyprus Plateau Mining Corporation
Willow Creek Mine
Carbon County, Utah

April 23, 1996

| | |
|---|---|
| May 3, 1995 | Cyprus Plateau Mining corporation submits the permit application package for the proposed Willow Creek Mine. |
| May 11, 1995 | Public Hearing held about proposal to conduct mining operations within 100 feet of the outside right-of-way line of Highway 191 in Willow Creek Canyon. No comments were received and a finding was made on May 12, 1995. |
| June 6 and June 27, 1995 | The Division sent letters to the applicant Cyprus Plateau Mining Corporation, documenting that the application was not complete. |
| June 8 and June 12, August 8 and August 18 and September 12, 1995 | Cyprus Plateau Mining Corporation responds to the administrative completeness concerns. |
| September 1, 1995 | Division responds to GRAMA request from the United Mine Workers of America. |
| September 14, 1995 | The application was determined complete. Published in the Sun Advocate September 21, 28 and October 5, and October 12, 1995. |
| October 6, 1995 | Cyprus Plateau transmits ten (10) sets of the permit application package. |
| October 17, 1995 | Division request for agencies to review. |
| November 6, 1995 | Technical review of the Willow Creek Mine permit application sent to Cyprus Plateau Mining Corporation with a response date of December 22, 1995. |
| November 9, 1995 | DWR submits concerns about the proposed PAP. |
| November 10, 1995 | United Mine Workers of America object to the proposed Willow Creek Mine and request an Informal Conference. |

| | |
|---|---|
| November 13, 1995 | Partnering session with Cyprus Plateau Mining corporation, Centennial Development Corporation, Wasatch Electric, CEntry and the Division. |
| November 15, 1996 | Division of Water Rights submits concerns to the Division about the PAP. |
| November 21, 1995 | Director notified the United Mine Workers of America that the information conference is scheduled for December 6, 1995 in Price, Utah. |
| December 6, 1995 | Informal Conference held in Price, Utah. |
| December 12, 1995 | Director, James Carter, extends supplementing the record of the informal conference of the United Mine Workers of America until the close of business on December 22, 1995. |
| December 20, 1995 | Director, James Carter, extends time to supplement the record from December 22 to December 29, 1995. |
| January 23, 1996 | Division staff visited proposed mine site. |
| February 5, 1996 | OSM-WRCC notifies the applicant that prior to conducting any operation to extract Federal leased coal, a Mining Plan would need to be approved by the Assistant Secretary, Land and Minerals management in the U.S. Department of Interior. |
| February 9, 1996 | The Division received responses to the November 6, 1995 technical review. |
| February 12, 1996 | Division send OSM-WRCC copies of the environmental assessments for the federal coal leases. |
| February 26, 1996 | Updated PAP information is transmitted to other agencies. |
| March 18, 1996 | Partnering meeting at the Division. |
| April 2, 1996 | Division receives Willow Creek Mine cost estimate. |

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| April 4, 1996 | Division transmits Technical Analysis review to Cyprus Plateau Mining Corporation. |
| April 9, 1996 | Cyprus Plateau Mining corporation submitted a response to the March 28, 1996 Division Technical Adequacy Document. |
| April 12, 1996 | Request for Consultation from Division to State History |
| April 16, 1996 | Cyprus Plateau Mining Corporation faxed the Division copies of the Reclamation Agreement including the surety bond in the amount of $11,949,205. |
| April 19, 1996 | Army Corps Engineers issue 404 permit. |
| April 22, 1996 | State Preservation Office sent conditional concurrence letter. |
| April 23, 1996 | Division issues permit with three conditions. |

*AFFIDAVIT OF PUBLICATION*

STATE OF UTAH)

ss.

County of Carbon,)

I, Kevin Ashby, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and that the first publication was on the 21st day of September, 1995 and that the last publication of such notice was in the issue of such newspaper dated the 12th day of October, 1995.

Kevin Ashby

Kevin Ashby - Publisher

Subscribed and sworn to before me this 12th day of October, 1995.

Linda Thayn

Notary Public My commission expries January 10, 1999 Residing at Price, Utah

Publication fee, $224.00

NOTARY PUBLIC
LINDA THAYN
811 NORTH 10TH EAST
PRICE, UT 84501
My Commission Expires JAN 10, 1999
State of Utah

**NOTICE OF APPLICATION FOR PERMIT**
**CYPRUS PLATEAU MINING CORPORATION**

Notice is hereby given that Cyprus Plateau Mining Corporation, P.O. Box PMC, Price, Utah 84501, has submitted an application to the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining for a permit to mine at the Willow Creek Mine. The application was submitted in accordance with the Utah Mining and Reclamation Code Annotated 40-10-1 et. seq., and the Utah Coal Program Rules R645. The permit area is located in Carbon County, Utah as follows:

Township 12 South, Range 9 East, SLB&M
Section 22: Portion; Section 25: All; Section 26: Portion; Section 27: Portion; Section 28: Portion; Section 35: Portion; Section 36: Portion.

Township 12 South, Range 10 East, SLB&M
Section 26: Portion; Section 27: All; Section 28: All; Section 29: All; Section 30: All; Section 31: All; Section 32: All; Section 33: All; Section 34: Portion; Section 35: Portion.

Township 13 South, Range 9 East, SLB&M
Section 1: Portion.

Township 13 South, Range 10 East, SLB&M
Section 2: All; Section 3: All; Section 4: All; Section 5: All; Section 6: Portion; Section 7: Portion; Section 8: Portion; Section 9: Portion; Section 10: Portion; Section 11: All; Section 17: Portion; Section 18: Portion.

The project area is shown on the following U.S. Geological Survey 7.5 Minute Quadrangle maps: Kyune, Matts Summit, Helper, and Standardville.

Copies of the permit application are available for public inspection at the following locations:

State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining, 355 West North Temple, III Triad Center, Suite 350, Salt Lake City, Utah 84180-1203.

Carbon County Recorder's Office, Carbon County Court House, Price, Utah. Pertinent comments are solicited from anyone affected by this permit application. Comments should be filed by November 11, 1995 with:

State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining, 355 West North Temple, III Triad Center, Suite 350, Salt Lake City, Utah 84180-1203.

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