



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

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

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

September 27, 1999

To: File

Thru: Pamela Grubaugh-Littig, Permit Supervisor
Daron Haddock, Permit Supervisor

From: Peter Hess, Team Lead, ACT/007/038-99F PH

RE: Addendum to Minor Coal Exploration, Hole P-E14, Plateau Mining Corporation, Willow Creek Mine, ACT/007/038-99F, Folder #2, Carbon County, Utah

On September 16, 1999, a minor coal exploration submittal was received in the Price Field Office, and was given the designation of ACT/007/038-99F. The review of the submittal was completed on September 22, 1999. The findings indicated that the submittal was complete and adequate, with the exception that a legal agreement between a private landowner, Dennis Bettino and Plateau Mining Corporation to allow access did not exist, as of September 22, 1999.

On September 24, 1999, Mr. Johnny Pappas of Plateau Mining Corporation faxed a copy of the legal agreement between Plateau Mining Corporation and Mr. Bettino (photo-copy of document enclosed). The copy has signatures from both parties.

An E-mail was sent to the Salt Lake UDNR/OGM office, indicating that all criteria for approval were in place, and as such, ACT/007/038-99F could be approved.

This memo to file is to substantiate confirmation that the legal agreement was received and that ACT/007/038-99F could be approved as submitted.

sd
enclosure

EASEMENT AGREEMENT

THE EASEMENT AGREEMENT, ("Agreement") dated effective the ^{Michael} 24th day of September 1999, is by and between DENNIS J. BOTTINO, PETER BOTTINO, J. MICHAEL STUART, J. STEVE O'BERTO and JOHN B. O'BERTO, with an address of c/o Dennis J. Bottino, 6730 South 1405 East, Salt Lake City, Utah 84121 (hereinafter collectively referred to as "Grantor"), and PLATEAU MINING CORPORATION, a Delaware corporation, with an address at 9100 E. Mineral Circle, Englewood, Colorado 80112 (hereinafter referred to as "Grantee").

WITNESSETH:

THAT, WHEREAS, Grantee is desirous of constructing, using and maintaining a drill road over and across certain portions of real property (the "Property") owned by Grantor, the same being located in Carbon County, Utah, as further described in Exhibit "A" attached hereto and made a part hereof;

WHEREAS, Grantor desires to grant an easement (the "Easement") to the Grantee for the purpose of constructing, using and maintaining a drill road over and across the Property, the general configuration of which is shown in Exhibit "B" attached hereto and made a part hereof, for the sole purpose of allowing Grantee to construct, use and maintain the drill road.

NOW, THEREFORE, in consideration of the compensation, covenants and agreements hereinafter set forth, the parties hereto, each intending to be legally bound by these presents, mutually agree as follows:

1. **Easement.** Grantor, for and in consideration of the sum of one dollar and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant unto Grantee, its employees, agents, invitees, contractors and subcontractors, a non-exclusive Easement to enter over and upon the Property for the sole purpose of constructing, using and maintaining a drill road;
2. **Term.** This Easement is granted to Grantee for an initial term of five (5) years from the date hereof and for so long thereafter as the payments set forth in section 3 are being made;
3. **Annual Payments.** In order to maintain this Agreement in full force and effect, the Grantee shall pay to Grantor the payments ("Annual Payment"), on the dates and in the amounts set forth below;

Amount
 \$1500
 \$1500

 \$2500

Due Date
 Upon execution
 On or before the 1st thru 4th anniversary dates
 of this Agreement
 On or before the fifth anniversary date of this
 Agreement and each anniversary date
 thereafter

4. Allowed Uses/Restrictions.

- a. Grantee is hereby given the right of ingress and egress for itself, its employees, agents, licensees, contractors, subcontractors, invitees, successors and assigns to and from the Property, including, but not limited to, the right to transport on, over, across and through the Easement supplies, materials and equipment necessary to support Grantee's activities on the Easement as well as to utilize a laydown area on and adjacent to the Easement for the purpose of storing such equipment, materials and supplies;
- b. All motorized vehicles shall be operated on the drill road only and no deviation of the requirement shall be allowed without the prior written consent of Grantor;
- c. Grantee will insure that its employees, agents, licensees, contractors, subcontractors and invitees who enter upon the Property and/or the Easement shall comply with the terms of this Agreement;
- d. Nothing in this Agreement shall be interpreted or construed as a co-partnership or joint venture between Grantor and Grantee in the construction, maintenance or use of the drill road;
- e. Grantee at all times will fully and promptly comply with all applicable laws, rules and regulations of any lawful governmental authority which apply to its construction, maintenance and use of the Easement for the hereinabove stated purposes;
- f. Grantee shall at all times use the Easement in a reasonable and prudent manner so as to prevent damage to Grantor's lands contiguous to and which are located on either side of the Easement. Grantee shall comply with all applicable laws, rules or regulations, including those pertaining to the environment and land reclamation;
- g. All engineering, construction and maintenance costs incurred by Grantee in connection with this Agreement shall be the sole responsibility of Grantee;
- h. Grantee shall have the right subject to applicable laws, rules and regulations to trim or clear away all trees, brush and plant growth on said Easement which interfere with or are dangerous to the operation of the drill road and to trim or remove any trees or plants or other objects from lands of Grantor on either side of the said Easement which create a hazard on the drill road located thereon.

5. **Acceptance.** Grantee accepts the Easement as suitable for Grantee's uses and purposes set forth herein.

6. **Maintenance and Repairs.** Grantee shall keep the Easement and all improvements, if any, which are placed on or within the boundaries of the Easement in good repair at all times. With regard to Grantor's use of the Easement, it shall not be obligated to make or pay for any repairs for any damages to the Easement unless such damage is due to the negligence or abuse of Grantor.

7. **Right of Entry.** Grantor, or its duly authorized agent, shall, upon providing sufficient notice to Grantee, have the right at any time during the term of this Agreement, at Grantor's sole risk and expense, to enter upon the Property for the purpose of inspecting the Easement for all reasonable and necessary purposes incidental to its ownership of the Property and for all reasonable and necessary purposes connected with the maintenance, operation and inspection of any property owned or controlled by Grantor and which may be located adjacent to or within the external boundaries of the Easement.
8. **Taxes.** Grantor shall be responsible for the payment of all real estate taxes assessed against the Property and/or the lands encompassed by the Easement; however, Grantee shall be responsible for reimbursing Grantor for any increase in real estate taxes assessed against the Property due to installation of all improvements placed within the boundaries of the Easement by Grantee.
9. **Encumbrances.** Grantee agrees to permit no liens or encumbrances to attach to or remain upon the Property described herein as a result of its activities, maintenance, operation or use of the Easement described herein. Grantee shall keep the Property free and clear of any and all liens and encumbrances arising or which might arise, for any reason, out of Grantee's use of the Easement.
10. **Hold Harmless.** Grantor shall not be liable for any injury, death or property damage suffered by Grantee or anyone else upon the Property and/or the Easement at any time, except injury or damage to Grantee or anyone else caused solely by Grantor's own negligence. Grantee hereby agrees to indemnify, save, defend and hold harmless, and fully releases, acquits and forever discharges Grantor, its agents, guests, invitees, successors and assigns from any and all obligation (including without limitation, the obligation to warn of known dangers), actions, causes of action, claims, demands, judgements, liabilities, losses, costs, damages and expenses of whatever kind of character (including, without limitation, reasonable attorneys fees), for any injury, death or damages of any kind or character (including, without limitation, reasonable attorneys fees), for any injury, death or damages of any kind or character, whether to persons, animals or property, arising out of or caused directly by Grantee's presence upon the Property and the construction, maintenance, use and removal of the drill road, as applicable.
11. **Relationship of the Parties.** It is expressly understood by the parties hereto that all work performed by Grantee (or its agents, employees, invitees, guests, contractors or subcontractors), pursuant to this Agreement or which in any way related to its construction activities, maintenance and use of the drill road and/or Easement, shall not be in the capacity as an agent for Grantor. Nothing contained within this Agreement authorizes Grantee to enter into any agreement for or behalf of Grantor, or to bind Grantor to any obligation or undertaking.
12. **Waiver.** Even if Grantor waives Grantee's breach of any provision of this Agreement on one or more occasions, that shall not mean that Grantor waives the right to enforce the same or any other provision in case of a later breach by Grantee.
13. **Termination.** If Grantee commits a material breach of any term of this Agreement and fails to commence in good faith to remedy the breach, within thirty (30) days after receipt of Grantors written notice specifying the breach, then Grantor, in

addition to any other rights or remedies it may have at law or in equity, may terminate this Agreement. The taking of any action by Grantor to remedy any alleged violation shall not be deemed an admission by Grantee hereunder of the facts, causes or state of events described and set forth in Grantor's notice to Grantee. Grantee may terminate this Agreement at anytime by providing written notice of such intent to Grantor. Upon any such termination of this Agreement, Grantee shall provide Grantor with a Release of Easement Agreement in recordable form.

- 14. Entire Agreement and Modification.** This Agreement represents the full and complete agreement between the parties regarding the subject matter hereof and all parties executing this instrument have received a copy of same. The terms and conditions of this Agreement merge with and supersede any prior or contemporaneous, oral and written, statements or agreements. This Agreement may only be modified or amended by a written instrument signed by both parties hereto.
- 15. Recordation.** The Agreement may be recorded by either party. In the event this Agreement is recorded, the recording party shall provide the non-recording party with a copy of the recorded Agreement within thirty (30) days after same is returned from the Office of the Recorder of Carbon County, Utah.
- 16. Surrender of the Premises.** When this Agreement is terminated, Grantee shall peaceably surrender the Easement to Grantor, free and clear of all liens and encumbrances made or allowed by Grantee or in any way arising out of this Agreement or Grantee's use of the Property and/or the Easement, and upon Grantor's election, Grantee shall, at its sole cost and expense, reclaim the affected portion of the Property and/or Easement to a condition consistent to that which existed on the effective date hereof. Upon termination of this Agreement, all gates, fences, etc., if any that are installed on or across the Easement by Grantee, shall be removed by Grantee at its sole cost and expense.
- 17. Notices.** Any and all notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered if delivered personally; (b) when sent if given by prepaid telegram or facsimile; or (c) three (3) days after the mailing thereof by first-class, postage prepaid, mail if mailed, at the respective addresses set forth below (or at such other address as may be designated in a written notice and given in accordance with this paragraph):

If to Grantor:

Dennis J. Bottino
6730 South 1405 East
Salt Lake City, Utah 84121

If to Grantee:

Plateau Mining Corporation
9100 East Mineral Circle
Englewood, CO 80112
Attention: Land Management
Department

With a Copy To:

Plateau Mining Corporation
847 NW Highway 191
Helper, Utah 84526
Attn: Tech Services

- 18. Governing Law.** The Agreement shall be construed in accordance with and governed by the laws of Utah. Each of the parties hereto consents to the jurisdiction of any appropriate court in the State of Utah in the event there is a dispute or disagreement arising out of this Agreement.
- 19. Severance.** Should any portion of this Agreement be declared invalid and unenforceable, then such portion shall be deemed to be severed from this Agreement and shall not affect the remainder thereof.
- 20. Assignment.** This Agreement or Grantor's and Grantee's rights and obligations hereunder may not be assigned or otherwise transferred in whole or in part without the other party's prior written consent, which consent shall not be unreasonably withheld; however, Grantee may, without consent, assign or transfer its rights and obligations hereunder to any subsidiary or affiliate of Grantee. Any assignment or transfer in violation of this provision shall be deemed void and invalid.
- 21. Further Assurances.** Grantee, at the request of Grantor, shall execute and deliver to Grantor any available instruments, agreements, documents, permits or applications, or any other papers reasonably required by Grantor, and Grantee shall do such other acts as may be reasonably requested by Grantor, all to effect the purposes of this Agreement. Conversely, Grantor, at the request of Grantee, shall execute and deliver to Grantee any available instruments, agreements, documents, permits or applications, or any other papers reasonably required by Grantee, and Grantor shall do such other acts as may be reasonably requested by Grantee, all to effect the purposes of this Agreement.
- 22. Counterpart Agreements.** This Agreement may be executed in any number of counterparts and shall be binding each party executing the same or a counterpart hereof.
- 23. Construction.** Paragraph headings in this Agreement are inserted for convenience only, and shall not be considered a part of this Agreement, or used in its interpretation. Unless otherwise provided, or unless the context shall otherwise require, words importing the singular number shall include the plural number, words importing the masculine gender shall include the feminine gender, and vice versa. This Agreement shall not be construed against either party merely or solely because of the draftsmanship hereof.
- 24. Binding Effect.** All the terms, conditions, reservations, covenants and restrictions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of each of the parties hereto.

IN WITNESS WHEREOF, both Grantor and Grantee have executed this Easement Agreement effective as of the date first above written.

GRANTOR:

Dennis J. Bottino
Dennis J. Bottino

Peter Bottino
Peter Bottino

J. Michael Stuart
J. Michael Stuart
Mica

Steve O'Berto
Steve O'Berto

John B. O'Berto
John B. O'Berto

GRANTEE:

PLATEAU MINING CORPORATION

By: Frank J. Wood

Name: Frank J. Wood

Title: Vice President

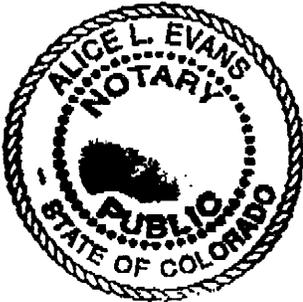
CORPORATE ACKNOWLEDGEMENT - UTAH

STATE OF COLORADO

)
)ss.
)

COUNTY OF ARAPAHOE

On the 24th day of Sept. A.D. 1999, personally appeared before me Frank J. Wood who, being by me duly sworn, did say, that he is a Vice President of Plateau Mining Corporation, and that said instrument was signed in behalf of said corporation by authority of its by-laws, and said Frank J. Wood acknowledged to me that said corporation executed the same.



My Commission Expires 4-3-2003

Alice L. Evans
Notary Public

9100 E. Mineral Circle
Englewood, CO 80122

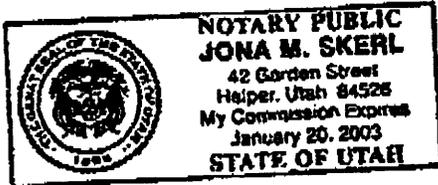
Address _____
My Commission expires 4-3-2003

INDIVIDUAL ACKNOWLEDGEMENT - UTAH

STATE OF UTAH

COUNTY OF CARBON)
)ss.

On the 2 day of Sept, 1999, personally appeared before me, Dennis J. Bottino
the signer of the above instrument, who duly acknowledged to me that they executed the same.



Jona M. Skerl
Notary Public
Residing in the State of Utah

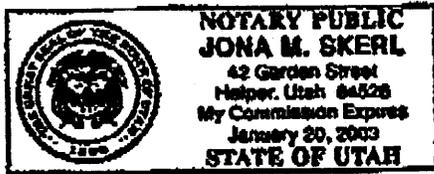
My Commission expires 1/20/03

INDIVIDUAL ACKNOWLEDGEMENT - UTAH

STATE OF UTAH

COUNTY OF CARBON)
)ss.

On the 2 day of Sept, 1999, personally appeared before me, Pete Dennis J. Bottino
the signer of the above instrument, who duly acknowledged to me that they executed the same.



Jona M. Skerl
Notary Public
Residing in the State of Utah

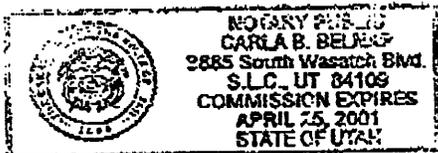
My Commission expires 1/20/2003

INDIVIDUAL ACKNOWLEDGEMENT - UTAH

STATE OF UTAH

COUNTY OF SALT LAKE)
)ss.

On the 17 day of Sept, 1999, personally appeared before me, g. michele Stuart
the signer of the above instrument, who duly acknowledged to me that they executed the same.



Carla B. Belnap
Notary Public
Residing in the State of Utah

My Commission expires 4/25/2001

INDIVIDUAL ACKNOWLEDGEMENT - UTAH

STATE OF UTAH

COUNTY OF

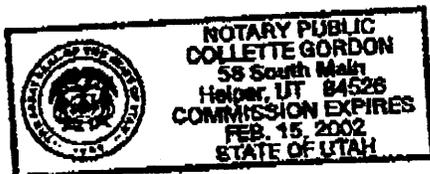
Carbon)
)ss.

On the 3 day of Sept, 1999, personally appeared before me, John Boberto
the signer of the above instrument, who duly acknowledged to me that they executed the same.

Collette Gordon

Notary Public
Residing in the State of Utah

My Commission expires 2-15-2002



INDIVIDUAL ACKNOWLEDGEMENT - UTAH

STATE OF UTAH

COUNTY OF

Carbon)
)ss.

On the 3 day of Sept, 1999, personally appeared before me, Steve Oberto
the signer of the above instrument, who duly acknowledged to me that they executed the same.

Collette Gordon

Notary Public
Residing in the State of Utah

My Commission expires 2-15-2002

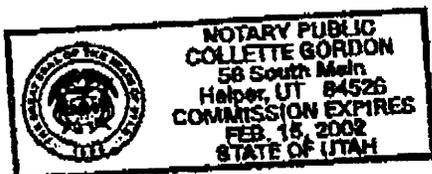


EXHIBIT 'A'

Attached to and made a part thereof that certain Easement Agreement dated effective the 24th day of September, 1999, between Dennis J. Bottino, Peter Bottino, J. Michael Stuart, J. Steve O'Berto and John B. O'Berto, collectively Grantor and Plateau Mining Corporation, Grantee. An easement for a drill road across certain portions of real property described as follows:

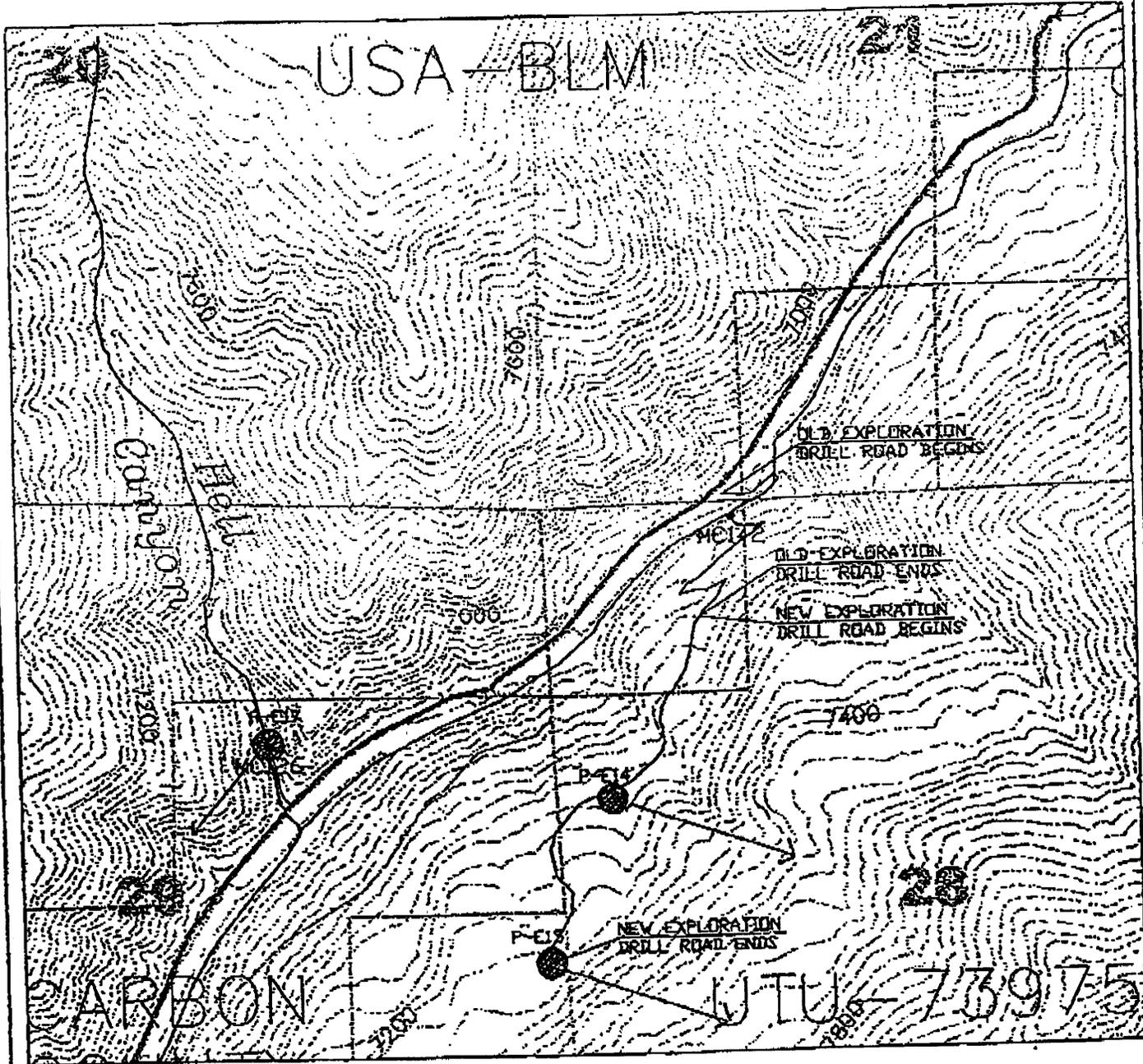
Township 12 South, Range 10 East, SLM

Section 21: SE $\frac{1}{4}$ SW $\frac{1}{4}$

Section 28: NW $\frac{1}{4}$ NW $\frac{1}{4}$

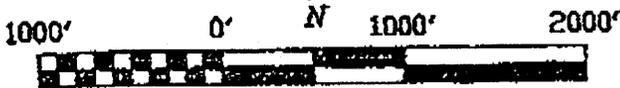
EXHIBIT 'B'

Attached to and made a part thereof that certain Easement Agreement dated effective the 24th day of September, 1999, between Dennis J. Bottino, Peter Bottino, J. Michael Stuart, J. Steve O'Berto and John B. O'Berto, collectively Grantor and Plateau Mining Corporation, Grantee. A 30 foot wide easement for a drill road across certain portions of real property generally depicted as follows:



PLATEAU MINING CORPORATION

847 NORTHWEST HWY. 191
 HELPER, UTAH 84526
 PHONE: (435) 472-4716



DATE	BY	REV.	DATE