



P.O. BOX 1077
PRICE, UTAH 84501
PHONE: (435) 888-4000
FAX: (435) 888-4002

July 2, 2004

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

Re: Incidental Boundary Change Application Adding Penta Creek Fee Lease, West Ridge Mine, C/007/0041

Dear Sirs,

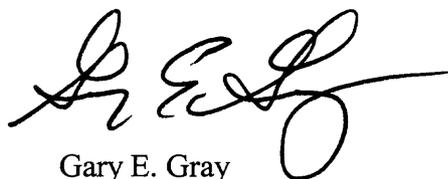
WEST RIDGE Resources, Inc. is enclosing an incidental boundary change application for its West Ridge Mine, Permit C/007/0041. This change adds a small area of leased Penta Creek Fee Lease to the permit area. The legal description of the incidental boundary change area is:

T14S R14 E, SLBM, Section 7: SE 1/4 SW 1/4 ^N and SW 1/4 NE 1/4 SW 1/4.

comprising of 50.00 acres.

Call me at 435-564-4015 if you have any questions.

Sincerely



Gary E. Gray
Agent/Engineer

RECEIVED
JUL 02 2004
DIV. OF OIL, GAS & MINING

APPLICATION FOR PERMIT PROCESSING

<input checked="" type="checkbox"/> Permit Change	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: C/007/041
Title of Proposal: Incidental Boundary Change for a 50.0 acre area of the Penta Creek Fee Lease (Correction of legal description)						Mine: WEST RIDGE MINE
						Permittee: WEST RIDGE Resources, Inc.

Description, include reason for application and timing required to implement.

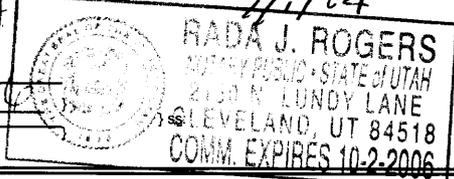
Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? <u>3.65</u> acres Disturbed Area? _____ acres <input checked="" type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input type="checkbox"/> No	2. Is the application submitted as a result of a Division Order?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	9. Is the application submitted as a result of a Violation?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain:
<input type="checkbox"/> Yes	<input type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

Attach 3 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein. (R645-301-123)

Signed: [Signature] Name - Position - Date
_____ _____ 7/1/04
 Subscribed and sworn to before me this 1st day of July, 2004
[Signature]
 Notary Public
 My Commission Expires: 7/1/2006
 Attest: [Signature]
 STATE OF _____ COUNTY OF _____



Received by Oil, Gas & Mining
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JUL 02 2004
 DIV. OF OIL, GAS & MINING
 ASSIGNED TRACKING NUMBER

R645-301-114

RIGHT OF ENTRY INFORMATION

114.100 WEST RIDGE Resources, Inc., currently holds 4,297.01 acres of federal coal (2,650.67 acres leased under SL-068754 and 1646.34 acres leased under UTU 78562) in the Book Cliffs coal field (refer to Map 5-4A). WEST RIDGE currently holds 1682.34 acres of state coal (801.24 acres under ML 47711 and 881.10 under ML 49287). These leases are not included in the permit area. WEST RIDGE also holds a 382.08 acre lease on contiguous private (fee) coal lands located along the eastern side of the mineable reserve (see Appendix 1-14). Within this fee lease 124.92 acres are included in the permit area. These leases are not the subject of any pending litigation. WEST RIDGE Resources, Inc. bases its legal right to enter and conduct mining activities in the permit area pursuant to the language contained in the Federal Coal Lease, Part I Lease Rights Granted which reads as follows:

"That the lessor, in consideration of the rents and royalties to be paid and the covenants to be observed as hereinafter set forth, does hereby grant and lease to the lessee the exclusive right and privilege to mine and dispose of all the coal in, upon, or under the following described tracts of land, situated in the State of Utah... together with the right to construct all such works, buildings, plants, structures and appliances as may be necessary and convenient for the mining and preparation of the coal for market, the manufacture of coke or other products of coal, the housing and welfare of employees, and subject to the conditions herein provided, to use so much of the surface as may reasonably be required in the exercise of the rights and privileges herein granted."

The substitute topsoil borrow area, which is also included within the permit area, is located on lands administered by the State of Utah, School and Institutional Trust Lands Administration (SITLA). This area is located within the SE1/4 of section 16, T 14 S, R 13 E. SITLA has issued a long term special use permit to WEST RIDGE Resources, Inc. which provides full assurance that the topsoil resource in this area will be available for (and, indeed dedicated to) final reclamation of the West Ridge minesite if needed. (See Appendix 1-4)

Coal lease SL-068754-U-01215 was modified by the BLM. Refer to Appendix 1-9 for the coal lease modification.

The permit area consists of federal coal leases SL-068754-U-01215 and UTU 78562 (4297.01 acres as described in Table I-1), the Penta Creek fee lease (124.92 acres as described in Table 1-2B), along with a special use state surface lease (9.6 acres as described in Table I-2A). The two areas are not contiguous however. The 9.6 acre state surface lease is for a possible topsoil borrow site if it is needed at the time of final reclamation. This permit area also includes a 0.23 acre right-of-way issued by the BLM for a water pumping station (refer to Appendix 1-12). The permit area also includes a 0.79 acre area along the Carbon County C Canyon Road down to and including the security gate (refer to Appendix 1-13). The total permit area is 4432.55

**TABLE I-2B
PENTA CREEK FEE LEASE PROPERTY
ACQUIRED JANUARY 1, 2003**

<u>LEGAL DESCRIPTION (TOTAL LEASE)</u>	<u>ACREAGE</u>
T 14 S, R 14 E S.L.B.& M	
Section 6: Lot 7, SE $\frac{1}{4}$ SW $\frac{1}{4}$	76.56
Section 7: Lot 1*, Lot 2*, NE $\frac{1}{4}$ NW $\frac{1}{4}$,* E $\frac{1}{2}$ SW $\frac{1}{4}$,* SW $\frac{1}{4}$ SE $\frac{1}{4}$	190.60
Section 18: Lots2, Lot 3, NW $\frac{1}{4}$ NE $\frac{1}{4}$	114.92
<p>Less and excepting from the portion of the above legal subdivisions in Section 7 (marked with *), those lands under and around Grassy Trail Dam and Reservoir owned by East Carbon City and Sunnyside City, such lands being more accurately described in Appendix 1-15.</p>	
Total Penta Creek Fee Lease:	382.08

<u>LEGAL DESCRIPTION (PERMIT AREA ONLY)</u>	<u>ACREAGE</u>
T 14 S, R 14 E S.L.B.& M	
Section 7: SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$	50.00
Section 18: Lot 2, Lot 3	74.92
Total Penta Creek Fee Lease Within Permit Area:	124.92

**Table 1-3
Surface Ownership**

T(S)/R(E)	Section	BLM	Penta Creek	Pagano	Wells	Rauhala	SITLA	Total
13/13	35	-	-	168.91	71.09	-	-	240.0
14/13	1	283.75	285.77	-	-	39.92	-	609.44
14/13	10	360	-	-	-	-	-	360
14/13	11	650.87	-	-	-	-	-	650.87
14/13	12	-	648.96	-	-	-	-	648.96
14/13	13	640	-	-	-	-	-	640
14/13	14	440	-	-	-	-	-	440
14/13	15	40.79	-	-	-	-	-	40.79
14/13	16	-	-	-	-	-	9.6	9.6
14/13	21	0.23	-	-	-	-	-	0.23
14/13	24	440	-	-	-	-	-	440
14/14	6	36.41	-	-	-	-	-	36.41
14/14	7	74.08	50.00	-	-	-	-	124.08
14/14	18	117.25	74.92	-	-	-	-	192.17
		3082.38	1059.65	168.91	71.09	39.92	9.6	4432.55

**TABLE 1-4
LEGAL DESCRIPTION OF PERMIT AREA**

<u>PARCEL</u>	<u>ACREAGE</u>	<u>LEGAL DESCRIPTION</u>
FEDERAL LEASE SL-068754-U-01215	2,570.67	T 14 S, R 13 E Section 10: NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ Section 11: All Section 12: S $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 13: NW $\frac{1}{4}$, S $\frac{1}{2}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 14: E $\frac{1}{2}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 24: N $\frac{1}{2}$ SE $\frac{1}{4}$, N $\frac{1}{2}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$
FEDERAL LEASE SL-068754 (Lease Modification)	80.0	T 14 S, R 13 E Section 10: SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 15: NE $\frac{1}{4}$ NE $\frac{1}{4}$
FEDERAL LEASE UTU-78562	1,646.34	T 13 S, R13 E Section 35: SE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ T 14 S, R 13 E Section 1: Lots 2-7 S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 12: Lots 1-4 S $\frac{1}{2}$ N $\frac{1}{2}$, SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 13: NE $\frac{1}{4}$ NE $\frac{1}{4}$ T 14 S, R 14 E Section 6: Lot 6 Section 7: Lots 3 and 4 Section 18: Lot 1 E $\frac{1}{2}$ NW $\frac{1}{4}$

**TABLE 1-4 (CONTINUED)
LEGAL DESCRIPTION OF PERMIT AREA**

<u>PARCEL</u>	<u>ACREAGE</u>	<u>LEGAL DESCRIPTION</u>
PENTA CREEK FEE LEASE	124.92	T 14 S, R 14 E Section 7: SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 18: Lots 2, 3
PUMPING STATION (BLM R.O.W. UTU-77120)	0.23	T 14 S, R 13 E Section 21: NE $\frac{1}{4}$ NE $\frac{1}{4}$
TOPSOIL SALVAGE AREA (SITLA special use agreement #1163)	9.6	T 14 S, R 13 E Section 16: NE $\frac{1}{4}$ SE $\frac{1}{4}$
SECURITY GATE (Carbon County authorization)	0.79	T 14 S, R 13 E Section 15: NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$
TOTAL PERMIT AREA	4432.55	

R645-301-115 STATUS OF UNSUITABILITY CLAIMS

115.100 The proposed permit area is not within an area designated as unsuitable for mining. WEST RIDGE Resources, Inc. is not aware of any petitions currently in progress to designate the area as unsuitable for coal mining and reclamation activities.

The area in which the proposed facility will be located has been evaluated within area management plans. It has not been found unsuitable for mining activities under any categories of examination.

115.200 Not applicable.

115.300 WEST RIDGE Resources, Inc. will not be conducting mining operations within 100 feet of an occupied dwelling. WEST RIDGE Resources, Inc. has received permission from Carbon County to construct facilities and operate coal mining activities within 100 feet of a public road. Refer to the letter from Carbon County in Appendix 1-8.

R645-301-116 PERMIT TERM

116.100 The anticipated starting and termination dates of the coal mining and reclamation operation are as follows:

	<u>Begin</u>	<u>Complete</u>
Construction of Mining Pad, Mining Support Structures, and Portals	Apr. 1999	Dec. 1999
Begin Mining	Jan. 2000	
Terminate Mining		Dec. 2017*
Remove Facilities	Jan. 2018*	June 2018*
Regrade Area	July 2018*	Sept. 2018*
Revegetate Site	Oct. 2018*	Nov. 2018*

*This assumes mine life extended through acquisition of adjacent state and federal coal reserves.

Approximately 4,432.55 acres will be within the permit boundary. Of this acreage, about 25 acres will be utilized for surface facilities and structures. The proposed surface facilities should be capable of supporting the life of the mine operations as presented in this permit application.