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C/007/041 Incoming Fireproof
#3082

FEDERAL **Permit Number C/007/0041** **April 1, 2009**

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, C/007/0041, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

WEST RIDGE Resources, Inc.
P.O. Box 1077
Price, Utah 84501
(435) 564-4000

for the West Ridge Mine. A Surety Bond is filed with the Division in the amount of $2,117,000 payable to the State of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSM). Coal mining and reclamation operations will be conducted on Federal Leases SL-068754-U-01215 and UTU-78562, State Leases ML 47711, ML 49287, on State Special Use Lease #1163 and on the Penta Creek fee lease. DOGM must receive a copy of this permit signed and dated by the permittee.

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 coal mining and reclamation operations on the following described lands within the permit area at the West Ridge Mine, situated in the state of Utah, Carbon County. The area under permit is 6114.89 acres and is delineated on U.S.G.S. 7½ minute topographic maps as follows:

Township 13 South, Range 13 East

Section 35: SE1/4, S1/2SW1/4;
Section 36: SW1/4.

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DIV. OF OIL, GAS & MINING

Township 14 South, Range 13 East

Section 1:	Lots 2 - 7, S1/2NW1/4, SW1/4, W1/2SE1/4, SW1/4NE1/4;
Section 2:	Lots 1 - 4, S1/2N1/2, S1/2;
Section 3:	Lots 1 - 3, S1/2N1/2, S1/2;
Section 10:	NE1/4, N1/2SE1/4, E1/2NW1/4, SE1/4SE1/4, W1/2NW1/4, SW1/4, SW1/4SE1/4;
Section 11:	All;
Section 12:	All;
Section 13:	All;
Section 14:	E1/2, N1/2NW1/4, SE1/4NW1/4;
Section 15:	NE1/4NE1/4; portion of NW1/4SE1/4NE1/4 (security gate);
Section 16:	Portions of NE1/4 SE1/4 (9.6 acres); and
Section 21:	Portion of NE1/4NE1/4 (pumping station)
Section 24:	N1/2SE1/4, N1/2, NE1/4SW1/4

Township 14 South, Range 14 East

Section 6:	Lot 6;
Section 7:	Lots 3 and 4, SE1/4SW1/4, SW1/4NE1/4SW1/4, SE1/4SW1/4, SW1/4NE1/4SW1/4;
Section 18:	Lots 1, 2, 3, E1/2NW1/4;

This legal description is for the permit area of the West Ridge Mine and is shown on Map 5-2 (Surface Ownership Map) of the West Ridge Mine Mining and Reclamation Plan. The permittee is authorized to conduct coal mining and reclamation operations 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 is effective on April 1, 2009 and expires on April 1, 2014.

Sec. 5 **ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Division Director. 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 coal mining and reclamation operations 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: John R. Baza

Date: 3/24/09

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

P. Bruce Hill

Authorized Representative of Permittee

Date: 4/1/09

Attachment A

SPECIAL CONDITIONS

1. This permit specifically authorizes West Ridge Resources, Inc. to conduct an experimental practice in conjunction with their approved Coal Mining and Reclamation Operations at the West Ridge Mine, which allows for the protection of topsoil "IN-PLACE" rather than salvaging soil and stockpiling it for future reclamation. West Ridge Resources, Inc. will follow the plans as outlined in the approved Mining and Reclamation Plan, Chapter 2 and Appendix 2-6 and will be required to evaluate the effectiveness of the experimental practice on an annual basis. The Division will conduct annual reviews of the practice to ensure that it fully protects the environment and the public health and safety. In the event that the experimental practice is determined to be not as environmentally protective as would otherwise be required by standards promulgated under R645-301 and R645-302, revised reclamation plans which utilize standard reclamation technology will be required.

2. West Ridge Resources, Inc. must submit water quality data for the West Ridge Mine in an electronic format through the Electronic Data Input web site, http://hlunix.hl.state.ut.us/cgibin/appxogm.cgi.

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AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Richard Shaw, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and the first publication was on the 27th day of January, 2009, and that the last publication of such notice was in the issue of such newspaper dated the 17th day of February, 2009.

Richard Shaw - Publisher

Subscribed and sworn to before me this 17th day of February, 2009.

Notary Public My commission expires January 10, 2011 Residing at Price, Utah

Publication fee, $ 798.72

LINDA THAYN
NOTARY PUBLIC - STATE OF UTAH
845 EAST MAIN
PRICE, UTAH 84501
COMM. EXP. 01-10-2011

PUBLIC NOTICE FOR PERMIT RENEWAL
WEST RIDGE MINE

West Ridge Resources, Inc., P.O. Box 910, East Carbon, Utah, has filed with the Utah Division of Oil, Gas and Mining an application for renewal of the existing Mining and Reclamation Permit C/007/041 for the West Ridge Mine located at 749 C Canyon Road, East Carbon, Utah. The permit area is located in Carbon County, depicted on the Sunnyside and Mt. Bartles USGS topographic quadrangle maps.

The existing permit area is described as follows:

T13S, R13E	Section 35	SE1/4, S1/2SW1/4
	Section 36	SW1/4
T14S, R13E	Section 1	Lots 2-7, S1/2NW1/4, SW1/4, W1/2SE1/4, SW1/4NE1/4
	Section 2	All
	Section 3	Lots 1, 2, 3, S1/2N1/2, S1/2
	Section 10	All
	Section 11	All
	Section 12	All
	Section 13	All
	Section 14	E1/2, N1/2NW1/4, SE1/4NW1/4
	Section 15	NE1/4NE1/4, NW1/4SE1/4NE1/4 (part thereof, containing security gate)
	Section 16	NE1/4SE1/4 (part thereof, containing substitute topsoil area)
	Section 21	SE1/4NE1/4 (part thereof, containing pumping station)
	Section 24	N1/2SE1/4, N1/2, NE1/4SW1/4
		T14S, R14E
	Section 6	Lot 6
	Section 7	Lots 3, 4, SE1/4SW1/4, SW1/4NE1/4SW1/4
	Section 18	Lots 1, 2, 3, E1/2NW1/4

Total permit area = 6114.89 acres.

Within the permit area are located the following disturbed areas:

1) Minesite surface facilities: portions of the following, totaling 28.83 acres

T14S, R13E	Section 10	SE1/4SE1/4SE1/4
		NE1/4SE1/4SE1/4
T14S, R13E	Section 11	SW1/4NE1/4SW1/4
		NW1/4SE1/4SW1/4
		NE1/4SW1/4SW1/4
		NW1/4SW1/4SW1/4
		SW1/4SW1/4SW1/4
		SE1/4SW1/4SW1/4
T14S, R13E	Section 15	NE1/4NE1/4NE1/4
		NW1/4NE1/4NE1/4
		SW1/4NE1/4NE1/4
		SE1/4NE1/4NE1/4
		NW1/4SE1/4NE1/4

2) Pumphouse: portion thereof of the following, containing 0.23 acres

T14S, R13E	Section 21	SE1/4NE1/4

3) Gob gas vent hole (GVH) installation: portion thereof of the following, containing 0.24 acres

T14S, R13E	Section 3	NE1/4SW1/4SE1/4

3) Gob gas vent hole (GVH) topsoil pile: portion thereof of the following, containing 0.1 acres

T14S, R13E	Section 10	SE1/4NW1/4NW1/4

Total disturbed area = 29.40 acres

A copy of this application is available for inspection at the Division of Oil, Gas and Mining at 1594 West North Temple, Suite 1210, Salt Lake City, Utah. Comments, objections, or requests for informal conference on the application should be submitted within 30 days to: Utah Coal Program, Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah 84114-5801.

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